MALAYSIA

CRISIS OF IDENTITY

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FOREWORD

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In April 1985, the Government belatedly and very formalistically, celebrated the Silver Jubilee of the Malaysian Parliament. There was no attempt to assess and evaluate the record of the last 25 years' of parliamentary democracy in Malaysia, to ascertain whether there is more to lament than to celebrate.

There are people, especially those in power, whose concept and proof of parliamentary democracy in Malaysia is the imposing Parliament House, the regular holding of general elections and the existence of Members of Parliament. To them, these are evidence enough of the functioning of parliamentary democracy in Malaysia.

In July last year, during the debate on my motion on parliamentary democracy in Malaysia, the Gerakan MP for Tanjong, Dr. Koh Tsu Koon, argued that the fact that in every general elections, there is a high voter turn-out of over 70% shows that there is a successful parliamentary democracy. By Dr. Koh's reasoning, the Soviet Union must be the most democratic country in the world for they can get 99% or even 100% turn out in their elections!

These are peopie who are solely concerned about the external trappings and form but not the substance and meaning of parliamentary democracy. In the July Parliamentary debate, for instance, the Gerakan Deputy Agriculture Minister, Dr. Goh Cheng Teik, welcomed the Opposition to make hard-hitting criticisms in Parliament, if the drains were clogged, garbage not collected, or the power supply broken down but he did not want the Opposition to raise big issues, which could be emotional or what he said *'exploited'*. By this, Dr.

Goh meant Parliament is not a place for the major national problems, like human rights, poverty, injustice, corruption, racial polarisation, national disunity, or issues like the $2.5 billion BMF Scandal, the Memali Incident or the Sabah Crisis to be raised.

Parliamentary democracy means nothing if it does not mean the democratic right of the people to decide Malaysia's national destiny and the right of Parliament as the apex of the political system to be the final repository of the people's trust and power.

Unfortunately in the last 29 years since Merdeka, parliamentary democracy in Malaysia had suffered the double-pincer attack where the democratic rights of the people had been relentlessly curtailed, while Parliament's role as the highest legislative and deliberative chamber in the country progressively usurped!

One will not be far wrong for saying that the history of parliamentary democracy in Malaysia is the history of the progressive emasculation of the democratic rights of the people and the principle of parliamentary sovereignty.

Parliamentary democracy cannot operate in a vacuum, with only an imposing Parliament House and regular general elections. Human rights is a pre-condition to democracy, and the trampling of human rights is also the trampling of democracy in Malaysia.

The fundamental rights of freedom of speech, expression, assembly, and association enshrined in the Malaysian Constitution have been so qualified and limited that they are no more fundamental rights, but have become fundamental wrongs!

Parliamentary democracy comes under attack when the people do not have the fundamental right to free press, expresssion and information to enable them to make intelligent choices from competing policy alternatives, viewpoints, political parties and candidates.

If through the government control over the press, radio and television and other forms of mass media, the people are presented virtually with only one voice or one view, and a whole paraphernalia of repressive laws are used to shut out alternative views, whether by the ban on public rallies, or the use of the Universities and University Colleges Act, the Trade Unions Act, the Official Secrets Act, the Sedition Act and the Printing Presses and Publications Act etc to prevent the free expression of dissent by the political opposition, trade union and peasant leaders, university academicians and students, then the parliamentary democracy that we have in Malaysia is far from a genuine article.

As a result, the freedom to vote in Malaysia has been deprived of much of its meaning and substance, not only because of unfair electoral weightage and delineation of constituencies, but most important of all, because of the deprivation of the voter the right to information and opinion to enable him to freely and intelligently exercise his vote.

Parallel with the relentless erosion of the fundamental liberties of the people is the progressive degradation of Parliament's role to a mere rubber stamp of the Executive without a mind or a will of its own.

In his speech at the Eighth Malaysia Law Conference in November 1985, the Prime Minister said that *'If a democracy is to survive, the limits of the freedom granted must be observed judiciously. The division and the balance of power between the legislative, the executive and the judiciary must be observed.'*

The person most guilty of upsetting the *'division and balance of power between the legislative, the executive and the judiciary'* is none other than the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, himself.

Over the years, the Executive (or to be more correct, the Prime Minister) had repeatedly usurped the powers of the legislative and judiciary.

The 1983 Constitutional Crisis is the best example, for not only was Parliament required to adopt the Constitutional amendments affecting the position of the Rulers without question, knowledge or understanding of the likely implications and repercussions, Cabinet Ministers were as much in the dark as ordinary Barisan Nasional MPs.

The Barisan Ministers have now become so addicted to usurping the powers and role of Parliament that they seemed to have turned the principle of parliamentary sovereignty upside down, believing that it is no more Parliament which is supreme and sovereign, but the Ministers; that it is no more the Executive answerable to Parliament, but the reverse!

This explained why when I asked in Parliament in October 1985 the latest estimates for the total costs of the Lumut Naval Base, which had already faced $720 million cost overruns from the original $480 million to $1.2 billion, and whether nuclear missile facilities are being installed at the Base, the Ministry of Defence refused to answer on the ground that it involved government secrecy.

The government goes to Parliament for approval for allocation to the Ministry of Defence, but when MPs asked for information about the expenditure, they are told that it is *'secret'* — including the total costs of the Lumut Naval Base!

If Parliament has a mind and a will of its own, and understands the meaning of the principle of sovereignty of Parliament, then Parliament should not vote a single cent for the Ministry of Defence's budget and let Mindef crawl to Parliament to beg for the money!

But then, this is expecting MPs to know their rights, powers and responsibilities, as well as their historic role to promote and defend parliamentary democracy in Malaysia.

If this is the case, there would not have been the incident when the Minister in the Prime Minister's Department, Datuk Mohamed Khalil Ya'akob, tried to interrupt me from talking about Petronas during the Committee Stage on the Prime Minister's Department in November 1985 on the ground that there was no vote provided for Petronas.

Datuk Khalil forgot that he was paid his Ministerial salary to partly look after Petronas, and if Petronas could not be discussed in Parliament because there was no direct vote to Petronas, then he must be prepared to suffer a salary cut to his Ministerial pay.

The sad thing about the episode was that Barisan backbenchers jumped up to support the Minister in his attempt to stop me from talking about Petronas' affairs, when they should be defending Parliament's right to hold Petronas to public account!

The height of irresponsibility by the parliamentary majority took place in October 1985 when Government MPs voted in rejection of the Fifth Parliamentary Accounts Committee Report because I had moved a motion to adopt it. What must cap it all was that the Chairman of the Fifth PAC, Datuk Lee Boon Peng, by then a mere backbencher in the Sixth Parliament, also voted to reject his own PAC Report. This must be the only instance of parliamentary 'filicide' — 'killing of son or daughter' — in Commonwealth Parliamentary history.

Parliament, as presently constituted, has abdicated from its responsibility as the custodian of parliamentary democracy, to protect fundamental rights enshrined in the constitution, to check the abuses of governmental power as in the illegitimate exercise of emergency powers (to the extent that Malaysians are today living under four Proclamations of Emergency) and preserve the delicate division and balance of power between the legislative, the executive and the judiciary.

Sabah Crisis

Parliament's failure is best seen in the rejection of my attempt to adjourn the Dewan Rakyat on March 19, 1986 to discuss the Kota Kinabalu riot that morning, and the campaign of agitation and escalation of fear, unrest and violence through illegal demonstrations, bomb blasts, arson and rioting to topple the elected system of government by violent and unconstitutional means.

The Deputy Speaker, Dr. Hamid Pawanteh, ruled however that though he agreed that my application was a definite matter of public importance, it was not *'urgent'* enough to require the adjournment of the House to immediately debate it.

I had yesterday written to the Star's letters page to reply to Tan Sri Ghazalie Shafie who typified the attitude held by Barisan Nasional leaders to the Sabah situation.

This is my letter on the Sabah situation:

Editor,
Star.

9.4.1986

Sir,

Sabah: Democracy in Chains

Tan Sri Ghazalie Shafie writes in today's Star to clear the "mental confusion" of a "a well-informed Western journalist" who asked him the question: "Why does not the Federal Government allow Mr. Pairin to govern Sabah?"

At the end of his long letter, Tan Sri Ghazalie Shafie has succeeded only in showing that it was he himself who is full of "mental confusion" on the Sabah question, and who had failed to dichotomise his thought as to the role of a government and the role of a political party.

From the outset, I must state that the question posed by the "well-informed Western journalist", is a question which the overwhelming majority of the people of Sabah and Malaysia had been asking for the last 11 months since the PBS general elections victory in Sabah in April 1985.

Tan Sri Ghazalie denies that the Federal Government had by "some positive act" prevented the State Government from functioning.

When he was Home Affairs Minister, many persons were detained indefinitely under the Internal Security Act for 'directly or indirectly,

consciously or unconsciously, wittingly or unwittingly, knowingly or unknowingly' either helping the Communist United Front cause or other grave national crimes.

In the Sabah case, the Federal Government cannot even plead that it had 'unwittingly, unconsciously, or unknowingly' prevented the Sabah PBS State Government from governing, for from its acts of abdication of Federal Government responsibilities (which is a positive act), it had helped in the destabilisation of the PBS Sabah State Government.

Although the Sabah State Government is governed by the PBS, an opposition to the Barisan Nasional, Datuk Seri Dr. Mahathir Mohamed, using Tan Sri Ghazalie's vocabulary, should have dichotomised his role as Prime Minister of all Malaysians and his role as a political leader in his capacity as National Chairman of Barisan Nasional.

He was acting out his role as Barisan Nasional Chairman when he campaigned for Parti Berjaya in the 1985 Sabah state general elections, declaring that the Barisan Nasional would 'sink or swim' with Berjaya. We need not digress as to why Datuk Seri Dr. Mahathir was not keeping his promise to allow the Barisan Nasional to 'sink' in Sabah as Berjaya has virtually sunk in Sabah political waters — for without 'artificial respiration', Berjaya is likely to be completely wiped out from the Sabah political scene in the coming state general elections.

But Datuk Seri Dr. Mahathir had failed in his role as Prime Minister of Malaysia to ensure that all Malaysians, regardless of political affiliation or area, are entitled to the full guarantees of the Malaysian Constitution on democratic rights and freedoms, and to the protection of the Federal Government to uphold the Rule of Law.

Tan Sri Ghazalie Shafie argued that from Western democratic tenets, 'legal confrontational behaviour of opposition parties should not be regarded as unusual'.

What Sabah went through in the first 11 months of the PBS Government was not 'legal confrontational behaviour of opposition parties' but a systematic campaign of illegal, extra-constitutional and extra-parliamentary actions to topple the elected government of PBS by the tactics of fear and violence.

In Peninsular Malaysia, DAP members and supporters held peaceful walk and jog and cyclethons in 1984 in our campaign to Save Bukit China from demolition by the Malacca State Government, but the Federal Government did not regard these actions as 'usual' and instead, harassed and persecuted the participants, to the extent that there are still several court cases pending in various parts of the country.

Why did Tan Sri Ghazalie Shafie regard the bombings, arson, rioting, the causing of deaths and damage of some $10 million property as not 'unusual'?

Two days ago in Parliament, during the debate on the Election (Offences) Act Amendment Bill, I had referred to an earlier comment in Jasin by Barisan Nasional Secretary General and UMNO National Vice President, Ghaffar Baba, that the situation in Sabah was not serious as only five persons had died. I had asked how many persons must die in Sabah before the Federal authorities would regard the situation as serious?

Surely from his experience as the former Home Affairs Minister, Tan Sri Ghazalie Shafie would agree that it would have been very easy to nip in the bud the 12-day campaign of agitation and escalation of fear, unrest and violence through illegal demonstrations, bomb blasts, arson and rioting from March 12, 1986, and that the Federal Government must assume the fullest responsibility for the loss and injury of lives and destruction to property which ensued in those 12 days.

Surely he would agree that this spate of anarchy was well orchestrated and organised, as it could be called off and on at the command of the organisers as the situation demanded.

It is significant that Tan Sri Ghazalie Shafie had no word of condemnation or censure for the unlawful and violent acts perpetrated by the extremist political leaders — in the same way as the Prime Minister had never condemned the bomb blasts, arson and rioting, only to express his regret.

Would Tan Sri Ghazalie Shafie have stood idly aside during his tenure as Home Affairs Minister, if in Peninsular Malaysia, opposition parties had resorted to a conspiracy to destabilise the government through an orchestrated campaign of illegal demonstrations, bomb blasts, arson and rioting, describing these as 'usual' manifestation of a democracy 'alive and kicking'?

Why then is Tan Sri Ghazalie Shafie singing a different tune now?

When I visited Kota Kinabalu with the DAP MP for Sandakan, Sdr. Fung Ket Wing, on March 21, 1986, I called on the Sabah Commissioner of Police, Haji Ahmad Maulana, and conveyed to him our concern at the police inaction against political leaders involved in the campaign of fear, anarchy and violence in Sabah.

He assured me that the Police would take action against those involved, including political leaders. I asked what he was doing about the USNO MP for Kota Belud, Yahya Lampong, for instance, who was prominently involved in the Kota Kinabalu riot of March 19, as

the Sabah newspapers carried photographs of Yahya Lampong leading the illegal procession which became a riot, resulting in a dusk-to-dawn curfew being imposed on Kota Kinabalu. I asked him whether it was true that Yahya Lampong had escaped to Brunei.

Haji Ahmad Maulana said he could not confirm whether Yahya Lampong had escaped to Brunei, although the Police was looking for him and others. He again assured me that the Police would take action against all political leaders involved in the spate of incidents in Sabah, and that the Inspector General of Police, Tan Sri Haniff Omar, had issued him a directive to arrest all political leaders involved.

But to date, nothing has been done, and the directive of the IGP seems to have been rescinded. Is this also 'usual' in the eyes of Tan Sri Ghazalie?

Attempts to destabilise the PBS State Government by unlawful and unconstitutional means started right from the very beginning, as a spate of bomb explosions took place in Sabah in May last year.

I had telexed to the Prime Minister from Tawau at the end of May 1985 asking the Prime Minister to make an official visit to Sabah to assure all Sabahans that regardless of their political choice in the Sabah general elections, the Federal Government regard the people of Sabah as an integral part of Malaysia, and will not discriminate against them or allow anyone to use extra-constitutional and unlawful means to destablise the Sabah political situation. In other words, the Prime Minister should perform his role as the head of the Federal Government of all people in Malaysia.

Unfortunately, Datuk Seri Dr. Mahathir Mohamed had only time to tour the other states, especially in the pre-general election campaigning, and even to go on several overseas trips, but had no time to cross the South China Sea to Sabah until March 24, 1986, when he wanted to impose the UMNO's Sabah Formula on the PBS.

Tan Sri Ghazalie Shafie, in defending the Sabah Formula, said that the Barisan Nasional arrangement to solve the Sabah crisis stipulates "a willingness to resolve problems in the Barisan Nasional Supreme Council without publicity".

Tan Sri Ghazalie Shafie should know better than anyone else that nothing of consequence is ever taken up and resolved at the Barisan Nasional Supreme Council. From past history, the Barisan Nasional Supreme Council only meets at the behest of UMNO to approve UMNO proposals to sack or admit component member parties, or to endorse UMNO decisions which needed the Barisan Nasional imprimatur, as the ultimatum to the MCA to leave the Barisan Nasional

unless it resolved its party power struggle. Tan Sri Ghazalie Shafie should know that important policy problems are not even discussed and decided at Cabinet level, let alone the Barisan Nasional Supreme Council!

Tan Sri Ghazalie's letter has only lent greater justification to the question: "Why does not the Federal Government allow Mr. Pairin to govern Sabah?" In trying to defend the indefensible, Tan Sri Ghazalie had highlighted the responsibility of the Federal Government in the Sabah crisis.

It was none other then Tan Sri Ghazalie who in the early 1970s made the famous statement that in Malaysia, opposition parties are both unnecessary and evil. It would appear that Tan Sri Ghazalie is now advocating that the Barisan Nasional Opposition parties in Sabah should fully act their 'evil' role.

Tan Sri Ghazalie's distinction of 'consensual democracy' and 'confrontational democracy' is a very artificial one. Democracy can only succeed if there is a basic consensus by all political parties to accept the democratic rights of the people to choose the candidate, party or government of their preference, and to abide by the people's verdict until the next general elections to change the people's mind. Those who seek to undo the people's electoral verdict by unlawful, unconstitutional and extra-parliamentary means or condone such actions know nothing about 'consensus' or 'democracy'.

Tan Sri Ghazalie cannot justify the Federal Government's role, or the actions of the irresponsible and extremist political leaders in Sabah for the last one year by his play with the terms of 'consensual democracy' and 'confrontational democracy'. The issue is simple and straightforward: whether the Barisan Nasional believes only in democracy if it wins elections?

Yours sincerely,

sgd

Lim Kit Siang
Parliamentary Opposition Leader"

As this book goes to press, it is uncertain how the Sabah crisis will develop, for there are now new rumours that pressures are being applied to compel PBS to toe the Barisan Nasional line, and even that the Sabah state general elections might still be aborted at this late stage.

On 7th November 1985, I had sent a specially hand-delivered letter to the Sabah Chief Minister, Datuk Joseph Pairin Kitingan, pro-

posing an action which I felt would have gone a long way to stabilise the PBS State Government. My letter to the Sabah Chief Minister was as follows:

"YAB Datuk Joseph Pairin Kitingan, *7.11.1985*
Chief Minister,
Sabah.

YAB Datuk,

Political resolution of any doubt over legality of appointment of Chief Minister

As you are aware, I had right from the beginning criticised Tun Mustapha for his legal action to thwart the will of the people as expressed in the April 1985 general elections, and I had also publicly called on him to withdraw his suit challenging the legality of your appointment as Chief Minister.

I do not wish to discuss the legality of the question, which concerns a very technical point but the impending hearing of Tun Mustapha's suit by the Sabah High Court on November 18 has undoubtedly been responsible for the latest developments in the Sabah political and constitutional crisis.

I believe that whatever doubt over the legality of the appointment of the Chief Minister could be resolved by the political process without having to await for a Court determination of Tun Mustapha's suit, or even having to resort to the ultimate step of dissolving the Assembly to call for fresh general elections.

One political solution would be for you to summon the State Assembly, and while the Assembly is in session, for you to resign as Chief Minister. The Assembly should at the same sitting pass a vote of no confidence on Tun Mustapha, which will clear the way for the Yang di-Pertua Negeri to invite you to form the Sabah State Government.

This will once and for all remove the basis of Tun Mustapha's challenge. You will of course have to implicitly admit that there is doubt over the legality of your appointment as Chief Minister, but I believe the avoidance of repercussions that could arise from an adverse outcome, at least at the first instance, of Tun Mustapha's case outweigh any such admission.

In any event, as the purpose of this unusual move is to remove whatever doubt there may be over the legality of your appointment as Chief Minister (arising from a most astonishing series of events for

which you are not in any way responsible) so as to defuse the political and Constitutional crisis to allow the government to get on with the job of ruling the State. I commend for your consideration this political solution to cure the doubt over the legality of your appointment once and for all.

Yours sincerely,

sgd

Lim Kit Siang
Parliamentary Opposition Leader"

It is a pity Datuk Pairin did not try out my idea, for it was the doubt over the legality of his appointment as Chief Minister because of the earlier commission of Tun Mustapha by the Sabah Tuan Yang Terutama as Chief Minister which gave USNO and Berjaya the basis to sustain the long-protracted campaign to destabilise the PBS government through the whole range of political, legal, constitutional, unlawful, unconstitutional and extra-parliamentary means.

It was reported in today's press (April 18, 1986) that the Prime Minister had stated after the Barisan Nasional Supreme Council meeting on 9th April 1986, that there would be a *'free for all'* in the Sabah State general elections, and that the Federal Government would ensure that the Sabah State general elections would be conducted fairly and justly, and that the Federal Government would ensure that security would not be threatened.

The Federal authorities have the responsibilities and capabilities with the forces at its command to uphold law and order. The question is whether the Federal Government would carry out these responsibilities.

During the 12-day anarchy in Sabah last month with the spate of illegal demonstrations, bomb blasts, arson and rioting, the Federal Government leaders kept declaring that the *'Sabah situation is under control'*, while lives were continually being threatened and property damaged.

It would be no exaggeration to say that Sabahans, while welcoming Dr. Mahathir's assurance of *'fair and just'* elections and maintenance of security, want to see these assurances fulfilled, and not a repetition of the empty statements in March about the *'Sabah situation under control'*.

Two weeks ago, I received a letter from a Sabahan, who wrote: *"We are just ordinary citizens of Malaysia of Sabah origin, having strong confidence in the democratic process, our government and the administration of justice. Over the last 12 days, we have lost confidence in everything the ordinary citizen upholds. Our term of reference is the violence we witnessed and suffered and the loss of lives which are conveniently forgotten. We are outraged that our country intends to call an enquiry over the six female students who died in a road accident in Texas rather than the violently tragic deaths of people who believed the assurances that 'the situation is under control'. Is the State (of Sabah) such an unimportant child that doesn't even warrant any kind of reaction from our national leaders?"*

This is a cry from all Sabahans, of all races and religions.

I also welcome the Prime Minister's statement that the Sabah crisis was not a Muslim-Christian fight. He should have made this statement at the height of the Sabah anarchy in the 12 days in March when extremist irresponsible Sabah political leaders tried to give their attempt to topple the Pairin PBS Government the appearance of a holy Islamic struggle, in their use of the Kota Kinabalu state mosque and the call by USNO and Berjaya leaders to Muslims to unite against oppression and discrimination.

If the Prime Minister had made this statement right from the beginning about the Sabah crisis being not a Muslim-Christian fight, it would have gone a long way to expose the evil motives and de-escalate the campaign and agitation of fear, unrest and violence of the irresponsible and extremist Sabah political leaders; and the 12 days of anarchy would not have taken place!

I hope that the Prime Minister is not making these statements just because of the current PATA Conference, where some 2,500 delegates from all over the world are converging in Malaysia for the extravaganza in tourism — to be forgotten after the PATA gathering.

In the November 1985 Malaysia Law Conference, Dr. Mahathir said that if democracy is to survive, it must be understood that freedom is not licence. He said: *"Minorities too do have unlimited rights."* He should have added: *"Majorities also do not have unlimited rights."*

The experience of the DAP Parliamentary Group in the past four years in the Dewan Rakyat is that the two-thirds majority of the Barisan Nasional are often used to ride roughshod over established parliamentary conventions, traditions and principles.

Tyranny of the Majority in Parliament

On December 7, 1985, when I was debating the Dangerous Drugs (Special Preventive Measures) Amendment Bill, questioning the principle of retrospective legislation and the use of Parliament to pre-empt cases pending in court, the Speaker, Tan Sri Zahir Ismail, interjected to remark that Parliament was akin to the highest court in the land.

It is precisely for this reason that public confidence and respect in the system of parliamentary democracy can only be maintained if Parliamentary proceedings are not only fair, but seen to be fair.

Unfortunately, there had been numerous examples where parliamentary proceedings, especially with regard to privilege matters, were not only unfair, but clearly seen to be blatantly biased.

On December 6, 1985, I had sought to move a motion of privilege to refer the Information Minister, Datuk Rais Yatim, to the Committee of Privileges for misleading or even lying to the House on November 28, 1985. I had queried Datuk Rais why the Chinese operatic item, '*Toi Looi Hua*' specially staged by Sudirman and Noor Kumalasari in the television programme '*Setangkai Irama*' was subsequently excised by the RTM authorities. The Minister told Parliament that this was at the request of the two singers. This was rebutted by Sudirman's agent, Mike Bernie Chin, who said that the operatic item was conceived by Sudirman and that both singers had gone to the extent of hiring the Chinese classical costumes and learning the finer points of Chinese opera for the show as their contribution towards racial integration, in line with Government policy.

The Deputy Speaker, Dr. Hamid Pawanteh, refused to allow me to read out the privilege motion, disregarding two recent precedents in the House. The first was set by the Speaker, Tan Sri Zahir Ismail, during the privilege motion to suspend the DAP MP for Jelutong, Sdr. Karpal Singh, on November 22, 1984, when he overruled my objection with the decision that a privilege motion under Standing Order 26(1) (p) could be raised in the House without notice at any time.

The second precedent was set by Dr. Hamid Pawanteh himself on 19th November 1985, when I sought to move a privilege motion against the UMNO MP for Pasir Puteh, Wan Najib Wan Mohamed,

for uttering words likely to promote ill-will or hostility between the different communities. Wan Najib had said in Parliament on 14th November 1985 that *"Kalau kita hendak jaga adat kita, kalau kita ini orang Cina, pergilah ke negeri Cina. Kalau kita orang India, hendak jaga adat kita, pergilah ke India. Jangan kita hidup dalam masyarakat majmuk seperti ini."*

The Deputy Speaker, who was then in the Chair, recognised my right to read out the privilege motion in accordance with the precedent set by the Speaker, but ruled that it must give way in precedence to government business.

The Deputy Speaker had made a wrong ruling, not only because it went against the clear ruling of the Speaker in the motion against Sdr. Karpal Singh, on November 22, 1984, but because he had failed to understand that according to parliamentary traditions and conventions, it is the Speaker or Deputy Speaker who decides on whether to give precedence to privilege motions — which has nothing to do with giving way to government business.

He said that my privilege motion could be raised after the conclusion of *'official business'*, when he knew fully well that the Minister in the Prime Minister's Department, Datuk James Ongkili, was already standing up to move a motion that the Dewan Rakyat *'shall not adjourn until the completion of government business'* — phraselogy to mean that all non-government business, namely my two privilege motions against Wan Najib and Datuk Rais Yatim and my two substantive motions to question the Deputy Speaker's two other previous decisions, would be killed without time being allocated for their debate.

Clearly double standards were employed where privilege motions against the Opposition were given priority while privilege motions against Government MPs and Ministers 'killed' by the parliamentary manoeuvre of not giving time.

This is like a Court giving immediate dates to try criminal charges against Opposition Members, while refusing to set any date for trial of criminal charges against Government leaders, and even dragging out the fixing of dates indefinitely to avoid any 'trial' whatsoever. How can such a Court command any public respect or confidence? This is the style of operation of a Star Chamber, as in 17th century England, functioning as an engine of oppression, discrimination and injustice, and not as a even-handed Court guided by justice, integrity and fair play.

What was even more shocking was that the basic notions of the rules of natural justice were also alien and foreign to Dr. Hamid

Pawanteh, as illustrated by his conduct and rulings on November 19, 1985 with regard to my privilege motion against Wan Najib.

Dr. Hamid frequently quoted Standing Order 43, which provides that the decision of the Chair shall be final and not open to appeal or review except by way of a substantive motion, which does not require more than two days' notice. Yet when I moved two substantive motions under Standing Order 43 at the end of 1985 to challenge his decisions, time was not given for the debate.

In the March/April 1986 Parliament, I again gave notice to move the two privilege motions against Wan Najib and Datuk Rais Yatim, and the two substantive motions under Standing Order 43 to challenge the Deputy Speaker's decisions, but they again lapsed as no time was given to all four motions.

This means in effect that the check against abuse by the Speaker or Deputy Speaker in making arbitrary, biased or perverse decisions as provided for in Standing Order 43, had been completely rendered inoperative and meaningless by the further perverse decision and manoeuvre not to give time for debate for such substantive motions. A Speaker or Deputy Speaker can make any ruling he likes, however silly or unreasonable, knowing that even if a substantive motion is moved under Standing Order 43 to review and challenge his decision, the motion would be 'killed' for no time would be given for its debate.

Parliament cannot expect any public respect or confidence as the highest deliberative and legislative chamber, or even as the highest court in the land, if it operates in disregard of basic notions of justice and fair play, which govern proceedings of less august organisations and institutions and are even understood by student bodies.

In the latest parliamentary meeting in March/April 1986, DAP MPs ran into the problem of the Deputy Speaker's 'Nelson's eye' problem, where he refuses to see DAP MPs who stand up to ask supplementary questions during question time.

When I protested on the last parliamentary sitting on April 8, at the Deputy Speaker's 'Nelson's eye', Dr. Hamid Pawanteh said he could not allow me to *'monopolise'* the question time. On that day, I had only asked one supplementary question. The Parliamentary Reports during this four-week meeting show that UMNO back-benchers had asked several supplementaries each a day, without giving rise to problems of *'monopoly'*. How could my asking a second, or a third supplementary question create *'monopolistic'* problems?

It is true that DAP MPs ask more hard-hitting questions than Barisan Nasional MPs, but it is not the task of the Deputy Speaker to try to save Ministers or Deputy Ministers from embarrassment when they show their ignorance or incompetence during their reply.

In arbitrarily cutting down on the right of MPs to ask supplementary questions, the Deputy Speaker was defeating the purpose of question time, which is to elicit information from Ministers and which represents the most direct act of Ministerial accountability to Parliament.

Finally, I want to conclude on the Government's highly objectionable practice of misusing its Parliamentary majority to pre-empt court decisions, and prejudice the right of parties before the Courts.

The most famous case concerned the Petronas take-over and bail-out of Bank Bumiputra and the Bumiputra Malaysia Finance because of their $2.5 billion loans scandal in Hong Kong.

The DAP decided that a test case should be instituted in the public interest against such ultra vires action by Petronas, which was set up by Parliament as a custodian of the country's petroleum resources and interests instead of being a bail-out of failed government agencies and institutions.

DAP lawyer, Sdr. K.C. Cheah, filed an action in the High Court, Originating Summons No. A254/84, to challenge the legality of the Petronas take-over of Bank Bumiputra and BMF bad loans in December 1984.

The case was fixed for hearing on 26th March 1985, but was adjourned on the application of the counsel for Petronas. On 11th April 1985, the government rushed through an amendment in Parliament to the Petroleum Development Act (PDA) to give retrospective legality to its take-over of Bank Bumiputra and the BMF's bad loans.

It was lawyer V.K. Moorthy, who did his Master of Law thesis at the Monash University on Petronas, who argued in his book '*Petronas — Its Corporate and Legal Status*' that Petronas possesses more of the characteristics of a public statutory corporation than that of a private company. He argued that the Petroleum Development Act is the controlling statute, and the Companies Act cannot enlarge on the objects of the controlling Act. Petronas can undertake only the business authorised by the PDA. Any other business which is not envisaged by the PDA will be ultra vires Petronas.

The PDA Amendment Act provides for a new Section 3A with new powers to Petronas:

(a) to take over or acquire by agreement, assignment, purchase or by any other means the whole or any part of any commercial

undertaking, business or enterprise of any form;

(b) such acquisition may be from any person or body of persons (corporate or incorporate); and finally

(c) Petronas may after the takeover or acquisition carry out or enter into any activity whether mentioned in the Act or not provided such activity was carried out by and for the purpose of that undertaking, business or enterprise.

Mr. Moorthy is of the view that although the PDA Amendment Act turned Petronas into a multi-purpose corporation, undertaking various kinds of businesses and not merely confined to the role of a Petroleum Authority as originally envisaged, the doctrine of ultra vires still applies to Petronas. In his paper to the Society of Petroleum Engineers on 23rd October 1985, Mr. Moorthy expressed the view that the Petronas' purchase of a B747 aircraft and leasing it to MAS is outside the scope of the new Section 3A, and hence the entire transaction is ultra vires the powers of Petronas.

Would Parliament have to pass a new retrospective legislation to legalise the Petronas' purchase and lease of the B747 aircraft to MAS?

Lim Kit Siang

Parliament House
Kuala Lumpur
10th April 1986

Acknowledgement

Without the hard work of Sdr. N. Madhavan Nair, Political Secretary to the Leader of Opposition, this book would not have been possible. Many thanks for bringing out this third collection of my parliamentary speeches.

ON NATIONAL UNITY

One Language, One Culture

> ***What Malaysia needs are 'moderates of ends' and not 'moderates of means' who are eventually committed to the 'extremism of ends'. In simple terms, it means the objective of creating not a Chinese Malaysia, an Indian Malaysia, a Malay Malaysia but a Malaysian Malaysia where the different races, languages, religions and cultures can flourish in Malaysia.***

On behalf of the DAP, I rise to thank His Majesty for His Royal Address yesterday in conjunction with the official opening of the First Session of the Sixth Parliament, setting out the Government's policy statement of the year.

Right from the beginning, it is obvious that the Barisan Nasional is still in a euphoria at its success in the April General Elections and could not resist the temptation to indulge in self-praise.

The Barisan Nasional Government declared that the last General Elections had '*succeeded in strengthening the institution of democracy in our land*' and that the elections was of special significance because for the first time the generation born after Independence have had the opportunity to exercise their right to vote.

The Barisan Nasional government hoped that with their participation, '*the democratic heritage*' cherished in Malaysia would be preserved. The Barisan Nasional government went on to claim that in the last general elections, Malaysians, of the old and the new generation alike, had '*discarded racial sentiments which had often biased electoral*

Speech on the Royal Address on October 11, 1982.

choice in the past'. The Barisan Nasional Government declared that '*clearly, our people are now more mature and rational*'.

On closer examination, these Barisan Nasional claims make strange reading and betray a mentality which is completely antithetical to the healthy growth of democracy in Malaysia.

Does it mean that the institution of democracy in Malaysia would be strengthened when the ruling parties, by whatever means, fair or foul, win more Parliamentary and State Assembly seats with the Opposition suffering serious electoral reverses; and that the institution of democracy would be weakened and undermined if the Opposition makes gains in parliamentary and state assembly seats at the expense of the Barisan Nasional candidates?

By this logic, Malaysian democracy has come to be identified and equated with the fortunes of the Barisan Nasional, where the health and future of one is the health and future of the other, so that Malaysian democracy would reach the point of perfection when all Opposition parties are completely wiped out in the country, leaving only a one-party state!

We are aware of the famous dictum of Lord Acton, 'Power Corrupts and Absolute Power Corrupts Absolutely', but I did not expect that within such a short space of less than six months from the April General Elections, the unprecedented Barisan Nasional victory in the number of Parliamentary and State Assembly seats could so swiftly corrode the thinking of the Barisan Nasional leaders.

It is appropriate that we should ask ourselves what is this '*democratic heritage*' that we want to preserve and pass on to the generation come.

Is it a '*democratic heritage*' which uphold, cherish and encourage Malaysians to exercise their democratic right to choose the political party of their choice within the constitutional democratic process, and to disagree with government policies, without fear of victimisation or discrimination?

Or is it a '*democratic heritage*' where Malaysians would have the democratic right **only** to vote for the government parties, and where any other choice for the Opposition would be classified as an act to destroy democracy?

It is public knowledge that to many Barisan leaders, democracy means merely the 'freedom' to choose the Barisan candidates, while any other choice is akin to 'subversion'. This mentality is best, though most crudely exemplified by the Sabah Chief Minister, Datuk Harris Salleh. After Sdr. Fung Ket Wing was re-elected DAP MP for Sandakan on April 26, Harris Salleh swore to punish the people of Sandakan, fumed that there would be no development in Sandakan, and attacked the people of Sandakan for *'biting the hand that fed them'*.

Datuk Harris Salleh has turned the democratic theory upside down, for in a democracy, it is the people who feed the likes of Datuk Harris Salleh, and not the other way round. Those who are guilty of *'biting the hand that fed them'* are not the rakyat, but the Datuk Harris Sallehs who have become *'Pagar Makan Padi'*.

POLITICS OF BLACKMAIL

Only last week, after losing the Usukan State by-election in Sabah to USNO, the Berjaya Chief Minister chaired a Berjaya meeting which later announced that development in Usukan would be affected.

The Politics of Harris Salleh and his kith and kin in the Barisan Nasional is not the Politics of Democracy, but the Politics of Blackmail — to deprive the people what is rightfully theirs as Malaysian citizens, as well as taxpayers.

The people voted for the Opposition not because they reject Development which is theirs as of right — but because they want Development and more: Equality, Justice and Freedom

Have the people become more *'mature and rational'* when they succumb to such Politics of Blackmail, or people are really *'mature and rational'* who could spurn such Politics of Blackmail?

The Barisan Nasional Government claimed that in the recent general elections, presumably because the Barisan won more Parliamentary and State Assembly seats, Malaysians had *'discarded racial sentiments which had often biased electoral choice in the past'*.

In the 1978 General Elections, where the DAP won 16 Parliamentary seats, Barisan leaders declared that there was very serious racial polarisation in the country. But when in the 1982 general elections, the DAP's Parliamentary seats fell from 16 to 9 seats, the Barisan Nasional leaders claimed that the people are now *'mature and rational'* and there is no more talk of *'racial polarisation'*.

The Barisan Nasional leaders are conducting themselves like conjurers in a circus, and not like responsible national leaders.

Although the DAP fared badly in terms of Parliamentary seats in the 1982 general elections, in particular in Peninsular Malaysia, the DAP had not done as badly as a mere tally of parliamentary seats indicate.

In fact, the DAP had increased its percentage of total valid votes cast Malaysia-wide from 19.1 per cent in the 1978 general elections to 19.57 per cent in the 1982 general elections, with the total votes polled by the DAP increasing from 664,433 in 1978 to 815,473 in 1982.

UNJUST ELECTORAL SYSTEM

It is a sad commentary on the undemocratic and inequitable nature of the system of Malaysian parliamentary elections that the DAP should on the one hand improve on its percentage of total votes polled to 19.57 per cent and yet on the other hand, have its parliamentary representation further reduced to a mere 6 per cent of the 142 seats contested in 1982.

On the basis of the 1982 general elections results alone, a fair and democratic elections system which gives meaning to the principle of 'one man, one vote', would entitle the DAP not to just nine Parliamentary seats but to 19.57 per cent of the 142 seats contested, i.e. 28 Parliamentary seats.

Even taking Peninsular Malaysia results alone, a fair and democratic system could reflect DAP's 20.3 per cent of the total votes polled in the 110 constituencies contested, giving the DAP 22 MPs in Peninsular Malaysia instead of the present six. The DAP's percentage

of total votes polled in Peninsular Malaysia had slipped by a mere 1.2 per cent as compared to the 21.5 per cent in the 1978 general elections, when the DAP secured 652,700 votes as compared to 748,209 in 1982.

Another way of showing the injustice of the electoral system and results is to point out that in the 1978 general elections, the Barisan Nasional won 57 per cent of the total valid votes cast in Peninsular Malaysia, but won 81.6 per cent of the 109 seats contested; while in the 1982 general elections, the Barisan Nasional won 61.3 per cent of the total votes while winning 90 per cent of the 110 seats contested!

So I cannot understand what the Barisan Nasional leaders mean when they prided themselves on the 1982 general elections results, when the DAP had increased its total votes by over 150,000 votes, and also increased its percentage of total votes cast. In terms of Parliamentary seats, the DAP lost badly, but the seats do not think or feel, it is the voters who think, feel, act and choose!

Similarly, if the fact that the DAP won 16 parliamentary seats and 664,433 votes in the 1978 general elections marked a high-point of racial polarisation, then the DAP's increase in total votes cast and percentage of votes secured should be another higher point of racial polarisation!

The Yang di-Pertuan Agong, in his Royal Address, urged all MPs to make the Dewan Rakyat *'a place where new thinking originates for the fulfilment of our people's aspirations'*.

We should rethink our understanding of democracy, the *'democratic tradition and heritage'* we want to establish and preserve, and we must focus our attention on the essence of democracy, rather on the trappings and outer forms.

In my mind, the *'democratic tradition and heritage'* we must establish, and pass on to future generations, is one where Opposition views and minority rights are respected and honoured, and not as of now, disregarded, trampled upon or even discriminated against.

By Opposition views, I do not mean merely the views of Opposition parties and leaders, but Malaysians who through the ballot box have given their support to Opposition policies and programmes. By participating in the parliamentary democratic process, they are de-

monstrating their confidence in the process, and although they represent Opposition views, such views must be respected and honoured, for they are part and parcel of the Malaysian popular aspirations that make up the Malaysian nation.

Futhermore, such participation in the parliamentary democratic process also shows that they reject extra-parliamentary and unconstitutional political struggle and want to achieve their aspirations through peaceful democratic means. If the Barisan Nasional Government embarks on a Politics of Confrontation by riding roughshod over the aspirations of those who voted for the Opposition, then the ruling party would be guilty of dividing rather than uniting the people.

Twenty-five years after Independence, we have not yet reached a consensus that the democratic tradition and heritage we want to establish and pass on as a legacy to future generations is one where Opposition views and minority rights are respected and honoured, rather than persecuted upon or discriminated against. I call on the far-sighted Barisan Nasional leaders to help establish such a democratic tradition, and to dissociate themselves from the Politics of Blackmail which has nothing in common with democracy.

ONE LANGUAGE, ONE CULTURE

I am very concerned that the recent Barisan Nasional victory would be regarded by the UMNO as a blank cheque by UMNO to carry out its policies, instead of encouraging it to accommodate itself to the fact that Malaysia can only succeed as a multi-racial, multi-lingual, multi-religious and multi-cultural nation.

His Majesty, in his Royal Address, said:

> *"We have just celebrated the 25th anniversary of our Independence. During this quarter century we have reached a level of achievement which we can be proud of. We have succeeded in laying a strong foundation for the evolvement of one citizenry, one language and one culture. It is on this foundation that we build a greater Malaysia."*

Malaysia was never conceived to be a nation with *'one language and one culture'*, as it will lose completely its distinctive characteristics as a multi-racial, multi-lingual, multi-religious and multi-cultural society.

In fact, Article 152 of the Malaysian Constitution makes it very clear that Malaysia shall be a nation of many languages, and although Malay shall be the official and common national language, the other languages like Chinese and Tamil shall have freedom of usage, learning and teaching.

Following the Merdeka University judgment, where both the High Court and the Federal Court, had given a very narrow and restrictive interpretation to Article 152, the Barisan Nasional government's first policy pronouncement after the 1982 general elections that it is committed to the *"evolvement of one citizenry, one language and one culture"* cannot but raise big questions as to what is in store for the other languages and cultures in Malaysia in the 1980s and 1990s.

The heart of the controversy early this year over the implementation of the 3M curriculum for Chinese and Tamil primary schools was because the character of these mother-tongue schools would be altered. If the Barisan Nasional government is committed to the evolvement of *'one citizenry, one language, one culture'* rather than of *'one citizenry, many languages and many cultures'*, then there can be no long-term permanent place for Chinese and Tamil primary schools in the final Malaysian scheme of things under the Barisan Nasional masterplan!

Barisan Nasional leaders have more than once spoken of their commitment to moderation as the strength to nation building. We in the DAP fully support moderation as we must eschew extremism and fanaticism in any form, which would destroy the very fabric of Malaysian society.

However, in view of recent developments which seem to change even the basic groundrules in Malaysian nation building and political developments, we need to ask the specific question as to what the Barisan Nasional leaders really mean by *'moderation'*. I believe Manachem Begin regards himself as a 'moderate' in the defence of Israel against threats to its existence, even if it means the massacre of Palestinians in Beirut. Begin also won the Nobel Peace Prize for his contribution to peace, but the world at large does not accept Begin as a moderate, but as a fanatic who is prepared to perpetrate a 'holocaust' butchering Palestinians.

We want to ask the Barisan Nasional what they mean by *'moderation'*, whether they are 'moderates of means' or 'moderates of ends'?

For instance, if their objective is *'one citizenry, one language, one culture'*, they could be 'moderates' in the sense of method and time-span of achievement, but I do not think this could be accepted as 'moderation of ends'! One can only talk about *'moderation'* if one talks about the 'final objective', to build a Malaysia of *'one citizenry, many languages and many cultures'*.

What Malaysia needs are 'moderates of ends' and not 'moderates of means' who are eventually committed to the 'extremism of ends'. In simple terms, it means the objective of creating not a Chinese Malaysia, an Indian Malaysia, a Malay Malaysia but a Malaysian Malaysia where the different races, languages, religions and cultures can flourish in Malaysia.

ISLAMIC CIVILISATION

At the MARA Institute of Technology Convocation in Shah Alam on September 25, 1982, the Sabah Chief Minister called on MARA students to go to Sabah to project *'the true Malay image'*. I am most shocked, for I thought the objective of the Barisan Nasional government is to project the Malaysian image, and not the *'true Malay image'* whatever this means.

In May this year, I publicly mentioned the fact that teacher-trainees were being told that they would be required to study as a compulsory subject 'Islamic civilisation'. I cannot understand this as well, for Malaysia is a multi-racial, multi-lingual and multi-cultural society, and if the objective is to bring about a greater understanding among Malaysians of each other's cultures and roots, then what all teacher-trainees should be required to take as a compulsory subject is 'Asian civilisation' where all would be acquainted with the great civilisations of Islam, the Indians, the Chinese which make up Malaysia.

The amendment to the curriculum for teacher-trainees to include the compulsory subject of 'Islamic Civilisation' irrespective of whether the teachers are going to be trained for Chinese or Tamil primary schools was made before the general elections in April. And when I publicly queried such a change in the curriculum, the amendment was quietly suspended.

However, when the magnitude of the Barisan Nasional victory in terms of seats in the April general elections sank home, the 'defensive' approach which led to the suspension of the teacher-trainee curriculum with regard to the compulsory subject of 'Islamic civilisation' was changed into an 'offensive' one, where as announced by the Prime Minister, Dr. Mahathir Mohamed, at the UMNO General Assembly last month, 'Islamic civilisation' would be introduced as a subject in all the five local universities. Again, why not introduce 'Asian civilisation' in keeping with the character of Malaysia's multicultural character, instead of 'Islamic civilisation'.

Only last Friday, the Foreign Minister, Tan Sri Ghazalie Shafie, notorious for his suggestion that the lion dance should be changed into a *'tiger dance'*, said at the opening of a Turkish art exhibition at the Asian art museum in Universiti Malaya, that only characteristics of art which are based on the Malay identity should be accepted as elements of the national culture, and that there should be no *'give-and-take'* in this matter.

Attitudes on various fundamental issues of nation-building have perceptibly hardened after the Barisan Nasional elections victory after the General Elections, after the MCA had scored a *'major breakthrough'*.

LOYALTY QUESTIONED

Another instance of these disturbing developments which seem to change the political and nation-building groundrules in the country is the attack by the Acting Prime Minister, Datuk Musa Hitam, on the *'loyalty'* of Malaysian Chinese to Malaysia at the MCA General Assembly on 3rd October 1982. The attack was clearly not confined to these who had emigrated abroad, but include those in the country who dared to stand up and criticise Barisan Nasional policies.
In his speech, Datuk Musa said:

"And when we speak of love and loyalty to the country, we cannot run away from the suspicion or prejudice that certain quarters of a certain community in this country live hypocritically.

"This prejudice arises because it is said that though these people pledge loyalty to this nation, at the same time they smear the administrative system, the legislature and the policies of Malaysia.

"This prejudice gains currency because there are Malaysians who incessantly talk of their undivided loyalty but act as thorns in the flesh, as enemies from within. They stab us from the back."

It is very clear from the above quotation that Datuk Musa was not merely referring to former Malaysians who had emigrated abroad, but was also directing his fire on those who *"smear the administrative system, the legislature and the policies of Malaysia"* from within, for only they could *'stab us in the back'*. Those who had renounced or lost their citizenship could never become *'enemies from within'* or *'stab us from the back'* for they are no more Malaysians.

This is a great slander against the Malaysian Chinese, and the MCA General Assembly should have adopted a resolution deploring Datuk Musa's speech. Instead, the MCA President, through his Special Assistant, announced the MCA's full support for the government's measure to deprive 16,864 Malaysians of their citizenship for emigrating abroad.

The DAP has made its position clear that it could not agree with Malaysians who emigrate abroad because of disagreement and frustrations with the Barisan Nasional policies, as such migrants are acting in a very selfish manner in putting their self and family interest above the interest of the community and the country. They should have stayed behind to fight for changes to undo the injustices and inequalities perpetrated by the Barisan Nasional government.

But while we in the DAP disagree, regret and even oppose such emigration of Malaysian 'brain power' abroad, we fully understand the underlying reasons for their actions: which is not to make more money abroad, but primarily to secure for their children educational justice and opportunities denied them in Malaysia and secondly, to allow them to develop their potential and abilities to the fullest.

Barisan Nasional leaders whose policies are directly responsible for driving Malaysians overseas have **no moral right** to criticise Malaysians abroad, as they had been chiefly responsible for such emigration. Those who emigrated are wrong, but even more wrong are those who formulated and implemented policies which forced Malaysians to emigrate. Why attack a smaller wrong while leaving unmentioned a bigger wrong?

I said earlier that we in the DAP understand the underlying reasons causing their emigration. Firstly, it is the failure of the Barisan Nasional government to give Malaysians, regardless of race, recognition for their worth.

Last week, the Minister of Education, Datuk Dr. Sulaiman Daud, announced the appointment of a pharmacist, Encik Musa Mohamed, 39, as the new Vice Chancellor of Universiti Sains Malaysia.

I have nothing against Encik Musa Mohamed's appointment but I regard as most unfortunate that the Barisan Nasional persist in refusing to restructure top government or public services appointments to reflect Malaysia's multi-racial population.

Malaysia has five universities, but there has not been a single non-Malay appointed to become a Vice Chancellor of anyone of the Universities to date. It cannot be that there are no qualified non-Malay academicians or administrators with the requisite qualifications and abilities to make good Vice Chancellors.

It is such Barisan Nasional policies completely disregarding the legitimate aspirations of non-Malay Malaysians of ability, talent and qualifications, together with the educational injustices under the Barisan Nasional educational system which had driven tens of thousands of Malaysian professionals abroad.

A government which cares, cherishes and treasures the contributions which the qualified Malaysian manpower could make to the development of Malaysia would find ways and means to retain such Malaysian professionals and prevent them from emigrating abroad. Instead, I get the impression and feeling that the authorities-that-be are not too sorry that such professionals leave the country.

Be that as it may, the emigration of Malaysian professionals abroad do not make them disloyal to Malaysia per se. At most, such Malaysian professionals are guilty of being selfish in putting their self and family interest above community and national interest.

But selfishness is not disloyalty! Otherwise, Barisan leaders who are corrupt and who make use of their political position for personal gain should be stripped of their Malaysian citizenship for the crime of disloyalty to Malaysia!

Similarly, those in Barisan Nasional responsible for the selfish act of dispossessing the children of Ipoh of the Ipoh children's playground by building the UMNO Perak headquarters there could be considered disloyal if selfishness is to be equated with disloyalty.

Or as in Malacca, where MCA leaders like Tan Sri Chong Hon Nyan and Tee Cheng York successfully recommended the Justice of Peace award to one of their financiers although he was a convict who had been jailed under the Penal Code for cheating the public, and victims of his cheating in Kluang have never been reimbursed or compensated. These are selfish acts, but do they tantamount to disloyal acts?

The DAP is not prepared to behave like the MCA which gives full blanket support to the Ministry of Home Affairs in the deprivation of citizenship of 16,864 persons up till September 1982 for having gone overseas basically to ensure that their children secure fair and equal educational opportunities. I know many Barisan Ministers and leaders have sent their children for education overseas, not only for university education, but also for primary and secondary education! Are they also lacking in 'loyalty' and should be sacked as Ministers, Deputy Ministers, Parliamentary Secretaries or MPs?

Malaysians should not be deprived of their citizenship because they want their children to have the best educational opportunities in life. Nor should Malaysians be deprived of their citizenship because they go abroad for disagreeing with the policies of the government of the day.

If Malaysians can be deprived of their citizenship for going abroad for disagreeing with the policies of the government of the day, then Datuk Musa Hitam could have been deprived of Malaysian citizenship when in 1969 he went overseas after being dismissed as Deputy Minister by Tunku Abdul Rahman for not being 'loyal' to his government.

The DAP calls for the establishment of a Special Parliamentary Committee to review the deprivation of citizenship of 16,864 persons as announced by Datuk Musa Hitam at the MCA General Assembly, to ensure that no one had been deprived of his citizenship merely because he went abroad to secure the best educational opportunities for his children or because he disagreed with the policies of the government of the day.

Datuk Musa's speech at the MCA General Assembly is most deplorable for it constituted an attack on the loyalty of Malaysian Chinese to criticise the administrative system, the legislature and policies of the Barisan Nasional government, and coming from one of such high political office, would unleash a new round of attack on the 'loyalty' of Malaysian Chinese by extremists.

KGB AGENT

I will not be surprised if I become the target of such 'disloyalty' charges in the current debate in Parliament. I had been accused of all sorts of terrible misdeeds by irresponsible Barisan elements, including the charge of being a KGB agent in the previous Malacca State Assembly by the MCA. Instead of investigating the serious charge of being an agent of KGB, the Barisan Nasional blocked all investigations. Clearly those who do not want to get to the bottom of the matter as to whether the KGB had recruited MPs as agents against the interests of Malaysia cannot be very loyal to the country.

If we are not to embark on a divisive witch-hunt of 'enemies within', it is vital that Barisan Nasional leaders realise that there is a great difference between 'loyalty' to Malaysia as our homeland, and 'loyalty' to the government of the day. No government has the right to demand from the people 'loyalty' to its policies.

If my comrades and I in the DAP are accused of not being 'loyal' to the Barisan Nasional policies, we happily plead guilty for we cannot support or be loyal to Barisan policies which undermine national unity, like the policy of 'bumiputraism' which created two classes of Malaysians; or those which aggravate economic divisions by enriching the few at the expense of the poor masses; or those which stunted democratic growth like the Internal Security Act with the arbitrary powers of detention without trial, unfair trial procedures, curbs on the freedom of speech and assembly as in the ban on public rallies and the controlled press which regularly give front-page treatment to stories of hundreds of 'supporters' leaving the DAP! (Incidentally, I have as yet to come across a single press report about supporters of UMNO, MCA or any of the Barisan parties 'leaving' these parties!)

In the colonial era, those who fought against colonial rule were not 'disloyal' to the country, although they were not 'loyal' to the

government of the day. There is no doubt which of these two 'loyalties' is the real 'loyalty to Malaysia'.

The overwhelming majority of Malaysian Chinese are born here, bred here and will die here, and they are as bumiputra in Malaysia as anyone else. If the Barisan leaders want to find out whether the Malaysian Chinese are loyal to Malaysia, then the government should accept the DAP's call for the introduction of compulsory national service for all Malaysians to be trained in the defence of the country. Why is the Barisan Nasional government afraid of introducing compulsory national service for all Malaysian youths to acquire military training?

CORRUPTION

The 2M Government of Dr. Mahathir and Datuk Musa had pledged themselves to the objective of creating a *'clean, efficient and trustworthy'* government. The DAP will give the government full support in this as corruption is a national cancer which if unchecked would eat away the very foundations of our society.

I am very concerned that recent events appeared to show that the 2M leadership is backing down from the campaign against corruption in high political places.

At the end of September, the Prime Minister made the surprising statement in Penang that there had been no abuse of power, and that there was nothing wrong or scandalous in the alienation of a choice piece of land near the Seremban golf course to top government officials and Barisan political leaders during the period of caretaker government in the recent general elections.

Following the public outcry about the alienation of a 43.6 hectare piece of land near the Seremban International Golf Club to Barisan political leaders and government officials, both at the Federal and State levels, at a fifth of its market value just before the general elections, the Anti-Corruption Agency was called in to investigate into the matter.

Although the Prime Minister had assured the House on the Anti-Corruption Agency Bill debate early this year that the ACA would be completely independent, and the Deputy Prime Minister had said that the Government could not tell the ACA what to do, the Prime

Minister's exoneration and white-washing of the Seremban Golf Course land scandal by overriding ACA investigations cannot create confidence in the impartiality, independence and freedom of the ACA in its operations without being subject to the political dictates of the government.

The people have a right to know why the Taman Aman parkland scandal in Petaling Jaya is wrong and scandalous, where one and a half acres of parkland in Petaling Jaya was subdivided and awarded to six 'big shots' in Selangor, while the Negeri Sembilan Seremban International Golf Club land alienation of a larger piece of choice land to 181 top political and government leaders is not wrong or scandalous?

Dr. Mahathir said that the other State Governments were also doing the same thing in alienating choice land to individuals — but the prevalence of corruption or malpractices do not make them any less corrupt or proper.

In July this year, Dr. Mahathir had spoken of the need to deal not only with *'legal corruption'* but also *'moral corruption'*. His come down from his declaration of the need to deal sternly with *'moral corruption'* hardly two months later is most disappointing, for the Seremban International Golf Course land alienation is definitely an instance of *'moral corruption'* if not *'legal corruption'*.

WINDFALL PROFIT

The list of the successful applicants for the Seremban land reads like a Who's Who of the top Barisan Nasional leaders in Negri Sembilan and also of top Federal and State Government officials.

In justifying the Negri Sembilan land scandal, Dr. Mahathir said that the objective was to enable bumiputras to own houses in choice areas.

Firstly, the same argument could have been advanced for the Taman Parkland scandal in Petaling Jaya. Secondly from past experience, choice land given to top government and political leaders are in most cases used as opportunities by them to reap 'windfall' profit by selling off the land concerned at market prices. What is the social, moral or national justification of such alienation which benefit only a handful, who are already wealthy and have more houses then they

could stay, and who have good connections with the political leadership in the State?

I have no doubt that Dr. Mahathir's objective that bumiputras should be able to own houses in *'choice'* areas would have been equally met, and the objectives of a *'clean, efficient and trustworthy'* government complied, if the Negri Sembilan State Government had publicly announced the availability of the choice lots concerned for sale by public tender in accordance with the necessary conditions concerned.

If the 2M government is really committed to the goal of a clean and incorrupt government, then I call on Dr. Mahathir to issue a directive and effect the necessary legislation to prohibit once and for all the immoral and scandalous practice of State Executive Councils or the Chief Minister or Mentri Besar alienating state land to political loyalists or party cronies in complete abuse of their public trust to govern the state for the interest and welfare of the rakyat.

Since the 2M government, there had been a few prosecution of Barisan leaders for corruption, but they do not add up to a picture of a government committed to the cracking down on the corrupt in high political places.

Compromises seemed to have been reached and bargains struck in many cases involving top Barisan leaders who were the subject of ACA investigations. The knowledgeable public could not help noticing that in some cases involving prosecutions, the ACA had selected technical or minor offences of corruption while leaving aside major corruption scandals.

One index of the degree of success of the 2M Government's campaign against corruption is whether the ordinary rakyat, the motor-cyclists, the lorry-drivers, the hawkers, are freed from the oppression of corruption in their daily lives. If we ask any lorry driver for instance, we would be told that not only has corruption not disappeared as far as they are concerned, inflation has caught up with corruption, and $1,000 a month to grease various palms to deal with routine petty corruption for those who do long journey runs are now inadequate.

The 2M government must be more serious in the battle against corruption, if we do not want to have a situation where corruption becomes a way of life in our country.

INDON IMMIGRANTS

The 2M motto of a *'clean, efficient and trustworthy'* government is still a long way from realisation. On September 28, at about 3.30 a.m a house in Ponggol, three miles from Senggarang, Johore, was attacked by five Indonesian illegal immigrants. The head of the family, Lim Ah Soo, who incidentally is the MCA Punggol Branch Treasurer, woke up as he heard people trying to break down the back door of his house.

He grabbed an axe and found about five people trying to break down the door as well as force open the window grilles. While he engaged in a struggle and fight with the intruders to prevent them from entering, his daughter rang up a friend who in turn phoned the Rengit, Senggarang and Batu Pahat police stations asking the police to come to the rescue. That was about 3.40 or 3.45 a.m.

The struggle between Lim Ah Soo and the illegal Indonesian immigrants lasted about 40 minutes, but he was outnumbered and wounded and was unable to stop the intruders from forcing open the window grille and the door. The intruders came into the house, rounded up the women-folk and children, and one of them put a knife to the neck of a three-day old baby threatening to kill him unless all valuables were surrendered. They also took their time to search each of the rooms and did not leave until about 5 a.m.

During this whole period, not a single policemen from the three police stations came to Lim Ah Soo's help. The Senggarang police station is only 3 miles away from Ponggol, the Renggit police station just five miles away and the Batu Pahat police station 16 miles away.

What is the use of a police station if it does not go to the help and rescue of people who are under attack by criminals? The three police stations of Senggarang, Rengit and Batu Pahat had failed the people of Punggol badly, and I call on the Home Affairs Minister to institute an inquiry into the 'inefficient and untrustworthy' conduct of the police stations in these three areas to restore the people's confidence in the police.

When the police is wanted to protect the people's lives and property, they are not around . When they do not have to be around, they are always around. For instance, last Saturday, on 9th October, I

went down to Punggol to see Lim Ah Soo to discuss the incident, which had aroused the ire of the people in Senggarang, Punggol and Rengit, and immediately the police was there!

POLICE RAIDS

The police always claim that they are short-handed to deal with the crimes happening in the country. Yet, the police sometimes do not have a proper sense of priorities and deployed short-handed manpower to help the wealthy and well-connected in their private property disputes.

The most recent example is the police role in the repeated raids and seizures against video-tape dealers in the private copyrights dispute between a company, Golden Star Video Berhad and the video-tape dealers about copyright infringements in connection with video-tapes produced by two Hong Kong companies, Rediffusion Television Limited ("RTV") and HK-TVB International Limited ("TVBL").

In July till early September, the police spent a lot of police manhours to conduct raids and seizures of videotape dealers, and to date over 40 dealers had been raided. At the average, over 1,000 video-tape cassettes were seized, and sometimes as many as 3,000 cassettes were taken away by the police, involving losses ranging from $20,000 to $100,000 for each video-tape dealer raided.

It is unjustifiable and most improper for the Police to continue to conduct raids and seizures of video-tape dealers on behalf of Golden Star Video Bhd, especially as the Courts, in the first test-case of this kind, have still to decide whether there had been any infringement of copyrights in the first instance.

By conducting such raids when the courts had not yet decided in the first test-case, the Police are in fact helping Golden Star Video Berhad in their private copyright war with the video-tape dealers.

In claiming copyright for the Hong Kong video-tapes, which is being challenged by the video-tape dealers, Golden Star Video Bhd last year demanded each dealer to pay $5,000. This year the fee is $8,000 and next year, I understand it will go up to $15,000. By using the police to conduct raids on video-tape dealers who are challenging the Golden Star Bhd's claim, clearly the intention is to bring the

video-tape dealers to their knees even without the need of a court determination.

Is this the role of the Police, to help a private company to fight a private copyrights dispute? Golden Star Video Bhd, stands to profit by some $5 to $8 million a year, and even more in future, from this private copyrights dispute, but what have the Police to profit from. Having conducted the first raid, and taken the matter to court, the Police should wait for the outcome of the first test-case to determine what is the law on the matter, before taking further action.

I am glad that after I had spoken to the police authorities on the matter at Bukit Aman, the raids had stopped. The video-tape dealers are not criminals or crooks. They are bona fide businessmen, who acted on the written advice of the Ministry of Trade and Industry in a letter dated 31st July 1980 to the Malaysia Video Tape Dealers' Association that their trade was completely legal and proper and that they would not infringe any law in duplicating the Hong Kong videotapes.

I find this whole case very mystifying, for the Censorship Board is aware that the video-tapes claimed by Golden Star Video Bhd, has not been released, the Customs Department knows that duties had not been paid, and yet Golden Star Video Bhd, could get the police to do yeoman service to raid video-tape dealers to protect copyrights of television tapes which had not been legally censored or released.

Instead of Censorship Board and Customs Department actions against Golden Star Video Bhd on the video-tapes concerned, the Police until recently became the great defender of these very video-tapes.

I suggest that the Anti-Corruption Agency should investigate into this rather unseemly affair.

INFLUX OF IMMIGRANTS

I mentioned just now about the case in Punggol, Johore, where a household was attacked and robbed by illegal Indonesian immigrants. On September 24, in a Felda scheme in Selancar, Pahang, a labourer, Yap Chai Huat was murdered by illegal Indonesian immigrants.

The problem of the illegal Indonesian immigrants has reached a position where it has become a grave threat to law and security in the country.

After the recent outrages committed by the illegal Indonesian immigrants, various organisations condemned the illegal Indonesian immigrants for their crime. But such condemnation would not end the problem, as the illegal Indonesian immigrants do not read newspapers anyway.

The illegal Indonesian immigrants would not be able to carry out their blatant crimes of robbery and murder if they had not been allowed to come into the country in the first place, or stern action had been taken to repatriate those who slipped in.

In this connection, the Barisan Nasional government, and in particular the MCA which claimed to have scored a *'major breakthrough'* in the April general elections must bear a great responsibility in allowing the illegal Indonesian immigrants threat to reach such a proportion in the last few years. None of the MCA Ministers had ever raised the problem and threat of the illegal Indonesian immigrants in the Cabinet.

In the case of the Vietnamese refugees in 1978 and 1979, the Government took a very tough and uncompromising attitude, and the then Deputy Prime Minister, Dr. Mahathir Mohamed, even announced to the world that the government would *'shoot to kill'* the refugees who landed in Malaysia.

With the increase of crimes by illegal Indonesian immigrants, more and more people are asking why the contrast in the Barisan Nasional government policy with regard to the illegal Indonesian immigrants as compared to the Vietnamese refugees.

Up to now, the Barisan Nasional government has not even conceded that the illegal Indonesian immigrants pose a grave problem in Malaysia. The authorities are closing their eyes to their entry and free movement. The sporadic police announcements of arrests of illegal Indonesian immigrants and their repatriation are completely inconsequential when we bear in mind that there could be as many as 200,000 illegal Indonesian immigrants in the country.

Along the west coastline in South Johore, illegal Indonesian immigrants land in fishing boats and sampans almost nightly. The authorities know about it, but they turn their faces away.

Estates, loggers and even government authorities like FELDA employ the illegal Indonesian immigrants in large numbers because of the cheap labour. Barisan Nasional leaders, including former Chief Ministers, former State Executive Councillors, UMNO and MCA leaders employ illegal Indonesian immigrants although they know this is damaging to the country and people, for after some time, the illegal Indonesian immigrants would find their way into the towns where they resort to crimes for a living.

I call on the Barisan Nasional Government to crack down on illegal Indonesian immigrants and establish a special task force like the special task force to deal with Vietnamese refugees to mobilise the army, police, marine to stop the influx and repatriate those who are in the country.

Special legislation must be introduced to make it a serious offence for any employer to employ illegal Indonesian immigrants.

The Yang di-Pertuan Agong, in his Royal Address, said: *"Let this House be the place where decisions are formulated for the well-being of our people."*

Let us formulate, as our first decision for the well-being of our people, that the Government must take immediate action to crack down on the illegal Indonesian immigrants, and with this objective, I propose an amendment to the Motion of Thanks, to add the following at the end of the motion, after the word 'opened':

"And noting the grave law and order problem created by the influx of illegal Indonesian immigrants causing armed robberies and murders, URGES the government to crack down on the Illegal Indonesian Immigrants by establishing a Special Task Force III (Indonesian Illegal Immigrants) to stop the influx of illegal Indonesian immigrants."

Let this new Parliament show that it dares to make decisions for the well-being of our people, that we have minds and ideas of our own and not mere rubber stamps for the Executive!

Ten Basis for National Unity

> *The proposed Islamic civilisation course in all local universities should be an optional subject, and not a compulsory one. If it is to be compulsory, then the course should be widened into one on Asian civilisations, so that non-Muslims would have a better understanding of Islamic civilisation and reduce the apprehensions of non-Muslims to Islam; as well as enabling Muslims to have a better understanding of the Chinese and Indian civilisations so that Muslims would reduce their apprehensions about the other religions in the country, like Hinduism, Buddhism and Christianity.*

The 2M Government's call for an efficient and competent administration cannot succeed unless Parliament, as well as Ministers and Deputy Ministers, set an example of efficiency and competence.

I am concerned that Ministers and Deputy Ministers are becoming slipshod in their work, showing lack of grasp and sometimes total ignorance of their Ministerial responsibility, and when they do this in Parliament, they are not only doing their Ministerial posts a disservice, they are also showing Parliament no respect.

A good instance of this happened on 1st November 1982 when the Deputy Finance Minister, Dr. Ling Liong Sik, in a very sneaky fashion, tried to ram through four motions to increase the sales tax, the service tax and the excise duties when Parliament had not completed the 1983 budget debate or approved the 1983 budget.

Speech on the estimates for the Prime Minister's Department on November 9, 1982.

When I questioned the Deputy Finance Minister about this, and told him that all the four motions were irregular and improper, and an insult to Parliament by the Executive, the Deputy Finance Minister was unable to explain in Parliament. Nonetheless, he made use of the overwhelming majority of the Barisan in Parliament, who need not require any explanation to put up their hands or to shout approval for anything being asked by the Government front-benches, to ram through the four motions.

After the four motions were passed, Dr. Ling left the Chamber, and presumably after a briefing by his Treasury officials, called a press conference to explain that the motion to confirm the increase in the sales tax from 5% to 10% had to be confirmed within ten days after the order was tabled in the House, or the order would lapse.

It is most shocking that the Deputy Finance Minister does not know this and could not explain it in the House, and had to explain it outside the House after a briefing from the Treasury officials.

This explanation, however, does not apply with regard to the other three motions, as the service tax increase or excise duties increase would not lapse if not confirmed within 10 days of their orders being placed before the House.

What then is the reason for such cavalier treatment, and even contempt, of the House, in approving revenue proposals when the House was still debating them?

I understand that the Treasury Officials themselves did not know that the sales tax increase had to be confirmed within ten days of the order being tabled in Parliament, but was found out at the last minute inadvertently by one Treasury official. So much for competence and efficiency in the 2M Government!

INCOMPETENCE

In any event, there is no justification for the approval of the sales tax increase in the mid-course of Parliamentary debate on the 1983 budget, and I hope that the Finance Minister would look into this matter to ensure that there would be no repetition of such grossly irregular motions to approve revenue proposals when they are still being considered in the Budget debate proper.

Ministers and Deputy Ministers must show better grasp of their Ministerial portforlios and duties or they cannot fulfil the motto of a *'clean, efficient and trustworthy'* government being sloganised by the 2M leadership.

Ministers are also guilty of gross incompetence in not providing MPs with answers to parliamentary questions promptly and efficiently. In the present meeting, MPs were provided with Written Answers to Parliamentary Questions asked in the Parliamentary meetings of April and June 1981. What about the questions asked in the October-December 1981 meeting, the March 1982 meeting?

Parliamentary questions, whether oral or written, must be answered in the very parliamentary meeting they were made, and not two or three years later, when the MPs concerned are no more around! If Ministers cannot even furnish the answers to parliamentary questions in the same parliamentary meeting that they are asked, what right have the Ministers to go round talking about efficiency and competence?

I call on the Prime Minister, Dr. Mahathir Mohamed, to issue an immediate directive to all Ministers and Deputy Ministers to buck up, set an example of efficiency and competence, and require all Ministers to provide answers to Parliamentary questions within the same parliamentary meeting itself, and not two or three years later.

Parliament must be more efficient and competent. I have spoken before of the woefully incompetent Public Accounts Committee, which, instead of being an effective watchdog to complement the work of the Auditor-General to oversee financial expenditures, had become a 'drag' instead by its delays and procrastinations.

The same applies to other Parliamentary Committees. In the last Parliamentary session, I had reported the Chairman of the Public Accounts Committee, Datuk Lee Boon Ping, to the Committee of Privileges for a gross breach of privilege in violating the confidentiality of PAC proceedings before the PAC had submitted its Report to the House, I was assured by the late Speaker, Tan Sri Syed Nasir Ismail, that the Privileges Committee would deal sternly with all breaches of privilege, regardless of status, but nothing had been heard of this matter up to the dissolution of Parliament.

For all I know, the Privileges Committee had never met on Datuk Lee Boon Ping's breach of privilege in the six to eight months that I had lodged the complaint before Parliamentary dissolution.

PARLIAMENTARY REFORMS

The Malaysian Parliament must move abreast with Commonwealth Parliamentary developments, which have been carrying out on-going parliamentary reforms to provide a more meaningful Parliamentary process. Parliament must not merely be a rubber stamp for the Executive to provide legitimacy to what had already been decided, but should participate actively in every phase of policy formulation.

This is why many Commonwealth Parliaments have established Specialist Parliamentary Committees to oversee various government departments and Ministries, which would lead to MPs being more informed and specialised about particular areas of national policy, but also tune in MPs into various phases of policy formulation in the country.

I would urge the Prime Minister to give serious thought to the question of parliamentary reforms in Malaysia, and to agree to the establishment of an all-party Parliamentary Committee to study all aspects of possible parliamentary reforms in Malaysia to make the Malaysian Parliament a more effective and efficient body. The Prime Minister should also be innovative enough to agree to the establishment of Parliamentary Specialist Select Committees to oversee the work of the various Ministries.

The Minister in the Prime Minister's Department, Datuk Abdullah Ahmad Badawi, when replying to my Budget speech, said that the government would not relax its drive to penalise those involved in corruption, regardless of whether they were strong party supporters or small fry. As example, he said that since Merdeka, not less than three Mentries Besar and a Federal Minister involved in corruption had been thrown out.

There is nothing assuring in this statement to Malaysians who want to see a government which is really uncompromising in its war against the corrupt in high political places. For were there only three Mentris Besar who were corrupt from 1957 to 1976? Or do they represent a very small percentage of those who should have been prosecuted for corruption?

And from 1976 to 1982, were there no Mentris Besar and Chief Ministers who should have been prosecuted, if the government was really sincere in wanting to fight corruption among those who hold high political office?

Even after the 2M government had come to power, were heads of state governments, whether Mentri Besar or Chief Minister, who are corrupt prosecuted?

UMNO BUILDING FUND

I challenge the Minister concerned to put these questions in a questionaire form to the Malaysian people to answer, and he should know better than anyone else what answers would be submitted if identities need not be revealed.

In the last few months, I have been told of a new and very serious form of corruption under the 2M government, i.e. successful applicants for multi-million dollar projects, whether it be a gigantic housing scheme or mammoth turn-key contract running into hundreds of millions of dollars are required to make a substantial contribution to the UMNO, in particular the UMNO Building Fund, which are in terms of millions of dollars.

If this is true, it is the bribery of UMNO, which is no different a corruption as bribery of individuals. I hope that the Prime Minister, Dr. Mahathir Mohamed, would be able to make a clear-cut public statement on the matter and clear the air in the country.

MOCHTAR HASHIM

I want to ask the Prime Minister, whether it is right and proper for Datuk Mochtar Hashim to continue as Minister of Youth, Culture and Sports during his trial for murder of the former Negri Sembilan Speaker, Datuk Mohamed Taha Talib.

I do not want to discuss the murder trial, or to prejudge Datuk Mochtar Hashim. This is for the courts to come to a judgement. But clearly the principle of Ministerial responsibility requires that Datuk Mochtar Hashim should not continue as Minister, until he had been cleared of the murder charge. If he is found innocent he can be restored to his former Ministerial position.

ISLAMIC CIVILISATION

Malaysians are very concerned at the growing Islamisation of the country, and we must stress that the government must not lose sight of the constitutional fact and guarantee that Malaysia is a secular state, and not an Islamic theocratic state.

While Islam is the official religion, all other religions are guaranteed freedom under the Constitution, and no attempt should be made from any quarter to detract from such religious freedoms entrenched in the Constitution by administrative actions.

In this connection, the proposal to introduce an Islamic civilisation course in all local universities, which will be compulsory to students of all faculties, runs against the spirit, intent and letter of the Constitution which envisages Malaysia as a multi-cultural and multi-religious Malaysia.

The proposed Islamic civilisation course in all local universities should be an optional subject, and not a compulsory one. If it is to be compulsory, then the course should be widened into one on Asian civilisations, so that non-Muslims would have a better understanding of Islamic civilisation and reduce the apprehensions of non-Muslims to Islam; as well as enabling Muslims to have a better understanding of Chinese and Indian civilisations so that Muslims would reduce their apprehensions about the other religious in the country, like Hinduism, Buddhism and even Christianity.

Malaysia as a multi-racial, multi-lingual, multi-cultural and multi-religious society, and the government must be particularly sensitive to the feelings of the people, if national unity is not going to be undermined. Without national unity, then all the progress and development in Malaysia will finally come to nought.

NATIONAL UNITY BOARD

This is why Malaysia needs urgently an institution which has as its central task the promotion of national unity of the various races and religions in the country. Such an institution must not be a political creature of the government of the day, but should be completely independent without having to be subservient to the policies of the government or dictates of the Ministers. It should be left alone to carry out research, inquiries, studies, and make recommendations in

the various areas of national life as to how national unity could be promoted, or pinpoint policies which are undermining national unity and where such policies should be abandoned.

The Government has a National Unity Board, but all along, it has never been able to perform its function to promote national unity in the country. Up to now, it is more well-known for producing calenders and car-stickers, then in making any contribution to national unity.

In fact, up to now the National Unity Board has been treated by the Barisan Nasional Government either as a Political Refuge for Political Drop-outs, like the late Tun Sambanthan after he was thrown out as MIC President, or as a Political Reform School to deal with Barisan leaders who are a bit recalcitrant, like the new Chairman of the National Unity Board announced only a few days ago, Datuk Lee Kim Sai.

The question in everybody's mind is whether Datuk Lee Kim Sai is a fit and suitable appointment if the National Unity Board is to be entrusted with the task of promoting national unity, instead of continuing to print calenders and car-stickers.

Datuk Lee Kim Sai is notorious for his 'disuniting' qualities. He was the one who was chiefly responsible for hounding Datuk Michael Chen from the MCA. He was the one who 'disunites' the Gerakan, among other things.

Having been disappointed from being made a Minister or a Deputy Minister, Datuk Lee Kim Sai knows that his appointment as Chairman of the National Unity Board is virtually being put on 'political parole', or put in a political reform school, and it is now up to him to show that he is not too recalcitrant. This will make sure that he will adhere slavishly to the Barisan Nasional nation building policies, even though these policies are causing national disunity!

No wonder, immediately after his appointment as National Unity Board Chairman, one of his first acts was to speak in Parliament attacking the DAP for opposing and criticising the '*One Language, One Culture*' policy of the Barisan Nasional.

If we expect the National Unity Board to rise up to the occasion to point the directions to the creation of national unity, I think Datuk

Lee Kim Sai would be the last person to be considered. If Datuk Lee Kim Sai is to be put through a political reform school, then the National Unity Board is the first place to put him in!

The National Unity Board should move away from its past token activities of printing calenders and car-stickers, and deal with important contemporary issues which have a direct bearing on national unity.

I propose that the National Unity Board should in the next 12 months deal with the following issues and study them and make recommendations from the standpoint of their bearing on the vital matter of 'national unity':

1. The National Unity Board should commission a full-scale study as to how the policy of '*One Language, One Culture*' as announced by the Barisan Nasional Government at the official opening of Parliament would cause national disunity in a country whose only viable basis must be multi-racial, multi-lingual, multi-religious and multi-cultural;
2. The National Unity Board should study how the introduction of a compulsory subject in the local universities on Islamic civilisation disregarding the sensitivities of non-Muslim Malaysians could retard national unity;
3. The National Unity Board should consider how the continued restriction on free cultural expressions, like the restrictions on the lion dance subject to police regulations, could retard national unity;
4. The National Unity Board should consider how efforts by various Municipal Councils, like the Malacca Municipality to introduce new advertising and signboard by-laws requiring the Bahasa Malaysia language to be at least three times the size of Chinese and other languages and that of the Kota Star Municipal Council requiring Chinese characters on signboards to be of one-quarter the size of Bahasa Malaysia, could lead to national disunity in the country. If this is the result of the MCA '*breakthrough*' in the general elections, then in the next MCA '*breakthrough*' the Chinese characters would be so small that they would become illegible;
5. The National Unity Board should consider how the Kepayang Declaration adopted by the people of Kepayang in the Kepayang

by-election on October 16 could contribute to national unity, and propose formally to the government for adoption of the Kepayang Declaration by the government.

6. The National Unity Board should consider how the indifferent attitude of the Government to the problem of illegal Indonesian immigrants is undermining national unity. During the Kepayang by-election, Datuk Lee Kim Sai stage-managed a 'publicity stunt', where the widow of a Malaysian killed by illegal Indonesian immigrants was told by the MCA to cut her fingers outside the MCA Headquarters in Kuala Lumpur to write her accusation with her blood. Has the poor widow's 'blood accusation' brought about serious government attention to the problem of illegal Indonesian immigrants? The person who should cut his finger and write a 'bood accusation' is Datuk Lee San Choon in the Cabinet! In any event, now that Datuk Lee Kim Sai has been appointed Chairman of the National Unity Board, would he announce formally acceptance of the 'blood accusation' of the poor widow, and commission a full-scale study as to how the illegal Indonesian immigrants are undermining national unity?
7. The National Unity Board should commission a study as to how the failure of the government to implement the New Economic Policy in accordance with the guarantee that *"no particular group experiences any loss or feels any sense of deprivation"* has caused national disunity in the last 12 years;
8. The National Unity Board should study how the recently-released Kuala Lumpur Master Plan has undermined national unity because the Malaysian Chinese and Indians are gravely concerned that the Kuala Lumpur Master Plan would slow down growth in existing non-Malay areas, like Jinjang/Kepong, Cheras, Old Klang Road, and Sungei Besi/Chan Sow Lin, and with no incentive for growth, these areas are likely to become the poorest and most backward sectors of the future Kuala Lumpur. Another area that should be studied is whether the Kuala Lumpur Master Plan to create entire Malay townships is in keeping with the objective of creating a restructured Malaysia where there is no identification of race with vocation or location; and whether this advances or retards national unity;
9. The National Unity Board should study whether our universities are the crucibles of national unity, or the seed-beds of racial polarisation, because of the fundamental importance of our fu-

ture leaders being more united than divided. In this connection, the National Unity Board would do well to use as a guide in this study the statement issued by ALIRAN, which comprised many university academicians, on 18th August 1982, entitled: *"Ethnic Polarisation in the Universities"*, and I quote the relevant parts:

"Aliran is concerned about increasing ethnic polarization within student communities in institutions of higher learning in the country.

"The composition of tutorial groups, voting in student elections, participation in student societies, seating patterns in lecture-halls and university canteens, attendance at university functions, student responses to public issues and other aspects of social intercourse in the campuses are manifestations of this trend.

"Ethnic polarization is due to a number of factors. First, ethnic policies in higher education related to quotas and scholarships. Second, the feeling among students that ethnicity will determine future employment prospects and mobility patterns. Third, a strong attachment to narrowly-defined communal rights and interests among a significant number of Malays and non-Malays.

"Fourth, a bigoted interpretation of Islam among some Muslim students which is beginning to produce counter-reactions among non-Muslim students. Fifth, the active manipulation of ethnic fears and hopes by certain academics and administrators for their own selfish interests. Finally, the constant emphasis upon ethnicity in the larger Malaysian society which has also influenced student thinking.

"If students are not weaned away from communal thinking immediately, there is a danger that they will become even more chauvinistic than the present elites, once they assume important positions in public and private sectors. As ethnic consciousness backed by ethnic policies and ethnic institutions becomes more and more entrenched, it will be even more difficult to break down ethnic barriers in future."

10. The National Unity Board should study how the 'Politics of Blackmail' as most blatantly practised by the Sabah Chief Minister, Datuk Harris Salleh and Parti Berjaya, and abuse of power, like the unjustifiable ban on Sdr. Lee Lam Thye and me from entering Sabah to pursue legitimate political activities undermine national unity.

The National Unity Board must be able and be prepared to study these important issues from the standpoint of national unity, and make recommendations to the Government as well as making public these findings. If the National Unity Board could only print calenders and car-strickers, and dare not deal with fundamental issues of national unity, then the National Unity Board might as well be abolished.

NON-MUSLIM PLACES OF WORSHIP

I understand that the National Unity Board has recommended that in future, no non-Muslim place of worship could be built unless there are at least 4,000 signatures from a particular locality for a temple, church or chapel to be erected.

I am shocked that the National Unity Board could come out with such a recommendation which could only result in greater disunity. I do not know up to what stage this recommendation is being accepted and implemented by the Government, but I would call on the Government to abandon this proposal to restrict the construction of non-Muslim places of worship as it would constitute a violation of the Constitutional guarantee of freedom of religion. This is because the requirement that there must be 4,000 petitioners before a place of non-Muslim worship could be erected would make it virtually impossible for such places of worship to be established in most localities.

In this connection, I also wish to raise the growing incidence of family break-ups, community tensions and increasing racial polarisation arising from the propagation of Islam to non-Muslim minors in the face of strong parental objections.

Every Malaysian from every religion must be particularly conscious of the sensititives of a multi-religious society, and in this regard, I call on the Government to introduce an amendment to the Constitution to prohibit the propagation of Islam to non-Muslim minors below the age of 18 unless with express parental consent.

Article 11 of the Malaysian Constitution on Freedom of Religion virtually prohibits the *'propagation of any religious doctrine or belief among persons professiong the religion of Islam'*. I am not objecting to this provision, but an amendment to the Constitution to prohibit

the propagation of Islam to non-Muslim minors unless with parental consent is also needed to preserve national unity in the country.

I believe that it is not the object of any religion to cause family break-ups and community tensions. If a non-Muslim, having reached the age of majority, wishes to embrace Islam, that is his or her right. However, where minors are concerned, we should prevent family break-ups where the parents have strong objection, as such family disruptions would also carry racial and religious overtones which cannot be healthy for a multi-racial, multi-religious Malaysia.

MODEL EMPLOYER

The Minister in the Prime Minister's Department, Datuk Abdullah Badawi, in his reply to me, said that PERNAS, having acquired Hotel Jayapuri, was unable to pay the hotel staff during the period the Hotel was being renovated as PJ HILTON.

I am not asking PERNAS to pay the hotel staff full pay during the period of hotel renovation. PERNAS, however, is being a bad employer by terminating the services of the Jayapuri staff, for what PERNAS should do is to lay the workers off during the period of renovation and on re-opening of PJ HILTON the workers could continue their employment without any break of continuity of service.

During the lay-off period, the workers should be paid a lay-off allowance to meet the workers' subsistence needs.

What PERNAS is doing is to terminate the services of the workers in Hotel Jayapuri, with the vague promise that they could apply for new employment with PJ HILTON if their services are needed. Surely their services are needed, because there is no change of business. MCIS, the previous owner, has in fact still 20 per cent share in the Hotel.

It is an established principle of industrial law that where there is a mere transfer of ownership where the same business or trading continues, the new owner assumes the employer responsibility for the employees without any break of continuity of service. Otherwise, all workers would have no security of employment as unscrupulous capitalists acquire ownership of public companies and then change name although the same business is continued, to sack all the existing workers.

Datuk Abdullah Badawi is the Minister responsible in the Prime Minister's Department to get Malaysians to *'Look East'*. He should know that one of the reasons for the Japanese work ethics he wants Malaysians to emulate is the system of virtually life-long employment in Japanese companies. If the Japanese companies practise what Pernas is proposing to do with regard to the Hotel Jayapuri staff, I do not think Japan would be able to chalk up the economic progress it did. The Government or its agencies, like Pernas, then should set a good example of a model employer, and even more important, as a good example to *'Look East'*. I therefore call on PERNAS to withdraw its letters of termination of service to all Hotel Jayapuri staff, and instead, lay them off during the period of renovation and resume their employment on the re-opening of Hotel PJ HILTON without any break of continuity of service.

Religious freedom under threat

"Apart from opposition and objection to the building of non-Muslim places of worship on the grounds of their size, there are now more and more instances of objection to the very construction of non-Muslim places of worship itself. It is noteworthy that any threat to inter-religious harmony has never come from the non-Muslim religious groups, but have only come from fanatical Muslim elements. In Malaysia, we do not have fanatical Christians or fanatical Buddhists or fanatical Hindus or fanatical Sikhs out to destroy the places of worship of other religious faiths."

At the 33rd UMNO General Assembly in September this year, the Prime Minister, Dr. Mahathir Mohamed, said that the Government would formulate a law to ensure that Islam, its teachings and values are not abused or wrongly preached. He said that the law would serve to protect the '*sanctity of Islam*' as the official religion and would provide for legal action to be taken against those who carried out their activities prejudicial to Islam and Muslim unity in the country. The Prime Minister also said that the new legislation would be severe in dealing with deviant Islamic teachings.

The UMNO General Assembly also adopted a resolution urging the Government to formulate an Act that will uphold the sanctity of Islam, defend true Islamic values and prevent them from being abused.

The upshot of all this is the present Penal Code and Criminal Procedure Code (Amendment) Bill 1982, which government sources had been frank in admitting is meant to deal with the problems of

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Speech on the Penal Code and Civil Procedure Code (Amendment) Bill on December 9, 1982.

kafir mengafir, two imam, praying separately in the same or different mosques, and separate burial grounds.

These are intra-religious problems of the Muslim community which I, as a non-Muslim, do not intend to touch on. However, my attention has been drawn to a comment made by the President of Aliran, Dr. Chandra Muzaffar, on the *'Two Iman Issue'*, made on July 30, 1982, which I think should be of great interest to all Malaysians. This is what Dr. Chandra Muzaffar said:

"Masaalah dua imam pada hemat saya tidak dapat dipisahkan daripada pertikaian politik antara UMNO dan PAS. Akhbar-akhbar kita yang sibuk membahaskan masaalah dua imam ini tidak berusaha membentangkan butir-butir latar belakang tentang persoalan ini. Sekiranya latar belakangnya diterangkan mungkin rakyat akan lebih sedar bahawa kedua-dua pihak dan bukan PAS semata-mata yang harus dipersalahkan.

"Tanpa mengkaji akar-umbi masaalah ini saya dapat mengatakan bahawa mengadakan dua imam dalam jemaah adalah salah di sisi ugama. Lagi pun ini akan membawa perpechahan di kalangan penganut-penganut Islam dalam satu bidang di mana perbezaan-perbezaan amalan akan tetap merugikan umat — iaitu dalam bidang mengerjakan sembahyang. Harus ditegaskan di sini bahawa perbezaan pendapat dalam soal-soal yang berkaitan dengan pendekatan pada nilai-nilai sejagat dibenarkan dalam Islam. Yang tidak dibenarkan ialah perbezaan amalan dalam ibadah saperti puasa, sembahyang dan sebagainya.

"Mungkin masaalah ini timbul akibat daripada tindakan golongan tertentu terhadap seteru-seteru politik mereka dan perkara-perkara yang tidak berkaitan langsung dengan sembahyang. Jika sesuatu pihak membeza-bezakan pengikut-pengikut parti lawan dalam pemberian bantuan pembangunan — sebagai contoh — sudah pasti mangsa diskriminasi itu akan bertindak balas dalam bidang yang lain pula di mana mereka boleh membuktikan kuasa mereka, umpamanya dalam soalan imam."

STATE INTERFERENCE

What, however, has greatly alarmed and dismayed non-Muslim religious groups and organisations, whether Christian, Buddhist,

Hindu or Sikh, is that in dealing with what are strictly intra-religious problems in the Muslim community, the Government has drafted legislative proposals which not only affect non-Muslim religions and adherents, but would have far-reaching implications and consequences on the fundamental right of freedom of religion as guaranteed in Article 11 of the Constitution. This is because the provisions in the Amendment Bill would allow for State interference in the practice, profession and propagation of non-Muslim religions.

This is why I am very sad that the Deputy Prime Minister and Minister of Home Affairs, Datuk Musa Hitam, had disregarded my cable to him on Monday, urging him to withdraw the Penal Code and Criminal Procedure Code (Amendment) Bill 1982 until the next Parliamentary meeting in March next year to allow the non-Muslim religious groups in the country, namely the Christians, the Buddhists, the Hindus and Sikhs adequate time to study and make representations on the Bill.

In my telegram to the Deputy Prime Minister, I had said:

"Non-Muslim religious groups and organisations, whether Christians, Buddhists, Hindus or Sikhs, greatly alarmed by Penal Code and Criminal Procedure Code (Amendment) Bill 1982 because of the far-reaching consequences on the freedom of religion guaranteed by the Malaysian Constitution.

"As presently proposed, the Penal Code and Criminal Procedure Code (Amendment) Bill 1982 is a serious encroachment on the freedom of religion as it would allow for untrammelled State interference in the practice, profession and propagation of non-Muslim religions in the country.

"Government should accept the principle that before any law is introduced and enacted affecting the practice, profession and propagation of non-Muslim religions, non-Muslim religious groups and organisations must be fully consulted and their agreement sought.

"Nothing would be lost, and everything to gain, by withdrawing the present Bill until next Parliamentary meeting in March 1983, to allow for full study and representation to be made by non-Muslim religions. This will also maintain good name of Malaysia world-wide as a country where there is no State coercion or interference with other religions."

In fact, the representatives of various non-Muslim religious groups had expressed their opposition to the Penal Code and Criminal Procedure Code (Amendment) Bill as it would lead to the *'drastic curtailment'* of the Constitutional right of freedom of worship. This should be a powerful reason for the postponement for the consideration of the present Bill.

A study of the Bill before the House shows that there are very cogent reasons for the alarm, dismay and consternation felt by non-Muslim religious organisations who are only becoming aware of the far-reaching implications of the Bill in the last few days.

Thus, in creating a new offence under the Penal Code and Criminal Procedure Code (Amendment) Bill 1982, punishable with a three-year jail sentence and in more serious circumstances with a five-year sentence, the government has encompassed not only the problems of kafir mengafir, two imam, separate prayers and burial groups in the Muslim community, but also affect other religious groups with matters that have no bearing with any of these intra-religious Islamic problems in Malaysia, or with any matter connected with Islam at all.

Thus, the proposed new Sub-Section 298A (a) provides:

"Whoever by words, either spoken or written, or by signs, or by visible representations, or by any act, activity or conduct, or by organising, promoting or arranging, or assisting in organising, promoting or arranging, any activity, or otherwise in any other manner —

(a) causes, or attempts to cause, or is likely to cause disharmony, disunity or feelings of enmity, hatred or ill-will; or

(b) prejudices, or attempts to prejudice, or is likely to prejudice, the maintenance of harmony or unity,

on grounds of religion, between persons or groups of persons professing the same or different religions, shall be punished with imprisonment for a term which may extend to three years, or with fine, or with both."

The new Sub-Section 298A (2) provides:

"Whoever commits an offence specified in subsection (1) in or in the proximity of any place of worship or any assembly engaged in the

performance of religious worship or religious ceremony, shall be punished with imprisonment for a term which may extend to five years, or with fine, or with both."

Thus, not only acts that *'causes or attempts to cause'* or *'prejudice or attempts to prejudice'* are illegal, but even those acts *which are 'likely to cause disharmony'* or *'likely to prejudice the maintenance of harmony or unity'* are offences punishable by law. These provisions allow for great scope for the misuse of powers of interpretation which could lead to serious undermining of the right of religious freedom as guaranteed by the Constitution, by State and Government interference in the practice, profession and propagation of non-Muslim religions.

PRESUMPTION

Thus, under the new sub-section 298A (2), there could be numerous situations in which individuals, while carrying out their normal duties and responsibilities, may be deemed to have committed offences under sub-section (1). I will give three example.

(1) A religious teacher, priest, minister or official, in the performance of his duties, may in the course of delivering a speech or preaching a sermon to adherents of his own faith, refer to beliefs and/or practices of other religions for purposes of comparison or contrast. This may be construed as an act under sub-section 1 (a) or (b), particularly by a follower of another religion or government official who may be present, as many religious groups practise an 'open door' policy and anyone is free to attend their religious services in their places of worship;

(2) A similar situation may also occur in a dialogue session or forum conducted either in a place of religious worship or a public place;

(3) The study of comparative religion forms part of the curriculum of some non-Muslim religious training institutions. The doctrines and practices of various religions are examined and discussed in such training courses, and this may be deemed to be an offence committed under sub-section (1) of the new section 298A of the Penal Code.

All these offences under the new sub-section 298A(2) are punishable with a five-year jail sentence.

What is most objectionable in the new offences in Section 298A is that mere presumption creates a punishable and jailable offence. No intent is needed. This is a complete departure from the existing Penal Code offences relating to religion where intention is an essential ingredient before an offence is committed, whether it be injuring, defiling or destroying a place of worship (Section 295), disturbing a religious assembly (Section 296), trespassing on burial grounds (Section 297) or the wounding of religious feelings of any person (Section 298).

KUAN YIN STATUE

Thus, in the proposed new sub-section 298A(1), which states that whoever by '*signs*' or '*visible representation*' causes disharmony or feelings of ill-will is committing an offence, what are these '*signs*' or '*visible representations*', and how is one to define '*is likely to cause*'?

I will give an example. In Penang, Buddhist devotees, in the practice of their right to worship a god or a deity of their choice, a right which is guaranteed in the Constitution as well as promulgated in the Rukunegara, which advocates as its first cardinal principle the belief in God, wanted to extol the glory of God in building a new statue of Kuan Yin in the Kek Lok Si Pagoda Temple in Ayer Itam, Penang. This project, undertaken on a site of an old pagoda was designed to cover an area of about two acres. According to the original plan, the project is meant for a statue of the Chinese Goddess of Mercy, Kuan Yin, on a lotus base at about 250 feet above sea level. According to the original plan, the height of the statue, measured from the lotus base, is to be 121.5 feet. When completed on the basis of the original plan the top of the statue is expected to be 368.6 feet above the sea level. The whole project was originally estimated to cost $1.2 million.

However, the Kuan Yin statue project became the subject of criticism and attack by certain fanatical Muslim elements, who opposed the construction of the Kuan Yin statue in accordance with the original plan, on the ground that it would be an insult to the Muslims and the Malays. In fact, an official and respectable publication as the Dewan Masyarakat, which is the official publication of the

Dewan Bahasa dan Pustaka, even carried an article attacking the proposed Kuan Yin statue project.

In the event, the Penang State Government and the Kek Lok Si trustees submitted to the most uncalled for pressures from fanatical Muslim elements, and the Kuan Yin statue was shortened to 79 feet above the lotus base. The pressure was effected through the Penang Municipal Council control over building plans.

If the new Section 298A was in force, there would be demand and great pressure from the fanatical Muslim elements that those who wanted to build a 368.6 feet Kuan Yin statue should be prosecuted under the Section and jailed, whether they are trustees or Buddhist devotees, on the ground that such activity *'causes, or attempts to cause, or is likely to cause disharmony, disunity or feelings of ... illwill'* as the proposed height of the Kuan Yin statue *'insulted the feelings of the Muslims'* in the country.

MUSLIM OBJECTION

In actual fact, the people whose activities are calculated to *'cause or attempt to cause or likely to cause disharmony, disunity or feelings of enmity, hatred and ill-will on grounds of religion'* are those who are intolerant of the right of freedom of worship in the country and want to interfere with the free practice, profession and propagation of non-Muslim religious faiths, as in the case of the construction of the Kuan Yin Statue in Kek Lok Si in Ayer Itam, Penang.

It is most disturbing that there are more and more instances of Muslim objection to the free worship of non-Muslim religious faiths. In Sabah for instance, some Muslims have objected to the construction of churches, in particular the Sacred Heart Cathedral in Jalan Menteri in Kota Kinabalu. The old Sacred Heart Cathedral has been demolished and on its site a new Sacred Heart Cathedral is proposed to be built, modelled on the same architectural design as that of the St. Joseph's Cathedral in Kuching, Sarawak. When completed, the Sacred Heart Cathedral would be the biggest and most modern Roman Catholic Cathedral in Sabah, which could accommodate a congregation of 1,379 at a time. Who then is guilty under the new Section 298A of the Penal Code of *'activity which causes or attempts to cause or is likely to cause disharmony, disunity or feelings of illwill'* — those who want to build the biggest Catholic Cathedral in Sabah in

the glorification of God, or those who create opposition to such religious activity?

In Sandakan, there have also been opposition from some Muslim quarters to the building of a $2.5 million Buddhist temple on a four acre site in Kampong Tanah Merah, Sandakan, dedicated to the worship of Amitabha, Buddha and Kuan Yin. In Sarawak, the building of a $400,000 Sikh temple in Mosque Road, Kuching, by the Sarawak Sikh community had also come under attack.

Apart from opposition and objection to the building of non-Muslim places of worship on the grounds of their size, there are now more and more instances of objection to the very construction of non-Muslim places of worship itself. It is noteworthy that any threat to inter-religious harmony has never come from the non-Muslim religious groups, but have only come from fanatical Muslim elements. In Malaysia, we do not have fanatical Christians or fanatical Buddhists or fanatical Hindus or fanatical Sikhs out to destroy the places of worship of other religious faiths.

The History of Malaysia has shown that the non-Muslim religions have practised their faith in absolute peace and harmony, and their religious beliefs and practices have never been a threat to any other religion or the public peace. In fact, it can even be said that the non-Muslim religious groups in the country have helped to cultivate a mutual protective interest in the religions of all the racial groups, which all these years had been the most powerful source of racial harmony in the country.

KHALWAT

This is again another powerful argument that in dealing with intra-religious problems within the Muslim community, the Government should not affect the other religious groups in providing a legal basis for the interference with the practice, profession and propagation of non-Muslim religious faiths.

I was not aware that the new Section 298A of the Penal Code has also been drafted in order to punish the non-Muslim partner in a khalwat offence until I read a Bernama write-up on the amendment the other day. The Bernama report exulted that now both the Muslim

and non-Muslim parties to a *khalwat* offence would be punishable, the non-Muslim under the Penal Code amendment.

A Muslim found guilty of *khalwat* is usually fined $200 or $250 under the Muslim enactments of the various States. I have caused a check of the penalties for *khalwat*, offences in the various states, which vary from State to State, but they all range from the lightest penalty of $100 or one month's jail in Kelantan to the heaviest penalty of $1,000 or six months' jail, as is to be found in Johore. However, the non-Muslim partner charged under Section 298A of the Penal Code for *khalwat* activity which *'causes or attempts to cause or is likely to cause disharmony, disunity on feelings of ill-will'* would be exposed to an offence which is punishable with three years' jail, or fine, or both!

This is most objectionable and unjust where for the same act, different persons are charged under different laws where one of them imposes much heavier penalties. Or is the Muslim partner in a *khalwat* charge going to be charged under the Penal Code in the Criminal Courts? I am sure that the Shariah Courts in the various States would vehemently oppose this as a serious erosion of the jurisdiction and powers of the Shariah Courts.

There is the further question of the rules of evidence to be followed in such charges whether it be *khalwat* or *zina*. Under the Muslim law, *'four pairs of eyes'* are required before a *zina* charge could succeed. Is this going to be followed when a non-Muslim in the similar *zina* charge is brought to the criminal courts? This would be a revolutionary change of the rules of evidence in the secular courts. Or is the criminal charge under Section 298A of the Penal Code to await the outcome of the Shariah Court proceedings?

FREEDOM OF RELIGION

We are likely to have a situation where, because of the different courts where the Muslim and non-Muslim partners are charged whether for khalwat or zina, the non-Muslim under Section 298A under the rubric of *'causing disharmony or ill-will'* on grounds of religion, different outcomes may be reached, with the Criminal Court convicting the non-Muslim party while the Shariah Court acquitting the Muslim party, or vice verse, the Criminal Court acquitting the non-Muslim party while the Shariah Court acquitting the Muslim party.

In either case, such situations would not enhance the confidence of the public, whether Muslim or non-Muslim, in the legal system in the country.

What is even more objectionable however is the indirect attempt to extend Islamic laws to non-Muslims. It is a cardinal principle of our Constitution that the fundamental right of freedom of religion includes the right not to be punished or penalized by the religious laws and practices of another faith.

Another threat to freedom of religion stems from the new subsection 298A (3), which reads:

> *Where any person alleges or imputes in any manner specified in subsection (1)*
>
> *(a)* .....
>
> *(b) that anything lawfully done by any religious official appointed, or by any religious authority established, constituted or appointed, by or under any written law, in the exercise of any power, or in the discharge of any duty, or in the performance of any function, of a religious character, by virtue of being so appointed, established or constituted, is not acceptable to such person, or should not be accepted by any other person or persons, or does not accord with or fulfil the requirements of that religion, or is otherwise wrong or improper, he shall be presumed to have contravened the provisions of Section 298A (1).*

If this Bill is passed, an individual's right to dissent or to express dissent in his own religious faith with regard to anything 'lawfully' done by a religious official or authority would be taken away from him, as he would be committing a criminal offence to dissent. Has the Government secured the consent and agreement of all the non-Muslim religious faiths and groups to allow the State to so blatantly interfere with non-Muslim religious activities? I am sure the non-Muslim religious faiths would be the first to disagree, for the right to dissent is often a matter of conscience as it is possible that what has been 'lawfully' done by individuals or religious authorities may be quite contrary to the spirit of that religion.

The Government seems to want to institute criminal proceedings for even dissent on purely religious grounds in their own religions.

Doctrinal dissent or differences or other intra-religious problems should be best dealt with by their own religions, without any State interference, which could only make things worse and would give rise to suspicion of extra-religious interference.

Sub-section 3(b) of the new section, taken with Sub-section (7) will in fact destroy the freedom of speech to discuss the various religions in the country. Sub-section (7) reads:

"It shall not be a defence to any charge under this section to assert that what the offender is charged with doing was done in any honest belief in, or in any honest interpretation of, any precept, tenet or teaching of any religion."

MANAGEMENT OF RELIGIOUS AFFAIRS

The most dismaying effect and consequence of the new Section 298(A) in the Penal Code is that the non-Muslim religious groups and organisations would be deprived of the fundamental right to manage their own religious affairs as guaranteed in Article 11(3)(a) of the Malaysian Constitution which reads:

"Every religious group has the right — (a) to manage its own religious affairs."

Up to now, the different religious groups have administered and managed their religious affairs in accordance with their own doctrines, canons, etc. under their own religious leaders. Some have a well-defined hierarchical system with appointed or elected officials or authorities functioning at various levels. Others are single autonomous units having formally appointed officials and priests who are responsible for performing specified duties. There are yet other groups which make no distinction among their members and anyone who is well versed in their religion and capable and willing and whom the group accepts, may perform such functions or duties (except for marriages which have to be performed by Registrars under the Non-Muslim Marriage and Divorce Act 1976).

Should the proposed amendments become law, overnight all these managing bodies/authorities will be deprived of some of their powers and authority as none of them are, in the words of the Bill, *"religious authority established, constituted or appointed by or under any written law"*. To constitute them legally under written law can only mean

that the Government will have to pass legislation or regulation in this sphere, which is clearly contrary to Article 11 (3) (a) of the Malaysian Constitution on the freedom of the non-Muslim religious groups to manage their own religious affairs, as it tantamounts to interference by the State in promulgating laws concerning the management of non-Muslim religions.

In fact, under sub-section 5, when the new Bill becomes law, all non-Muslim religious officials who are at present not appointed "*by or under any written law*" would be presumed to have contravened the provisions of sub-section (1) and (2), with the penalties of three and five years' jail respectively. This is because **none** of these non-Muslim religious officials, by their own admission, **are in fact** appointed under any written law!

SELECT COMMITTEE

As the purpose of the 2M government is to '*uphold the sanctity of Islam, defend true Islamic values and Muslim unity in the country*' so as to be able to deal with the problems of kafir mengafir, two imam issue, separate prayers and burials, in the Muslim community, the government should confine its legislative efforts to the Muslims only, and not draft a Bill with such far-reaching consequences in allowing for State interference in the practice, profession and propagation of non-Muslim faiths.

The government should either confine the proposed new Section 298A in the Penal Code to Muslims wrongly preaching Islam, or suitable amendments should be made to the various laws governing the administration of Islam. As the non-Muslim religious groups had never posed a threat to public peace, order and security, I would urge the Deputy Prime Minister to give this proposal serious consideration. If he cannot withdraw the Bill now, then I propose that the Bill be referred to a Select Committee so that all non-Muslim religious groups could make representations as up to now, the overwhelming majority of the non-Muslim religious groups and organisations who would be adversely affected are quite in the dark about the implication of this Bill. The government's agreement to refer the Bill to a Select Committee would also be in keeping with the openly-avowed open and liberal attitude of the 2-M government.

Religious Polarisation

> *I want to make it very clear that these apprehensions of non-Muslim Malaysians to the Islamisation process do not stem from any antipathy or enmity towards Islam as a religion, but because of their fear that the basic foundation of Malaysia as a secular nation where there is freedom of religious beliefs and practice, with Islam as the official religion, is being insidiously but effectively undermined.*

The Yang di Pertuan Agong, in his Royal Address, called on Malaysian youths to ensure that their activities do not undermine national unity to the extent of causing *'racial polarisation'*.

In fact, the youths of Malaysia in the year 1984 are the most polarised generation in the history of our country in ethnic terms, because of the whole range of government policies, attitudes and philosophy of nation building, which emphasised and accentuated ethnic distinctions rather than the common bond of Malaysian national identity and consciousness.

Thus, the whole basis of political power in Malaysia, and in particular in Peninsular Malaysia, is founded on the premise that a Malay is not a Malay in Malaysia unless he supports and votes for the UMNO, a Chinese is not a Chinese in Malaysia unless he supports and votes for the MCA, and an Indian is not an Indian in Malaysia unless he supports and votes for the MIC.

In fact, UMNO prides itself for having achieved the position where it could claim that *'UMNO is Malay and Malay is UMNO'* instead of *'UMNO is Malaysia and Malaysia is UMNO'* — to the extent that the MCA, even through phantom members, is seeking to emulate the

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Speech on the Royal Address on March 13, 1984

UMNO example to be able to boast that *'MCA is Chinese and Chinese is MCA.'*

The 2M Government had called on Malaysians to 'Look East' and to learn from the Japanese in particular. It is essential that Malaysians, in the rush to 'Look East' and to learn from the Japanese experience, should draw the right lessons as to what make the Japanese tick and the formula for the Japanese economic success.

According to one study, the secret of the Japanese success is that in Japan *'being Japanese is the most important reality in the life of any Japanese.'*

Until we in Malaysia can reach the stage where, in the final analysis, *'being Malaysian is the most important reality in the life of any Malaysian'*, it is unlikely that we can learn anything world-shaking from the 'Look East' policy.

After a quarter of a century of Malaysian nationhood, the most important reality in the life of any Malaysian is not being a Malaysian, but being Malay, Chinese, Indian, Iban, Kadazan, etc.

Every four or five years during the general elections, the entire resources of the State are mobilised to exhort the people of Malaysia that they must vote as Malays, Chinese, Indians, Kadazans, Ibans, and not as Malaysians.

RACIAL POLARISATION

It is because in Malaysia, being Malaysian is not the most important reality in the life of any Malaysian that there is the massive brain drain in the migration of Malaysian doctors, engineers, dentists and lawyers overseas.

At the joint meeting of the UMNO Youth and UMNO Wanita General Assembly in August last year, the Deputy Prime Minister, Datuk Musa Hitam, devoted the theme of his opening speech to *'Malay Nationalism'*.

It is most saddening as well as shocking that 25 years after Malaysian nationhood, *'Malay Nationalism'* should become the theme of an important address. I could understand if we were in the 1940s or even the 1950s. But we were in 1983! I am sure that anyone who devoted the theme of his speech of *'Chinese Nationalism'* or *'Indian Nationa-*

lism' in Malaysia would be accused of pandering to the fibres of Chinese chauvinism or Indian racialism. By the same logic and argument, would it not be equally right that in the 1980s, there could be no Malay nationalism, but only Malay racialism or chauvinism, for there could only be one nationalism in Malaysia of today — Malaysian nationalism?

Racial polarisation not only dominates the political process, but the entire nation-building process, whether in economic, educational, social or cultural arenas. No wonder it is legitimate to state that after a quarter of a century of nationhood, we are a nation without Malaysians but only Malays, Chinese, Indians, Ibans and Kadazans.

It is this national disunity that the New Economic Policy was formulated to overcome, as the achievement of national unity is proclaimed as the overriding objective of the NEP and its two prongs of eradicating poverty and restructuring Malaysian society.

I would leave the subject of the NEP and National Unity for the debate on the Mid-Term Review of the Fourth Malaysia Plan later at this Parliamentary meeting, but would want to point out that the NEP far from reducing had in fact enhanced and aggravated racial polarisation in Malaysia.

RELIGIOUS POLARISATION

If the Government is serious in worrying about racial polarisation, then it must bravely deal with the underlying causes. Otherwise, exhortation to youths not to contribute to racial polarisation in a highly polarised situation would fail to make any impression whatsoever, for the government must bear the brunt of the responsibility to de-polarise the country.

What I want to highlight in this debate is the warning that religious polarisation might become the third major cause of national disunity in Malaysia, after racial polarisation and class polarisation, in the last 15 years of the 20th Century till the Year 2,000.

Ever since the last general election in April 1982, the process of Islamisation in government, administration, economy, education and even morals have caused great concern, unease and foreboding among non-Muslim Malaysians.

Hardly a week goes by nowadays without an Islamisation demand, proposal or decision in one field or another. New university students in all courses of study are required to take Islamic Civilisation as a compulsory subject, there is demand that Islam should be used as the formula for nation-building in Malaysia — an Islamic nation-building policy; demand for an Islamic approach to the creation of a national culture — an Islamic National Culture; etc.

I want to make it very clear that these apprehensions of non-Muslim Malaysians to the Islamisation process do not stem from any antipathy or enmity towards Islam as a religion, but because of their fear that the basic foundation of Malaysia as a secular nation where there is freedom of religious beliefs and practice, with Islam as the official religion, is being insidiously but effectively undermined.

Government Ministers had sought to allay the fears of non-Muslims on the ground that the values from Islam which are being incorporated into government and administration are good values, which other religions would also recognise and support, like justice, tolerance and harmony.

Such Ministerial assurances, however, are becoming less and less effective when the process of Islamisation is accelerated, for non-Muslims fear that the process of Islamisation would prepare the foundation for the creation of an Islamic State in the future — which in fact had been publicly admitted by advocates of Islamisation at Islamic forums.

Their fears and anxieties are further increased when they read in the press about what is happening in other countries where an Islamic State is being attempted, as in Pakistan, where large numbers of women had protested and demonstrated against the government's campaign to impose strict Islamic values, with proposals that would require the evidence of two women to equal that of one man; that compensation to a family for the death of a woman be fixed at half that for a man's; increased flogging of women convicted of adultery; a government proposal to establish separate universities for women; the proposal that the family of a crime victim can ask for the death penalty only if the victim is a male; and a ban on women athletes at the Asian Games in New Delhi last year.

Nor are their fears and anxieties lessened when from their readings about Islam, they learn that in an Islamic State, non-Muslims '*may*

have a place in the administrative machinery of the State but cannot be entrusted with the responsibility of framing the general policy of the State or dealing with matters vital to its safety and integrity.'

DISTURBING

In actual fact, proponents of an Islamic State in Malaysia have advocated that non-Muslims in Malaysia can make their political contributions in an advisory capacity, but would have no role in the real decision-making Majlis to run the government and country.

What disturbs non-Muslims is that although we do not have an Islamic State, non-Muslims seem excluded from the framing of fundamental policies of State. For instance, in a matter like the incorporation of Islamic values into the government and administration which would affect both Muslims and non-Muslims in Malaysia, non-Muslim Malaysians play no role whatsoever. In fact, the same argument could be extended to other fundamental policy formulations and occupation of key-Ministerial posts. Only recently, the special task force of the Cabinet to review the Fourth Malaysia Plan became rather sensitive, not only because it comprised only UMNO Ministers, excluding all other MCA, Gerakan, MIC, SUPP Ministerial participation, but also because at a period when the government had made Islamisation a highly politicised issue, the composition from the religious aspect is also disturbing.

As the Islamic values which the Government wants to inject into the Government and administration are universal values which are always also taught by the other great religions and beliefs, then in a multi-racial, multi-religious and multi-cultural nation like Malaysia, these values must be disseminated in the name of all the religions and faiths concerned and not in the name of any religion, for three important reasons:

1. to uphold the Constitutional guarantee of freedom of religious beliefs;
2. to further national unity by using the common universal values to be found in the various religions in Malaysia as a basis for nation-building, instead of creating a new barrier between Islamic values and non-Islamic values;
3. to prevent a third polarisation in Malaysia to add to the double polarisation of class and race, namely that of religion, which would come about if radical changes in the administration, govern-

ment, economy, education, politics and law are made in the name of Islamisation solely by Muslims, to the exclusion of Malaysians of other religious faiths.

The absorption of religious and ethical values in government, administration, economy, education and morals should be overseered by an inter-religious consultative body, comprising representatives from the leading religions in Malaysia, namely Islam, Buddhism, Christianity, Hinduism.

CULTURAL DEMOCRACY

His Majesty, in his Royal Address, had also spoken of the importance of cultural developments in attaining national unity. A cultural policy could be likened to a double-edged sword, which could either promote greater national unity or destroy the basis for national unity.

The National Culture Policy, and the way it is promoted by the Government, has caused great harm to national unity objectives. The year 1984 started with three uncompromising pronouncements by three UMNO leaders at an UMNO Youth seminar on culture who made it very clear that there was nothing more to discuss or debate as far as the National Culture Policy is concerned.

The Minister of Youth, Culture and Sports, Anwar Ibrahim, said the National Culture Policy is closed to further debate and that the government would not tolerate any questioning or criticism of the National Culture Policy. He also justified the dismissal of the Memorandum on Culture presented to the Government by the Malaysian Chinese Cultural Conference attended by national Chinese organisations in March last year as a *'small matter'*.

The Finance Minister, Tengku Razaleigh, proposed a seven-point perspective plan to implement the National Culture Policy which includes taking action against *'anti-national'* elements who opposed the National Culture Policy.

The Menteri Besar of Pahang, Datuk Mohamed Najib bin Tun Abdul Razak, declared that the national culture incorporated from the region's original culture based on Islam would not be successful if it incorporated other cultures and proposed that efforts to evolve the national culture should be made from kindergarten level up to the university level.

For a multi-racial country like Malaysia, where there is no majority race in the country — for every race is a minority race — there should be cultural democracy and not cultural autocracy — to allow for the full flowering of the various cultures which have met in historical conjunction in Malaysia and the evolution of a new Malaysian culture comprising the best of the various cultures in the country.

Malaysia, however, had been taking the road of cultural assimilation and intolerance. I will give an example. During the Dewan Rakyat debate on the 1961 Education Act on 20th October 1961, when replying to charges that in having Clause 21(2) of the Act which empowers the Education Minister to convert Chinese primary schools into national primary schools, the government was not aware of the importance of Chinese culture, the then MCA President and Minister of Finance, Tun Tan Siew Sin, said:

"Those of us who like myself have been privileged to attend State banquets and functions held at the Istana Negara have, for example, noticed that every time there is some sort of entertainment provided after a meal is over, or in the course of a meal, we get cultural exhibitions given by, for example, Radio Malaya; and in every one of these exhibitions there are always a few items which are performed by Chinese artists and in the Chinese language and depicting some aspects of Chinese culture."

Tun Tan went on to say:

"I do not think that this has ever happened before, and I do not think it ever happened during the time when the British were in control of this country. If today the Alliance Government was not aware of the importance of Chinese culture, I do not think such a thing would be allowed to happen."

For over a decade since the National Culture Congress of 1971 when the three principles of the National Policy were adopted, *'such a thing'* described by Tun Tan had ceased to happen.

The position had in fact gone very far towards the other extreme, as illustrated by the statement by a noted Malay scholar at the Meeting of the Malay World 1982 held in Malacca where he stressed that there should be no discrimination against those Chinese who adopted the ways of the land — for instance the Chinese datuks must be accorded the same respect as Malay datuks, provided *"their loyalty*

and willingness to be part of the nation is proved through their adoption of Malay customs."

The government intolerance to the questioning of the National Culture Policy appears to be followed up by government encouragement of public intolerance of what is downgraded as communal cultural expressions, except among the communal groups concerned. Thus, during the recent Chinese New Year, although the lion dance was allowed to be performed under restrictive police regulations, one of these regulations prohibited the performance of lion dance in areas with Malay inhabitants, as flats for instance.

If the Chinese, or the Indians for the matter, are encouraged or allowed to prevent the performance of cultural forms which belong to the other cultural groups, as say the kompang, where will all this lead us to? Is it to a more united or a more divided Malaysia?

It may be very popular for the UMNO leaders, in the approach of the UMNO General Assembly elections in the next few months to make ferocious statements about the National Culture Policy, but I sincerely hope that in the long-term national interest of all Malaysians who comprise the different cultural groups, the government would move away from its uncompromising and rigid attitude which tantamounts to cultural autocracy in Malaysia.

GREATER INTOLERANCE

Despite the government's claim of an open and liberal administration, there are more and more signs that the government is becoming more and more intolerant of criticism and dissent.

The Minister of Youth, Culture and Sports' stand that he would not tolerate any debate or questioning of the National Culture Policy is one example. Another is a similar statement, this time by the Deputy Minister of Finance, Datuk Sabarrudin Cik, at the Sains University forum on the New Economic Policy that the NEP could not be debated or questioned.

A third example is the recent attempt to curb Malaysian students overseas from criticising the government. The later back-tracking by the government on the matter following public uproar at the proposed clampdown on student dissenters overseas could not conceal the original intention.

Thus, when the Deputy Minister of Education, Datuk Khalil Yaakob, announced in early February that the government would crackdown on Malaysian students overseas found to be opposing the government's policy or critical of the Government, he spelt out the meaning of "*activities opposing the Government*" to include criticising government policies publicly, allowing room for misinterpretation of government policies and students taking part in anti-government demonstrations.

Another Minister said the actions would not be confined to government scholars but would include private students overseas. Following the national and international protests and uproar, the Deputy Prime Minister, Datuk Musa Hitam, clarified that the government's clamp down on Malaysian students overseas is directed at militant students who want to overthrow the government.

I do not believe that Datuk Khalil Yaakob was so incompetent as to grossly misrepresent government intentions, especially as he never clarified or retracted his statements. This incident shows the eternal need for Malaysians to be vigilant about their rights and to fearlessly stand up against any attempt to erode them.

I call on the government to give a full explanation of the nature of the action the government would take against Malaysian students overseas, for the original nature of the clampdown decision could only make the public highly suspicious of this government action.

Another indicator of growing intolerance is the Ministry of Home Affairs 'punishment' of the Far Eastern Economic Review by delaying every weekly publication for two weeks because of the weekly's reporting on the Constitutional Crisis which transgressed the government's ban on the subject.

The suspension of Watan and the monthly magazine, Nadi Insan, as well as the Bahasa Malaysia weekly, Mingguan BUMI, the proposed enactment of a new Publications Act to strengthen government control on imported publications, are all part of a larger attempt to exercise greater government manipulation of public opinion in the country.

His Majesty expressed his confidence in the system of Parliamentary Democracy and Constitutional Monarchy in Malaysia. I do not think the system of Constitutional Monarchy was ever an issue in the

recent constitutional crisis. But what needed the serious consideration of thinking Malaysians and in particular Members of Parliament is the state of Parliamentary democracy we have in Malaysia.

RUBBER-STAMP

Parliamentary democracy in Malaysia is a mere empty shell, with more the trappings than the substance of a democratic tradition, as the Malaysian people, including their Members of Parliament, are not allowed meaningful role and participation in deciding the future of the country and their lives.

Over the years, Parliament has become more and more a rubber-stamp institution, used by the Executive to give its actions and decisions the stamp of legitimacy, as shown in the recent Constitutional crisis, but largely irrelevant to the national policy decision-making process.

Malaysians who believe in the system of Parliamentary Democracy and Constitutional Monarchy should seek to return to Parliament its role as the highest deliberative, legislative and decision-making body, instead of being the highest rubber stamp institution in Malaysia.

The lowly esteem of Parliament held by the public could be gauged by the importance given by the press to parliamentary proceedings. It is not unusual for newspapers to give a quarter page or even less coverage to the parliamentary proceedings, while other events which could not compare in importance with Parliament proceedings if Parliament is the apex of the political process get greater coverage.

Parliament should set up a special committee to review its Parliamentary role and decide on how it could restore its pre-eminent political place in the system, for otherwise it is not just Parliament which had diminished its role, but the principle and system of parliamentary democracy which had been grossly undermined.

The Royal Address reiterated the government's intention to create a *'Clean, Efficient and Trustworthy'* administration. When this slogan was used in the April 1982 general elections, many gave the government the benefit of the doubt and hoped that the 2M leadership would be able to deliver the goods.

It is not yet two years but the *'Clean, Efficient and Trustworthy'* motto has become a bad joke among the people. In fact, the MCA

was so embarrassed by the slogan of '*Clean, Efficient and Trustworthy*' Administration that it abandoned its usage in the Seremban parliamentary by-election last November. As a result, we had the spectacle of the main campaign theme of the government in the general elections being completely dropped, which tantamounts to an admission that the administration is 'unclean, inefficient and untrustworthy'!

BMF SCANDAL

How could the people have a high regard for the Government when for the sake of political office, seekers are prepared to manufacture tens of thousands of 'phantom members'.

The greatest disappointment to the people, however, is the government's handling of the $2,500 million Bumiputra Malaysia Finance loans scandal in Hong Kong.

The shocking part about the BMF scandal is not merely the magnitude of the loans involved, but the attitude and philosophy of those in government, who do not seem to accept the principle of power as a trust of the people and accountability for their actions.

Despite the national demand for a Royal Commission of Inquiry into the BMF scandal, the Prime Minister has merely set up an in-house inquiry. From the restricted terms of reference, it is dubious that the inquiry committee, which is headed by the Auditor-General, would be empowered to investigate into the political ramifications of the billion-dollar loans concerned, the people-behind-the-scene who recommended, influenced and gave approval for the loans — people who are likely to be very powerful political figures and who may have no direct links with Bank Bumiputra and BMF.

As the BMF inquiry committed is technically an in-house inquiry committee set up by Bank Bumiputra, the public are very skeptical that it could go very far beyond Bank Bumiputra and BMF — when the real seat of decision for the loans may be elsewhere.

For instance, would the BMF inquiry committee be able to pursue and inquire whether it is true that UMNO had received a cut from the billion-dollar BMF loan transactions in Hong Kong from the Hong Kong debtors by way of donation to the UMNO Building Fund as widely rumoured?

Another baffling aspect of the BMF inquiry committee's terms of reference is why its jurisdiction is confined to the loans and credit facilities extended by BMF to George Tan and Eda Investments, exempting the third in the trio of the BMF debtors, property developer Kevin Hsu, from its scope of inquiry.

Last month, it was reported from Hong Kong that bankruptcy petitions had been filed against Kevin Hsu, whose major creditor is the BMF, by a German merchant bank.

The Hong Kong and Shanghai Bank sued Kevin Jewelry, a company controlled by Kevin Hsu, for HK$55 million and the claim was not contested. Others who have so far sued Mr. Hsu claimed a total exceeding HK$80 million.

The Malaysian public is entitled to know why the Prime Minister has excluded Kevin Hsu from the scope of the BMF inquiry committee's investigations.

I seek an assurance from the Prime Minister that the full report of the BMF inquiry committee would be made public and tabled in Parliament, with immediate opportunities for a debate on the BMF scandal.

Although we in the DAP are very disappointed by the government's refusal to establish a Royal Commission of Inquiry into the BMF, and the composition as well as the terms of reference and jurisdiction of the in-house BMF inquiry committee, we will withhold comment until the committee had reported.

CORRUPTION

The BMF inquiry committee owes it to the Malaysian public to indicate how long it would take to complete its inquiry and report, now that it had over two months to go into the case. We hope there would be no inordinate delay in the inquiry committee's work and report as there is a great public interest and public credibility would be further damaged if the public sees another chapter of foot-dragging in the long saga of the BMF scandal cover-up.

After he became Prime Minister, Dr. Mahathir Mohamed said he would *'put the fear of God in those people who are corrupt'*.

Public hope that the 2M government would crack down on corruption had not been fulfilled, and the Malaysian people have again become very cynical about the government's anti-corruption drives, which seem to be more publicity exercises rather than weeding out the corrupt from public service and top political posts.

Recently, the Nakasone Government got all Cabinet Ministers to publicly declare their assets to make the people trust the government. This is something that Dr. Mahathir could learn from his counterpart in Japan. He should in fact go one step further and get all Cabinet Ministers to publicly declare their assets and that of their spouses and next of kin, which could then be emulated by the Japanese for a change to ensure public integrity of political leaders.

HIGHER EDUCATION

In January, an Australian Ministerial Committee of Review into the Australian Government Policy on private overseas students headed by Professor John Goldring visited Malaysia to hear Malaysians' views. My comrades, Sdr. Lee Lam Thye and Sdr. Dr. Tan Seng Giaw, and I met the Australian Ministerial Committee and made strong representations that the Australian Government, in furthering the interest of Australia-Malaysia relations, should not cut down places available for Malaysians in Australian educational institutions as was done this year, where only 1,640 places (1,050 secondary and 590 tertiary) places were made available to Malaysian students. We also rebutted the view held in some Australian quarters that the Malaysian private students in Australia come from the well-to-do families.

I hope that the Goldring Committee would be able to restore the liberal Australian education policy which allowed the unrestricted entry of Malaysian students into Australia for higher studies, although there may have to be certain modification in the Australian policy in ensuring that Malaysian students in the various universities and colleges are well distributed all over the country, instead of the present situation where there is a very high concentration in two universities.

What private Malaysian students find very frustrating is that in attempting to go to Australia for higher studies, they face not only the problem of restricted places, which is the responsibility of the

Australian government, they also find the Malaysian government competing with them for the limited places by getting a reserved quota for government scholars.

Thus out of the 1,050 pre-university places reserved for Malaysia, the Government took up about 60 per cent of the places for government scholars, when the government could release these places for private students as it could easily make alternative arrangements for these government scholars, either in other countries or in Malaysia itself.

I therefore call on the Minister of Education to stop competing with private students for limited places in countries where there is a fixed quota for Malaysian students.

JAWI

On 25th February 1984, the Berita Harian reported that beginning from 1986, all primary schools, including Chinese and Tamil primary schools, would have to teach Jawi as a compulsory subject from standard 4 to standard 6. The report said that the Curriculum Development Centre is finalising the curriculum for the introduction of compulsory Jawi teaching as the second phase of the 3M curriculum for primary schools.

The report also quoted the Deputy Minister of Education, Dr. Tan Tiong Hong, as defending the study of Jawi for non-Malay students, on the ground that the study of Jawi is essential to non-Malays who want to acquire a high standard of proficiency in Bahasa Malaysia.

The DAP is opposed to the introduction of Jawi as a compulsory subject for non-Malay students. What is more relevant is the introduction of mother-tongue language as a compulsory subject in all national primary schools, and the raising of the standard of English in the Chinese and Tamil primary schools. The DAP calls on the Government to abandon its plan to make Jawi a compulsory subject in primary schools for all students as it would be most unhealthy if Islamisation is brought down even to primary school levels.

Task Force III for Illegal Indonesian Immigrants

"The people must wake up from their complacency, and the government from its indifference, over the illegal Indonesian immigrant problem. It should be approached as akin to a national security problem, involving the government and civil organisations to repatriate all illegal Indonesian immigrants from Malaysia."

Yesterday, I attended a public protest meeting held by the people of Tongkang Pechah, Batu Pahat, at the Balai Rakyat to protest against the criminal activities of illegal Indonesian immigrants, which have become a menace to law and order, as well as to human life and safety of property.

On 18th October 1984, a rubber tapper, Lim Ah Tee, 42, was killed by two illegal Indonesian immigrants at an oil palm plantation at Kampong Bukit Belah, Tongkang Pechah, leaving behind a wife, a four-year-old girl and a four-month baby girl and a 84-year-old mother.

Although the two illegal Indonesian immigrants had been convicted and sentenced to six years' jail, their crime had caused great suffering and hardship to the victim's family, who are now without any means of financial support.

Furthermore, the virtually unchecked presence and criminal activities of illegal Indonesian immigrants in the Tongkang Pechah area

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Speech on the allocation for the Ministry of Home Affairs on November 26, 1984.

have caused great unease and anxiety to the extent that villagers have stopped going into the more remote smallholdings to work.

In the Kulai, Senai and Scudai area last week, there were a spate of criminal activities by illegal Indonesian immigrants, involving rape, armed robberies and assault. In one case, where a shotgun from a licensed holder was reported, the police did not turn up to investigate until after three hours later. The people in Kulai, Scudai and Senai are particularly angry that the Police seemed to be unconcerned about the activities of the illegal Indonesian immigrants and the crimes they commit when police reports are lodged by the public.

This was why the Kulai DAP Branch submitted a memorandum to the Kulai Police on 22nd November demanding more effective police action against the criminal activities of illegal Indonesian immigrants.

It will not be an exaggeration to say that the illegal Indonesian immigrants have emerged as one of the most serious social and law-and-order problems in Peninsular Malaysia, especially from Selangor to Johore, and police responses to it had been grossly inadequate and ineffective.

The DAP calls on the Government to upgrade its seriousness in dealing with this problem, and the Cabinet should form a Special Task Force III (Illegal Indonesian Immigrants) to end this grave problem of illegal Indonesian immigrants.

COVER-UP

Figures given by the Deputy Minister of Home Affairs about the few thousands of illegal Indonesian immigrants who are deported every year is completely meaningless, for everybody knows that the situation had become so serious that those deported in the morning could return in the evening. They just turn back at the high seas without ever returning to Indonesia!

The problem of the illegal Indonesian immigrants is not a new problem, but up to now, the government is still pretending that there is no such problem, that there is no local syndicate, that it had not been a great cause of crime. I want to ask the Government why it is trying to 'cover up' the gravity of the illegal Indonesian immigrant problem.

I am very concerned that Malaysia has become the haven of hardened criminals of Indonesia who run to Malaysia to escape being summarily executed by the 'killer squads' formed by the Government to try to bring the criminal situation in the country under control without having to arrest and try them.

The Police must not allow Malaysia to become the new field of operation of these hard-boiled Indonesian criminals, who would stoop to nothing to kill at the slightest provocation. I will not be surprised if these hardened Indonesian criminals who are on the run from the killer squads in Indonesia are involved in many of the major crimes in Malaysia.

The people must wake up from their complacency, and the government from its indifference, over the illegal Indonesian immigrant problem. It should be approached as akin to a national security problem, involving the government and civic organisations to repatriate all illegal Indonesian immigrants from Malaysia.

Datuk Musa Hitam had signed an agreement with the Indonesian government on the supply of Indonesian workers, but this had not halted in any manner the influx of illegal Indonesian immigrants.

The government must also bear responsibility for the victims of crimes of illegal Indonesian immigrants. Lim Ah Tee, for instance, would still be alive today to look after his family if the government had not failed in its responsibility to check the influx of illegal Indonesian immigrants.

I call on the Government to compensate the family of Lim Ah Tee and all other victims of the criminal activities of illegal Indonesian immigrants, for the government must be held responsible for the situation.

The people have had enough problems of illegal Indonesian immigrants, and they must stand up and protest loud and clear, and long enough, for the government to hear and see the people's demands.

We must not allow Malaysia to become a country where other nationals whether from Indonesia or any other country, could enter at abandon, rob, rape and kill without an overall counter-strategy by the government to wipe out this menace.

1985 Declaration of Chinese Guilds and Associations

'To create the conditions whereby there would be a national effort to face the economic crisis confronting the country, the Prime Minister should apologise for his highly offensive reference to non-Malay Malaysians as 'immigrants', for firstly, it is incorrect, as the overwhelming majority of non-Malay Malaysians are born in the country and will die in the country and they are as 'indigenous' as anybody else. Secondly, such a categorisation, taking the 'bumiputra/non-bumiputra' classification to greater lengths, is highly divisive and disruptive of the nation-building process.'

The Minister of Finance, Daim Zainuddin, has established a record of introducing a second painless budget at a time when the country's economy is going through a most painful period.

The Minister of Finance has no choice but to introduce a painless budget for the general elections is expected to be held early next year, and no Finance Minister would introduce a painful budget under these circumstances.

This does not mean that the people of Malaysia would be spared their pain. It only means that their pain had been postponed for another period, and after the next General Elections, they would feel the full intensity of the twice-delayed pain in Daim Zainuddin's two budgets.

Speech on the 1986 Budget on October 28, 1985

The 1986 Budget is therefore a Budget of Delayed Pain for the coming general elections. Could the Minister of Finance on behalf of the Government promise the people that after the next general elections, it would not resort to painful measures for the people to deal with the grave economic and financial difficulties confronted by the country?

The statistics spell out the gloomy economic picture of the country The deficit in the Balance of Payments current account is estimated at $5.3 billion this year compared with a deficit of $3.7 billion in 1984. Despite government pledges to bring down the Invisibles Account Deficit, the deficit in the services account of the balance of payments is expected not only to increase from $10,566 million in 1984 to $10,973 million in 1985, for next year i.e 1986, it will reach an all-time high of $11,599 million.

The national debt is expected to reach a level of $72,917 million compared with $66,822 million; while the debt service charges of the Federal Government has risen from $4,430 million in 1984 to $5,486 million, and in 1986, it will touch $5,925 million.

ELECTION BUDGET

On the commodities front, Malaysia's position as the world's largest producer and exporter of rubber and palm oil is being threatened, while suffering from low prices because of the slow-down of international economic activity and the deepening of the recession in 1986, which will also affect Malaysia's manufacturers.

With the bleak growth prospects in the economy for 1985 and 1986, the overall employment outlook is gloomy, with the government expecting a 7.6% rate of unemployment, or 427,000 unemployed, which is always a under-estimate.

As the 1986 Budget is an election budget, the government has taken the easy and irresponsible way out to shore up its financial position by a 18.6 per cent increase in crude petroleum production in complete abandonment of the National Oil Depletion Policy.

In accordance with the Government's National Oil Depletion Policy, crude petroleum production under the Fourth Malaysia Plan was projected to increase from 280,000 barrels per day in 1980 to

362,900 barrels per day in 1985, or an increase of production of about five per cent per annum.

This National Depletion Policy production figures were abandoned in 1983 to generate revenue for the Government, when the Fourth Malaysia Plan ceiling for crude petroleum production was exceeded with 383,300 barrels per day production in 1983 and 446,800 barrels per day production in 1984.

At the end of December 1984, the Finance Minister, Daim Zainuddin, announced that as '*a mark of solidarity*' with the Organisation of Petroleum Exporting Countries (OPEC), Malaysia would reduce its crude oil production by 40,000 barrels per day, reducing the petroleum production from 440,000 barrels per day to 400,000 barrels per day.

According to the Treasury Economic Report 1985/86, however, there would only be a decline of 3.8% to 430,000 barrels per day in 1985. And for next year, there would be a 18.6 per cent increase in crude petroleum production to reach an all-time high of 510,000 barrels per day — which is a 40 per cent excess over the Fourth Malaysia Plan ceiling for petroleum production.

The government is acting recklessly in deciding to slog the oil wells to make up for its shortfall in revenue, in utter disregard of the welfare of future generations of Malaysians.

Until now, the government had clearly misled the people and Parliament about the 10% cut in petroleum production, which raises the question why the Government is shrouding the petroleum production figures in such secrecy.

The Malaysian public is entitled to ask whether it is in the national interest and that of future generations to increase production so steeply when the world oil market is facing a glut, with the average weighted price of Malaysian crude petroleum expected to decline to US$26 per barrel in 1986, compared to US $36.27 in 1982, US$29.34 in 1984 and US$27.50 in 1985.

As petroleum is the national resource of Malaysians, and not just a few Ministers, Parliament as the highest representative chamber of the people, has the right to expect a greater accountability from the Government and Petronas in the stewardship of the petroleum resources.

The government should not mortgage away the rights of future generation of Malaysians just to generate more funds and revenues to help the ruling parties fight the next general elections.

OPEN GOVERNMENT

In the conclusion of his budget speech, the Finance Minister urged *'each and every Malaysian to provide their whole-hearted support to the Government.'* He said that *'Unity among the people must be strengthened. We cannot afford to be disunited nor confront one another, especially at a time when the country is facing numerous challenges.'* He said that the government alone could not bring greater progress to the people, without the support and the co-operation of all.

The Finance Minister has touched on the secret of the success and greatness of any nation. The government must be more open, democratic and accountable, and take the people into their confidence, if it is to secure people's support and investor confidence in the government's economic policies.

If the people, and even investors, believe that important decisions are arbitrarily made by a few leaders, without the participation and agreement of the people at large as required in a working parliamentary democracy, then the government can only blame itself if its policies could not secure public support or investor confidence.

Recently, government leaders, including the Finance Minister, had been criticising the private sector for its 'discouraging' response towards government measures aimed at helping it. The Finance Minister said last month that he doubted whether the private sector is more efficient or more aggressive than the public sector, as the various government actions like the reduction of the electricity tariff, the launching of the billion-dollar new investment fund, had not elicited much response.

Daim Zainuddin's chagrin with the private sector's lukewarm attitude is understandable when, according to his speech at the UMNO General Assembly, the government had injected $4.41 billion into the market without much noticeable effect, except for the speculative rise of a few stock market counters.

In May this year, the Prime Minister himself lamented that Malaysia may never enter the world of sophisticated manufacturing technology if Malaysian entrepreneurs could not emulate their counterparts in the NICs like Taiwan, Hong Kong and South Korea, in producing all kinds of high technology goods.

But government leaders till now have failed to address the most crucial and critical question, which is how to secure public and investor confidence in government policies.

With the approach of 1990, the end of the 20-year perspective plan of the New Economic Policy, the people are led to believe that the government would pursue a less divisive policy, and that the 'bumiputra-isation' policy of bumiputra percentages and quotas would come to an end, or would be given less prominence in policies of state.

DISCRIMINATORY RATES

But some recent developments indicate that after 1990, not only would the New Economic Policy based on the division of Malaysians into bumiputras and non-bumiputras be perpetuated, but such 'bumiputra-isation' would be taken to new lengths and extremes!

The Batu Pahat West District Council, for instance, recently announced its new property assessment rates, which proposed to increase property taxes as high as 1,000 per cent! But what is the most shocking part is the District Council's introduction for the first time in the country of discriminatory assessment rates between what is practically 'bumiputara properties' and 'non-bumiputara properties' — where 'bumiputara properties' would be allowed 'discounts' of between 25 to 50 per cent of the increased rates.

The Johore MCA Assemblymen said that the classification of properties into 'bumiputra' and 'non-bumiputra' properties was decided by the Johore State Government after the 1982 general elections.

The creation of the new division of 'bumiputra properties' and 'non-bumiputra properties' with different assessment rates is not only a violation of the Constitutional guarantee in Article 8 prohibiting racial discrimination, but even more seriously, would further

aggravate racial polarisation, which can only gravely undermine investor confidence in the economic future of the country.

I will give another example of such extremist government policies and measures which can undo all the 'incentives' and efforts of the Ministry of Finance to attract greater private sector commitment to invest in Malaysia.

HOUSING QUOTA

During the weekend, the Malacca Chief Minister, Datuk Seri Abdul Rahim Thamby Cik, warned that criticism of the state government's bumiputra quota policy for housing schemes would threaten the harmony of the people, and that this is a 'sensitive' issue which could not be criticised or opposed.

I understand that the Malacca State Government, under the Chief Minister, has imposed the highest bumiputra quotas for housing schemes. After the 1982 general elections, the Malacca Chief Minister had imposed a bumiputra quota of 70% — 80% requiring housing developers to reserve 70 to 80% of their houses to bumiputras. There was even one case where the Chief Minister imposed a 100% bumiputra quota, which was reduced to 80% on appeal.

Such extremist 'bumiputraisation' policy had not only strangled the housing industry in Malacca, but dealt a great blow to general public and investor confidence in the country.

As a result of the Malacca Chief Minister's extremist bumiputraisation policy, there is hardly any new housing activity in Malacca, for no developer would carry out housing projects requiring such a high bumiputra quota, nor would banks be willing to give bridging finance for such a dubious housing scheme.

According to one study in Malacca, between 1970 to 1980, out of 1,500 bumiputra lots, only 431 units were taken up. One housing industry source estimates that there are now at least 2,000 bumiputra lots which could not be sold in Malacca.

The Federal Government should direct all State Governments to suspend the bumiputra quota policy for housing schemes if there are more than 300 unsold bumiputra units in the State, so that the housing programme — which is one of the greatest failures of the Barisan National government — would not suffer.

But even more serious than the damage such 'bumiputraisation policy' is causing to the housing programme is the harm it does to undermine public and investor confidence, that they are at any time subject to the mercies of extremist elaboration of the 'bumiputraisation' policy.

JOINT DECLARATION

After 15 years of the NEP, the people are not convinced that the Batu Pahat West District Council's classification of 'bumiputra properties' and 'non-bumiputra properties' and the Malacca State Government's bumiputra quotas for housing schemes ranging from 70% to even 100% in one case, are aberrations or deviations from the NEP.

Public views are reinforced when even the Prime Minister himself, in his speech to the Barisan Nasional Youth work-camp at Lubok Antu in Sarawak ten days before the National Day celebration with the theme *'Nationalism is the Basis of National Unity'*, referred to non-Malay Malaysians as *'immigrant'* races.

I hazard to guess that remarks and speeches of this nature by the Prime Minister has the capacity of destroying all the efforts made by the Finance Minister in his budget speech calling on the people to unite and support government's development efforts and to create public and investor confidence.

To create the conditions whereby there could be a national effort to face the economic crisis confronting the country, the Prime Minister should apologise for his highly offensive reference to non-Malay Malaysians as *'immigrants'*, for firstly, it is incorrect, as the overwhelming majority of non-Malay Malaysians are born in the country and will die in the country and they are as 'indigenous' as anybody else. Secondly, such a categorisation, taking the 'bumiputra/non-bumiputra' classification to greater lengths, is highly divisive and disruptive of the nation-building process.

On 12th October 1985, 27 Malaysian Chinese Guilds and Associations released a Joint Declaration for a fundamentally new solution to the nation's problems, and for building a truly united, harmonious and prosperous nation for Malaysian citizens of all ethnic communities.

As a first step, I call on the Government to announce its acceptance in principle of the Joint Declaration by the Chinese Guilds and Associations of Malaysia 1985, which will lay the essential basis for the national effort necessary to face Malaysia's economic crisis.

The Preamble of the Joint Declaration reads:

"The Chinese Guilds and Association of Malaysia have unanimously moved to issue this Joint Declaration at this juncture for the following reasons:

1) The Chinese Malaysian community is alarmed at the seriousness of the problem of racial polarisation, which in our opinion, is caused mainly by government policies which constantly emphasize that 'bumiputra interest must come first', as well as by administrative measures which have eroded and deprived the other Malaysian communities of their fundamental liberties to equality in the political, economic, social, cultural, linguistic and educational spheres.

2) The Chinese Malaysian community is not only concerned that there is increasing polarisation between the rich and poor in general, but also disturbed at the fact that the Government's Malay-centrism has neglected the problem of poverty in other communities and led to anomalies in the economic sphere.

3) The Chinese Malaysian community is also concerned at the transgression of freedom and democracy in our country and we believe that the violation of human rights; economic, political and cultural oppression; social injustice, are the root causes of discrimination and communal tension.

4) We have also observed with disappointment that the Barisan Nasional Government and the various political parties in the country have thus far failed to bring about the resolution of the above-mentioned grievances.

In issuing this Declaration, we recall the safeguards and guarantees of the fundamental liberties of equality and democracy in the Federal Constitution of Malaysia, the Rukunegara as well as the United Nations' Declaration and Conventions."

I hope the MCA and Gerakan MPs would declare their unequivocal stand on this Declaration which gives an important reason why

the government has failed to elicit public support and investor confidence in its economic policies.

The Gerakan MP for Tanjong, Dr. Koh Tsu Koon, said outside the House that he supported the Joint Declaration of the Chinese Guilds and Associations of Malaysia 1985, and that the Gerakan's opposition to the government's policy of dividing Malaysians into bumiputras and non-bumiputras is very clear-cut.

I hope Dr. Koh would not speak with different tongues inside and outside the House, and that he would take up my proposal to him to move a motion in the present budget meeting to ask the government to adopt the Joint Declaration of the Chinese Guilds and Associations, and for the abolition of the classification of Malaysians into bumiputras and non-bumiputras.

I will now discuss some of the budget proposals and economic problems faced by the country.

MP's PENSIONS

In his budget speech, the Finance Minister called on the people to make sacrifices. Pensions by MPs and Assemblymen, members of the Federal or State Governments, will now be taxed until the retirement age of 55 except on health grounds. Daim Zainuddin said this is to place the political service at par with the civil service with respect to taxation on pension.

The Finance Minister should take the matter a step further by equalising the pension entitlement between MPs and the civil service. The 1980 provision allowing MPs and Assemblymen to receive pensions after three years of service should be abolished, and the old provision of pension entitlement after nine years of service restored.

The politicians as MPs and Assemblymen should set a good public example to reduce public expenditure. At the present period of economic austerity, there is also a case for the reduction in the allowances of MPs and Assemblymen, and the cut in the salaries of Ministers, Deputy Ministers and Parliamentary Secretaries — and in particular their travelling and entertainment allowances.

One of the biggest problems Malaysians will face in the coming years will be the spectre of unemployment, which the Ministry

conservatively estimates to be at 7.6% in 1986 involving 427,000 people.

The unemployment problem is compounded by the problem of massive retrenchments, the return of some 100,000 workers from abroad, and the million or so illegal foreign nationals, in particular the illegal Indonesian immigrants.

Although retrenched workers are entitled to retrenchment benefits, this provision is meant for normal economic conditions where retrenchments are few and isolated instances, and not at present, where massive retrenchments in the textile and electronic industries have reached epidemic proportions.

The DAP calls for legislation to require firms to give three-month early warning notice to the government and the employees before they could issue notice of retrenchement. This will give both the government and the workers adequate time to consider whether the retrenchment is justified, or only an excuse to cut cost, and to make alternative provisions.

The Ministry of Labour has so far been quite indifferent to the plight of the retrenched workers, and those who had returned from abroad because of retrenchment overseas.

INDONESIAN IMMIGRANTS

The Government should set up a high-level committee to find alternative employment for the workers retrenched locally, as well as those retrenched in other countries.

It is most ironical that when the spectre of unemployment is rearing its ugly head, Malaysia should be host to some million illegal foreign nationals, depriving Malaysians of their rice-bowls.

The illegal Indonesian immigrants pose not only socio-economic problems for Malaysia, they are also a threat to law and order in the country. Further, they also create long-term political and nation-building problems for Malaysia.

The Federal government had closed its eyes to the influx of illegal Indonesian immigrants since the late 1970s, and syndicates involving local UMNO leaders are responsible for bringing in the illegal

Indonesian immigrants, housing, harbouring and assisting their illegal entry.

This is now admitted by the Treasury Report, when it said: *'Over the past few years, the problem of labour shortages (in the plantation sector) has been lessened by the deployment of foreign workers, who were mostly Indonesians.'*

The Malaysia-Indonesia Agreement to supply workers was signed only in May last year, and although the Deputy Prime Minister, Datuk Musa Hitam, said at the time that the Agreement would regulate the flow of Indonesian workers into Malaysia and head off growing local resentment of influx of illegal Indonesian immigrants, the Agreement is a useless scrap of paper.

The Agreement had not only failed to check the influx of illegal Indonesian immigrants, Indonesians legally brought in under the Agreement preferred to abandon their jobs and join the rank of the illegals.

Although Datuk Musa had announced the expansion of the scope of Task Force VII to include all illegal foreign nationals, and there has been daily publicity of the number of illegals being arrested, the public is still not convinced that the Government is serious in wanting to effectively resolve the problem of illegal Indonesian immigrants, in the way the government dealt with the problem of Vietnamese refugees in 1979.

EXTERNAL DEBT

It is not difficult for the government to break the back of the problem of illegal Indonesian immigrants. All that is needed is for the government to enact legislation to make it a custodial offence for anyone in Malaysia to aid, abet, harbour, house, or employ illegal Indonesian immigrants. Malaysians who make money from the illegal influx of Indonesian immigrants must be regarded as anti-national elements who have committed a grave offence, bringing in their chain complex short-term, medium-term and long-term political, economic, law and order, and nation-building problems for the country.

In previous budgets, the Finance Minister had invariably spoken of the need to reduce the Invisibles Accounts Deficit which has caused

the deficit in the current account of Balance of Payments. But this is of no avail because of the high external debt of the country.

As a proportion to GNP, Malaysia's external debt level is one of the highest in the world. The Federal Government's external debt jumped from $4.8 billion in 1980 to $21.3 billion in 1985;

All the three components of the foreign debt, namely (a) the federal government's debt; (b) debt guaranteed by the federal government, mainly to finance 'Off-Budget Agencies'; and (c) private-sector debt, had risen rapidly between 1981 to 1985.

Thus, between 1981 to 1985, the federal government debt increased by 157% from $8.3 billion to $21.3 billion; government guaranteed debt by 196.5% from $3.1 billion to $9.1 billion; and private sector debt by 150% from $4 billion to $10 billion.

The total foreign debt therefore increased by 162% from $15.4 billion to $40.4 billion in 1985.

Federal external debt as a ratio of GNP rose from 10% in 1980 to 29% in 1984. The ratio of total public-sector debt (including that of OBAs) to GNP rose from 21% in 1981 to 39% in 1984. The country's overall external debt – GNP ratio jumped from 28% in 1981 to 52% at the end of 1984.

According to a recent study, Malaysia's external debt – GNP ratio is far above the average for developing countries as a whole, and even higher than some countries now facing severe repayment problems. In 1983, Malaysia's total external debt was 49% of GNP, compared to Brazil and Philippines (40%), South Korea (31%), Thailand (25%) and the average for developing countries (36%).

As a result of the rising external debt, debt servicing is also increasing every year.

The total Federal Government debt is expected to increase by 7% from $56,927 million in 1984 to $60,912 million in 1985, made up of $39,591 million or 65% domestic debt and $21,321 million or 35% of external debt.

The debt service charges of the Federal Government will rise to $5,925 million, or 27% of the operating expenditure for 1986.

The rapid accumulation of the external debts will make it very difficult for Malaysia to reduce the Services Account deficit to manageable proportions. There is an urgent need for stricter check on governmental and OBA expenditures, to cancel all prestigious projects and lavish expenditures, including the frequent overseas trips by Ministers and Mentri-Mentri Besar and Chief Ministers.

Government departments and OBAs should put a stop to their competition to put up multi-storey office complexes and shopping complexes, like the $600 million Komtar project in Penang, the $313 million Dayabumi in Kuala Lumpur, and the recently completed PNB and Tabong Haji buildings. A survey carried out by Bank Negara in early 1985 indicated an increase of about 124% in new office space available for rental in Kuala Lumpur in 1985, as a result of completion of about 8.3 million square feet of net rental area during the year, compared with only 3.7 million square feet in 1984. As a result there is a glut of office space and gross under-utilisation of the expensive buildings.

In August the Minister of Public Enterprises, Datin Paduka Rafidah Aziz, said the Urban Development Authority had drawn up plans to promote the Dayabumi complex into a dynamic commercial centre, which include the lowering of rentals to attract more businessmen.

What Datin Paduka Rafidah meant was that Dayabumi was a white elephant which would have been a gigantic disaster if government departments or OBAs had not taken up most of the office space.

HIGHER EDUCATION

The Minister had, in reply to my question, said in April that UDA would take 27 years based on the rentals to recover the building costs of Dayabumi. With the further reduction of lower rentals, to make it a 'dynamic commercial centre', it would easily add another 10 years to the 27-year recovery period of the building costs — lengthening the burden on the people!

Another major item in the Invisibles Account Deficit is the over one billion dollars a year which Malaysian parents spend to educate their children in foreign universities and colleges.

It is unacceptable that the majority of Malaysian students in colleges and universities are overseas. To save on foreign exchange and to lessen the financial burden on the parents, the Government should adopt as a new policy the provision of places for 80% of Malaysian students pursuing higher studies inside the country.

The government should allow the establishment of private universities, and should aim at the establishment of at least one university in each of the states in Malaysia by 1990, whether public or private.

According to one study, only five per cent of the youth in Malaysia, between 20 and 24, are in institutions of higher education as compared to 30 per cent in Japan, 55 per cent in US, 20 per cent in Britain. Malaysia's per capita public expenditure on education is only US$90, as against US$341 in Japan, US$394 in Britain and US$623 in the United States.

The government should therefore give greater incentives to the promotion of higher education, and the higher education costs incurred by Malaysians should be deductible for purposes of income tax. In this way, there will be a higher percentage of Malaysians who acquire knowledge and skills which would enable Malaysia to compete with the world.

In this connection, I wish to urge the Education Minister to take up again with the Australian government the question of the exorbitant fee increase for Malaysian students studying in Australia. Malaysian students affected by the Australian fee increase expect sympathy and support from the Malaysian government to intervene on their behalf.

UNIVERSITY CRISIS

Before I leave the subject of higher education, I would want to know why the Education Minister, Datuk Abdullah Badawi, is silent on the Universiti Sains Malaysia controversy and the University crisis of confidence.

Datuk Abdullah Badawi was very quick to respond to the Universiti Kebangsaan Malaysia ban on the ceramah on hadith by former PSRM Chairman, Kassim Ahmad, and rightly so. I commend Datuk Abdullah Badawi for intervening to ensure a more open and freer campus atmosphere, although I do not know whether this has anything to do with rumours that Kassim Ahmad would be joining

UMNO and would even be an UMNO candidate in the next general elections.

However, on the USM controversy and the general university crisis of confidence among academic staff, which is very important and critical to our universities programme, the Education Minister seemed to be completely indifferent.

I am very concerned that the USM authorities have given show-cause letters to Hashim Yaacob and Rohanna Ariffin, the President and Vice President respectively of the USM Administrative and Academic Staff Association for their statements in their official capacity.

The USM authorities are acting in a very petty and punitive manner to the legitimate complaints by the USM academicians about the university administration, and the Education Minister should intervene to get the USM authorities to withdraw the two show-cause letters.

The Minister should personally investigate into the USM controversy, especially the departure of the two USM Deputy Vice Chancellors, Professor Sharom Ahmad (Research and Development) and Professor Kamal Salih (Academics) because of their frustration at the absence of meaningful consultations in the running of the university administration.

Very serious allegations have been made about the USM administration, e.g. the allegation that the centralisation of power in the Vice Chancellor has led to a patronage system whereby promotions are not based on academic excellence but favouritism; that extremely junior staff members had been appointed to positions of academic and administrative leadership, although they have not distinguished themselves in any way, by-passing more senior members who are of better established academic excellence; administrative interference with curriculum matters; pressure on lecturers considered too strict in their grading of examination papers; attempts to reduce school boards and the University Senate to ineffectual bodies; and the general slide towards the replacement of consultative processes with governance by administrative fiat.

These allegations cannot be resolved by invoking the Universities and University Colleges Act to silence the officials of the Academic

Staff Associations. If in our universities, academicians through their representative organisation cannot even complain about university administration matters, what universities are we building in Malaysia? Do we want all university students and lecturers to be intellectual eunuchs?

There is a general Crisis of Confidence among academicians in our Universities. I call on the Education Minister to take heed of the call by representatives of academic staff associations of the various universities for an Independent Universities Commission appointed by and answerable to Parliament to ensure academic excellence and meaningful social contribution by the Universities.

The tasks of the Universities Commission are:

- to co-ordinate the development of higher education to meet the needs of the country in a planned manner;
- to safeguard university autonomy and ensure academic excellence and meaningful contribution by the university to society;
- to channel financial allocations to the university; and
- to act as the highest appellate body for all universities, and academic staff members, provided that the existing functions and powers of the council for each university remain intact.

INTEGRATED SCHOOLS

The Ministry of Education's integrated primary school proposal has created considerable doubts and distrust among the people about its effect on the continued preservation of Chinese and Tamil primary schools.

The Ministry of Education seems bent on implementing the integrated primary school proposal, in disregard of the reservations of the parents, teachers and educational groups.

The DAP calls on the Ministry to defer acceptance of the integrated primary school idea until all parents, teachers and educational groups are satisfied that it will not be the thin end of the wedge to make the latest attempt to jeopardise the character of Chinese and Tamil primary schools.

The Education Ministry should realise the background as to why there is distrust and suspicion of the Ministry's intentions, because ever since 1961, the Education Act had hung like a Damocles' Sword over Chinese primary schools.

The refusal of the Barisan Nasional government, including MCA and Gerakan Ministers and MPs to repeal Clause 21(2) of the Act which empowers the Education Minister to convert Chinese and Tamil primary schools into national primary schools if he deems fit, only reinforce public reservations and fears about the Barisan Nasional government's ultimate intentions.

The Education Ministry should suspend all plans to implement the integrated primary school proposal, and hold meetings and discussions with parents, teachers and educational groups on the proposal first.

NEW VILLAGES

Recently, the Deputy Prime Minister, Datuk Musa Hitam, said that the government was considering a new development plan for the country's 460 new villages and 1.5 million inhabitants.

I hope that this is not a election gimmick to win votes, to be forgotten after the general elections.

I am very disappointed that in the 1986 Budget, there was not only no reference by the Finance Minister about the new plan to uplift new village economy, there is also no special allocation to bring the 1.5 new villages into the mainstrain of Malaysia's socio-economic development.

In 1971, the DAP called for a New Deal for the New Villages, which had been neglected in socio-economic development since their establishment in the early Fifties, the establishment of a Ministry of New Villages, and the drawing up of a Master Plan to develop the new villages.

As a result of the DAP pressure, a Ministry of New Villages was set up, but in retrospect, apart from individuals who became Ministers of New Villages, like Dr. Lim Keng Yaik, now Gerakan President, Datuk Lee San Choon, Datuk Michael Chen and Dr.

Datuk Neo Yee Pan, the new villagers did not materially benefit in any way.

The DAP now calls for the re-establishment of a Ministry of New Villages with an annual allocation of at least $300 million for the upliftment of the socio-economic conditions in new villages including planning out a strategy to expand the new village boundaries to keep in step with the doubling or even trebling of the population.

CHINA TRAVEL

The Prime Minister, Datuk Seri Dr. Mahathir Mohamed, is making an official visit to China next month. It is now 11 years since Tun Razak established diplomatic relations with China and visited China.

There should be a full normalisation of relations between Malaysia and China, and I hope the Prime Minister's visit to China will pave the way for such a development. All restrictions for travel to China should be lifted, and the requirement for APs to import goods from China should be cancelled.

The ban on Malaysians from visiting China except for certain categories is based on a false premise, which insults the Malaysian Chinese community by doubting their loyalty to Malaysia. I believe that if Malaysian Chinese are allowed free visits to China, they would return even more convinced Malaysians because of the wide disparity and difference in the two political and socio-economic systems.

In this connection, the DAP Parliamentary Group had submitted an application to the government for approval for a DAP Parliamentary visit to China. We are still waiting for the government's reply. Members of Parliament have been elected and entrusted by the people to be their representative to legislate and decide the future of the country. If MPs are denied visits to China, while businessmen and traders can do so, there is a very lop-sided sense of priorities. I hope that this matter will be seen from the national, and not from any party point of view.

BMF INQUIRY REPORT

Last week, the Deputy Minister of Finance, Datuk Sabaruddin Cik, in reply to the DAP MP for Kuching, Sim Kwang Yang, said

that the Ahmad Nordin BMF Inquiry Committee Report would be made public if it does not contravene the secrecy sections of the Banking Act. On this basis, the entire Ahmad Nordin BMF Inquiry Committee Report could be suppressed as infringing the Banking Act.

I am not sure whether the Government is going to use the Banking Act to go back on the Prime Minister's promise when the Committee was first established that the Report would be made public. The people had been waiting impatiently for the Ahmad Nordin Inquiry Committee Report into the $2.5 billion Bumiputra Malaysia Finance Scandal. The Inquiry Committee had told the people that the final report would be ready by September this year, but this month has come and gone without any report.

The people are entitled to know when the Ahmad Nordin Inquiry Committee would complete its final report, or first final report, and present it to the government. Or is the BMF Inquiry Report being 'hushed up' or suppressed until after the next general elections?

ON DEMOCRACY, HUMAN RIGHTS AND THE CONSTITUTION

The Wayang Kulit Debate

'This is unthinkable. The Royal Assent must be given before a bill becomes law. I do not understand why the proposed amendment to Article 66 is necessary, when it is very clear from our Constitution that Royal Assent cannot be withheld, and if Royal Assent is withheld and the legislative process is blocked, there are adequate provisions in the Constitution to deal with this problem. If we do away with the need for a Royal Assent, it may be construed as a step forward from the republican philosophy, but it is clearly a major alteration of the system of government we have since 1957.'

The 1983 Constitution (Amendment) Bill proposes various amendments including increase of parliamentary constituencies, to lay down the detailed process whereby a Member of Parliament convicted of a criminal offence would lose his qualifications to be a Member of the House, provisions with regard to the Deputy Chairman and Members of the various Service Commissions, and amendments proposed to Article 66 and 150.

I have been following the Parliamentary debate these two days on the Bill, as I wanted to know the views and stand of the Barisan MPs, in particular the UMNO MPs, and I find this debate most extraordinary. We seem to be staging a **Wayang Kulit**, where we see the shadows but not the substance, as nobody seems to be brave enough to deal with the real substance of the amendments.

The Bill before the House is one of the most important amendments to be made to the Constitution, as for the first time since

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Speech on the Constitution (Amendment) Bill 1983 on August 2, 1983.

Merdeka, amendments are proposed which would have grave consequences to the system of government in Malaysia. Everybody is aware of the great import of this amendment, but everyone steers clear of the subject. In the Parliament canteen or outside this Chamber, when MPs discuss about the 1983 Constitution Amendment Bill, they do not discuss about the proposed increase of parliamentary seats, nor do they discuss the proposed amendment to Article 48 to specify the circumstances whereby an MP convicted of a criminal offence would lose his seat. What they discuss is the purpose, reason and consequences of the proposed amendments to Article 66 and Article 150 of the Constitution! Similarly, outside Parliament, when the present batch of constitutional amendments are discussed by those who are knowledgeable, by the political leaders inside or outside the Barisan Nasional, by the press, they all focus their attention on the proposed amendments to Article 66 and 150. But in these two days of debate, all the Barisan MPs avoided these two Articles, and even those UMNO MPs who had always been the first to jump up and speak and are in the habit of breathing 'fire and brimstone' are this time uncommonly and extraordinarily quiet and subdued.

This is a most unhealthy development, highly inimical to the growth of a democratic environment and climate, where at least, Members of Parliament should be able to discuss in a frank and honest manner why certain Constitutional amendments are necessary in Parliament itself. It is most regrettable therefore that everyone is avoiding the most substantive amendments, everyone runs away from Article 66 and 150, when they constitute basic amendments to the system of government with far-reaching consequences. This is why I said at the beginning that the two-day debate resembles a **Wayang Kulit** than a Parliamentary session. In this connection, I wish to refer to what the Prime Minister, Dr. Mahathir Mohamed, wrote in **The Malay Dilemma**, his famous book, on Constitutional amendments. This is what he wrote:

> *"The manner, the frequency, the trivial reasons for altering the Constitution reduce this supreme law of the nation to a useless scrap of paper."*

Here I wish to stress that the '*manner*' in which the present batch of Constitutional amendments have been presented, without giving

the real reasons why the Constitution should be amended, has *"reduced this supreme law of the nation to a more useless scrap of paper."*

The Prime Minister has moved an amendment to Article 66(5) so as to provide that if for any reason whatsoever a Bill is not assented to by the Yang di Pertuan Agong within fifteen days of its being presented to him, he shall be deemed to have assented to the Bill and the Bill shall accordingly become law.

ROYAL ASSENT

It is very clear that the legislative process involves the passage of the Bills by the two Houses of Parliament and their receiving the Royal Assent by the Yang di Pertuan Agong. But with this amendment, a major change is being made where, in certain circumstances, the Royal Assent is not necessary but would be presumed to have been given.

From constitutional theory, Royal Assent is an integral part of the legislative process, and is needed to perfect the legislative process, to transform bills into laws. Without the Royal Assent, a Bill that has been passed by the two Houses of Parliament has not yet become law.

When the Malaysian Constitution was drafted, the Reid Commission's recommendations made it very clear that the Royal Assent is an integral and inseparable part of the legislative process, and that it is the convention to be accepted that the Royal Assent cannot be withheld when advised by the Cabinet.

Here I wish to refer to an article on 'The Constitutional Position of the Yang di Pertuan Agong' in the book, 'The Constitution of Malaysia — Its Development: 1957–1977' edited by Tun Mohamed Suffian, H.P. Lee and F.A. Trindade, where on page 110, on the subject of **Assent**, the writer wrote:

"For a Bill to become law it is necessary that it be passed by both Houses of Parliament, and be assented to by the Yang di Pertuan Agong. The Yang di Pertuan Agong signifies his assent to a Bill by causing the Public Seal to be affixed to the Bill. An air of unreality surrounds the assent of the Yang di Pertuan Agong because the assent can never be withheld. This aspect of the Constitu-

tion was severely criticized by Mr. Justice Abdul Hamid in his note of dissent to the proposals of the Reid Commission where he said:

'If this article is allowed to remain in the draft as it stands the Yang di Pertuan Agong will have no choice in the matter of assent. He shall be bound to assent to the Bill passed by the two Houses. In other words a Bill passed by the two Houses shall become law. If this is the intention, it is far better to approach this subject direct by saying... that a Bill passed by the two Houses shall become law. No mention of assent is necessary at all. But if assent is to be mentioned the Constitution should give the power to the Yang di Pertuan Agong to accord assent or to withhold assent. In all constitutions the power to accord assent goes with the power to withhold assent.'

Nevertheless, it does not seem possible for the Yang di Pertuan Agong to withhold assent to a Bill passed by both Houses of Parliament."

I fully agree with the Constitutional position that in a constitutional monarchy, Royal Assent cannot be withheld, but Royal Assent must be given before the perfection of the legislative process.

There is here two separate matters: one whether Royal Assent can be assumed to be given after 15 days of its presentation, and whether the Royal Assent is a necessary and inseparable part of the legislative process which could not be assumed.

Some Barisan Nasional MPs had hinted that they support the constitutional amendments because this is in line with the Barisan Nasional Government's emphasis on efficiency and speed, implying that the 15-day assumption on Royal Assent is good for efficiency and speed.

This amendment has nothing to do with efficiency or speedy executive action, but involves the fundamental question as to whether Royal Assent, which could not be withheld, is still nonetheless necessary before the perfection of the legislative process. **If the answer is in the negative, then one day we may reach a position where there would be a Constitutional amendment to provide that if for any reason a Bill which the Executive presented to Parliament is not passed within 15 days of such presentation, it shall be deemed to have been passed by Parliament, on the grounds of ensuring 'efficient and speedy' administration!**

This is unthinkable. The Royal Assent must be given before a bill becomes law. I do not understand why the proposed amendment to Article 66 is necessary, when it is very clear from our Constitution that Royal Assent cannot be withheld, and if Royal Assent is withheld and the legislative process is blocked, there are adequate provisions in the Constitution to deal with this problem. If we do away with the need for a Royal Assent, it may be construed as a step forward from the republican philosophy, but it is clearly a major alteration of the system of government we have since 1957.

Part IV of the Malaysian Constitution, makes provision for the election of the Yang di Pertuan Agong by the Conference of Rulers, as well as for his removal by the Conference of Rulers. Furthermore, Article 33 also provides for the appointment of a Timbalan Yang di Pertuan Agong with powers to exercise functions of the Yang di Pertuan Agong.

Thus, Article 33(1) stipulates:

"There shall be a Deputy Supreme Head of the Federation (to be called the Timbalan Yang di Pertuan Agong) who shall exercise the functions and have the privileges of the Yang di Pertuan Agong during any vacancy in the office of the Yang di Pertuan Agong and during any period during which the Yang di Pertuan Agong is unable to exercise the functions of his office owing to illness, absence from the Federation or for any other cause, but the Timbalan Yang di Pertuan Agong shall not exercise those functions during any inability or absence of the Yang di Pertuan Agong which is expected to be less than fifteen days, unless the Timbalan Yang di Pertuan Agong is satisfied that it is necessary or expedient to exercise such functions."

Thus, the circumstances described by the Prime Minister where for any reason whatsoever a Bill is not assented to by the Yang di Pertuan Agong within fifteen days of its being presented, is already provided for by Article 33(1) where the Timbalan Yang di Pertuan Agong is empowered to give the Royal Assent instead.

In view of the fact that there are existing constitutional provisions to deal with the situation described by the Prime Minister, this House should be given a true picture as to why the present amendment is being sought.

I do not think there is any other country in the world which would have our provision as proposed, where the Royal Assent could be deemed to have been given when it was never given!

This would make it more imperative for the Government to explain clearly — even though Barisan MPs do not need explanations — to the people why the Constitution is being amended in this fashion, with such great changes to the distribution of power, when there are already existing provisions in the Constitution for the Timbalan Yang di Pertuan Agong to give the Royal Assent if for any reason the Yang di Pertuan Agong could not give the Assent.

DEROGATION

In 1971, the Constitution was amended to entrench certain issues making them 'sensitive' issues, which could not be questioned or challenged. Anyone challenging or questioning these 'entrenched' issues, namely Bahasa Malaysia, Citizenship, Malay Special Rights and Part IV of the Constitution on the position of the Rulers, would be committing the offence of sedition.

However, in excluding the need for the Royal Assent in certain circumstances, aren't we taking an action which would be tantamount to a derogation of the sovereignty of the Rulers? Aren't we in fact challenging and questioning the sovereignty of the Rulers in amending the Constitution to exclude the need for a Royal Assent in certain circumstances, when all along, the Royal Assent, which could not be withheld, is needed to perfect a bill to become law?

If this is the case, then Members of Parliament would be liable for the offence of sedition, as MPs have been stripped of the privilege of parliamentary immunity in matters of the four 'sensitive' issues. Probably the Speaker should make a ruling whether the Dewan Rakyat is embarking on a course of sedition.

I hold that this amendment to Article 66 is a very important and fundamental amendment, and probably no other amendment in our constitutional history is as important as this in terms of its implications for the system of government since Merdeka in 1957. Why is this amendment dealt with in the Parliamentary debate as if it does not exist? I know that what I said here with regard to Article 66 and even 150 would be confined to Parliament, for I understand that the

press had been directed not to report any speeches or debates on the amendments to Article 66 and 150. This directive itself calls for an explanation by the Prime Minister!

PROCLAMATION OF EMERGENCY

Article 150 of the Constitution is concerned with the Proclamation of Emergency. My colleague, the MP for Kepong, Dr. Tan Seng Giaw, had spoken of the abuses of this provision in the past and present, as even now, there are four Proclamations of Emergency which are all in force, as if without four Proclamations of Emergency, there can be no peace, harmony and security in the country. This is an abuse of emergency powers. We must ask why Proclamations of Emergency made at a time to deal with circumstances which do not exist any more, should still be in force. There is the 1966 Proclamation of Emergency to topple Stephen Kalong Ningkan, then SNAP leader, as Sarawak Chief Minister; the 1963 Indonesian Confrontation Proclamation of Emergency; the 1969 May 13 Proclamation of Emergency; and the 1977 Proclamation of Emergency to topple the PAS government of Kelantan. All these four Proclamations of Emergency are still in force, although the circumstances which gave rise to the Proclamations have long ceased to exist. Why?

However, the amendment proposed to Article 150 would involve a grave shift of constitutional power. The present Article 150(1) of the Constitution reads:

> *"If the Yang di Pertuan Agong is satisfied that a grave emergency exists whereby the security, or the economic life, or public order in the Federation or any part thereof is threatened, he may issue a Proclamation of Emergency making therein a declaration to that effect."*

Now it is proposed to amend this Article where the words '*Yang di Pertuan Agong*' is substituted by '*the Prime Minister*', so that the amended Article 150 would read:

> *"If the Prime Minister is satisfied that a grave emergency exists whereby the security, or the economic life, or public order in the Federation or any part thereof is threatened, he shall advise the Yang di Pertuan Agong accordingly and the Yang di Pertuan Agong shall then issue a Proclamation of Emergency making therein a declaration to that effect."*

Why is this amendment sought, for surely, there must be reasons before Constitutional amendments are made.

The words, *'If the Yang di Pertuan Agong is satisfied'* in the existing Article 150 is capable of two interpretations. Firstly, that it is the Yang di Pertuan Agong himself who must be *'satisfied'* that a grave emergency exists before a Proclamation of Emergency is issued. The second interpretation is that the Yang di Pertuan Agong's *'satisfaction'* is not a personal, subjective one, but *'satisfied as advised by the Executive'*. Once the Executive is satisfied that there is a grave emergency situation and advises the Yang di Pertuan Agong, the Yang di Pertuan Agong shall issue a Proclamation of Emergency.

If we follow the case of **N. Madhavan Nair v. Government of Malaysia (1975)** we can get the Government's interpretation of *'If the Yang di Pertuan Agong is satisfied'*, as the first one. In this case, which challenges the legality of the Emergency Ordinances made under the Proclamation of Emergency of 1969, revolves around Emergency Ordinance No. 1 which was missing. The then Prime Minister, Tun Razak, made an affidavit, which said:

> *"9. I refer to paragraph 12 of the affidavit of N. Madhavan Nair and state that owing to the grave emergency threatening the security of the country during the 'May 13' incident, I personally presented the said Ordinance to His Majesty the Yang di Pertuan Agong at Istana Negara for his consideration and approval.* ***Having considered the said Ordinance and after being satisfied*** *that immediate action was required for securing public safety, the defence of Malaysia, the maintenance of public order and of supplies and services essential to the life of the community,* ***His Majesty the Yang di Pertuan Agong approved the promulgation of the said Ordinance. His Majesty the Yang di Pertuan Agong signed the said Ordinance accordingly.*** *Immediate arrangements was then made to print and publish the said Ordinance in the Government Gazette."*

It is very clear from Tun Razak's affidavit that the Yang di Pertuan Agong must be *'satisfied'* personally, and not merely *'satisfied as advised by the Cabinet'*, for the Yang di Pertuan Agong had to *'consider and approve'* the proposed Ordinance. If the Yang di Pertuan Agong had to be **personally satisfied** before he approves the promulgation and signs the Emergency Ordinance under Article

150(2), surely the Yang di Pertuan Agong must also be **personally satisfied** that a grave emergency exists before issuing a Proclamation of Emergency.

NULL AND VOID

Now, with the proposed amendment to Article 150(1), the *'satisfaction'* that a grave emergency exists to warrant a Proclamation of Emergency attributed to the Yang di Pertuan Agong would be shifted to the Prime Minister, which constitutes a major change. This amendment to Article 150(1), together with that amendment to Article 150(2) on the Proclamation of Emergency before the actual occurrence of the event which threatens the security, or the economic life, or public order of the Federation or any part thereof, if the Prime Minister, replacing the Yang di Pertuan Agong, is so satisfied that there is imminent danger of the occurrence of such event, must also be seen in the light of recent Constitutional changes.

In 1979, the Privy Council in the case of **Teh Cheng Poh alias Char Meh v. The Public Prosecutor** ruled that the Essential (Security Cases) (Amendment) Regulations 1975, made by the Yang di Pertuan Agong under the Proclamation of Emergency of 1969 and the Emergency (Essential Powers) Ordinance 1969 were null and void. As a result, Parliament was summoned into emergency meeting to amend the Constitution to ratify the emergency laws, together with the inclusion of a new clause in Article 150(8) which made the exercise of the powers of proclaiming emergency, non-justiciable.

Thus Article 150(8) provides that the *'satisfaction'* of the Yang di-Pertuan Agong to proclaim emergency shall not be challenged or called in question in any court on any ground; and that no court should have jurisdiction to entertain or determine any application, question or proceeding, in whatever form on any ground, regarding the validity of Proclamations of Emergency.

Now, with the present batch of amendments, the transfer of the powers and functions in Article 150 from the Yang di Pertuan Agong to the Prime Minister, would also make the Prime Minister's *'satisfaction'* that a grave emergency exists or there is imminent danger to warrant the issue of a Proclamation of Emergency 'non-justiciable', and above the law, regardless of whether the Prime Minister had

acted in **mala fide** or for any other wrongful reason. This has grave implications, not only with regard to Constitutional powers, but also to the people, who may have to suffer under such emergency conditions. I am indeed amazed that such a far-reaching amendment is virtually overlooked.

Another important amendment is with regard to the changes sought for Schedule 8 of the Constitution on *'Provisions to be inserted in State Constitutions'*, to extend the 15-day rule on Royal Assent to the State Governments, so that if a Bill passed by a Legislative Assembly of a State is not assented to within fifteen days of its being presented to the Ruler, he shall be deemed to have assented to it and the Bill shall accordingly become law.

It is clear that the mere amendment to Schedule 8 of the Federal Constitution would not be sufficient to insert the 15-day Deemed Royal Assent Rule in the State Constitutions. The State Constitutions have to be amended separately by the various State Assemblies.

This is clear from Article 71(4) of the Constitution, which provides:

> *"If at any time the Constitution of any State does not contain the provisions set out in Part I of the Eight Schedule, with or without the modifications allowed under Clause 5 (hereinafter referred to as 'the essential provisions') or provisions substantially to the same effect, or contains provisions inconsistent with the essential provisions, Parliament may, notwithstanding anything in this Constitution, by law make provision for giving effect in that State to the essential provisions or for removing the inconsistent provisions."*

This means that the amendment to Schedule 8 does not automatically insert the 15-day Deemed Royal Assent rule into the various State Constitutions. It is only after the State Constitutions are not amended after the amendment to Eight Schedule that Parliament would have to pass a law to give effect to the 15-day Deemed Royal Assent Rule.

I want to ask what would happen if at state level, this 15-day Deemed Royal Assent Rule does not get the Royal Assent — for clearly a constitutional crisis will arise.

For the sake of a healthy democratic development, we should be able to discuss fully and frankly the reasons for these constitutional

amendments, and not as at present, pretend nothing important or substantive is being introduced, when the public at large know that significant constitutional changes are being made.

It will not raise the standing or dignity of the House if we continue in this fashion, to avoid discussion of really important and substantive issues, its merits and demerits, for this example may become the precedent for the future, where the real reasons for introducing a particular piece of legislation are not disclosed to Parliament.

This had happened before. Thus, when Local Government elections were suspended, the Government gave as reason the Indonesian Confrontation, when in actual fact, it was their fear that the Opposition would sweep the local government elections, and control the Municipal and local authorities.

Again, when the Constitution was amended to proclaim Kuala Lumpur as a Federal Territory, the real reason was not disclosed, namely to ensure that the Selangor state would not fall into Opposition control.

Parliament must not degenerate into a Wayang Kulit.

The points I have raised are very pertinent Constitutional matters which I hope the Prime Minister would give adequate replies when winding up the debate. As for the other amendments to the Constitution, as my other comrades have spoken on them, I would not speak on them.

I conclude in urging the Prime Minister to give serious replies to the points I have raised, in the interest of a healthy parliamentary democracy.

(After the Second Reading of the Constitution Amendment Bill, Lim Kit Siang proposed that the Bill be referred to a Select Committee)

I am proposing that the Constitution Amendment Bill be referred to a Select Committee after Second Reading, for three reasons:

Firstly, the Prime Minister has not given any serious or satisfactory reply to the points raised with regard to the need to amend Article 66, especially on whether the excluding of the need of Royal Assent in certain circumstances constitutes a questioning or challenging of the sovereignty of Rulers, one of the four subjects entrenched as

'sensitive' and not permissible. The Prime Minister merely made a highly politicised speech disregarding the constitutional and legal aspects and implications.

Secondly, the same applies to Article 150. Apart from politiking, the Prime Minister had not replied to the constitutional and legal issues raised in connection with the proposed amendment.

Thirdly, the manner the 1983 Constitution Amendment Bill is introduced and debated is most unhealthy, and bodes ill for future parliamentary development.

Official Secrets Act

> ***There is an inevitable tension between the democratic requirements of openness and the continuing need to keep some matters secret, but our Official Secrets Act is completely one-sided in imposing a total blanket of secrecy on all government information, reinforced by criminal sanctions, unless they are authorised to be disclosed.***

I rise to take part in the debate on the Official Secrets (Amendment) Bill 1983 with a great sense of anguish and sorrow. I have two reasons for this.

Firstly, following the debate on the Official Secrets (Amendment) Bill 1983 yesterday, it is clear that the Barisan MPs who had spoken and who had tried to interrupt the speeches of the DAP MP for Kepong, Dr. Tan Seng Giaw, and the DAP MP for Sungei Besi, Chan Kok Kit, did not have a faintest clue as to what they were talking about for they did not know what is meant by *'official secrets'*.

I am indeed shocked that even veteran MPs like the MP for Kuala Trengganu, Alias Ali, the MP for Pasir Puteh, Mohd. Wan Najib, do not know the meaning of *'official secrets'* although I could excuse the others like the MCA MP for Menglembu, Yew Foo Weng, who can only follow his UMNO seniors when they all quoted Standing Order 36(1) which prohibited irrelevancy in debates to try to stop Dr. Tan Seng Giaw and Chan Kok Kit from talking about the cult of secrecy of the government.

The Barisan Nasional MPs do not have the slightest clue that the Official Secrets (Amendment) Bill is the most important Bill that has

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Speech on the Official Secrets Amendment Bill 1983 on October 19, 1983.

come up to the House in this Parliamentary meeting, because of its far-reaching repercussions on the type of government we are to have in Malaysia.

The Barisan Nasional MPs could only mindlessly arm themselves with Standing Order 36(1) in the hope of shutting up the DAP MPs, when in the debate on the Post Office (Amendment) Bill two days ago, 95% of what the Barisan MPs spoke on the Bill was totally irrelevant!

It is indeed a day of shame and tragedy when the august Parliament, presented with the Official Secrets (Amendment) Bill, could find no Barisan MPs as yet who have spoken who understood what is the meaning of *'official secrets'*. How can they understand the vast implications of the Bill in terms of the political, economic, cultural, educational and social rights of all Malaysians, as well as the very essence of parliamentary democracy, if they do not understand the meaning of *'official secrets'* in the first place? They could only vote blindly for whatever the government has presented to them. I say this is a great shame to Parliament and to MPs as a whole and I would even suggest to the Deputy Minister of Home Affairs to postpone further discussion of this Official Secrets (Amendment) Bill until the Barisan Nasional MPs have been given a special briefing about the meaning of *'official secrets'*, the ramifications and implications of this Bill, for otherwise, they could only vote blindly and mindlessly! The Malaysian Parliament would become a laughing stock not only in Commonwealth Parliamentary history but World Legislative history when it passes the Official Secrets (Amendment) Bill when all the MPs who voted for it do not even know the meaning of *'official secrets'*.

RESTRICTIVE PROVISIONS

The second reason why I feel a deep sense of anguish and sorrow is that the Government has apparently taken a policy decision to tighten the Official Secrets Act 1972 which could only lay the basis for a highly autocratic, undemocratic and unaccountable Government in the rest of the 1980s and the 1990s.

Before the Government presented the Official Secrets (Amendment) Bill to the House, I would have expected the Government to conduct a wide-ranging review of the Official Secrets Act 1972 and

invite representations from all interested groups who have a concern about a more open and democratic government, like political parties, the mass media, the trade unions, the academicians, opinion groups like Aliran, Selangor Graduates' Association, the Bar Council, student organisations and a whole spectrum of the Malaysian public to give their views, with a view to remove the highly restrictive provisions which militate against a democratic and open government.

But the Government has done the opposite. Instead of amending the Official Secrets Act to liberalise its provisions, and in particular Section 8 of the Official Secrets Act 1972, the Government has decided to entrench Section 8 by the provision of a new Section 7A and Section 30A. I will come to these two new proposed sections later in my speech.

Let me state at the outset that the DAP fully supports legislation to deal with spies, traitors and others who intend to do harm to the country. For this reason the DAP supports an amendment to Section 3 of the Official Secrets Act to increase the penalties for spying. We in the DAP are Malaysian nationalists and patriots and would be second to none either inside or outside this House in our love for the country and dedication to defend the integrity and sovereignty of Malaysia.

However, this does not mean that we should mindlessly agree to whatever the Government proposes. For instance, I have reservations about the proposed amendment to Section 3 although we agree in principle to the increase of penalties for spying. Under the existing law, the penalties for spying is a maximum jail sentence of 14 years or a $20,000 fine or both. With the present amendment, the penalties for spying shall be a mandatory life sentence.

FAVOURED SPY

Surely, however heinous the crime of spying, there are various degrees of gravity of the offence, and the judge trying the cases should be given the discretion to impose differential sentences for offences of different gravity. I would suggest that instead of amending Section 3 to provide for a mandatory life sentence for spying, it should be a maximum life sentence instead.

Surely, there must be a difference in sentence between a Master-Spy and a Mini-Spy! And where is justice if a favoured spy like the

former spy political secretary to Dr. Mahathir Mohamed when he was Deputy Prime Minister, Siddiq Ghouse, who was an agent for the KGB, could be spared prosecution for being a spy under the Official Secrets Act? Are we going to have two categories of spies in Malaysia, the Siddiq Ghouses who would be spared prosecution and the mandatory *'life sentence'*, and the non-Siddiq Ghouses who would spend the rest of their lives in jail because of their political party affiliations?

Or could the Government give the assurance that whatever reasons it has for detaining Siddiq Ghouse instead of prosecuting him, Siddiq Ghouse would not be spared prosecution as a spy once the reasons for detaining him under the ISA ended. Otherwise, the Minister of Home Affairs would be usurping the criminal jurisdiction and functions of the Courts.

In this connection, I was surprised to hear yesterday the speech of the MP for Kemaman calling for the stripping of citizenship of Malaysians who become citizens by way of naturalisation or registration and other terrible punishments for being spies and traitors to other countries. But there was deafening silence on the Siddiq Ghouse case. I hope that no one seriously entertain any thought or suggestion that different treatment should be meted out to spies depending on whether they are Malays or non-Malays, for otherwise, Malaysian nation building is indeed going to be a long, long haul.

CATCH-ALL PROVISION

Most people, and apparently all the Barisan MPs who had spoken or attempted to interrupt DAP MPs yesterday, think that the *'official secrets'* are about protecting the nation's security against foreign spies and assume that the Official Secrets Act which enforce that secrecy is for everybody's benefit. But this is true of only a miniscule part of the *'official secrets'* protected by the Official Secrets Act, for the overwhelming bulk of these *'official secrets'* has nothing at all to do either with defence secrets essential to national security or even sensitive information affecting economic security or foreign relations.

As it stands under the Official Secrets Act 1972, all government information or official information are *'official secrets'* and are protected as if they are as important as military contingency plans in the event of an aggression, so long as they are not authorised to be

disclosed, whether it be information about the Prime Minister's $20 million Residence, the incompetence of Bank Negara and the Ministry of Finance officials in allowing the Bank Bumiputra and the Bumiputra Malaysia Finance to squander away some $2,500 million of public funds, hospital negligence leading to unnecessary deaths, the incidents of brutality, assault and victimisation in the Pusat Seranti Tampin Rehabilitation Centre of drug addicts, or any item of government information however trivial and insignificant, as the amount of stationery ordered by a department or the amount of postage stamps used by a government office.

The use of criminal law to restrict the publication of matters of public interest when public interest in fact demand their disclosure, is not only undesirable in principle, smacking of censorship and something to be kept to an absolute minimum, but runs counter to the whole concept of an open, democratic and liberal administration.

I am referring in particular to Section 8 of the Official Secrets Act 1972, which is based on Section 2 of the United Kingdom Official Secrets Act 1911.

In 1971 a Special Committee, known as the Franks Committee, was appointed by the British Home Secretary to *"review the operation of Section 2 of the Official Secrets Act 1911 and to make recommendations"*.

This is what the Franks Committee had to say about Section 2 (which is basically our Section 8):

"The main offence which Section 2 creates is the unauthorised communication of official information (including documents) by a Crown servant. The leading characteristic of this offence is its catch-all quality. It catches all official documents and information. It makes no distinctions of kind, and no distinctions of degree. All information which a Crown servant learns in the course of his duty is 'official' for the purposes of Section 2, whatever its nature, whatever its importance, whatever its original source. A blanket is thrown over everything; nothing escapes." (Para 17 — Franks Committee Report).

And in Paragraph 88:

"We found Section 2 a mess. Its scope is enormously wide. Any law which impinges on the freedom of information in a democracy

should be much more tightly drawn. A catch-all provision is saved from absurdity in operation only by the sparing exercise of the Attorney-General's discretion to prosecute. Yet the very width of this discretion, and the inevitably selective way in which it is exercised, give rise to considerable unease. The drafting and interpretation of the section are obscure. People are not sure what it means, or how it operates in practice, or what kinds of action involve real risk of prosecution under it."

The Franks Committee Report said that although Section 2 is short, it is in very wide terms and highly condensed. It covers a great deal of ground and it creates a considerable number of different offences. According to one calculation, over 2,000 differently worded charges can be brought under it. It is obscurely drafted and to this day legal doubts remain on some important points of interpretation.

SUPER CATCH-ALL

These criticisms and strictures on Section 2 of the British Official Secrets Act 1911 apply equally to Section 8 of our Official Secrets Act 1972, for it is based on the British Act.

However, just like Section 2 of the British Act, our Section 8 of the Official Secrets Act is not confined to government servants in its ambit of operation. Section 8 specifies five situations in which other persons are also caught:

1. Government contractors and their employees are treated in the same way as government servants. Information which they learn in that capacity counts as *'official'* for the purposes of the section, and the unauthorised disclosure of such information is an offence. The nature of the information is irrelevant;

2. Any person to whom official information is entrusted in confidence by any public officer is prohibited from making any unauthorised disclosure of that information;

3. Any person in possession of official information *"which has been made or obtained in contravention"* of the Official Secrets Act is prohibited from making any unauthorised disclosure of that information. The provision makes it possible to have a *"chain"* of unauthorised communications, with each link in the chain committing an offence by passing on the information. In

effect, the unauthorised handling of official information is an offence in much the same way as handling stolen goods is an offence.

4. Any person coming into possession, by whatever means, of a secret official code word or pass word, or of information about a defence establishment or other *"prohibited place"* is prohibited from making any unauthorised disclosure of that information;

5. Sub-section (2) of Section 8 goes even further, by making the mere receipt of official information an offence. It has to be proved that the recipient knew, or had reasonable ground to believe, at the time of receipt that the information was communicated to him in contravention of the Official Secrets Act. He can defend himself by proving that the information was communicated to him contrary to his desire. But the offence itself under Section 8(2) consists of simple receipt. It is immaterial whether the recipient subsequently passes on the information or makes any other use of it.

By proposing a new Section 7A, the Government not only has no intention of removing the catch-all features of Section 8, it is proposing to have a Super Catch-All whereby any person who has been approached directly or indirectly to obtain for or supply that other person any official information, should immediately report to a Police Officer of the rank of Inspector, or if he is a public officer to his head of department. The offence of failure to make such a report is a jail sentence of up to five years or a $20,000 maximum fine or both.

This is why I had said that the Official Secrets (Amendment) Bill would lay the basis for a highly autocratic, undemocratic and unaccountable Government in the rest of the 1980s and the 1990s.

This debate in fact touches the very heart of government in the Malaysian Parliamentary democracy, as to whether we want to create a more open, responsible, liberal and accountable government which respects and upholds the fundamental right to know of all citizens in all matters affecting the country and people.

The Official Secrets Act 1972 and the present batch of amendments will have the capacity of turning Malaysia into the most secretive government in the whole Commonwealth.

SECRETIVE GOVERNMENT

A secretive government is by its very definition an undemocratic and autocratic government. The essence of democratic government lies in the ability of the people to make choices: about who shall govern; or about which policies they support or reject. Such choices cannot be properly made unless adequate information is available. This is imperative as modern government has expanded until it touches all of our lives every day.

Such a secretive government does not become democratic just because once in every five years it holds general elections under conditions whereby the people are denied opportunities to intelligently exercise a free choice, through the denial of information and access to the electorate of alternative views and policies, whether through mass media control, ban on public rallies or other means whereby the cult of secrecy hiding government information from the public is effected.

As a result we have reached a position where this august Parliament has become cut off from the realities of the Malaysian world outside. Parliament is not only failing to address the real issues which agitate Malaysians, like the $2,500 million Bumiputra Malaysia Finance and the Bank Bumiputra loans scandal in Hong Kong, the biggest financial and banking scandal in Malaysian history; or the constitutional crisis afflicting the government as the result of the Constitution Amendment Bill passed by both Houses in July and August and despite warning from the DAP, Barisan MPs show utter incomprehension when debating the various bills presented by the government, as the present amendment bill to the Official Secrets Act.

Such a cult of government secrecy makes a mockery of parliamentary democracy, for a meaningful democratic decision-making process involves the fullest participation in the formulation of policy or laws by all interested parties and groups. What the Barisan Nasional Government is doing, as in the present amendment bill, is to exclude all other interested parties and groups in the most important stage of decision making, i.e. the formulation stage, and only bring to Parliament for the rubber-stamping of their decisions.

The public are not given time to consider the various legislative proposals, like the Official Secrets (Amendment) Bill, so as to have time to make their views and representations known to the Members of Parliament to guide them in their deliberations and to reflect public views and opinions. For instance, despite the grave implications of the Official Secrets (Amendment) Bill, not a single newspaper in Malaysia, let alone ordinary Malaysians, seem to be aware of the grave implications of the Official Secrets (Amendment) Bill, whereby journalists who seek official information from anyone would have to be immediately reported to the Police or his departmental head on pain of a criminal offence involving five years' jail or $20,000 fine or both!

PUBLIC SCRUTINY

This applies to Members of Parliament as well. If I want to find out how Majuikan, of which the MP for Pasir Puteh, Mohd. Wan Najib is chairman, is faring, for I have information that under his tenure, Majuikan has become an even bigger mess and may have to be closed down, I would have to be reported to the Police or to the MP for Pasir Puteh, should I speak to any Majuikan employee. Of course, Mohd. Wan Najib would support such a Official Secrets Act because it would protect exposure of the incompetence, maladministration and even corruption rampant in Majuikan!

This brings me to the second objection to a secretive government. When a government is more open to public scrutiny, it in fact becomes more accountable. As a result there is a greater need for it to be seen to be efficient and competent. The accountability of the government to the electorate, and indeed to each individual elector, is the corner-stone of democracy and unless the people are provided with sufficient information, accountability disappears.

We would have been able to do away with a lot of inefficiency and incompetence in government, as well as corruption which breeds on administrative delays, if the glare of public scrutiny is constantly brought to bear on the government departments, like the land offices, the road transport departments, etc. We would have been able to check the frequency in the colossal waste of public funds as in the BMF's $2,500 million loans scandal in Hong Kong, the $250 million Kuantan Port scandal which cracked even before it opened;

the $20 million Prime Minister's Official Residence in a time of recession and economic belt-tightening if there had been greater accountability through access by MPs and the public to official data and information.

In fact, the cult of secrecy of government in Malaysia is being taken to such ridiculous lengths that some eight years after the establishment of a special committee to inquire and make recommendations about the Rent Control Act, a matter which deeply affects the poor and low-income Malaysians who cannot afford their own houses, nobody knows what has happened to the Report or what is in the Report. In this regard, I must congratulate the Minister for Housing and Local Government, Datuk Neo Yee Pan, for establishing the all-time record of *'a hen that could not lay a egg'*, in being unable to make public the report to take action to relieve the grave problems faced by tenants all over the country. I would be committing a criminal offence under the Official Secrets Act if I reveal what is in the report.

CORRUPTION

The third objection to a secretive government is that the cult of government secrecy provides a protective cover for inefficiency, negligence, maladministration or even malpractices and corruption. When I asked during question-time why the Anti-Corruption Agency in its two years under the 2M administration pledged to a war against corruption has only arrested *'small fishes'* and failed signally to net the *'ikan yus'*, the Deputy Minister in the Prime Minister's Department, Encik Radzi Sheikh Ahmad, asked me to produce the evidence for the ACA to act on.

But is Encik Radzi Sheik Ahmad really serious in welcoming the DAP's co-operation to expose the corrupt in high political places? Does he not know that for exposing the corruption of the *'ikan yus'*, I would be committing a criminal offence under the Official Secrets Act which is punishable with a maximum of 7 years' jail or a $10,000 fine or both, for I must get *'official information'* involving such corruption which by definition is an *'official secret'* under the Official Secrets Act.

Not content with this inhibition against the efforts by MPs and public-spirited Malaysians against graft and corruption in high poli-

tical places, Encik Radzi has now come to the House to create a new offence under the new Section 7A whereby the person from whom I seek information about the corruption of *'ikan yu'* so that I could pass them to the ACA must immediately report to a police officer of the rank of Inspector and above or to his departmental head, or he faces criminal sanctions of five years' jail or $20,000 fine or both.

How can the Barisan Nasional Government expect the people to believe that it is committed to the all-out war against corruption and graft, regardless of rank or status or political influence, when the Government is amending the Official Secrets Act to make it an offence for MPs or any public-spirited Malaysian to secure information about such corruption to help the ACA, which appears to be so helpless and impotent?

Or is the Government prepared to introduce during committee stage amendments to the Official Secrets Act to provide that where *'official information'* is secured for the purposes of exposing corruption, malpractices, extravagance or for any other purpose in the public interest of the country, it shall be valid defence either under Section 8 or the new Section 7A of the Official Secrets Act?

I have a sneaky feeling that the Deputy Minister in the Prime Minister's Department, Encik Radzi Sheikh Ahmad, himself is not aware of the grave character of the amendments he is introducing to the Official Secrets Act, or he would not have suggested that I provide information about corruption of *'ikan yus'* to the ACA, which is an offence under the OSA. Or is he trying to trap me to be prosecuted again under the Official Secrets Act for the second time?

I had the dubious distinction of being the first person to be arrested and charged under the Official Secrets Act in 1978, not because I was doing a Siddiq Ghouse, but because I had tried to perform a public duty to draw public attention to the excessive expenditure involved in agreeing to pay $166 million for four Swedish-made SPICA-M Fast Strike Crafts. Although the cost of the four SPICA-Ms was subsequently reduced to $157 million, a net saving of $9 million, I did not expect government appreciation, but it is indeed the *'unkindest cut of all'* to be arrested and prosecuted as if I was a spy or a traitor.

Basically, the charges against me under the Official Secrets Act were based on the following provisions of the Act:

"Section 8(1): If any person having in his possession or control ..... any information which — .....
(c) has been made or obtained in contravention of this Act;

.....

does any of the following —
(1) communicate directly or indirectly any such information ..... to any person other than a person to whom he is duly authorised to communicate it or to whom it is his duty to communicate it; or

.....

(iv) fails to take reasonable care of, or so conducts himself as to endanger the safety or secrecy of, any such information ..... he shall be guilty of an offence punishable with imprisonment not exceeding seven years or a fine not exceeding ten thousand dollars, or both such imprisonment and fine.

(2) If any person receives any ..... information knowing, or having reasonable ground to believe, at the time when he receives that ..... the information is communicated to him in contravention of this Act, he shall, unless he proves that the communication to him of the ..... information was contrary to his desire, be guilty of an offence punishable with imprisonment of seven years or a fine not exceeding ten thousand dollars or both such imprisonment and fine."

PUBLIC INTEREST

The Franks Committee Report had said that the *"catch-all provision of Section 2 (i.e. Section 8 of the Malaysian Act) is saved from absurdity in operation only by the sparing exercise of the Attorney-General's discretion to prosecute."*

In my case, Public Prosecutor v. Lim Kit Siang, is the Government able to convince the Malaysian public that the Attorney-General had exercised his function as the Senior Government Law Officer impartially in accordance with the balance of public interest involved,

without allowing political party considerations to intrude into his judgement?

Then why was I prosecuted and not the Far Eastern Economic Review and ASEAN Defence Journal which also carried separately articles on the purchase of the four SPICA-M Fast Strike Crafts?

Or could the Attorney-General's prosecution be justified by the gravity of the *'official secrets'* disclosed? The Federal Court, when hearing the appeal, had this to say:

"We do not hide from ourselves the fact that the details of the fire control system and of the engines installed in and the capability of the craft are of possible utility to an enemy which seeks to destroy our naval defence and if such information had tended to endanger or had the effect of imperilling the security of the country, we would have interfered by substituting a sentence of imprisonment for any fine that might have been imposed. But one has to be realistic and see the case in its correct perspective and in the context of prevailing conditions. We could not but wonder whether the details provided in calling for tenders for the guns, missiles and launchers, available to anyone who applied for a tender form, had not largely removed the veil of secrecy from the ships' armaments. Also no one has suggested in any way that the information in the charges was useful to such enemies as this country has at the moment or in the foreseeable future. Neither has anyone submitted that the real intention or the effect of such revelation was to benefit the enemy or endanger the security of the country. This is particularly true of the disclosure of the tender exercise and the financial provisions of the final contract."

OPEN GOVERNMENT

We are entitled therefore from my case to ask whether the Public Prosecutor whose consent is required before prosecution under the Official Secrets Act could be initiated is aware of the great distinction between the interests of the nation and those of the Government, and that Section 8 and the new Section 7A is open to gross abuse as the protection for all Government information could be used to protect the political interests of the Government.

The DAP recognises the need for the Government to keep certain vital matters of defence, national security, the economy and foreign

relations secret but the overwhelming bulk of government information are not in this category. There is a great urgent need to improve the effectiveness of democratic control by ensuring not only greater openness of government, but also a loosening of control of information at all levels in the machinery of government.

There is an inevitable tension between the democratic requirements of openness and the continuing need to keep some matters secret, but our Official Secrets Act is completely one-sided in imposing a total blanket of secrecy on all government information, reinforced by criminal sanctions, unless they are authorised to be disclosed.

The 2M Government of Dr. Mahathir Mohamed and Datuk Musa Hitam started their administration with stirring pledges for an open and liberal government. They should then introduce legislation to amend the Official Secrets Act to encourage such openness and liberalism, especially in encouraging investigative reporting to enable the Fourth Estate to play its full role as another important institution of a parliamentary democracy.

The introduction of new Section 7A is therefore a complete repudiation of the 2M Government's commitment to a open, liberal and tolerant society, for it would add another weapon in the government arsenal to cow and curb press freedom. It is public knowledge that the press in Malaysia have often been threatened with the use of the Official Secrets Act to keep not just militarily sensitive information from being reported, but also politically unpleasant or embarrasing news as well from public knowledge.

I seriously suggest that the Government withdraws the present amendment bill to the Official Secrets Act to allow a full-scale public discussion and debate on the whole question of the type of open government we should have in Malaysia, or refer this Bill to a Select Committee for a more thorough deliberation.

I suggest that the Official Secrets Act should be repealed and be replaced by two Acts. There should be an Espionage Act to deal with spies and espionage activities to guard the security of the nation and the safety of the people, employing criminal sanctions to protect military, security, economic and other vital information.

As for all other government information not protected in the Espionage Act, we should adopt a completely new attitude from the Official Secret Act which stipulates, quite simply, that everything shall be secret. A second information law to deal with the rest of government information, which could be called Official Information Act, should adopt a totally different attitude by stipulating that all government information shall be open and make exceptions such as Cabinet minutes, other confidential government documents, personal information of citizens in possession of the Government, etc.

Such a Official Information Act should require the Government to make records, except those specifically excluded by the Act, available to the public so that there is democratic openness of government in Malaysia.

POLICE STATE

Finally, I have given notice to move at Committee Stage an amendment to Section 8 of the Bill which provides for a new Section 30A in the Official Secrets Act to empower the Minister to make regulations to carry out the purposes of the Official Secrets Act, including to prescribe the manner of classifying information, documents and other materials; the manner of communication of official information and to provide for offences and penalties not exceeding a fine of five thousand ringgit or imprisonment not exceeding one year for the contravention of any provision of the regulations.

In view of the highly undemocratic and autocratic nature of the Official Secrets Act in imposing a total clamp on government information, which threatens the whole basis of a democratic, open, liberal and accountable government, Parliament must be jealous of surrendering any powers to the Executive to empower it to turn Malaysia into a highly secretive police state.

Parliament must be vigilant of the rights of Malaysians in conformity with the democratic tradition we want to nurture by requiring the Government to report and explain to Parliament as to how the operation of the Official Secrets Act is stifling the promotion of a democratic, open and accountable government.

If we enact the proposed new Section 30A, we are in fact empowering the Minister concerned by way of regulations to extend the

Official Secrets Act in any way he likes, without effective Parliamentary check.

In view of the fundamental rights of Malaysians which are threatened by the Official Secrets Act and the regulations in new Section 30A, I am proposing a new Section 30B to provide that these regulations should not come into force unless they are approved by the Dewan Rakyat.

The requirement for an affirmative resolution before these regulations come into force would provide an opportunity for Parliament to review the proposed regulations, and all MPs who conscientiously discharge their responsibilities as a duty not merely to the political party he belongs to, but also as a duty to the people and to God, must support this proposal.

Signboards and Advertisements

> ***The Minister of Housing and Local Government should have used his Ministerial office to rein in the various Municipal and District Councils so as to respect the sensitivities of the various races about their own languages, especially after the incident in Setapak in Kuala Lumpur where Chinese signboards were demolished and trodden upon by Bandaraya enforcement officers.***

I am moving this $10 cut in the salary of the Minister for Housing and Local Government, Datuk Dr. Neo Yee Pan, to censure him for his failure to check and prevent the implementation of the *'One Language, One Culture'* advertisement policy of the various Municipal and District Councils.

Only a few days ago, the Alor Star District Council made it clear that it would not compromise on its advertisement regulations seriously affecting the usage of Chinese language on signboards and advertisements, and as a result, several Chinese businessmen had taken down their signboards and advertisements in protest.

In Malacca, the Melaka Tengah Municipal Council is implementing the second step of its policy of *'One Language, One Culture'* advertisements and signboards by penalising the use of Chinese characters on signboards, business signs and advertisements by its 18-fold imposition of advertisement fees for old signboards, signs and advertisements which had never been required to pay advertisement fees.

Speech when moving a $10 cut from the Minister of Housing and Local Government's salary on November 14, 1983.

When the Melaka Tengah Municipal Council implemented the first step of its *'One Language, One Culture'* policy on signboards and advertisements in March this year, increasing advertising fees by as much as six times, the Malacca MCA leaders and Municipal Councillors assured the businessmen that old signboards and advertisements which in the past were not required to pay fees would be exempted.

But six months later, these old signboards and advertisements, some of them as old as 50 or 100 years, were notified that they had to pay another three times, or a total increase of 18 times before the introduction of the new signboard regulations.

The same position is happening in Alor Star and in the other towns, for almost all District and Municipal Councils, including the Seremban Municipal Council, had adopted the same set of advertisement by-laws as in Malacca and Alor Star.

The definition of 'advertisement' is so wide that every sign of picture or wording seen by the public, whether outside or inside the house, is covered. This means in the third step of the implementation of the *'One Language, One Culture'* advertisement policy, all the wordings inside shophouses and houses would be required to be less prominent than Bahasa Malaysia or pay 18 times the advertising fees!

What is shocking is that during the last 18 months when the *'One Language, One Culture'* advertisement was swirling up and down the country, the Minister of Housing and Local Government, under whom the portfolio comes under direct charge and responsibility, showed complete indifference and did nothing to check and prevent the implementation of the *'One Language, One Culture'* Advertisement By-Laws by the various Municipal and District Councils.

SIGNBOARDS DEMOLISHED

He did nothing to stop the local authorities from defining Chinese firm names as 'advertisement' which is most ridiculous, for business firm names is meant for identification and not for advertisements. By this definition, private houses with private names would also be required to pay advertisement fees.

The Minister of Housing and Local Government should have used his Ministerial office to rein in the various Municipal and District

Councils so as to respect the sensitivities of the various races about their own languages, especially after the incident in Setapak in Kuala Lumpur where Chinese signboards were demolished and trodden upon by Bandaraya enforcement officers.

Especially as he is MCA leader, Datuk Dr. Neo should have realised that the implementation of the *'One Language, One Culture'* advertisement policy could be carried out in two stages:

Firstly, by the outright prohibition or restriction of the use of Chinese and other languages apart from Bahasa Malaysia;

Secondly, by imposing punitive advertisement fees for using Chinese and other languages to discourage their use.

No wonder there was a suggestion in a Bahasa Malaysia daily recommending the Thai practice which required the use of Chinese and other languages apart from Thai language on signboards and advertisements to pay ten times the normal advertisement rates!

Furthermore, the Johore District Councils completely disregarded the constitutional right of Malaysians by imposing a requirement on the compulsory use of Jawi on signboards.

The Minister should have carried out his duties to ensure that the local authorities, which receive launching grants and other funds from the Federal Government, do not commit unconstitutional and unlawful acts, as well as acts which violate the Rukunegara.

I am prepared to withdraw this motion if Datuk Neo Yee Pan would give an assurance in this House that the *'One Language, One Culture'* advertisement regulations of the various Municipal and District Councils in the country would be amended to withdraw all punitive advertisement fees for the use of mother-tongue languages on signboards and advertisements.

The 1984 Constitutional Amendment Bill

The DAP finds the claim that the constitutional crisis represented the victory of the principle of the sovereignty of the people in a Parliamentary Democracy equally misplaced, for where comes the 'will of the people' when the people at large knew nothing about the merits or demerits of the three controversial constitutional amendments when they were adopted by both Houses of Parliament in August 1983, as the Prime Minister had directed the local mass media to black out all discussions including parliamentary debates on the amendments until some three months later.

The Dewan Rakyat has been summoned to a special one-day meeting today to pass the 1984 Constitution Amendment Bill, the culmination of a four-and-a-half month constitutional crisis, to mark the victory of the principle of parliamentary supremacy and the sovereignty of the people.

As the lone voice with my other DAP parliamentary colleagues in this House in the last 14 years to champion the principle of parliamentary supremacy, where Parliament has a distinct identity and higher role of its own from both the Executive and the Judiciary, I should be the first to welcome the Prime Minister's belated discovery and espousal of this principle.

But with the best will in the world, my colleagues and I could not agree or accept that the recent constitutional crisis was a fight between the People vs the Rulers; or a battle between the principle of Parliamentary supremacy versus the Rulers' Prerogative.

Speech on the Constitutional Amendment Bill 1984 on January 9, 1984

If we are to take the claim literally, then I would say that the very fact that Parliament had to be summoned into a special meeting to withdraw two of three controversial amendments which sparked off the crisis, and to amend the third contentious issue to the extent of conceding away an important principle of parliamentary democracy, represented more a setback to the principle of parliamentary supremacy than its triumph.

Parliament, in its wisdom or lack of it, had passed the Constitution Amendment Bill 1983 with the requisite two-thirds majority in both Houses in August 1983, and if the issue at stake is the principle of parliamentary supremacy, then the failure to adhere to these amendments (whatever the niceties about Parliament having the constitutional right to effect further amendments) represent the failure of Parliament to assert its will!

The DAP finds the claim that the constitutional crisis represented the victory of the principle of the sovereignty of the people in a Parliamentary Democracy equally misplaced, for where comes the *'will of the people'* when the people at large knew nothing about the merits or demerits of the three controversial constitutional amendments when they were adopted by both Houses of Parliament in August 1983, as the Prime Minister had directed the local mass media to black out all discussions, including parliamentary debates on the amendments until some three months later.

Is the *'will of the people'* in the parliamentary democracy in Malaysia built on the *'ignorance of the people'*? Or is it the *'guided will'* of the people, just like *'guided democracy'* of some other country, that we are talking about?

Even now, the overwhelming majority of the people in Malaysia have been denied a full and balanced information about the constitutional crisis and the issues at stake, for they had been fed with the *'official'* account dished out by Bernama, the Radio and Television, and the local press, instead of allowing the people to make up their own minds from allowing them full and free access to all the different viewpoints on the amendments.

Even the series of illegal public rallies held by UMNO in Alor Star, Bagan Datoh, Seremban, Batu Pahat, Malacca for the Prime Minister with reports of officially inflated crowd figures did not go

very far to represent the *'will of the people'*, for they merely testified to the mobilisation capability of UMNO and Governmental machinery. But even this is dubious as only two days ago, the UMNO in Federal Territory had claimed that it would round up 200,000 people to welcome the Prime Minister on his first official visit to the Federal Territory, but the reported crowd ranged from 12,000 to 40,000.

But did everyone of those who turned up at the illegal public rallies understood and supported the Government on the constitutional amendment issues? I have my grave doubts. In Batu Pahat for instance, I am told that when the UMNO organisers cried out the slogan *'hidup Melayu'*, many Chinese and Indians turned away for they found that they did not belong!

Many pundits and editorialists have written of the good that had come out of the constitutional crisis. For instance, it is claimed that the crisis had resulted in the Constitution being widely studied and scrutinised by a large cross-section of the population and that there is a greater understanding of the Constitution now than ever before. These writers make no reference to the fact that for the first three months, there was a complete black-out of local newspaper coverage of the constitutional amendments, and that subsequently, what the Malaysian public read was a one-sided account of the constitutional crisis.

'WILL OF THE PEOPLE'

Again, it has been claimed that as a result of the constitutional crisis, the Rakyat are more aware of their rights, that there is now a new tradition of questioning the role of the constitutional monarchs, and that it represented the majority prevailing over the minority.

In my view, the constitutional crisis has shown the need for our political system to enable the *'true will of the people'* to be manifested, instead of allowing the manipulation of the *'purported will'* of the people by the political rulers.

What is needed more than anything else to ensure the triumph of the will of the people is the establishment of the democratic tradition of questioning the role of the political rulers, which is only possible when there is freedom of speech, expression, information, and not as at present, where such freedoms are tightly regulated, and the pur-

ported *'will of the people'* manipulated by the powers-that-be. Such a tradition must enable the people to question the Government why it practised double standards in the enforcement of laws in allowing UMNO to organise public rallies, while banning opposition parties from doing so; to question the Government why it has not allowed a full debate on the constitutional amendments to allow all points of view to emerge to enable an intelligent judgement to be made by the citizenry; and why critics and opponents of the amendments were dubbed all sorts of anti-national labels, when the Government itself had eventually to withdraw two of the three amendments and make a radical amendment to a third giving up an important principle which the critics had not even conceded.

When the mild criticisms of Tan Sri Dr. Tan Chee Khoon in his weekly column in the Star on the constitutional crisis could elicit a fierce denunciation from the Information Minister, Adib Adam, who fancies himself as the custodian of the ideological purity of UMNO, then right-thinking Malaysians must really ask the question as to what type of a parliamentary democracy, where the *'sovereignty of the people and the will of the people is supposed to be supreme'*, are we having in the post-Constitutional Crisis in Malaysia? Is it a parliamentary democracy where the *'will of the people'* and the *'sovereignty of the people'* is equated with the *'will of UMNO'* and *'sovereignty of UMNO'* with no room for dissenting views by the people?

ROYAL ASSENT

I cannot speak for the proponents to the constitutional crisis, namely the UMNO leaders and the Rulers, but I believe I can safely state that for those who oppose the three controversial constitutional amendments, two reasons were pre-eminent:

Firstly, the constitutionality of the amendment to Article 66(5) and to the Eighth Schedule to provide that both at Federal and State levels, once the legislatures had passed the Bills and presented to the Yang di-Pertuan Agong or the State Ruler for assent, the assent would be deemed to be given after fifteen days regardless of whether there was any affixing of the Royal Seal;

Secondly, the accumulation and concentration of political power in the hands of the Prime Minister in the amendment to Article 150

whereby the Prime Minister himself, without consulting the Cabinet, could have a Emergency proclaimed.

The DAP and critics of the amendments to Article 66(5) and the Eighth Schedule had contended that although the Royal Assent could not be withheld by the Yang di-Pertuan Agong or the State Ruler, agreeing with the government's argument that constitutionally the Ruler has *'no will of his own'* but must act on Cabinet advice to give Royal Assent, the Royal Assent is nonetheless a necessary and integral part of the process to perfect legislation.

Otherwise, to save all the constitutional bother, Parliament might as well pass a constitutional amendment to provide that once a Bill is adopted by both Houses of Parliament, it automatically becomes law without the need for a Royal Assent.

From this contention, it therefore follows that any step to remove or derogate from the need for the Royal Assent would infringe Article 38(4), which reads:

> *"No law directly affecting the privileges, position, honours or dignities of the Rulers shall be passed without the consent of the Conference of Rulers."*

This does not mean that the provision on Royal Assent could not be amended, but any such amendment must comply with the constitutional requirement of first getting the consent of the Conference of Rulers, as it affects the *'privileges, position, honours or dignities of the Rulers'*.

PRIOR APPROVAL

The Government argues that Article 159(5) only requires the consent of the Conference of Rulers if amendments are made to *"Clause (4) of Article 10, any law passed thereunder, the provisions of Part II, Articles 38, 63(4), 70, 71(1), 72(4), 152 or 153"* or to itself, i.e. Article 159(5), and as Article 66(5) is not mentioned, it could be amended without the consent of the Conference of Rulers.

This argument is to render Article 38(4) meaningless, for under Article 38(4), any law *"directly affecting the privileges, position, honours or dignities of the Rulers"* would require the prior consent of the Conference of Rulers, or it would be unconstitutional. Its life is not dependent on Article 159(5), but on its own provisions.

As examples, I would submit that although not specified in Article 159(5), any amendment to Article 40(1) or 42(1) would require the consent of the Conference of Rulers by virtue of Article 38(4) because it would affect the *'privileges, position, honours or dignities of the Rulers'*.

Thus Article 40(1) provides that the Yang di-Pertuan Agong shall be entitled, at his request to any information concerning the government of the Federation which is available to the Cabinet; while Article 42(1) provides that the Yang di-Pertuan Agong has power to grant pardons, reprieves and respites in respect of all offences which have been tried by court-martial and all offences committed in the Federal Territory, and the State Rulers, similar powers in their State.

If it is proposed to amend Article 40(1) to remove the Yang di-Pertuan Agong's entitlement to any information concerning the government in the Federation which is available to the Cabinet; or to remove the Yang di Pertuan Agong and the State Rulers' power to grant pardons, reprieves and respites in their respective territories, clearly the consent of the Conference of Rulers would be needed under Article 38(4) although not specified in Article 159(5). Any amendment without the prior consent of the Conference of Rulers would be unconstitutional and null and void.

LEGAL OPINION

Similarly, if the amendment to Article 66(5) in the 1983 Constitution Amendment Act is unconstitutional because it had not complied with Article 38(4), then the giving of the Royal Assent by the Timbalan Yang di-Pertuan Agong would not give it constitutionality and legal validity. And if the 1983 Constitution Amendment Act is unconstitutional, then the present amendment to Article 66 would also become unconstitutional as no amount of subsequent amendments could cure an unconstitutional provision of its constitutionality, except by way of a completely new provision not dependent on the unconstitutional clause.

In view of this constitutional doubt, I would suggest that the Prime Minister and the Cabinet should decide to refer this constitutional point to the Federal Court under Article 130 for a binding legal opinion, as otherwise, any future legislation stemming from the present 1984 Constitution Amendment Bill is open to challenge.

The Government leaders had argued that the 15-day Royal Assent Rule was necessary particularly because of the refusal by some State Sultans to give the Royal Assent to State legislation unless they get their way, as in removing the Mentri Besar or some other demand. It is therefore all the more strange that the Government should abandon the proposed amendment to the Eight Schedule on the 15-day Royal Assent Rule for State Constitutions, relying on an *'oral undertaking'*. Parliament is entitled to know what is the nature and efficacy of such *'oral undertaking'* in constitutional law?

Government leaders have conceded that no Federal Bill had been denied the Royal Assent, and as the first Prime Minister, Tunku Abdul Rahman, has written, there are provisions in the Constitution to deal with any Yang di-Pertuan Agong who had misused or abused his powers. There is, firstly, the Conference of Rulers where five Rulers could remove the Yang di-Pertuan Agong, and there is also the provision for raising in Parliament by way of substantive motion any misuse or abuse of power by the Yang di-Pertuan Agong or any State Ruler to bring public and political pressure on a recalcitrant constitutional monarch.

However, if the government is intent on amending Article 66(5) to provide for a 15-day Deemed Royal Assent Rule, then it should do it in a proper constitutional manner by getting the consent of the Conference of Rulers first.

I have said that the present amendment to Article 66(5) on the Royal Assent issue has conceded an important principle of parliamentary supremacy which even critics had never conceded.

Thus, under section 2 of the present Amendment Bill, the 15-day Deemed Royal Assent Rule would be replaced with new provisions in Article 66 whereby a Bill presented to the Yang di-Pertuan Agong for his assent shall be assented by him within thirty days after it is presented to him. But in the case of a Bill which is not a money Bill, he may within such period of thirty days return such Bill to the House in which the Bill had originated with a statement of the reasons for his objection to the Bill, or to any provision of the Bill.

The new Clause 4B of Article 66 provides inter alia, that where the Yang di-Pertuan Agong does neither of these things within the specified period of thirty days, the Bill shall become law at the

expiration of that period, in the like manner as if he had assented to the Bill. The new Clause 4A of Article 66 provides that where the Yang di-Pertuan Agong returns a Bill to the House in which it originated in accordance with Clause 4B of that Article, the House shall proceed to reconsider the Bill as soon as practicable. If after such reconsideration, the Bill is again passed by the House, with or without amendments, it shall be sent to the other House together with the objections of the Yang di-Pertuan Agong. If the Bill is again passed by such other House, it shall be again presented to the Yang di-Pertuan Agong for his assent and he shall give his assent to it within thirty days after it is presented to him. The new Clause 4B of Article 66 goes on to provide that if the Yang di-Pertuan Agong fails to assent to such Bill within the said period of thirty days, the Bill shall become law at the expiration of that period, in the like manner as if he had assented to the Bill.

This new provision in Article 66 has given the Yang di-Pertuan Agong, who as argued by government lawyers *'has no will constitutionally of his own'*, the unprecedented power to delay legislation by 30 days, in referring a Bill he objects back to Parliament.

CONSTITUTIONAL MONARCH

The right of the Yang di-Pertuan Agong to object to any Bill, presumably for public good, must have the corrolary responsibility to ensure that every Bill presented to the Yang di-Pertuan Agong for his Royal Assent is not objectionable and is against the public good.

This would mean that the Yang di-Pertuan Agong, after the present amendment becomes law, would be misusing or abusing his power and responsibility if he merely acts on Cabinet advice to give his Royal Assent to every Bill presented to him, without giving individual attention to the contents of each Bill, to consider whether it offends the public good and welfare, for the Yang di-Pertuan Agong has been transformed from a constitutional monarch with no will of his own apart from acting on Cabinet advice into a constitutional monarch with a constitutional will of his own to vet every Bill presented to him to ensure he should not exercise his powers to delay legislation by sending it back to Parliament for reconsideration.

Now what are the criteria whereby the Yang di-Pertuan Agong can exercise such delaying powers? Who is to advice the Yang di-Pertuan

Agong himself, to study the Bills presented to him personally, to go through every clause in a Bill and understand its meaning and implications, in which case 30 days would not be adequate for the bundle of Bills which are passed by each Parliamentary meeting to complete such study and investigation. Or is the Yang di-Pertuan Agong to be advised by a special body of persons? Is this the Cabinet, as provided by Clause 1 of Article 40 of the Constitution which provides that *"In the exercise of his functions under this Constitution or Federal law, the Yang di-Pertuan Agong shall act in accordance with the advice of the Cabinet, except as otherwise provided by this Constitution"*.

If the Yang di-Pertuan Agong is to exercise his power to delay legislation by sending it back to Parliament for reconsideration acting on the advice of the Cabinet, it would make utter nonsense of the new provision, for clearly it would mean that the Yang di-Pertuan Agong has no *'constitutional will'* of his own, and must act on the advice of the Cabinet which clearly would not advice the exercise of the power to delay legislation as it is the Cabinet which had initiated the legislation in the first place.

If the new powers to delay legislation on the part of the Yang di-Pertuan Agong is to be exercised on the advice of a separate body of persons, who are these persons, what is their constitutional position, and who is going to pay for them, appoint them or dismiss them?

The new amendments to Article 66 as embodied in Section 2 of the 1984 Constitution Amendment Bill is therefore highly objectionable on two grounds:

1. It is a major concession and derogation from the principle of parliamentary supremacy and constitutional monarchy whereby the constitutional monarch has no *'constitutional will'* of his own to delay or influence Parliament in the legislative process, but merely to perfect the legislative process by giving his Royal Assent as advised by the Cabinet; and

2. The whole provision has been poorly conceived and formulated, and make nonsense of the system of parliamentary democracy and constitutional monarchy — the attempt to impose a political compromise on the Constitution which is completely at variance with the principle of parliamentary supremacy and

constitutional monarchy, whereby Parliament and Parliament alone decides what should be legislated.

We are all aware that in the Malaysian Constitution, there is a group of constitutional provisions which could not be amended by a mere two-thirds majority, but require the consent of the Conference of Rulers as well. But this does not detract from the principle of parliamentary supremacy in a strict constitutionalist sense for it is Parliament itself which had made such a constitutional provision. But nowhere had the Malaysian Constitution ever provided the Yang di-Pertuan Agong with the powers to override Parliament, even for a period of 30 days.

The DAP therefore cannot support the amendment to Article 66 in the present Constitution Amendment Bill because, firstly, it is of doubtful constitutionality as it springs from the 1983 Constitution Amendment Act which is itself unconstitutional, and secondly, it undermines the principle of parliamentary supremacy and constitutional monarchy.

The DAP was charged of pretending to be Royalists when we opposed the amendment to Article 66 in the 1983 Constitution Amendment Bill in August 1983 on constitutional grounds; and we are likely to be charged of being *'Anti-Royalists'* this time for opposing the 1984 Constitution Amendment Bill on the amendment to Article 66 on both constitutional and democratic grounds.

We in the DAP had been used to irresponsible labels by the Government front-benchers, but we are satisfied that the Malaysian public and history would understand that we are taking our stand on both constitutional amendments in the interest of fostering the traditions of constitutional government and democratic principles, and not for the sake of supporting or opposing any particular group or people.

I know that some Barisan leaders, including the Deputy Minister for Agriculture, Dr. Goh Cheng Teik, had been going round saying that as a result of the DAP's stand on the 1983 Constitution Amendment Bill, I would be conferred various Datukships by the various Sultans in the coming year. By their logic, I would be losing all these so-called Datukships allegedly coming my way for our stand in opposing the 1984 Constitution Amendment Bill, giving the Yang di-

Pertuan Agong the new and unprecedented power to delay Parliamentary legislation.

As Parliamentarians, regardless of party, we are the custodians of the Constitution and the principle and system of parliamentary democracy. We must be prepared to stand up and point out what is unconstitutional and what is detrimental to the principles of parliamentary supremacy, and it is on both these grounds that we regard the 1984 Constitution Amendment Bill as an atrocious piece of constitution-making. It fully bears out the comment by an authority on the Malaysian constitution that *"a predominant characteristic of the process of constitutional change (in the last two decades in Malaysia) is the lack of notice given for mature deliberation of constitutional change"*. This comment was made by H.P. Lee in his survey of the process of constitutional change in Malaysia in the book *"The Constitution of Malaysia: Its Development: 1957–1977"* which he co-edited with Tun Mohamed Suffian and F.A. Trindade.

REVIEW CONSTITUTION

It highlights the need for a thorough and wide-ranging review of the Malaysian Constitution after 27 years of operation and extensive amendments, sometimes at the briefest notice and with little time for Parliamentary study and debate. I am glad that the first Prime Minister of Malaysia, Tunku Abdul Rahman, is also of the view that there should be such a review of the Constitution and I hope that the Government would agree to this proposal to ensure that the Malaysian Constitution conform more closely with the *'will of the people'* as distinct from the *'will of the UMNO leadership'*.

I hope that the Barisan leaders would desist from trying to score cheap political points and distorting the issues at stake. For instance, the three controversial amendments of the 1983 Constitution Amendment Bill had been presented as a restoration of the people's power from the Rulers. If this is indeed the case, then all those who voted for the three constitutional amendments in 1983 should vote against the 1984 Constitution Amendment Bill, for two of these three amendments are being withdrawn and one being amended in a way so to undermine the principle of parliamentary supremacy.

If the DAP wants to score cheap political points, then we can claim to be more far-sighted than the Barisan Nasional government, for our

objections to the three constitutional amendments have been proved right, for two are being withdrawn and one amended drastically.

ARTICLE 150

This brings me to the third constitution amendment, namely to Article 150, to repeal the 1983 Constitutional Amendment Act provision vesting the full powers of having an Emergency proclaimed on the Prime Minister even without having to consult the Cabinet.

Although we are returning to the pre-1983 Constitution Amendment Bill provision for Article 150, this isn't satisfactory enough.

This is because Article 150 had been grossly abused by the Government so that a State of Emergency has become perpetual in Malaysia and used to effect far-reaching authoritarian changes in the ordinary legal norms.

Although we in the DAP had questioned many times in Parliament, so far no one in the Barisan Nasional Government had been able to answer as to why Malaysia should be in a state of not only permanent Emergency, but be under four Proclamations of Emergency although the conditions which gave rise to their promulgation had long ceased to exist, namely:

1. The Proclamation of Emergency dated 3rd September 1964 arising from the Indonesian Confrontation;
2. The Proclamation of Emergency dated 14th September 1966 applicable only to Sarawak arising from the overthrow of SNAP Chief Minister Stephen Kalong Ningkan;
3. The Proclamation of Emergency dated 15th May 1969 arising from the May 13, 1969 riots; and
4. The Proclamation of Emergency dated 8th November 1977 arising from the overthrow of the PAS Government in Kelantan.

A recent international study by the International Commission of Jurists on the *'States of Emergency'* in 15 countries, including Malaysia, and their impact on human rights, had highlighted the need for safeguards against the abuse of emergency powers.

The original Merdeka Constitution of 1957 had provided adequate safeguards against abuses of emergency powers, but we had over the last 27 years dismantled and discarded all these safeguards and given even greater powers to the Executive which are liable to gross abuse.

Thus, Article 150 in the original Merdeka Constitution in 1957 states:

"A Proclamation of Emergency and any ordinance promulgated under Clause (2) shall be laid before both Houses of Parliament and, if not sooner revoked, shall cease to be in force —

(a) A Proclamation at the expiration of a period of two months beginning with the date on which it was issued;

(b) an Ordinance at the expiration of a period of fifteen days beginning with the date on which both Houses are first sitting, unless, before the expiration of that period, it has been approved by a resolution of each House of Parliament."

But this two-month life-span for Proclamations of Emergency unless renewed by Parliament, which requires Parliament to address its mind to the continued justification of the Proclamation and Ordinance, was amended by Act 10 of 1960 to allow Proclamations of Emergency to last for eternity — as our Proclamations of Emergency seem to do so.

On June 28, I moved a motion asking the House to annul all the Four Proclamations of Emergency in the country as the conditions giving rise to their promulgation have ceased to exist, but this was vehemently rejected by the Government.

In January 1979, the Constitution was amended to make Proclamations of Emergency unchallengeable in a Court of Law, even though a Proclamation may have been issued mala fide, or the conditions for which a Proclamation of Emergency was promulgated to deal with had long ceased to exist.

In May 1981, the Constitution was amended to confer even greater powers on the Executive. Whereas at that time a Proclamation of Emergency could only be promulgated if the Government is *'satisfied that a grave emergency exists whereby the security or economic life of the Federation or any part thereof is threatened'*, the Constitution was amended to empower the Proclamation of Emergency *before* the

actual occurence of the event which threatens the security, or the economic life, or public order of the Federation or any part thereof if the Government is satisfied that there is imminent danger of the occurrence of such event.

The usurpation of all safeguards by both the Legislature and the Judiciary against the abuse of emergency powers by the Executive is now complete.

A review of the Constitution should include a review of the exercise of the emergency powers under Article 150 and the formulation of safeguards against abuses of emergency powers. In this connection, the proposals by the International Commission of Jurists on domestic constitutional safeguards against abuses of emergency powers should deserve our study.

These are the principles, which the ICJ recommended should be among the constitutional safeguards against abuse of emergency powers:

1. The effects of states of emergency on the rights of citizens and the powers of the various branches of government should be clearly spelt out. The Malaysian Constitution, providing that emergency legislation can be inconsistent with any provision of the constitution except those concerning religion, citizenship and language has been given as an example of a constitution wholly inadequate in this regard.

2. The constitution should enumerate and define the situations which justify departure from the normal order. Various types of emergencies should be distinguished: an economic crisis may not call for the same emergency powers as civil disorders. It is important to distinguish between war with a foreign enemy and domestic disturbances. In an internal disturbance, there is no enemy to destroy, but an order to restore. The security problem posed by war or the threat of war and those posed by domestic disturbances are quite distinct and the law should take into account these differences. The legal powers needed to face various types of emergencies are different, and much of the value of defining the effects of states of emergency in advance is lost if all threats to the nation are accorded identical treatment.

3. The procedure for declaring a state of emergency should be constitutionally defined, giving primary responsibility to the legislature. As there is a tendency to use states of emergency for political purposes, e.g. to repress a part of the population, to impose policies which do not enjoy popular support, or to defend an unpopular government's hold on power, a State of Emergency must not be continued unless there is a broad consenses in favour of it.

4. The duration of states of emergency should be specified. With rare exceptions, threats to the life of the nation are inherently of limited duration. It is universally admitted that, to justify departure from the normal legal order, a threat must have an appreciable degree of immediacy and substance.

   Review of the need for emergency measures must thus occur at regular intervals. The best method for assuring this is to provide that no declaration of emergency shall have legal force for longer than a fixed period of time, which should not exceed six months.

   Failure to review the need for emergency measures may encourage the use of emergency measures after they are no longer strictly required because rule by emergency measures is more 'convenient' than respect for the rights of individuals and the normal processes of law.

5. Preservation of the independence and powers of the judiciarcy to check abuses and misuse of emergency powers.

STATE CONSTITUENCIES

I notice that apart from repealing Article 150 and Eighth Schedule amendments in the 1983 Constitution Amendment Act, there is a completely new amendment to the Eighth Schedule whereby State Legislative Assemblies may determine the number of elected State Legislative Assembly seats in each State without having to be a multiple of the number of Federal Constituencies into which the State is divided as presently provided.

This amendment must have been brought about because the Penang State Assembly proceeded to increase the number of State Assembly seats based on the assumption of a proportionate increase

of Parliamentary seats by the Parliament. But although the Penang State Assembly had already increased the number of State Assembly seats, Parliament's increase of its Parliamentary seats was at one time uncertain as to whether to become law because of the constitutional crisis.

I would want to know whether the Prime Minister had consulted the various State Governments and the State Legislatures on this amendment which would affect them, as it would appear to be wrong in principle to introduce changes to State Constitutions without prior consultation with the relevant State Authorities.

CONCLUSION

In conclusion, I wish to express my party's concern at the way the UMNO leadership had handled the constitutional crisis, in its resort to extra-constitutional and even illegal measures like illegal public rallies to achieve their political purposes. I am also very concerned at the campaign of witch-hunt that the UMNO leaders seemed to be embarking on, as in the allegation by the Information Minister yesterday of an attempt by critics of the constitutional amendments to *'topple the Government and the Prime Minister'*.

We in the DAP will give the government full support in any action to uphold the principle of parliamentary supremacy and parliamentary government, but we cannot be a party to any unconstitutional action. In fact, we are very concerned at the various steps that are being taken to deny the people of their constitutional rights not only by way of constitutional amendments, but by administrative actions, and we would not hesitate to blow the whistle to draw the attention of the nation to any unconstitutional or authoritarian action.

We would support the Government if it wants the entire parliamentary form of government to set the example of efficiency and competence, as in amending Article 66(5) to provide that a Bill presented to the Yang di-Pertuan Agong for his Royal Assent shall be signed within 15 days of such presentation, as we hold steadfast to the parliamentary principle that the Constitutional Monarch has no *'constitutional will of his own'* in the matter of Royal Assent, and cannot withhold it.

But there must be proper *'leadership by example'* all down the line manifesting a degree of efficiency and competence which is sorely lacking in the Malaysian parliamentary system, as in the inability of the Government to give advance notice of the 1984 Constitution Amendment Bill to MPs for adequate study and deliberation.

We in the DAP welcome a more questioning Malaysian attitude on the role of the monarchy, as we expect our constitutional monarchs to act responsibly to be the symbols of national unity, and where there would be no abuse or misuse of power or trust vested in them.

But again, this must be applied to all those who hold public office and public trust, and here, the failure of the Government to come out clean on its continued unpreparedness to hold a Royal Commission of Inquiry into the $2,500 million Bumiputra Malaysia Finance Scandal had not strengthened the case of the Government leaders.

The DAP has previously contended that the 1975 Essential (Security Cases) (Amendment) Regulations was unconstitutional and void, and although this stand was unpopular and attracted a lot of name-callings by the government benches, the DAP was proved right in the Privy Council judgment in *Teh Cheng Poh alias Chan Meh v. The Public Prosecutor* in 1979.

Time will tell whether the DAP's contention that the 1983 Constitution Amendment Act on the amendments to Article 66, is unconstitutional and consequently the 1984 Constitution Amendment Bill, is unconstitutional and is upheld by the Courts. But it is a sad commentary on the state of constitution-making in Malaysia that the Government is not prepared to clear up these doubts before effecting further amendments.

Press Freedom in Malaysia

> *'The truth and the best vision for a society must be found from the interplay of ideas of the members of the society, which presupposes the existence of freedom of expression as well as freedom of the press which recognises the right of every person to receive, seek and impart information, ideas and opinions. An indispensable third element of the freedom of expression is freedom of information — i.e. the right of a citizen to be kept informed of whatever might affect his daily life, help him to make decisions and contribute to his thinking.'*

When the 2M leadership came into power in July 1981, they promised Malaysians a liberal, open and democratic government and society. In the last 32 months of office of the 2M government, the promise of an open, liberal and democratic government has not been fulfilled.

In some respects, the 2M government is proving to be less open, liberal and democratic than previous administrations, as in its attitude towards the principle of public accountability in the case of the $2,500 million Bumiputra Malaysia Finance loans scandal in Hong Kong as compared to the $150 million Bank Rakyat scandal of the late 1970s; the cynical double-standards in the application of the laws of the land, as in the holding of illegal public rallies by the UMNO all over the country during the Constitutional Crisis; the flagrant disregard for the responsibilities and role of Parliament as the highest legislative

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Speech on the Printing Presses and Publications Bill 1984 on March 27, 1984.

and political chamber in the country, and the amendment to the Official Secrets Act to make the government more secretive and unaccountable to the people.

The introduction of the Printing Presses and Publications Bill marks the height of the illiberal, undemocratic and authoritarian nature of the 2M government, for what we are presently debating is not merely about printing presses and publications, but in fact defining the very nature and basis of the Malaysian political polity, whether we want an open, liberal and democratic Malaysia or a closed, repressive and authoritarian Malaysia.

In the DAP's view, the Printing Presses and Publications Bill is highly objectionable and obnoxious on three grounds, that it is undemocratic, unconstitutional and a grave denial of the human rights of Malaysians to freedom of expression, press and information.

In fact, with the withdrawal of the constitutional amendments at the January special sitting of Parliament on Article 150 of the Malaysian Constitution which would confer on the Prime Minister the sole and unquestionable power to declare an Emergency, the Printing Presses and Publications Bill 1984 is the most draconian 2M legislation which poses the greatest threat to democracy in Malaysia.

AUTHORITARIAN POWERS

The 1984 Printing Presses and Publications Bill is not merely a consolidation of the Printing Presses Act 1948 and the Control of Imported Publications Act 1958, but arms the government with new and vast powers to trample on the human rights of Malaysians to freedom of expression, press and information.

It has become the fashion of the day for the 2M government to decry the British colonial experience, but it remains fully committed to perpetuate and even refine the methods of political control exercised by the British colonial government over a subject population, although we have liberated ourselves from colonial rule nearly three decades ago, and pride ourselves as not only being free and independent, but of following a system of parliamentary democracy.

This is probably what the 2M government means by Parliamentary democracy ala Malaysia as distinct from Westminster democracy,

where we apply the methods of political control meant for colonized territories to keep the local populace in subjection to the colonial masters, instead of upholding the democratic principle and respecting the human rights of Malaysians as befitting a meaningful parliamentary democracy.

The Printing Presses Act 1948 was first enacted in July 1948, a month after the armed insurrection of the Malayan Communist Party, as part of the armoury of extraordinary powers which the colonial government assumed to deal with an extraordinary situation following the declaration of the first Emergency in June 1948.

There should be two good reasons to repeal or water down the authoritarian powers which the Printing Presses Act 1948 conferred on the government to deny the basic human rights of freedom of expression, press and information.

Firstly, we are an independent nation which should have a freer political society than during the British colonial times. Secondly, powers assumed by the government during an Emergency to deal with an extraordinary situation threatening the security of the nation should be relinquished when the country has returned to normalcy. Surely, no one in the Barisan Nasional would seriously suggest that our national situation is no better than the 1948 days.

Unfortunately, we are asked not to repeal or water down the undemocratic and authoritarian features of the printing presses and publication laws, but to make them even more repressive and authoritarian, to make greater inroads on the human rights of expression, press and information in Malaysia.

The Malaysian Government is a supporter in world forums in the campaign for a New World Information and Communication Order based on the Report of the UNESCO COMMISSION headed by Sean MacBride entitled '*Many Voices, One World*' which studied the '*totality of communications problems in modern societies*'. But the Malaysian Government should realise that the MacBride Commission dealt not only with the problem of the unequal dominance of news and information between countries, especially the industrialised countries and the Third World, but also within countries themselves.

We should heed the strident defence for freedom of expression by the MacBride Commission Report, which said:

"The presence or absence of freedom of expression is one of the most reliable indications of freedom in all its aspects in any nation. Today, in many countries throughout the world, freedom is still trampled upon and violated by bureaucratic or commercial censorship, by the intimidation and punishment of its devotees, and by the enforcement of uniformity. The fact that there is said to be freedom of expression in a country does not guarantee its existence in practice. The simultaneous existence of other freedoms (freedom of association, freedom to assemble and to demonstrate for redress of grievances, freedom to join trade unions) are all essential components of man's right to communicate. Any obstacle to these freedoms results in suppression of freedom of expression."

Part II of the Malaysian Constitution proclaims *'freedom of speech as a fundamental liberty'*, that *'every citizen has the right to freedom of speech and expression'*, but immediately qualifies away this human right by providing that Parliament may by law impose restrictions on it.

As the Printing Presses and Publications Bill 1984 is a serious derogation and erosion of the fundamental liberty and human right of freedom of expression, Parliament should review the entire status of freedom of expression in our country, and its compatibility with the democratic principles we profess to uphold in our political system.

We must ask ourselves whether we have freedom of expression in practice, or whether it is merely at the proclamation level. The Soviet Union, for instance, specifically guarantees the freedom of expression, freedom of the press, freedom of assembly including the holding of mass meetings, and the freedom of street processions and demonstrations in Article 125. We must not end up like the Soviet Union where such freedoms are only to be found in the Constitution.

We must nurture the growth of the tradition of free expression and not stultify it as we would do if we enact the Printing Presses and Publications Bill 1984. The rationale for the human right of freedom of expression and the operation of a free press is that in human society, no single person or institution, including the government, could claim monopoly to the truth or to the best vision for the society. This would negate the very basis of a democratic polity, for it would be an authoritarian or totalitarian model and not a democratic one.

The truth and the best vision for a society must be found from the interplay of ideas of the members of the society, which presupposes the existence of freedom of expression as well as freedom of the press which recognises the right of every person to receive, seek and impart information, ideas and opinions. An indispensable third element of the freedom of expression is freedom of information — i.e. the right of a citizen to be kept informed of whatever that might affect his daily life, help him to make decisions and contribute to his thinking.

The freedom of information of Malaysians was undermined by the amendment to the Official Secrets Act last year, and now with this Bill, all triple aspects of the freedom of expression, press and information come under assault.

GOVERNMENT VISION

Just before he became Prime Minister, Dr. Mahathir Mohamed, wrote an article in the local press entitled *"The Freedom of the Press — Fact and Fallacy"* where he defended government censorship and dealt at length on the dangers of an irresponsible press.

I fully agree that the freedom of the press does not mean the license to be irresponsible and that the press which transgressed the law should face the full rigours of the law in the Courts, whether for defamation or sedition, for what we want is a free and responsible press.

But what we object strenously is any form of government censorship which seeks to impose one form of truth or vision, as reflected in the statement by the Deputy Minister for Home Affairs, Mohamed Kassim Ahmad, when commenting on the Bill in the New Straits Times article of 21st March 1984:

> *"We are not curtailing their (the people's) reading; we want them to read as much as possible. But the people know which magazines the Government doesn't like. They must be vigilant and discard publications which are not in accord with the Government vision."*

By this guideline, the people know for instance that the magazine at present which the government does not like is the Far Eastern Economic Review, which is being held up by more than a month in back issues, clearly as a punishment for the FEER coverage of the

Bumiputra Malaysia Finance scandal and the Constitutional Crisis last year.

Clearly, the FEER's reportage of the BMF scandal and the Constitutional Crisis did not accord with the Government's '*vision*.' In fact, its coverage of the Constitutional crisis also flouted the Prime Minister's directive to the press to black out all reporting on the Constitutional Amendment Bill which was adopted by both Houses of Parliament in August last year, and which triggered off the Constitutional crisis.

We may ask here what right the Prime Minister had to order the press to black out all parliamentary debates on the Constitution Amendment Bill last August touching the controversial provisions, for this negates the Prime Minister's assertion of the supremacy of the people's will as embodied by Parliament — when the Prime Minister could supersede Parliament by interposing his will to black out parliamentary proceedings in the press without Parliamentary consent.

But the crucial question for a democratic society is whether anyone has the right to impose his vision or viewpoint to the suppression of all others, as is being proposed in this Bill which empowers the censorship of publications which do not accord with the vision of those in power in government.

It is a sad commentary on the state of press freedom in Malaysia that Malaysians have come to expect and depend on foreign publications and magazines for information and news about Malaysia. Thus, the first press to break the story of the BMF scandal was the Asian Wall Street Journal, which carried several articles of expose of the BMF dealings reeking with impropriety as far back as the end of 1982, but which were ignored by the local press.

CENSORSHIP

The first time Malaysians knew that there was a Constitutional crisis involving the Rulers and the Prime Minister over the constitutional amendments was also in the foreign press and magazines.

Previously, articles about the financial and commercial world, including some dubious transactions involving personalities with high political connections, were also reported in the foreign press.

These may embarrass the political and corporate leaders of Malaysia, but they are no justification for the wide-ranging censorship powers demanded by the Government in the Printing Presses and Publications Bill. Before Barisan backbenchers embark on a sterile debate on whether the Bill provides for censorship, let me make it clear that both pre-publication as well as post-publication and post-distribution restrictions are universally accepted as forms of press censorship, as amply provided by this Bill as I would show later.

If the foreign press or magazines had committed any criminal or civil offences, then they should be taken to court instead of the government resorting to all-encompassing powers of censorship.

In view of the Bill's grave encroachments on the basic human rights of freedom of expression, press and information, the DAP proposes that this Bill should be referred to a Select Committee for deeper study and for hearing representations from interested groups, the press, journalists and the public. It is another sad commentary on the state of press freedom in Malaysia that the local press seems to have steered clear of the Bill in their editorials and comments, when they should be the first to react.

The Select Committee should consider whether structures of press control and press censorship, like the annual licensing of newspapers which act as the Sword of Damocles over the newspapers, should be dismantled as these are colonial fetters to control a subject people and which an independent nation whose people are free and live in a democratic society must distinguish from a society of colonial subjection. Unless with Merdeka in 1957, the people are merely exchanging one form of subjection for another!

On the approach of the 30th anniversary of our Merdeka, we should go one step further. A Royal Commission on Freedom of Expression, Press and Information should be set up to study and recommend how these freedoms could be made more meaningful for all Malaysian citizens so as to strengthen the democratic institutions in the country.

This is because there are many areas pertaining to freedom of expression, press and information which deserves an in-depth inquiry. The monopoly of certain local press, and in particular the political party ownership and control of national dailies, the denial of

access for all opinions and ideas in the local press, all deserve special study if we really cherish democratic institutions and the human rights of Malaysians.

BILL UNCONSTITUTIONAL

I have said earlier that the Printing Presses and Publications Bill 1984 is unconstitutional. This is because it contravenes Article 10 of the Constitution, which reads:

"10. (1) Subject to Clauses (2) .....

(a) every citizen has the right to freedom of speech and expression;

(2) Parliament may by law impose —

(a) on the rights conferred by paragraph (a) of Clause (1) such restrictions as it deems necessary or expedient in the interest of the security of the Federation or any part thereof, friendly relations with other countries, public order or morality and restrictions designed to protect the privileges of Parliament or of any Legislative Assembly or to provide against contempt of court, defamation or incitement to any offence."

Clause 7(1) of the Printing Presses and Publications Bill 1984 empowers the Minister *'if satisfied'* that any publication *'is in any manner prejudicial to or likely to be prejudicial to public order, morality, security, the relationship with any foreign country or government, or which is or is likely to be contrary to any law or is otherwise prejudicial to or is likely to be prejudicial to public interest or national interest'* he may in his absolute discretion prohibit it with or without conditions.

Parliament should be most meticulous in enacting any legislation which violates either in spirit or letter the fundamental liberties in the Constitution — especially by inadvertence or carelessness or indifference.

I have said earlier that the freedom of expression principle must embrace the concept of freedom of press and information if it is not to be reduced into a meaningless phrase. However, even without stretching the principle of freedom of expression to the related concepts of freedom of press and information, the banning of publications is clearly a restriction on freedom of expression.

Article 10 provides for six situations where restrictions on freedom of expression could be imposed, namely, in the interest of the security of the Federation or any part thereof, friendly relations with other countries, public order or morality, etc., but it does not include *'public interest or national interest'* as in Section 7(1) of the Bill.

Without a similar amendment to Article 10(2)(a), the Government is asking Parliament to do an unconstitutional act, in expanding the scope of Parliament to restrict the fundamental liberty of freedom of speech and expression.

The phrases of *'public interest or national interest'* are open to great abuse, for it could depend solely on the subjective whims and fancies of the Minister concerned.

Thus, would the publication of the BMF scandal stories or the constitutional crisis development last year be *'prejudicial or is likely to be prejudicial to public interest or national interest'* and justify a prohibitory order by the Minister against the publication concerned?

Recently, Ministerial voices are being heard that the New Economic Policy and the National Culture Policy could not be questioned, and the virtual labelling of those who question both as *'anti-national'* elements.

WITCHHUNTS

Would the publication of articles or stories which question the New Economic Policy and the National Culture Policy be *'prejudicial or likely to be prejudicial to public interest or national interest'* and justify a prohibitory order by the Minister?

Recently, some Ministers had been very quick in condemning critics of the most heinous crimes for disagreeing with the Government. For instance, Bapa Malaysia Tunku Abdul Rahman and Tan Sri Dr. Tan Chee Khoon had even been accused of *'journalistic subversion'* by the Minister of Information, Adib Adam. Surely, this form of *'journalistic crime'* must be *'prejudicial or likely to be prejudicial to public interest or national interest'*.

Whether for local press or foreign press, the best way to correct false or misleading reports or views is to counter them by presenting the full facts and arguments to the judgement of the people. The

suppression of contrary views, facts and ideas would only spawn an underground press, which in turn would lead to strengthening of the powers of suppression and periodic witchhunts which would do untold harm to the democratic experiment in Malaysia.

Clause 7(1) is one example where in the consolidation of the Printing Presses Act 1948 and the Control of Imported Publications Act 1958, the government has taken the opportunity to arm itself with greater powers of repression of free flow of information, ideas and opinions.

Another is Clause 7(2)(d) which empowers the Minister to require the publisher of an imported publication which ran afoul of Clause 7(1) to make such deposits of such amount and in such manner as may be prescribed. This deposit may be forfeited by the Minister if the publisher contravened the Act or any rules or order or condition of the licence or permit or any law relating to sedition or defamation.

This section seems to provide for a double penalty for publishers, in that after being sued and paying damages for defamation, the Minister could still use the fact of the defamation suit to forfeit the deposit. What can be the justification for this?

The deposit provision is the most dangerous weapon in the hands of the Government to sanitise to its desire foreign reports on Malaysia. This is because the deposit could range from a few thousand dollars to a crippling sum of a million dollars. In a fast shrinking world, the segregation of Malaysians from an interchange with international ideas and views is most short-sighted and unproductive, and I seriously call on the Government to withdraw the deposit provision.

This *'deposit'* provision is not confined to imported publications only. Under Section 10, the requirement for a deposit could be extended to anyone for any licence or permit under the Act, which could be forfeited upon the commission of any offence under the Act or any rule made thereunder or in the event of breach of any condition of the licence.

This means that local publishers of newspapers and proprietors of printing presses could be required to put up a deposit, which would be highly onerous on small-time operators, and in particular opposition or dissent publications. This provision would then become ano-

ther government instrument to erode the freedom of expression, press and information.

Schedule I of the Act defined a printing press which must be licenced, and for which a deposit could be required, as any printing process capable of printing at a rate of 1,000 impressions per hour or more. I understand any reputable copying machine or cyclostyle machine is capable of printing 1,000 impressions per hour. Does this mean that every one of these copying and cyclostyle machines have to be licensed under Section 3 of the Act? I hope the Minister concerned would give a clarification in his reply, for this seems to represent another serious intrusion by the government to extend its tentacles of control over the people.

KDNs

The Government has also taken the opportunity of the consolidation to expand its powers of control over printing and publication by providing under Section 3(3) and 12(1) that both printing and newspaper licences and permits could be issued for shorter periods from the full year, as is the case in the present legislation.

It is public knowledge that during the last two months of each year, when the newspaper KDNs await renewal, the newspapers are particularly obedient and timid for fear of difficulties over renewal. Now, with KDNs which could be issued for shorter spans as six months or three months, the government's control over the newspapers and periodicals would be strengthened.

The renewal requirement for newspapers and KDNs for periodicals should be removed altogether, and replaced by a system whereby a KDN is valid so long as it had not been revoked or suspended.

Another objectionable feature of the Bill is the enhancement of penalties for offences as compared to the present legislation, generally from $2,000 fine and one or two years' jail sentence to $20,000 fine or three years' jail sentence.

A noteworthy feature of the Bill is the removal of provisions in the Printing Presses Act 1948 whereby there could be appeals against the Minister's decision on the refusal, withdrawal of printing licence (Sec.3(3)) or the imposition of conditions in newspaper permits (Sec. 7(6)) or the grant, refusal or revocation of a permit for sale and

distribution of West Malaysia and Singapore publications under Section 7A(7) to the Yang di Pertuan Agong.

In the 1970s, there appears to be a tendency to provide for final appeals to the Yang di Pertuan Agong or final decision to be taken by the Yang di Pertuan Agong in government legislation, but we seemed to have entered a new phase in the 1980s where the government wants to remove such provision.

Be that as it may, the larger implications of the Printing Presses and Publications Bill 1984 should concern all MPs and Malaysians who want to see a progressive development of a more democratic Malaysia, instead of a retrogression to a authoritarian and repressive period as foreshadowed by this Bill.

Use of Mother-Tongue Language in School Functions

If it could be established that Chinese and Tamil could not be used in school functions, then it is a very short step to demanding that Chinese and Tamil should not be used as medium of instruction and the closure of Chinese and Tamil primary schools.

This is the first time I am moving a $10-cut motion, which is in fact a censure motion, on the Ministry of Education estimates, and this time specifically against the Federal Territory Education Director, Datuk Mohamed Hussein Ahmad, whose action had aggravated racial polarisation in schools by trampling on the constitutional rights and linguistic sensitivities of the Chinese and Indians in Malaysia.

On October 10, the Federal Territory Education Director issued a circular to all schools, including national-type Chinese and Tamil schools, requiring them to conduct school functions, such as weekly school assembly, speech day and sports day, in Bahasa Malaysia only.

This has led to an uproar in the Chinese community for it was another step in the erosion of the constitutional right enshrined in Article 152 of the Malaysian Constitution on the free use of teaching and learning Chinese and Tamil.

Although the Director-General of Education, Tan Sri Murad Mohamed Noor, subsequently clarified the Federal Territory Education Department's circular by stating that headmasters not fluent in Ba-

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Speech on the estimates for the Ministry of Education on November 19, 1984

hasa Malaysia need only start and end their speeches in Bahasa Malaysia during official functions and school assemblies, while normal school activities could be conducted in mother-tongue languages, this is still unsatisfactory.

Does this mean that headmasters who are fluent in Bahasa Malaysia would not have the constitutional right to speak in the mother-tongue media of instruction, whether Chinese or Tamil, in school functions like speech day, sports day or weekly assembly?

Furthermore, this gives rise to the possibility that future promotional prospects of headmasters would depend on their preparedness to confine themselves solely to Bahasa Malaysia in school functions, as is clearly the wish of some of the authorities.

The action of the Federal Territory Education Director must be condemned in the strongest possible terms, and disciplinary action should be taken against him, for he had warned headmasters that departmental action would be taken against headmasters who disregarded his directive.

Is the Federal Territory Director of Education aware that by his insensitive action, he had gravely aggravated racial polarisation and national unity among teachers, children and the public at large?

Datuk Mohamed Hussein Ahmad argued that his directive did not prohibit vernacular schools from teaching in their own medium of instruction, and that the official language has the constitutional right to be heard in public.

RACIAL POLARISATION

The nub of the issue is not the constitutional right of the official language to be heard in public, for nobody questions it, but the constitutional right of Chinese and Tamil to be used and heard in public.

If it could be established that Chinese and Tamil could not be used in school functions, then it is a very short step to demanding that Chinese and Tamil should not be used as medium of instruction and the closure of Chinese and Tamil primary schools.

It is public knowledge that this had been the demand of extremist UMNO politicians.

Only recently, the Political Secretary to the Minister of Agriculture and UMNO Youth Leader, Anwar Ibrahim, put the blame for deteriorating racial polarisation on parents who send their children to Chinese and Tamil primary schools. The implication is very clear, that Chinese and Tamil primary schools are major causes of racial polarisation and national disunity, and that their closure would be necessary steps if racial polarisation is to be overcomed and national unity achieved.

This explains the series of actions that had been developing in Chinese and Tamil primary schools which are aimed at the conversion of the character of Chinese and Tamil primary schools and their conversion into national primary schools as provided for by Clause 21(2) of the Education Act, 1961.

What is most disturbing in recent times is the ever greater power of education officials to make policy decisions at variance with constitutional guarantees, as in the case of the Federal Territory Director of Education. I would tell the Federal Territory Director of Education and others that if they want to become politicians, they should resign from the government service and join UMNO.

The Federal Territory case is not an isolated instance in recent times where clearly administrative measures are being taken to change the character of Chinese and Tamil primary schools. In Malacca, as a result of a circular issued by the Director-General of Education in June this year with regard to guidelines in school cultural performances, one secondary school cancelled its annual cultural concert because it featured the typical Chinese, Indian, and Eurasian dances and songs! In another school in Malacca, the Chinese Language Society's annual Chinese Language magazine named 'Root' was banned by the State Education Department as being likely to create greater racial polarisation — although this was subsequently countermanded after public protests.

Parliament must know that the concern expressed by leaders about the worsening racial polarisation in the country would come to nought if in schools, racial polarisation is aggravated by insensitive, indifferent and even high-handed actions of education officials who behaved more as extremist UMNO politicians than as even-handed, sensitive and temperate administrators of an education system to

perpetuate the multi-racial, multi-lingual, multi-cultural and multi-religious nation which is the distinctive feature of Malaysia.

The Federal Territory Director of Education must be censured for his action which had aggravated racial polarisation in schools, and this should serve as a warning to all future government administrators that they should not try to play politics in their government posts, and show themselves even more eager than the UMNO political masters to convert Chinese and Tamil primary schools into national primary schools.

In the final analysis, only the repeal of Clause 21(2) of the 1961 Education Act could give firm guarantees to the continued and perpetual preservation of mother-tongue education in Malaysia — but this is something that not only UMNO, but MCA, Gerakan, SUPP, MIC, Berjaya are strongly opposed!

1984 Delineation of Electoral Constituencies

The Elections Commission and the ruling parties, in particular UMNO, must not take Malaysians as three-year-old children, for everybody knows that the supreme criteria for UMNO and the Elections Commission is to redelineate the constituencies to consolidate the political power of UMNO. In fact, UMNO leaders had not been shy in publicly declaring their intention to ensure that their hold on political power is not weakened, on the ground that their hold on political power means the hold of the Malays on political power. The instrument of such hold on political power is none other than the Elections Commission!

When I appeared before the Elections Commission at its inquiry in Malacca during its country-wide tour to hear objections to its original proposals for the redelineation of Parliamentary and State Assembly constituencies in early April, I prefaced my remarks by wondering whether I was wasting my time as well as the time of the Elections Commission.

I told the Elections Commission the reason for my wonder: that the issues I was going to raise involved basic and fundamental questions which the Elections Commission would not be allowed by its 'political masters' to consider although constitutionally it would be within its jurisdiction and responsibility.

After studying the Report of the Elections Commission on the redelineation of Parliamentary and State Assembly Constituencies for

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Speech on the motion to approve the Elections Commission's Report on the redelineation of Parliamentary and State Assembly constituencies on December 6, 1984.

Peninsular Malaysia, I have found that I have been rather prescient, for the fundamental objections I had raised in Malacca, and my other DAP colleagues had raised in Penang, Perak and in the other states, and which had also been raised by civic bodies like the various Chinese national organisations, had been rejected out of hand by the Elections Commission without any convincing reason.

I do not want to retell the sorry story of how the constitutional independence of the Elections Commission, enabling it to act impartially and independently without fear or favour to any political group or the government, had been removed in a series of amendments to the Constitution. As a result, the Elections Commission has degenerated from its Merdeka status as an independent and autonomous Constitutional organ which could brook no interference or pressure by the ruling parties into another government department which operates within the general framework and guidelines laid down by the 'political masters' even when such guidelines and framework are contrary to the provisions in the Constitution on the responsibilities of the Elections Commission.

This is another 'wayang kulit' of Malaysian politics, where the political masters pull the strings of the Elections Commission from the backstage, while both the government and the Elections Commission would vehemently deny this puppet and puppet-master relationship.

ONE MAN, ONE VOTE

The greatest objection to the proposed new parliamentary and state assembly constituencies is that it violates the principle of 'one man, one vote' and in the process perpetuate and aggravate the political inequality among the people and the races, which would worsen the whole position of racial polarisation in Malaysia.

The Constitutional guidelines for the redelimitation of electoral boundaries is inspired by the 'one man, one vote' principle when it provided in the Thirteenth Schedule of the Constitution, [Article 2(c)] that *'the number of electors within each constituency in a State ought to be approximately equal except that, having regard to the greater difficulty of reaching electors in the country districts and the other disadvantages facing rural constituencies, a measure of weightage for area ought to be given to such constituencies.'*

The Elections Commission had completely disregarded this 'one man, one vote' principle in its redelimitation, whereby the under-representation of the urban voters is so serious that one rural vote is equal to more than three urban votes. Thus, the Gua Musang Parliamentary seat in Kelantan has an electorate of 20,503 while the Parliamentary seat of Petaling Jaya is more than three times the size with an electorate of 67,846.

This unequal political distribution of power exceeding the ratio of 3:1 is also maintained in the States, as for instance in Penang, the Pinang Tunggal State seat has an electorate of 7,079 while the Pengkalan Kota state seat has 22,642 voters; in Selangor, Sungai Tinggi State seat has 8,677 voters while Bukit Gasing state seat has 27,771; in Pahang, Benta State seat has 6,616 voters while Teruntum state seat has 21,011 voters; in Negri Sembilan, Peradong state seat has 5,718 voters while Mambau state seat has 19,707 voters; in Malacca, Rim state seat has 6,263 voters while Bandar Hilir state seat has 18,147 voters; while in Johore, Tenggaroh State seat has 11,567 voters and the Tanjong Puteri State seat has 30,543 voters.

RURAL WEIGHTAGE

Article 2(c) of the Thirteenth Schedule provided for *'a measure of weightage'* to take into account the *'disadvantages facing rural constituencies'* but this *'measure of weightage'* must not be carried out to the extent of nullifying the 'one man, one vote' principle which is what the Elections Commission has done in decreeing that one rural vote is equal to more than three urban votes!

To keep within the spirit and letter of the Constitutional guidelines of *'a measure of weightage'* for rural areas, the variation from tha average of electorate in Parliamentary or State Assembly constituency should be in the region of 15%, 25% or in any event not exceeding 50%.

The Elections Commission has rejected this interpretation of *'measure of weightage'* for rural areas; it has completely repudiated the principle of 'one man, one vote' in the delimitation of parliamentary and state assembly constituencies.

Thus, in response to the representations of the MP for Jelutong, Sdr. Karpal Singh, on behalf of the voters of Jelutong, the Elections Commission decided:

> *"Suruhanjaya Pilihanraya juga tidak dapat menerima cadangan 'rural weightage' dihadkan kepada 10 — 15% sahaja kerana penentuan had seperti ini menimbulkan kesukaran jika had itu perlu dipatuhi secara rigid. Kesukaran akan timbul untuk menepati prinsip-prinsip lain seperti kemudahan pentadbiran atau kepentingan perhubungan tempatan yang mungkin terpaksa diketepikan jika cadangan yang dikemukakan oleh perayu ini dilaksanakan."*

From the above comment and decision of the Elections Commission, it is clear that the Elections Commission had completely failed to apply the *'rural weightage'* provision in Article 2(c) without nullifying the basic principle in the Article on 'one man, one vote'. All the Elections Commission is interested is in rejecting the idea that *'rural weightage'* must be limited, for if it feels that 10 — 15% limit is too rigid, why is it not prepared to consider a limit of 25 — 50% as I suggested in Malacca?

UMNO POLITICAL POWER

In fact, the first Elections Commission under the Chairmanship of Mustapha Albakri had no difficulty in 1959 to redelineate the electoral constituencies to comply the principle with regard to *'administrative facilities'* or *'maintenance of local ties'*, as well as to comply with the constitutional limitation that there shall not be a difference by more than 15% in the number of electors of any constituency to the 'electoral quota' — which is obtained by dividing the number of electors in the country by the total number of constituencies.

But this first redelineation of parliamentary and state assembly constituencies by a truly independent and autonomous Elections Commission was rejected by the UMNO, not because it had deviated from the Constitution, but because the resulting greater equality in the distribution of political power arising from a closer observance of the principle of 'one man, one vote' was perceived as a threat to the dominance of political power by UMNO!

History has proven that the argument by the Elections Commission in its present report that to keep the *'rural weightage'* to 10 or 15% or to 50%, would be too rigid whereby other principles of redelineation

would have to be set aside is untrue, as it is a mere excuse to cover up higher political purposes of the ruling parties.

In response to the representation of the MP for Bukit Bendera, Sdr. Gooi Hock Seng, speaking on behalf of the voters of Bukit Bendera, contending the principle of 'one man, one vote', the Elections Commission repudiated the principle in toto; giving the following comment:

"Soal 'one man one vote' atau 'satu orang satu undi' tidak timbul dalam urusan ini kerana dari segi konsep, Wakil Rakyat adalah mewakili seluruh pengundi secara kolektif atas soal-soal dasar dan perundangan dan bukan mewakili individu-individu secara persendirian baik dari segi masalah mahupun dari segi dasar. Oleh hal yang demikian sedikit sebanyak perbezaan pemilih di antara satu bahagian dengan bahagian yang lain tidak menjadi soal khususnya di dalam Bahagian-bahagian Pilihanraya bandar di mana perkhidmatan perbandaran dan perkhidmatan-perkhidmatan awam yang lain boleh didapati dengan senang tanpa dirujukkan ataupun dipohonkan melalui Wakil Rakyat. Selagi Wakil Rakyat mewakili semua pemilih secara keseluruhan atau secara kolektif dalam Bahagian Pilihanrayanya dan bukan secara individu maka soal 'under representation' atau 'over representation' tidak timbul. Sekiranya seseorang Wakil Rakyat itu menjalankan tugas-tugasnya lebih daripada yang dikehendaki daripada seseorang Wakil Rakyat, itu adalah daya usaha yang dilakukan oleh Wakil Rakyat itu di luar bidang tugas dan tanggungjawab asasnya."

I find the Elections Commission's reasons for the rejection of the 'one man, one vote' principle as provided in Article 2(c) of the 13th Schedule of the Constitution most shocking, for it made not only contradictory arguments, but presented both undemocratic and unconstitutional assumptions.

MISGUIDED REDEFINITION

From the Elections Commission's reasoning for rejecting the 'one man, one vote' principle, we can draw the following conclusions:

Firstly, the Elections Commission holds the view that an MP represents a collective group for purposes of policy and legislative activity, and that the individual constituency problems of the electors

is none of the business of MPs. If MPs want to concern themselves with the individual constituency problems of the electors, they are doing something over and beyond what is expected of an MP, and such considerations need not be taken into account in the redelineation of electoral boundaries.

The Elections Commission is trying to redefine the role and responsibility of a Member of Parliament. It has come out not only with a misguided redefinition, it has also exceeded its constitutional function in conducting elections and redelimiting constituencies strictly within the provisions laid down by the Constitution.

If the Elections Commission truly hold the view that individual constituency problems of electors are no proper concern of an MP, then it is an argument that the 'one man, one vote' principle must be upheld. This is because the strongest argument presented by the government for the disparity and inequality in political representation between urban and rural areas is that an MP in the rural areas had greater difficulties in serving the constituents. If, as the Elections Commission claims the MP represents the collectivity of voters for policy and legislative purposes, and not to help solve the individual constituency problems of electors, then this argument collapses.

Furthermore, one must question the minor constituency development allocations which Barison Nasional MPs are given every year, for by the Elections Commission's definition, these MPs and the Government are misusing funds for it is none of the MP's responsibility to be concerned with areas outside policy and legislative concerns!

In actual fact, MPs have a dual role, to represent the collective interests of the people in legislative and policy arenas, as well as to help solve the individual constituency problems of the electors.

POLITICAL INEQUALITY

The argument that rural constituencies have to have fewer electorates than urban constituencies because a rural MP has to cover a greater area does not take into account that an urban MP has more complex problems arising from a crowded population.

In disregarding the 'one man, one vote' principle in a multi-racial society, the Elections Commission has perpetuated and aggravated political inequality among the people and the races.

With the approach of 1990, there are increasingly strident voices for the extension of the New Economic Policy to restructure the Malaysian society to avoid the identification of any economic function with any particular race.

But what has been done to eliminate the identification of the political function with any one race, which is itself another major cause of division and polarisation in the country?

One would have expected with the succeeding decades, the Elections Commission would be guided by the spirit of the Malaysian Constitution and the provisions in the Thirteenth Schedule to lay the basis for a more united, equal Malaysian nation, whereby political power is more evenly distributed among people and the races.

But the Elections Commission has done the reverse. There is political restructuring, not to eliminate political inequality among the people and the races, but to perpetuate and aggravate such political inequality.

A study of the new proposed electoral constituencies would show that the number of Chinese-majority constituencies have progressively decreased, while the number of Malay-majority constituencies increased.

When I raised with the Elections Commission the need for the rectification of racial imbalances in the delineation of constituencies between Malay and non-Malay electors, the Elections Commission said:

"Masalah memperbetulkan ketidakseimbangan politik khususnya antara pengundi Melayu dan bukan Melayu tidak boleh dijadikan asas atau isu dalam urusan ini."

And when I objected that the electors had not been given enough time to study the proposed redelineation of constituencies, and that they had no access to the electoral rolls to enable them to know the racial breakdown of the constituencies in the proposed redelineation, the Elections Commission said:

"Daftar pemilih tidak perlu dipamerkan untuk membuat analisa perpecahan kaum kerana persempadanan ini tidak berasaskan kepada faktor tersebut."

The Elections Commission and the ruling parties, in particular UMNO, must not take Malaysians as three-year-old children, for everybody knows that the supreme criteria for UMNO and the Elections Commission is to redelineate the constituencies to consolidate the political power of UMNO. In fact, UMNO leaders had not been shy in publicly declaring their intention to ensure that their hold on political power is not weakened, on the ground that their hold on political power means the hold of the Malays on political power. The instrument of such hold on political power is none other than the Elections Commission!

The Elections Commission's proposals on the new parliamentary and state assembly constituencies must be opposed, for it perpetuates and aggravates the political inequality among the people and the races. The DAP calls for the restructuring of political power to begin to eliminate the identification of the political function with any race, and to end the division of Malaysians into politically first-class and second-class citizens.

Parliament has the power to reject the proposals submitted by the Elections Commission under Article 11 of the Thirteenth Schedule of the Constitution which reads:

> *"If a motion for the approval of any draft Order referred to in section 9 is rejected by the House of Representatives, or withdrawn by leave of the House, or is not supported by the votes of not less than one-half of the total number of members of the House, the Prime Minister may, after such consultation with the Election Commission as he may consider necessary, amend the draft and lay the amended draft before the House of Representatives."*

I am therefore formally proposing an amendment to the motion before the House to substitute the word *'reject'* for the word *'approve'* so that the Elections Commission's draft recommendation is amended to incorporate the principle of 'one man, one vote'; and the objective of eliminating the identification of the political function with any one race by greater political equality among the people and the races.

I challenge the MCA and Gerakan Ministers and MPs to reject the proposed new Parliamentary and State Assembly constituencies or they would be exposed as opportunistic and unprincipled political

leaders who pretended to criticise outside but obediently vote for the new constituencies in the House.

MCA and Gerakan Ministers and MPs should stop playing double game, wanting to give the people the idea that it is the Elections Commission which is responsible for such unfair and unequal redelineation of electoral constituencies. In actual fact, it is the MCA and Gerakan Ministers and MPs who are responsible, for the Elections Commission could only make recommendations and await the final decision of Parliament, which could approve or reject the report.

If MCA and Gerakan Ministers and MPs refuse to support the DAP's amendment to reject the Elections Commission's redelineation of electoral constituencies, and vote instead for its adoption, then let them have the courage to openly and publicly defend their vote instead of putting up a pretense that they did not support the redelineation.

This is a great test for MCA and Gerakan Ministers and MPs, for if they vote against their conscience, then they have become the co-authors of the political inequality in the Malaysian political system, with far-reaching consequences for the political, economic, educational, cultural and religious rights of all Malaysians for the rest of the 1980s and the 1990s.

Parliamentary Democracy & Its Abuses

'Malaysia needs a healthy government, but the Barisan Nasional government is not a healthy government, and this is why three years after the landslide general elections victory of the Barisan Nasional, and the MCA's promise of a 'political breakthrough' for the Chinese and the Gerakan's slogan of 'Attack into the Barisan Nasional to rectify the Barisan Nasional', the country and people face even more intractable problems such as aggravation of racial polarisation, religious polarisation, persistent poverty and the growing gap between the rich and the poor, rampant corruption and the latest threats of new assaults on the people's fundamental liberties!'

I rise to support the Motion of Thanks to the Yang di-Pertuan Agong for his Gracious Address to both Houses of Parliament yesterday. Since his accession to the Throne a year ago, the Yang di-Pertuan Agong has endeared himself to the people of Malaysia for his simplicity and concern for the people's welfare. Both these qualities were amply evident when the Yang di-Pertuan Agong, together with the Raja Permaisuri Agong, opened the new Parliamentary session yesterday. The DAP will like to take this opportunity to wish the Yang di-Pertuan Agong and the Raja Permaisuri Agong an illustrious reign.

As the Yang di-Pertuan Agong has pointed out, the system of parliamentary democracy in Malaysia is more than a quarter of a century. The Malaysian Parliament is now marking its 25th anniversary, and there is no better and fitting way to celebrate Parliament's Silver Jubilee than for a nation-wide review and re-examination of

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Speech on the Royal Address on March 26, 1985

the past 25 years' of parliamentary democracy, and to propose recommendations for its better functioning for the next 25 years.

Yesterday, when Members of Parliament from both Houses gathered at the Dewan Rakyat to await the arrival of the Yang di-Pertuan Agong and the Raja Permaisuri Agong for the delivery of the Royal Address, there was a breakdown when the Parliament ushers found that the Division Bell which should be rung first had malfunctioned.

This breakdown is very symbolic and should perforce to be a reminder to all MPs that there had also been breakdowns in the functioning of parliamentary democracy these 25 years, resulting in the erosion and dimunition of the role, responsibility and status of Parliament as originally intended by the founding fathers of the nation on the achievement of Merdeka in 1957.

Any independent and impartial observer must agree that the Merdeka idea of Parliament as the highest legislative and deliberative chamber in the country, representing the supreme will of the people, had come under systematic assault in the last 25 years, reducing Parliament more and more to a rubber stamp to give formal approval to what had already been decided by the Cabinet.

The people have become so accustomed to the diminished role of Parliament, somewhat equivalent to a minor department in the Prime Minister's Office, that nobody finds it amiss that the Silver Jubilee celebrations of the Malaysian Parliament was decided and being organised by the Government rather than by Parliament itself.

In theory, the Executive is answerable to Parliament, but the Executive encroachment and usurpation of the powers and role of Parliament had gone so far that Parliament had become a mere appendage of the government. The result is that Parliament has grown increasingly irrelevant to the problems and aspirations of the people.

I will give an example. In March 1983, the DAP MP for Kuching, Sdr. Sim Kwang Yang, sought to adjourn the Dewan Rakyat to debate the detailed reports of an Asian Wall Street Journal article about the Bumiputra Malaysia Finance scandal, which reported on how BMF officials made use of their position to get loans and credit facilities for themselves. In an abyssmal act of irresponsibility, Parliament showed no interest whatsoever in the BMF scandal as the

government was publicly denying impropriety, and Malaysians had to wait for another 20 months to read about such BMF scandals in the Ahmad Nordin Inquiry Committee briefs.

I suspect that in the 25 years of its history, the Malaysian Parliament has never stood so low in public esteem as now. For Malaysia's sake and future, Malaysians must take the opportunity of the 25th anniversary of Parliament not just to stage exhibitions or indulge in self-praise, but to conduct a deep and thorough re-examination of our system and functioning of parliamentary democracy to restore to Parliament its pre-eminent place in Malaysia and public esteem.

SOUL-SEARCHING

A Royal Commission should be established to study into the functioning of parliamentary democracy for the last 25 years and make recommendations for its improvement in the next 25 years, and such a Royal Commission Report should be tabled in Parliament for debate to mark the culmination of the national soul-searching.

Parliament's Silver Jubilee could only be meaningful if it leads to a new commitment by Malaysians at all levels of society to restore to Parliament its powers and role as well as relevance.

Such a self-examination should be conducted on two broad fronts: firstly, a study of the need for Parliamentary reforms involving Parliamentary procedures, practices and conventions to allow MPs to perform their role as members of the highest legislative and deliberative chamber in the country. Over the years, there had been piecemeal amendments to the Dewan Rakyat Standing Orders, but these amendments share one common objective: to curtail the rights and freedom of Members of Parliament in particular from the Opposition to speak up for the people in Parliament.

Twenty-five years ago, Parliament met for five hours for every sitting, but now, although the number of MPs have increased, and the government-has assumed vast responsibilities and multiplied its expenditures manifold, Parliament sits for only four hours a day. In the 1960s, MPs could ask three oral questions a day and unlimited number of written questions; but in the 1970s, MPs were limited to 20 oral questions and 5 written questions per parliamentary meeting even if it lasts two months. When DAP MPs made used of private

member's bill provisions in the Standing Orders to bring up proposed legislations, the government amended the Standing Orders to change the order of parliamentary business so as to 'kill' such a provision. These tendencies to curtail freedom of elected representatives from speaking up were followed in the various State Assemblies, to the extent that in one state, Malacca, the state government found the question time so onerous that the Assembly Standing Orders were amended to make it the last item of business, instead of being the first item as is parliamentary practice!

Other Parliaments have experimented with innovations to make them more relevant and meaningful, as in the establishment of Specialist Parliamentary Committees to enable MPs to specialise as well as to participate in policy-making, but in Malaysia, we seem more interested in devising ever new methods to deny backbenchers, and in particular, the Opposition, opportunities for Parliamentary ventilation.

Secondly, apart from the parliamentary practices, procedures, conventions, the Royal Commission should also study the constitutional, legal and political conditions that obstruct the free operation of the system of parliamentary democracy.

TAMBUNAN

Firstly, the government of the day must respect the people's right to choose their own MP or Assemblyman, without fear of victimisation or discrimination, as unfortunately happened in Tambunan after the Sabah State Assembly by-election last December.

The Berjaya Sabah State Government announced the abrogation of the district status of Tambunan after the Berjaya candidate, Roger Ongkili, lost to the then independent candidate, Datuk Joseph Pairin Kitingan in a by-election on December 29.

Although the Sabah Chief Minister, Datuk Harris Salleh, subsequently denied that Tambunan's district status had been abrogated, and that there were merely some administrative changes to the district, there is no doubt that the Berjaya State Government was only trying to deflect nation-wide uproar and condemnation against the latest example of dictatorial action by the Berjaya State Government and in particular its Chief Minister.

In actual fact, two Berjaya Government leaders had publicly defended the action to abrogate Tambunan's district status. The Berjaya Sabah State Finance Minister, Datuk Haji Muhammad Noor Mansor, in a front-page Daily Express story on January 9 asserted that the abrogation of Tambunan's district status was within Berjaya's *'political rights'* while the Sabah Deputy Chief Minister, Tan Sri Suffian Koroh, defended the abrogation in a statement on 14th January by claiming that the State Government would only provide development economic opportunities and no other benefits to its supporters.

What the Berjaya State Government and the Sabah Chief Minister, Datuk Harris Salleh, had done in Tambunan was nothing less than blatant discrimination against the voters for exercising their free choice to vote the elected representative they want.

In defence of this action, Tan Sri Suffian Koroh even quoted the Prime Minister, Datuk Seri Dr. Mahathir Mohamed who, on one of his visits to Sabah, warned the people not to *'bite the hand that fed them'*.

This is not only illogical, but a perversion of the truth. For if there is any feeding, it is the people who are feeding the government, and not the other way round. The money used by government leaders for so-called development are not the Ministers' personal monies, but are the people's money raised from taxes and rates. Therefore, if there is anyone who is ungrateful, it is the government leaders who want to deny the people their right to free choice although they had been fed by the people, and not the other way round.

The Tambunan case should be an interesting case-study by the Royal Commission as to how the Politics of Money and Fear is undermining the smooth functioning of parliamentary democracy.

ELECTORAL ABUSES

The Malaysian Constitution should be amended to make it a fundamental right for every Malaysian to exercise his or her political choice without fear of discrimination, and to make it an offence for anyone to take punitive actions like the abrogation of Tambunan's district status or down-grading of its administrative status as a form of punishment for the people's electoral decision unfavourable to the ruling party.

Another aspect the Royal Commission should go into are the obstacles to freedom of speech, assembly and association which made it impossible or very difficult for the people to exercise their democratic freedom of choice, as well as the electoral abuses committed by the ruling parties.

For instance, public rallies had been banned which affect the Opposition the hardest, while the ruling parties are free to hold public rallies under the guise of government functions to campaign for votes.

Tomorrow, the Sabah Chief Minister, Datuk Harris Salleh, will be holding a public rally for government servants, employees of statutory bodies as well as members of the public in Sandakan, which is clearly the formal launching of the Berjaya campaign in Sandakan for the Sabah State General Elections — breaking two laws in one act, the ban on public rallies as well as the ban on election campaign before Nomination Day.

What guarantees can the Elections Commission, the Police and the Federal government authorities give that the forthcoming Sabah General Elections will be conducted in a clean and honest manner, where there will be no Politics of Money to buy voters, resulting in millions of dollars being spent in one constituency when the electoral law limits electoral expenditure to only $15,000, or the Politics of Intimidation to frighten voters from supporting the Opposition?

Datuk Harris Salleh came to Kuala Lumpur over the weekend to get the support of the Barisan Nasional party leaders, and to get them to go to Sabah to campaign for Berjaya — but the ban on my entry into Sabah, even for *'legitimate political activities'* as guaranteed by the Immigration Act and the Constitution, is still arbitrarily and unlawfully imposed!

GOVERNMENT GAZETTES

The mass media is another area which the Royal Commission should study, for through their influence and control over communication channels, they have a great impact on democratic conditions in the country. From the Prime Minister's remarks at a press conference after the Barisan Nasional Supreme Council meeting in Kuala Lumpur on Sunday, it would appear that general democratisation in

Malaysia, especially the democratisation of the mass media, is the last thing to find favour with the government.

What the Prime Minister wants is for all newspapers in Malaysia to become 'government gazettes'!

This brings us to the fundamental question as to whether the Government has the will and vision to foster the growth of parliamentary democratic ideas, conditions and tradition, even if it means inconvenience, embarrassment or setbacks to the ruling parties, or whether it equates the interests of the ruling parties to the interests of the government, to the extent that critics of the ruling parties are regarded as enemies of the Government and the State.

It is disturbing to note that the Prime Minister seems to be articulating this view quite often. I do not know whether this is because of the pre-election fever that is beginning to hit the country, but whatever the reason, it is most unworthy of the Prime Minister.

Two days ago, the Prime Minister attacked the Opposition parties as being anti-national, as not committed to national unity, and not having compunction in pushing racial issues. A fortnight ago, he said the country needed a healthy opposition but the DAP is not a healthy opposition.

BUKIT CHINA

Let me put the record straight. Malaysia needs a healthy government, but the Barisan Nasional government is not a healthy government, and this is why three years after the landslide general elections victory of the Barisan Nasional, and the MCA's promise of a *'political breakthrough'* for the Chinese and the Gerakan's slogan of *'Attack into the Barisan Nasional to rectify the Barisan Nasional'*, the country and people face even more intractable problems such as aggravation of racial polarisation, religious polarisation, persistent poverty and the growing gap between the rich and the poor, rampant corruption and the latest threats of new assaults on the people's fundamental liberties.

The DAP is being blamed for the Bukit China, Papan and import of Mandarin oranges issues, in that they have become racial issues.

If there is anyone who must bear full responsibility for allowing the Bukit China issue to aggravate racial polarisation, he is none other

than the Malacca Chief Minister, Datuk Abdul Rahim Thamby Cik, who seemed to have forgotten that as Malacca Chief Minister, he is not just an UMNO leader but leader of all racial, religious and cultural groups in the state.

I can speak at length to explain myself, but as there appears to be a likely settlement of the Bukit China issue, I do not propose to do so in the hope that it would not be re-opened. What the DAP sought to do in the entire Bukit China controversy was to get the Malacca State Government to understand that respect for the various cultural and religious sensitivities in a multi-racial country like Malaysia is a prerequisite to successful nation-building. But if the DAP is going to be unreasonably blamed for aggravating racial polarisation in the Bukit China issue, then we reserve the right to rebut such allegations and to put the record straight.

Both the Papan radioactive waste dump and the Mandarin oranges issues are classic examples of a government which had become too insensitive to the feelings and aspirations of the people. The government should not look for excuses for these blunders. Regardless of whether the people of Papan are Chinese, Malays or Indians, their right to oppose the dumping of radioactive waste materials in their vicinity must be respected.

MANDARIN ORANGES

It is also clear that the government is not prepared to admit its mistakes in the Mandarin oranges bungle. Here I call on the Prime Minister to give an explanation as to why government leaders gave two different versions on the Mandarin oranges bungle both before and after the Chinese New Year. Before the Chinese New Year, when the Deputy Minister for 'Mandarin Oranges', Datuk Dr. Tan Tiong Hong, was busily trying to encourage the Malaysian Chinese to honour Chinese customs by selling and buying Mandarin oranges, the people were told that the original decision to grant virtual monopoly of Mandarin oranges import to Satria Utara Sdn. Bhd. was the *'deviation'* of the Ministry of Trade and Pernas officials. But after the Chinese New Year, the people found the Prime Minister saying nothing about the *'deviation'* of officials in the bungle, but blaming the Malaysian Chinese for being *'chauvinistic'* for their boycott of Mandarin oranges.

The boycott of Chinese Mandarin oranges must not be distorted or misunderstood. It was not directed against any race. In fact, we could say that the Malaysian Chinese have shown that they are not *'chauvinists'* because they are prepared to do without the Mandarin oranges from China, and settle instead for oranges from Thailand, Cameron Highlands, Pakistan and sunkists from other countries.

The unorganised spontaneous boycott of Mandarin oranges must be seen as firstly, a protest against the high-handed manner in which certain government officials and leaders are acting in disregard of the rights and sensitivities of the people; and secondly, as a protest against the relentless process of erosion of political, economic, educational, cultural and religious rights especially in the last three years. It is a protest not to separate the Malaysian Chinese or non-Malays from the Malaysian body-politic, but an agonising cry born of intense frustration to demand the attention of the authorities that they should be fully integrated in the national mainstream of aspirations and rights.

Or let me put it in another way. The Mandarin oranges boycott is not a manifestation of the chauvinism of the Malaysian Chinese to be Chinese first and last, but their expression of frustration that they are not being treated as full equal Malaysians.

The Minister of Agriculture, Anwar Ibrahim, said in Singapore over the weekend that the officials responsible for the Mandarin oranges bungle had *'learnt their lesson'*. The people want to know what is this *'lesson'*, whether disciplinary action had been taken against those concerned?

Why did the Ministry of Trade and Pernas grant virtual monopoly in the Mandarin oranges trade in the original instance to a company which had not been incorporated, had no finance or experience in the trade, and why were traditional importers or wholesalers denied the opportunity to import in compliance with the so-called new requirements about direct China trade?

The Mandarin oranges scandal has a dark and seamy side, involving not just judgement, but probably corruption and improprieties. I call on the Anti-Corruption Agency to conduct a thorough investigation into the case.

I want to declare here that the DAP is as committed to national unity as anyone in the Barisan Nasional parties. The DAP has spoken out on a host of issues because we see the Barisan Nasional government ignoring or trampling on the legitimate political, economic, educational, cultural and religious rights of Malaysians, which could only undermine and retard national unity in the country.

POLITICS OF RACE

If we do not cherish national unity and the Malaysian nation, DAP leaders could allow these divisive factors and forces to grow, until they threaten the very basis of the multi-racial Malaysian nation. DAP leaders are sticking their necks out, incurring the wrath of the ruling government and paying the price of our convictions, because we want an enduring Malaysian nation for our children and children's children, regardless of race, and this is why we continue to speak out.

The racial situation in Malaysia has not been helped or eased by the politics of race as practised by the Barisan Nasional. UMNO, MCA and MIC for instance, cannot deny that in the final analysis, their politics is the politics of race. It will score political points, but make no contribution to problem solving, if Barisan Nasional leaders ignore the anti-national and negative effects of their politics of race on racial relations, and put the blame on others.

I have said many a time that the DAP is a Malaysian nationalist patriotic movement, whose commitment to Malaysian wellbeing and interests is total. Let no one doubt our commitment to Malaysia, our loyalty to the country and our aspiration for national unity, for it will result in our doubting the doubter's commitment to Malaysia, loyalty to the country and aspiration for national unity.

POLITICS OF MORALITY

The Yang di-Pertuan Agong said in his Gracious Address that *'the nation needs a united, educated, disciplined and virtuous young generation who are willing to contribute towards unity and national development.'*

We cannot have a *'virtuous'* young generation unless the present leadership set an example in the Politics of Morality. If political leaders regard politicians as commodities, to be bought and sold

depending on the right price, we are teaching the young generation that principles and morality do not count.

To ensure political morality and an environment whereby we could nurture a *'virtuous'* generation mentioned by the Yang di-Pertuan Agong, I call on the government to introduce legislation to require MPs or Assemblymen to vacate their elected seats when they resign or defect from the party on whose ticket they got elected. Such a law was enacted in the Indian Parliament recently. If the Malaysian government is sincere in wanting to foster greater morality in Malaysian national life, it could not object to such a law, unless the Barisan Nasional parties want to have the freedom to try to tempt and seduce opposition MPs and Assemblymen with monetary, material or other temptations or by other means, including intimidation and subtle forms of blackmail.

Although the 2M Government started office with the slogan of *'clean, efficient and trustworthy'* administration, the government has lost public credibility, that it is serious in its campaign against corruption.

It is the general impression that corruption in public life has become more rampant than ever, while arrests and prosecution of small-fries are made by the ACA more for publicity purposes than as part of a serious campaign to uproot corruption.

The arrest and prosecution of the corrupt in high public places appear to be made with a view to extract maximum political advantage for the government. If this is the case, then I will not be surprised if with the approach of the coming general elections, the ACA will be allowed to arrest and prosecute one or two political personalities which will serve the purpose of trying to demonstrate that the corrupt in high public places can expect no immunity under the 2M government.

ILLEGAL IMMIGRANTS

Finally, I want to touch on an issue which had created many socio-economic as well as law-and-order problems of Malaysians — the presence of illegal Indonesian immigrants in Malaysia, the Filipino refugees in Sabah, and now, I understand, some 20,000 illegal Burmese Muslim immigrants, mostly in Trengganu.

The problem of the illegal Indonesian immigrants, the Filipino refugees and the illegal Burmese Muslim immigrants are largely due to the government's closing its eyes to their entry. The presence of the illegal Indonesian immigrants are particularly disturbing, because of their participation in criminal activities, including murder, armed robbery and rape.

The people of Malaysia have a right to demand that the government take a firm stand to repatriate illegal Indonesian immigrants from Malaysia instead of playing a cat-and-mouse game with the illegal Indonesian immigrants as well as with the people. Illegal Indonesian immigrants rounded up for return to Indonesia are found to be back in Malaysia in a matter of days — if they ever leave in the first place!

If the Government introduces a law to make it an offence punishable with serious penalty for any Malaysian found helping to bring in, employing or giving accommodation to illegal Indonesian immigrants, then the people of Malaysia would be spared the problem of the illegal Indonesian immigrants' criminal activities — which have now gone as far north as Penang.

It is a great injustice that the Malaysian government ignores the problem and plight of the 30,000 red identity card holders who, apart from citizenship status, are Malaysians in every sense of the word, while illegal Indonesian immigrants are allowed virtual freedom inside the country.

I am still coming across citizenship applications made as far back as 1970, 1971 and 1972, who are still waiting for final news about their application. Can the Minister of Home Affairs give any acceptable reason why citizenship applications should take over 10 or 12 years? I hope the Minister could tell the House how many citizenship applications have been outstanding for over five years, and that he would direct that all such applications be processed within three months as in keeping with the government motto of *'clean, efficient and trustworthy'*!

25 Years of Democracy in Malaysia

'The politics of fear and intimidation, whether it be the Tambunan complex victimising and discriminating against voters who did not elect the candidates of the ruling parties; or the May 13 secret weapon, warning of bloodshed if the Opposition candidates are elected are as great a blot on Malaysia's parliamentary democracy as the politics of money and corruption, where candidates or elected representatives debased themselves either by buying for votes or selling themselves off to the highest bidder!'

Three months ago, Malaysia celebrated the 25th anniversary of the Malaysian Parliament with an exhibition and a dinner full of nostalgia of present and former Parliamentarians. There was no attempt to conduct a deep and thorough examination of the 25 years' operation of the system of Parliamentary democracy, especially to find ways to restore to Parliament its pre-eminent place in the Malaysian body politic.

I feel that we Parliamentarians would be remiss in our duty to the country and the system of Parliamentary democracy if we do not set aside time for a debate and appraisal of the Malaysian Parliament in the last 25 years, to find where we have succeeded and where we have failed, so that we could lay a basis which would ensure Parliament's continued functioning for the next 25 years and more.

Speech when tabling a motion on 'Parliamentary Democracy' on July 15, 1985.

It is for this reason that I am moving a motion to enable a debate on the 25 years of parliamentary democracy to take place. My motion reads:

"That this House, on the occasion of the 25th anniversary of the Malaysian Parliament, NOTES with concern the erosion of the principle and practice of parliamentary democracy over the years, and CALLS on all Malaysians to reaffirm their commitment to the system of parliamentary democracy in Malaysia."

The Merdeka idea of Parliament as the highest legislative and deliberative chamber in the country, representing the supreme will of the people, has come under systematic assault in the last 25 years, reducing Parliament more and more to a rubber stamp to provide formal approval to what had already been decided by the Cabinet or by the Prime Minister himself.

In theory, the Executive is answerable to Parliament, but the Executive's usurpation of the powers and role of Parliament had advanced so far that Parliament has become a mere appendage of the Government.

The people have become so accustomed to the diminished role of Parliament, somewhat equivalent to a minor department of the Prime Minister's office, that nobody finds it amiss that the Silver Jubilee celebrations of the Malaysian Parliament was decided and organised by the Government rather than by Parliament itself.

Parliamentary staff, who are in theory an autonomous and closed service to guard jealously the independence of Parliament from Executive or administrative interference or direction, have been so conditioned to think of themselves as government servants that whenever they announce the parliamentary business before every Parliamentary meeting, they would invariably omit Opposition motions or business — mistakenly assuming that government business is the only form of Parliamentary business!

PRESS MONOPOLY

In the last quarter of a century, the principle and practice of Parliamentary democracy had experienced relentless erosion.

These are some of the major encroachments to the principle and practice of parliamentary democracy:

*The host of restrictions on the freedoms of speech, expression, assembly and association have made it very difficult for the people to

exercise their democratic freedom of choice in a Parliamentary Democracy.

Malaysia suffers from a very controlled mass media and press, through laws such as the Printing Press and Publications Act, the Sedition Act and the Official Secrets Act. Lately, press monopoly has become a very grave problem with one political group, through different front organisations, acquiring proprietorial control over a whole spectrum of Malaysian newspapers, whether Bahasa Malaysia, English or Chinese. This does not include other newspapers owned and controlled by other political parties associated with this political grouping which is becoming a Press Monopoly in Malaysia. These mass media trends are very dangerous to a healthy democratic growth for the newspapers would be used as government vehicles to change and shape public thinking, instead of acting as medium to convey the public's views and opinion to affect and change government thinking itself!

The government's ban on public rallies has denied the people the only effective avenue to receive dissent or alternative views from those prevailing in government, and is designed to cripple political communication of the voices of the Opposition and dissent. When the government first banned public rallies just before the 1978 general elections, its reason was the fear of possible disturbances on the occasion of the 30th anniversary of the armed struggle of the Malayan Communist Party. There was not only no incident, but the ban had been prolonged although it did not prevent government leaders, like the Prime Minister, from holding illegal public rallies, whether during the 1983 Constitutional Crisis or recently in his pre-election visit to the various states.

POLITICS OF FEAR

The restrictive laws on political parties, trade unions, student organisations and pressure groups succeed in their objective to inhibit democratic expression and retard the growth of parliamentary democracy.

•The politics of fear and intimidation, money and corruption, which, like a hydra had reared their ugly multiple heads to pollute and undermine Parliamentary Democracy in Malaysia. For nine years, such politics had a field day in Sabah until their massive

rejection by the people of Sabah in the April general elections. Even then, there was an attempted coup d'etat to rob Datuk Joseph Pairin Kitingan and PBS of their right to form the Sabah government.

Although democratic decency and principles prevailed in Sabah finally with the formation of the PBS government, there had been no let-up to destabilise the PBS government by creating uncertainty, fear, scare and tension, including the series of bombings in Kota Kinabalu.

The politics of fear and intimidation, whether it be the Tambunan complex victimising and discriminating against voters who did not elect the candidates of the ruling parties; or the May 13 secret weapon, warning of bloodshed if the Opposition candidates are elected are as great a blot on Malaysia's Parliamentary Democracy as the politics of money and corruption, where candidates or elected representatives debased themselves either by buying for votes or selling themselves off to the highest bidder!

*The unjust and inequitable delineation of parliamentary and state assembly constituencies which violate the principle of 'one man, one vote' perpetuating political imbalances, in utter disregard of the restructuring objective of the nation which must include not only the economic function, but the political function as well.

*Parliament's fall from its constitutionally-sanctioned place as the highest embodiment of the supreme will of the people to a mere rubber stamp, where MPs are not expected to understand the mass of legislation introduced in the House, but to give them formal passage.

BMF SCANDAL

One good way to evaluate the role, function and relevance of the Malaysian Parliament on the occasion of its Silver Jubilee is to examine its record on the biggest financial and banking scandal of the country — the $2.5 billion Bumiputra Malaysia Finance scandal.

In taking a stand against full public disclosure on the BMF loans scandal and also in rejecting the call for the establishment of a Royal Commission of Inquiry into the BMF loans scandal, the Malaysian Parliament has set itself against the mainstream of Malaysian public opinion.

In March 1983, the DAP MP for Kuching, Sdr. Sim Kwang Yang, sought to adjourn the House to debate an Asian Wall Street Journal report detailing the improper and corrupt loan and financial transactions of BMF officials with Carrian and Eda group of companies as a definite matter of urgent public importance. He failed, although 20 months later, the Ahmad Nordin BMF Inquiry Committee confirmed the Asian Wall Street Journal revelations.

In retrospect, if Parliament had been more vigilant and responsible way back in March 1983, demanding a full and proper accounting of the BMF loans scandal, it might have saved the country some $350 million. This is because according to the interim report of the Ahmad Nordin BMF Inquiry Committee, BMF loans to the Carrian and Eda groups increased from $1,497 million in 1982 to $1,841 million in 1983 — an increase of some $350 million.

Would Parliament have saved $350 million from the $2.5 billion BMF loans scandal if Parliament had intervened in March 1983, as DAP MPs had tried to do?

LAST FORUM

Recent developments of the BMF scandal had again put Parliament on trial. Firstly, the Prime Minister has come out publicly against the government being more open and forthright, as in the publication of the Ahmad Nordin BMF Inquiry Committee reports. Secondly, the Attorney-General's decision and announcement that Malaysia had no jurisdiction against BMF officials for offences committed in Hong Kong in the BMF scandal, although the Lord President had to deny the next day that he was the authority for the Attorney-General's view. Thirdly, the Deputy Prime Minister's statement to foreign correspondents covering the ASEAN Foreign Ministers' Conference that Malaysia would fully collaborate with the Hong Kong authorities and expressing confidence in the British course of justice in Hong Kong appeared to indicate a new government policy stand to wash its hands of any responsibility to bring the BMF culprits to book.

Parliament is now the last forum and resort for Malaysians to overrule the Attorney-General, the Prime Minister, the Deputy Prime Minister and in fact the entire Cabinet, to demand that there should be a full, unrestricted accounting of the entire sordid tale of

the BMF scandal, and that the Malaysian authorities should leave no stone unturned to bring the BMF culprits to justice in Malaysia as it is $2.5 billion of Malaysian public monies which are involved.

Will Parliament measure up to the test of the BMF scandal, or would it succumb to create another scandal by itself by its indifference, unconcern and inaction over the BMF scandal?

These are questions we should ponder when we discuss and debate the role of Parliament in our Parliamentary Democracy.

Parliament and MPs cannot thrive in a vacuum, but only in response to the democratic ideals and aspirations of the people. This is why it is a prerequisite to the healthy growth of parliamentary democracy that the Malaysian people should be committed to the system, through education in the home, school, work place, apart from the political system. It must become a part of the national political ethos.

This is why in my motion, I also called on all Malaysians to reaffirm their commitment to the system of parliamentary democracy in Malaysia, by actively taking part in the creation of democratic conditions and the dissemination of democratic values.

I propose to amend my motion, to add, after the words *"NOTES with concern the erosion of the principle and practice of parliamentary democracy over the years"*, the following words *"RESOLVES to establish a Parliamentary Select Committee to review and report on the operations of the system of Parliamentary democracy in the last 25 years and to make recommendations on increasing its efficacy"*.

Such a Parliamentary Select Committee should conduct not only a wide-ranging review of the hosts of laws which restrict the operation of parliamentary democracy, but also the developments in the Dewan Rakyat in regard to changes in Standing Orders, parliamentary conventions and traditions, which reduce Parliament to a mere appendage of the Government of the day.

Parliament must be restored to its original pre-eminent place and role as the highest legislative and deliberative chamber, so that parliamentary democracy will be given more meaning and content with every passing year, instead of being progressively emasculated into a rubber stamp chamber.

The Parliamentary Select Committee should have a wide-ranging brief to examine the efficacy of parliamentary institutions and systems. For instance, it should consider whether the Senate is just a sham, totally irrelevant and a White Elephant which had failed its constitutional purpose as a revision chamber to review the legislation enacted by Dewan Rakyat.

SENATE A DUMPING GROUND!

The Senate has blatantly been used as a dumping ground for political 'rejects' or defeated candidates of Barisan Nasional component parties. The cynical manner in which Senatorial appointments were regarded as 'jobs for the boys' could be seen in the tussle for the Kedah Senate seat by the two MCA factions of Neo Yee Pan and Tan Koon Swan.

Because of the power struggle in the MCA, there was a stalemate in the appointment of a Senator from MCA for Kedah. Finally, a compromise was reached whereby the Tan Koon Swan MCA faction's Bee Yang Sek was appointed to serve half a term of 18 months, while the second half of 18 months in the Senator's 3-year term is to be filled by the Neo Yee Pan faction's Chan Kok Hong.

What would happen if one day there are say, six factions in the MCA? Does this mean that the three-year term of a Senator is to be split into six portions, so that six persons could rotate to be Senator for six month's each?

The splitting of a Senator's term to shorter periods to enable competing candidates or factions to reach a compromise is not only highly cynical, but violate the spirit of the Constitution and parliamentary democracy.

This shows that the criteria for the selection of a Senator is not on which candidate has the highest qualification to serve in the Senate, but how best to accommodate competing interests of rival candidates, factions or component Barisan parties, bringing the whole Senate and the system of parliamentary democracy into disrepute.

The DAP calls for an elected Senate or the abolition of the Senate so that institutions which serve no national purpose do not continue to be a drain on the nation's funds.

The Malaysian Constitution has provisions for an elected Senate. Article 45(4) for instance provides for Senators for each state to be elected by the *'direct vote of the electors of the State'*, the increase to three the number of members to be elected by each state, and the decrease or abolition of appointed Senators.

There is thus a wide field for the Parliamentary Select Committee to study and report, and I have no doubt that if such a Parliamentary Select Committee is established, it would be an important milestone in the development of parliamentary democracy in Malaysia.

EMPI vs Lim Kit Siang

"The main reason for my agreeing to an out-of-court settlement was because my informant, who would be the star witness in the case, was fearful of his life and safety and dare not return to Malaysia to testify. He was formerly a project engineer with EPMI and was personally present on Tapis A platform in August 1979 when it was producing 58,000 barrels of crude oil a day when Petronas' instructions limited production to 35,000 barrels per day with allowance for 5% over-production for certain contingencies. In fact, after the Rocket article, I had to go overseas several times to meet him."

During the debate on Monday, 15th July, 1985, the Barisan MP for Ulu Muda, Othman bin Abdul, challenged me to explain in Parliament why the ESSO libel case was settled out of court, insinuating that I had dishonourable motives or reasons which I dared not publicly disclose.

Othman bin Abdul's salvo is the latest in a series of well-orchestrated campaign by at least five political groups or parties to try to smear me and damage my political reputation and credibility. We find that before every general elections, there would be a sustained and a systematic campaign to try to destroy the political image, reputation and credibility of DAP leaders in the hope that this would lead to DAP reverses in coming general elections. This happened before the 1982 general elections, and is now happening again, because of the fast-approaching general elections. But this time, this smear and 'character assassination' is even more high-

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Summing-up speech on the motion on the establishment of a Parliamentary Select Committee on Parliamentary Democracy on July 16, 1985.

powered, as there is not only a special fund set aside to carry the smear campaign up and down the country, as in putting up anonymous posters in the various towns, but it has also been brought to Parliament itself!

If the MP for Ulu Muda is a man of honour and principle, he should be responsible and courageous enough to state what he thought are the dishonourable motives which led to the settlement of the ESSO libel case out-of-court, instead of acting as the front-man of the unholy alliance of at least five political groups out to smear my reputation. He should have the courage to openly question my political integrity instead of hiding behind parliamentary privilege by making insinuations to help fan the smear campaign against me outside the House.

I challenge the MP for Ulu Muda to state openly in the House what is being whispered outside as the reason for the settlement of the ESSO case out of court, i.e. I have been paid several million dollars by ESSO to agree to an out-of-court settlement. Better still, if this is what the MP for Ulu Muda really believes, let him state it outside the House and I will have great pleasure to collect damages for his defamation of my character!

In any event, I am sure that if I have been paid several millions of dollars as out-of-court settlement by ESSO, the Inland Revenue Department would have promptly demanded their cut, especially as the government coffers are now so empty that they are prepared even to go against their Islamisation campaign in encouraging the people to gamble more by increasing the Empat Nombor Ekor draw from twice to thrice a week!

INTEGRITY CHALLENGED

The unholy political syndicate out to smear my name over the ESSO case also tries to cover all eventualities. Although this is spread at a very low key, they claimed that if I had not been paid monetarily by ESSO, then the settlement out-of-court must mean that I have no basis whatsoever to make my allegations on oil production, and that I was therefore a most irresponsible person.

I have absolutely nothing to hide in the ESSO case. I had not wanted to talk about this case, but since my integrity had been

challenged by the MP for Ulu Muda during the debate, I will take this opportunity to explain the circumstances that led to its out-of-court settlement.

In October 1980, ESSO Production Malaysia Inc. (EPMI) took a libel suit against me for an article in the DAP journal, the Rocket, of September 1980, concerning over-production of oil in August 1979, exceeding Petronas' production targets; faulty metering system at the oil storage tanker, Esso Mercia; shoddy workmanship, improper work procedures and sub-standard designs and fabrications.

The main reason for my agreeing to an out-of-court settlement was because my informant, who would be the star witness in the case, was fearful of his life and safety and dare not return to Malaysia to testify. He was formerly a project engineer with EPMI and was personally present on Tapis A platform in August 1979 when it was producing 58,000 barrels of crude oil a day when Petronas' instructions limited production to 35,000 barrels per day with allowance for 5% over-production for certain contingencies. In fact, after the Rocket article, I had to go overseas several times to meet him.

The issues of oil over-production, faulty metering system on the Esso Mercia, shoddy workmanship, improper work procedures and sub-standard dealings and fabrications, are not matters concerning me with EPMI alone, but are matters of national concern which all MPs should be interested in.

I think all Barisan Nasional MPs must be thoroughly ashamed of themselves for showing no concern whatsoever in safeguarding Malaysia's national resources and interests, except to score cheap political points.

Although the EPMI libel suit has been settled out of court, the questions raised in the Rocket are still matters of vital national interests. MPs have a responsibility to demand from Petronas for a clear-cut explanation as to whether there was any over-production at the Tapis A platform in August 1980, whether the faulty metering system at Esso Mercia, shoddy workmanship, improper work procedures and substandard designs and fabrications had caused financial losses to Petronas and Malaysia.

I am glad that after the Rocket article, Petronas was driven to upgrade controls to safeguard Malaysia's national oil resources. At

first though, Petronas officials denied that there was anything wrong. The managing director of Petronas, Rastam Hadi, in a special briefing to the Prime Minister on September 24, 1980 on my Rocket article, said that Petronas did not have any severe objections to the integrity of the metering system on Esso Mercia.

FAULTY METERS

But the Petronas' managing director's statement had been proved incorrect by a series of investigations commissioned by Petronas after the libel suit was filed, and the various experts reported the various possible ways whereby oil could be piped out without being recorded by the metering system.

For instance, one such investigation report commissioned by Petronas in December 1980 expressed grave dissatisfaction with the Esso Mercia metering system because it depended on so many variables and *'can be manipulated dishonestly or not knowingly, i.e. malfunction of the meters which no one can detect'*.

As a result of the Rocket article and the investigations which Petronas was forced to conduct about the integrity of the Esso Mercia system, Petronas even reached a decision to replace Esso Mercia as a storage tanker because of the unsatisfactory metering system in 1981, but because the replacement would cost Petronas from US$12 million to US$22 million, and in view of the fact that Trengganu Crude Oil Terminal would be completed at the longest one year after such replacement, Petronas abandoned its earlier decision to replace Esso Mercia.

Petronas also owes the Malaysian people an explanation as to whether from its investigations, there was over-production of oil at Tapis A platform in violation of the Petronas' limitation of 35,000 barrels per day.

I want to ask Petronas to state whether it is not true that according to the Esso Mercia Production Logbook, the average daily production of Tapis A for the month of August 1979 was 64,624 barrels per day; and that according to the production data given by the Production Department of EPMI to Vernon Cornell, Consultant to Petronas, in a letter dated 4th May 1981, Petronas' metered figures for Tapis A in August 1979 averaged daily production of 46,705

barrels per day, with such high daily production figures of 78,000 barrels per day on August 21, 1979. Yet Rastam Hadi reported to the Prime Minister in September 1980 that in August 1979, Tapis A average production was only 34,000 barrels per day, which was the figure maintained by EPMI. Can Petronas reconcile or explain the reasons for these conflicting figures?

Again according to the Esso Mercia Production Logbook, the stock on the tanker was 361,802 barrels; there was total production of 4,518,338 barrels, showing that the total crude available at the end of August 1979 should be 4,875,140 barrels on Esso Mercia. According to the Esso Mercia production logbook, the stock as of 31st August 1979 was 832,807 barrels, but as the total August 1979 liftings by nine vessels amounted to only 2,953,978 barrels, there appears to be an unaccounted 1,088,355 barrels for the month of August, which works out to 35,108 barrels per day!

Again, can Petronas explain these figures?

I do not want to go into other aspects of the shoddy workmanship, improper work procedures and sub-standard designs and fabrications all of which could only be testified by my informant as a matter of personal experience, but which put me in a difficult position because of his fear of coming to Malaysia to testify. It is for this reason that I agreed to an out-of-court settlement to withdraw, in the words of the counsel for EPMI in Court, "*all imputations of malfeasance*" against EPMI.

As a result of the Rocket article, Petronas was forced to be more vigilant to safeguard Malaysia's national resource interest, as it gave them greater leverage to put pressure on EPMI to comply with Petronas' demands.

From any angle, I should be commended for rendering a great national service in highlighting the areas of weaknesses involving the country's petroleum resources. Instead, I am made the subject of an irresponsible smear campaign that I had sold out to EPMI and become a millionaire many times over. It is only those who think of politics and public service in terms of what monetary and material gains they could get out of it who would use their own standards to try to judge others. For instance, traitors and running dogs think that others are also prepared to be traitors and running dogs!

I challenge those from the five political groups or parties who want to character-assassinate me on the EPMI case to come out openly to make these allegations so that I could take them to court to clear my name, or they should cease their irresponsible and contemptible campaign.

Democracy in Malaysia—Tyranny of the Majority

Let us realise that unless we can transcend the racial identities to forge a Malaysian identity, we will fail in our Malaysian nation-building process. Thus when the government or the administrators take any action or measure which hurts the feelings and rights of the different communities, cultures or religions, they would definitely be creating 'sensitive' issues. But these issues, like culture and signboards, are 'sensitive' not because they are made so by the DAP, but because they are created by the insensitive actions of the Government and its officials. If we cannot bring these issues to Parliament so that the Government can know the feelings of the people on the ground that they are 'sensitive', then Parliament would lose its relevance and meaning.

The Deputy Health Minister, Datuk K. Pathmanaban, alleged in the debate that we from the DAP are asking for absolute democracy and freedom. This is utter nonsense as nobody is asking for absolute or perfect democracy or freedom.

There is however a great difference between those in the Barisan Nasional, like Dr. Goh Cheng Teik, Dr. Koh Tsu Koon, Alias Ali, and other MPs who spoke and believed that there are adequate freedom to fulfil our ideals of parliamentary democracy and other Malaysians, not just the DAP, who are seriously concerned by the constant erosion of parliamentary democracy, both in principle and practice.

Part Two of the speech when winding-up the motion to set up a Select Committee on Parliamentary Democracy on July 16, 1985.

Only last Sunday, some 15 organisations gathered in Kuala Lumpur at the Dialogue of Concern III organised by ALIRAN to express concern about the erosion of Parliamentary Democracy. These organisations are not all political parties as they include not only ALIRAN, but bodies such as MTUC, CUEPACS, Selangor Graduates Society, Human Development Office, Consumers Associations, etc. The Deputy Health Minister said that there is no basis for the motion to express concern at the erosion of parliamentary democracy and that the DAP merely wanted to get 'political capital' and to 'fish for votes'. Are the organisations like ALIRAN, MTUC, CUEPACS, Selangor Graduates Society, Human Development Office and others who expressed concern about the erosion of parliamentary democracy also looking for 'political capital', 'fishing for votes', or are they without a mind of their own?

MPs should give this question the serious attention it deserves, as it is more important than party politics, more important than Barisan Nasional or DAP or any party; as it affects the future of the nation and the generations to come.

During these two days' debate, Barisan MPs exploited the motion to secure political mileage by attacking the DAP and me, claiming that we are not democratic and are not qualified to talk about parliamentary democracy. I dare say here that the DAP is anytime more democratic than the component parties of Barisan Nasional.

Is it because there are reports about disciplinary actions being taken in the DAP that the DAP is undemocratic? The DAP, as an opposition party, had been the target of internal subversion by Barisan Nasional agents who seek to suborn the loyalty of DAP leaders with monetary or material offers. This is an open knowledge in the last 18 years. The Barisan Nasional leaders are unhappy because we do not give their agents a free run and licence to do their utmost to destroy the DAP. We do not apologise for always ensuring that there is discipline in the party, and for expelling those who are prepared to serve outside interests such as those of the Barisan Nasional to break up the DAP.

I have said that when compared to the Barisan Nasional component parties, the DAP is at any time very much more democratic. Take the MCA for instance. The former MCA President, Datuk Lee San Choon, once expelled 61 members in one 'massacre' by machine-

gun! Is this the democracy of Barisan Nasional? In the DAP, no one person could expel or take disciplinary action against any member, as only the Disciplinary Committee has such power. But in the MCA, one person has the power to decide the expulsion of hundreds of leaders and members, which is why there is now the Neo Yee Pan — Tan Koon Swan MCA power struggle.

Is this democracy? Or take UMNO. Is there no expulsion in UMNO? The Prime Minister, Datuk Seri Dr. Mahathir Mohamed, was himself expelled from UMNO once. Dare UMNO MPs declare that there are no expulsions or disciplinary actions in UMNO as provided by its party constitution? What about MIC — no expulsions? As for the Gerakan, it is so 'democratic' that hundreds and thousands of members had been forced to resign from the party in protest against the hypocrisy and unprincipled stand of Gerakan leaders.

Or let us take Barisan Nasional — is there democracy in Barisan Nasional between the parties? In December, the Deputy UMNO President, Datuk Musa Hitam, gave notice to the MCA to leave the Barisan Nasional if its two factions could not resolve their power struggle. Now, there are signs that such eviction notice will again be given. Is this democracy in Barisan Nasional?

Can the MCA give notice to UMNO to leave Barisan Nasional if there is a power struggle in UMNO? Can the MCA ask the UMNO President to resign as Prime Minister to allow the MCA President to take over if there is power struggle in UMNO?

This is the type of democracy the Barisan Nasional component parties can boast of!

LONGKANG PARLIAMENT

I am very shocked by the political philosophy of the Gerakan Deputy Minister for Agriculture, Datuk Dr. Goh Cheng Teik, who spoke on the motion yesterday. He welcomed the Opposition to make hard-hitting criticisms if the drains are clogged, if the garbage are not collected, or if power supply breaks down, but he does not want major issues of the nation and people like basic human rights, poverty, injustice, corruption like the BMF scandal to be raised as they would be 'emotionalised' and therefore bad for parliamentary democracy.

We reject totally such a political concept that our Parliament should be a Parliament for drains, garbage and power supply, for we think Parliament must play the important role of determining Malaysia's shape and future, whether to be more democratic, open and less subject to all sorts of restrictions.

Barisan Nasional MPs criticised the DAP for often raising the BMF loans scandal in Parliament, and other issues which they claim as 'old issues'. Until the BMF scandal and other unjust issues are satisfactorily resolved, they remain outstanding problems and we will continue to bring them up although this will displease the government of the day.

A few Barisan MPs attacked me for challenging the views of the Attorney-General, Tan Sri Abu Talib, who said the Malaysian government had no jurisdiction to try BMF culprits for offences committed abroad in connection with the BMF loans scandal. These MPs declare that the Attorney-General is right as there is nothing in the Malaysian Constitution or the laws to allow the courts to try crimes committed abroad.

This only shows the ignorance and shallowness of the Barisan MPs who spoke. For instance, there is a provision in the Prevention of Corruption Act which allows for offences committed abroad to be tried in the country. And even if there are inadequacies in our law to enable the authorities to take action on the BMF scandal, then Parliament is duty-bound to act immediately to consider necessary legislation so that the BMF culprits do not go scotfree.

I regret that major issues of the people and nation like the BMF scandal and others are disregarded in Parliament, which tries to sweep them under the carpet. Parliament has fallen very low from its high status.

SENSITIVE ISSUES

Several Barisan Nasional MPs, in particular the Gerakan MP for Tanjong, Dr. Koh Tsu Koon, had accused the Opposition in the House of exploiting what he called 'sensitive issues'. What are these 'sensitive issues'?

I presume to them, questions about drains, garbage and electric supply are not 'sensitive', but questions like how we can unite a

multi-racial, multi-cultural, multi-lingual and multi-religious people are very sensitive.

Let us realise that unless we can transcend the racial identities to forge a Malaysian identity, we will fail in our Malaysian nation-building process. Thus when the government or the administrators take any action or measure which hurts the feelings and rights of the different communities, cultures or religions, they would definitely be creating 'sensitive' issues. But these issues, like culture and sign-boards, are 'sensitive' not because they are made so by the DAP, but because they are created by the insensitive actions of the Government and its officials. If we cannot bring these issues to Parliament so that the Government can know the feelings of the people, on the ground that they are 'sensitive', then Parliament would lose its relevance and meaning.

In my motion, I had called on Malaysians to make a commitment to the system of parliamentary democracy. Dr. Koh Tsu Koon in his speech said there was no need for the people to make such a commitment, as the people are already fully committed to democracy. He used the voting turn-out in the previous general elections of 1974, 1978 and 1982 where over 70% of the electorate cast their votes, to justify his argument. If this is the criteria of commitment to democracy, then the Soviet Union must be even more democratic than Malaysia, and the Russians more committed to democracy than Malaysians. This is because in the elections held in the Soviet Union, the voting turn-out is as high as 98% or 99% or even 100%.

I have called for a national commitment to parliamentary democracy because the people are the final bulwark against forces out to destroy it. The defence of the system of parliamentary democracy depends not only on the ruling parties and the Opposition, but even more importantly, on the people's commitment to a democratic society and system.

I reject the argument of the MP for Pasir Puteh, Wan Najib, that because the ruling coalition has a parliamentary majority, it need not listen to the minority, for what it does would be for the good of the people, and that what is good for the ruling parties would be good for the people because of the people's mandate.

This equation, that what is good for the ruling parties with the majority is good for the people and country, is most dangerous and

must be rejected. We need only look at the Watergate scandal in the United States, when Richard Nixon had just been re-elected to a second term as US President with the biggest electoral majority in history. By Wan Najib's argument, then what Nixon did in Watergate should be good for the Republican Party, and therefore good for the American people and nation.

History has shown the dangers of the 'tyranny of the majority'. Who is to provide the checks and balances? This must be done not only by opposition parties, but also by civic organisations and the ordinary citizens themselves. This is why in my motion, I also urged the people to make a commitment to the system of parliamentary democracy, as it is only through instilling consciousness among the people that they have an important role to play in defending parliamentary democracy that we can ensure democracy's future in Malaysia.

The Minister of Education is present in the House, and I would urge him to consider reviewing the school curriculum to see how democratic ideas could be promoted in schools, so that we can cultivate the democratic spirit among Malaysians and so create the democratic conditions for the strengthening of the democratic ideal in Malaysia.

Sabah Crisis — A Test of Democracy

The national leaders should realise that what is involved in the Sabah political and constitutional crisis is not just the ups and downs of political parties, or the 'face' of the Barisan Nasional which through its Chairman, the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, had declared in the April Sabah General Elections to 'sink or swim with Berjaya'. What is at stake is whether the Malaysia idea which in 1963 brought the people of Sabah, together with the people of Sarawak, to join the people of Peninsular Malaysia to form a nation committed to freedom, equality and justice, is to be honoured or broken.

Firstly, I wish to congratulate the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, for his directive to Ministers, Deputy Ministers and Parliamentary Secretaries about their responsibilities to Parliament.

For the first time in many years, Ministers are now seen more in the House, although some times fleetingly for 15 minutes, and also for the first time, the most number of Ministers answered on behalf of their ministries during the winding-up of the Budget debate. This is as it should be if Parliament is not to be relegated to a third-rate coffee shop presided over by Deputy Ministers and Parliamentary Secretaries, while Ministers find it more worthwhile going out-station for mini-ceremahs for their respective political parties.

There is an urgent need to restore the standing and credibility of Parliament, which is crucial to the healthy growth of our fragile plant

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Speech on the estimates for the Prime Minister's Department on November 13, 1985.

of parliamentary democracy. If the people at large have no confidence in our MPs, how can they have confidence in the system of parliamentary democracy?

The time has come to institute far-reaching parliamentary reforms to make our Parliament more efficient, effective and relevant to the aspirations of the people. Unfortunately, 'parliamentary reforms' seems to be a dirty word for many Prime Ministers and Ministers, for they are loth to upset the comfortable status quo where Parliament is presently a compliant and obedient rubber stamp of the Executive.

If there are parliamentary reforms, then Ministers cannot take Parliament for granted as now, and must expect to be held accountable for their actions more closely, as in having to appear before Parliamentary Specialist Committees where they would have to expound and defend their policy decisions or new Ministerial measures.

For instance, if there are Parliamentary Specialist Comittees on Home Affairs or Finance, the Deputy Minister of Home Affairs, Radzi Sheikh Ahmad, would not be able to get away with evasive answers on the problem of illegal Indonesian immigrants, nor would the Deputy Finance Minister, Datuk Sabaruddin Cik, be able to get away with the cheeky answer that in the case of the additional weekly Empat Ekor draw approved by his Ministry in April this year, in the light of religious and Islamic injunctions against gambling, 'a small wrong is the same as a big wrong, as both are wrong'. Datuk Sabaruddin Cik seemed to be telling wrongdoers and criminals that if they want to commit wrongs or crimes, then they might as well go for the big wrongs or heinous crimes as minor infractions would be equally wrong.

NUCLEAR WARHEADS?

Furthermore, if there are Parliamentary Specialist Committees, MPs would become more specialised in their knowledge, experience and expertise, which would be a contribution not only to Parliament, but an asset to the nation as well.

In this connection, I wish to protest in the strongest possible terms against the government's practice of denying even Parliament information which MPs and the nation are entitled to.

For instance, in the present meeting of Parliament, I had asked the Minister of Defence *"the latest estimates for the total costs of the Lumut Naval Base, and to state whether nuclear missiles facilities are being installed at the Base."*

The question was rejected under Standing Order 23(1)(f) which said that *'a question shall not seek information about any matter which is of its nature secret'*.

This is indeed the height of effrontery and contempt of Parliament. The Government comes to the House to ask for votes and allocations for the Lumut Naval Base, which had increased from the original $480 million to $1.2 billion, and when asked what is now the latest estimates, and whether nuclear missile facilities were being installed, the government is telling Parliament that it has no right to know.

If Parliament has no right to know the latest revised costs for the Lumut Naval Base, whether the $720 million cost overrun is because of the decision to build silos and to equip the base with nuclear warheads and facilities, then the principle of Parliamentary control over the government purse had been reduced to nothing.

In fact, Parliament should not vote a single cent for the Ministry of Defence this year if Mindef treats Parliament with utter contempt and refuses to divulge information which MPs and the Malaysian people have the right to know.

CULT OF SECRECY

The Mindef bigwigs cannot be living in utopia to believe that the defence industry in the world, and countries interested to know about Malaysia's defence capabilities, are not aware of the installations going on in the Lumut Naval Base. Only Malaysian MPs and the rakyat would be kept in the 'dark', unable to help decide Malaysia's defence policy and future.

I notice that this year's budget has a new format which is giving MPs even less information about details of the expenditures sought from the House. For instance, for development expenditures for the Navy, the expenditure sought is divided under two sub-heads, namely *'pembinaan' and 'kelengkapan'*, which tells nothing at all. Previously, the budget will give separate votes for the various Naval Bases in

Lumut, Kuantan, Labuan, etc, as well as separate figures for naval vessels and *'kelengkapan'*.

I call on the Prime Minister to personally look into this disturbing development of denying information to Parliament, and to issue a directive to all Ministries, and in particular Mindef, to stop using the excuse of 'secrecy' to suppress information which Parliament and Malaysians have the right to know.

This trend towards greater government secrecy is inimical to a meaningful Parliamentary control over public expenditures. The cult of secrecy in government in Malaysia is most unhealthy, which could also be seen in the further amendment to the Official Secrets Act to make it even more repressive than the parent Act, the prosecution of New Straits Times journalist, Sabry Sharif, and the Far Eastern Economic Review correspondent, James Clad, under the Official Secrets Act.

AG'S DISCRETION

The discretion of the Attorney-General, Tan Sri Abu Talib Othman, to grant leave to prosecute under the Official Secrets Act could not be challenged in the Courts. Parliament is the only place where its exercise could be questioned.

I would call on the Attorney-General not to indiscriminately grant leave for prosecution under the Official Secrets Act, for the rigour, severity and draconian features of the OSA could only be tempered by the judicious exercise of the Attorney-General's discretion to give leave for prosecution.

The Attorney-General should not grant leave for prosecution under the Official Secrets Act unless the security of the nation is undermined or compromised, and no one could by any stretch of imagination accept that the nation's security could in any manner be threatened if there are disclosures about the various type of armaments being considered by Mindef, and their respective costs. The only persons who would feel threatened by such disclosures would be those who hope to profit by huge commissions if their 'secret defence deals' are not divulged.

Before I leave this subject, I wish to emphasise that the Attorney-General should be mindful of the necessity to act above party, or personal considerations if his high office is not to suffer disrepute.

Although I have received the answer to my parliamentary question on the exercise of the Attorney-General's discretion on prosecution, it has not satisfied or convinced Malaysians that there had been no improper exercise of this discretion by the Attorney-General.

Up to now, the question that is being asked is why the Bar Council's Vice President, Param Cumaraswamy, is being prosecuted for charges under the Sedition Act, while in the 1983 Constitutional Crisis, when there were many attacks on the Rulers' position, not a single person had been prosecuted.

SABAH CRISIS

Twenty-eight years after Merdeka in 1957, Malaysia's nation building process is still quite feeble, and subject to great stress and strain.

The Sabah political and constitutional crisis is a great test of Malaysia's nation building and our system of parliamentary democracy.

There are undemocratic elements inside and outside Sabah who are artificially manufacturing a protracted political and constitutional crisis so as to create the conditions which would engender tensions to justify the Federal proclamation of emergency, the dismissal of the duly elected PBS Government of Sabah, Federal take-over and the elevation of USNO and Berjaya leaders to positions of power in Sabah which they had lost in a fair general elections in Sabah in April this year.

The national leaders should realise that what is involved in the Sabah political and constitutional crisis is not just the ups and downs of political parties, or the 'face' of the Barisan Nasional which through its Chairman, the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, had declared in the April Sabah General Elections to *'sink or swim with Berjaya'*. What is at stake is whether the Malaysia idea which in 1963 brought the people of Sabah, together with the people of Sarawak, to join the people of Peninsular Malaysia to form a nation committed to freedom, equality and justice, is to be honoured or broken.

If the people of Sabah, through the ballot box in the April General Elections, do not have the right to elect the government of their choice, and had to face direct or indirect Federal intervention

through assistance or collusion with Sabah political forces out to thwart the will of the people of Sabah, then we have dishonoured the Malaysia Compact.

For this would mean that the promise of the first Malaysian Prime Minister, Tunku Abdul Rahman Putra Al-Haj, to the people of Sabah to achieve independence through Malaysia and enjoy democratic freedoms had been broken, as the people of Sabah do not have the right in 1985 to choose the political leadership they want, but only the freedom to choose the political leadership or arrangement imposed by Kuala Lumpur.

This would in effect make Sabahans second-class political citizens, and can only add greater strain to the problem of nation building, especially in the integration of the different territories in Malaysia.

The Federal Government has a great responsibility to help defuse the artificial political and constitutional crisis in Sabah, and allow the PBS Government of Datuk Joseph Pairin Kitingan, who enjoys a substantial and clear-cut majority, to get on with the task of governing the state.

It is my view that without the expressed or implied, open or tacit approval from Federal government forces, the artificial political and constitutional crisis in Sabah would not have reached this stage.

It is now for the Federal forces to put national interest above party or sectional interest, and to respect and abide by the democratic will of the people of Sabah, and not to do irreparable damage to the Malaysia idea by shattering the confidence of the people of Sabah in the Malaysian nation.

ACA A POLITICAL INSTRUMENT?

It is for this reason that I was surprised and shocked that the Elections Commission had fixed such an unprecedented long date of 86 days between the forced resignations of the four Sabah Assemblymen on October 30 and the polling of the four vacancies on January 24 and 25.

This compromises the independence and impartiality of the Elections Commission, for to those who want to destabilise the PBS State Government, the longer the four Sabah seats are kept vacant, the better it is for them.

It is for the same reason that Malaysians are disturbed by the arrest and prosecution of the Sabah Attorney-General and PBS Adviser, Herman Luping, on corruption charges.

It is not for me to pass comments on whether Herman Luping is guilty or not guilty of the charges preferred against him. This is for the Courts to decide.

The question the Anti-Corruption Agency must answer is why they could act so swiftly to bring charges against a top PBS Government leader for corruption in less than six months of the new government, but could not bring a single top USNO or Berjaya leader to court for corruption in the last 15 years?

Malaysians are aware from ACA history that the ACA had been used as a political instrument to deal with political opponents. Political rivals whom the 'powers that be' want to eliminate from the political scene would find themselves hauled to court for corruption charges, while other political personalities who are equally if not more corrupt, would be immune from ACA investigations or prosecution. The case of the former Selangor Menteri Besar, Datuk Harun Idris, is a classic example.

The question I want to ask is whether Herman Luping's prosecution is connected with the view that he opposes the idea of the PBS forming a coalition with USNO or Berjaya? If this is the case, then it is outright political persecution.

COMMISSION OF INQUIRY

The ACA and the 2M Government must restore its tattered image on the anti-corruption front, especially that the anti-corruption theme is not being used as a political instrument to flush out political rivals or enemies on the one hand, and used to give protection and immunity to the corrupt among the political mainstream on the other.

In the last few months, the Prime Minister himself spoke many times about the danger of the Politics of Money in UMNO to the entire national moral fibre. But the Government has no concern when the politics of money in Sabah has reached the position of open 'horse-trading', where $2 million are being offered for the defection of Assemblymen!

The PBS Sabah Chief Minister, Datuk Joseph Pairin Kitingan, said today that enough evidence had been gathered for a Commission of Inquiry to be set up to investigate '*mismanagement, maladministration and corruption*' under the previous two State Governments of Berjaya and USNO.

He said there was a delay in setting up the commission because of the difficulty in getting someone of '*acceptable stature*' to head the commission.

I call on the Prime Minister to give full assistance, including financial support, to the formation of a Commission of Inquiry to conduct full-scale public investigations into the corruption and malpractices of the Tun Mustapha and Harris Salleh governments.

If the Prime Minister is sincere in his profession about his hatred of corruption, then he must support the Sabah Chief Minister, unless his sincerity in the battle against corruption is to be doubted.

To make the Commission of Inquiry more palatable to the Federal Government, I am sure the PBS Government would have no objection to expand the scope of the Commission of Inquiry to include jurisdiction to investigate any corruption at present within the time frame specified in the terms of reference of the Commission.

DEMOCRACY NOT UMNO-CRACY

The artificial Sabah political and constitutional crisis threatens the Federal-Sabah relationship, and the Prime Minister has a responsibility to make a distinction between party relationship and Federal-State relationship. It is for this reason that I had from the start in May called on the Prime Minister to make an official visit to Sabah to demonstrate to Sabahans that whatever the party political differences, the Federal Government's relationship with the people of Sabah would be maintained and promoted.

It is also for this reason that I am suggesting the establishment of the Federal-State Ministerial committee to repair the Federal-Sabah state relationship undermined by the six months' of protracted artificial crisis.

The Prime Minister can easily put an end to the artificial Sabah crisis if he indicates in no uncertain terms that he would abide by the

verdict of the people in the April 1985 general elections, and would not countenance any undemocratic and unconstitutional means to thwart the will of the people.

The Prime Minister should also stop some government leaders who are second-line UMNO leaders, like the Deputy Foreign Minister, Abdul Kadir Sheikh Fadzir, and the Deputy Minister for Works, Datuk Zainal Abidin Zin, from interfering in the Sabah crisis by trying to cause a split within PBS to force the formation of a coalition government in Sabah.

These UMNO leaders are blaming certain PBS leaders of opposing a coalition government, which they claimed had the support of Pairin. Instead of trying to divide PBS, they should respect the right of Sabahans to political self-determination.

UMNO leaders should not think that just because they had recently virtually taken over the running of the MCA, with their National Vice President, Ghaffar Baba, exercising MCA Presidential powers, UMNO has the right to interfere in the internal affairs of all political parties in the country.

UMNO leaders should realise that the political system we have in Malaysia is democracy and not UMNO-cracy.

NEW DIMENSIONS

During the budget debate, DAP MPs stressed that national unity in Malaysia is threatened by the over-emphasis of Malaysians into bumiputras and non-bumiputras, and we called on the government to accept the Joint Declaration of the 27 Malaysian Chinese Guilds and Associations on 12th October 1985 to build a truly united, harmonious and prosperous nation.

I regret that the Minister in the Prime Minister's Department, Datuk Khalil Yaakob, speaking not only on behalf of the Prime Minister but the Barisan Nasional component parties of MCA, Gerakan, SUPP and others, said that the Declaration was the view of a small section of the Malaysian Chinese.

What is even more regretable, since the Budget presentation on October 25, there has been further new and unwarranted extension of the NEP policy of quotas and percentages, which take the division

of Malaysians into 'bumiputras' and 'non-bumiputras' into a new dimension.

Without warning or consultation, the Malaysian public were made aware during the MAS public issue on November 7 that there is a new Ministry of Trade and Industry guideline requiring 51 per cent of new shares offered in a public issue to be reserved to bumiputras.

Under the new guideline, companies wishing to float their shares will now have to allot 30 per cent of the open portion of shares available for public subscription to Bumiputra individuals and wholly Bumiputra-owned companies and organisations registered with the Ministry. This is in addition to the 30 per cent made by way of private placement to government approved Bumiputra institutions. This works out to a total of 51 per cent of new shares in a public issue being reserved for bumiputras.

With the approach of the year 1990, which marks the end of the 20-year Perspective Plan of the NEP, Malaysians look forward to the beginning of the process of the dismantling of the NEP policy of quotas and percentages, and the reduction in the emphasis dividing Malaysians into bumiputras and non-bumiputras. Unfortunately, the opposite seems to be taking place, where there is a repeated process of new and unwarranted extension of the NEP policy of quotas and percentages — as in the Batu Pahat West District Council categorisation of properties into *'bumiputra properties'* and *'non-bumiputra properties'*. Are we to reach a stage when one day, in the market, there would be 'bumiputra fish' and 'non-bumiputra fish' and 'bumiputra vegetables' and 'non-bumiputra vegetables' with different price differential? In the interest of national unity, the DAP calls for the withdrawal of this new guideline requiring 51 per cent to be reserved for bumiputras in new public shares.

Malaysia has rightly taken a correct stand in international forums attacking the racist policies of apartheid practised in South Africa. However, we should be careful that we do not give cause in some international forum for some countries to accuse Malaysia of practising some form of apartheid in Malaysia ourselves.

Malaysians can unite and must unite for a common national future and destiny, but this can only come about if the over-emphasis of Malaysians into bumiputras and non-bumiputras is reduced and the division eliminated eventually.

RELIGIOUS POLARISATION

Religious polarisation is the newest threat to national unity in Malaysia. Although the Malaysian Constitution made it clear that Malaysia is a secular state, and not an Islamic state inspite of the fact that Islam is the official religion of the country, non-Muslim Malaysians are very worried by the relentless whittling away of their religious and Constitutional rights.

The process of Islamisation in the various spheres of national life, the repeated statement by government leaders that Malaysia is a Islamic state in rebuttal to PAS' attacks, and the other developments which eroded away the right of non-Muslims in religious freedom, have given rise to grievances which have not been given the attention they are due.

For instance, non-Muslims find mosques and suraus mushrooming in the country for which they have no objection, but they also find it extremely difficult to apply for a piece of land for a temple or church. Yet when houses or shop-houses are turned into places of worship, because the people have nowhere to go to for worship, they are harassed and even prosecuted by the authorities. This makes the right of worship enshrined in Article II of the Malaysian Constitution unmeaningful.

I understand in the building of a Church, some local authorities refuse to pass the plan if there is a cross on top of the building. Is there a law forbidding such a thing?

The partial ban of the Christian Bible in Bahasa Indonesia, 'Alkitab', is another grievance.

For the sake of national unity, an Inter-Religious Council should be formed so that the problems of the various religions could be thrashed out, as well as a forum established to advance inter-religious understanding and goodwill, tolerance and harmony.

PETRONAS

Of all the OBAs, the most powerful, wealthy and most disturbing is Petronas, whose wealth has come to equal that of the government, and even holds the key to the liquidity of the Malaysian banking system.

Recent Petronas events have reinforced public concern that the Government is using Petronas to firstly, avoid public accountability for the management and stewardship of substantial public funds, and secondly, to bail out failing operations and to hide the public cost from the people.

The most notorious example was of course the bailing out and purchase of Bank Bumiputra and the $2.5 billion BMF bad loans, which was an illegal action which had to be validated retrospectively by Parliament when the DAP challenged the legality of the action in the courts. The second dubious action was the proposed purchase of the $313 million Dayabumi complex from UDA, which would help UDA improve its financial position as it lost $100 million in the first ten years of its operation.

The third dubious Petronas action was the purchase of a Boeing 747 and leasing it to MAS, partly to avert a law suit for breach of contract from Rolls Royce and to preserve the airline's debt-equity ratio on its becoming a public company.

Malaysian petroleum lawyer, V.K. Moorthy, who had been the first Malaysian lawyer to say that Petronas was acting ultra vires in going outside petroleum-related fields, including the purchase of Bank Bumiputra, is of the opinion that despite the recent amendments to the Petroleum Development Act, its purchase and lease of a Boeing 747 to MAS is still 'ultra vires' the powers of the national oil corporation. I tend to agree.

US $5 MILLION KICK-BACK

But leaving aside for the moment the doubt over the legality over the Petronas–Boeing deal, which the government probably feels confident of curing by another retrospective legislation in Parliament, if necessary, Malaysians are entitled to ask about the series of events leading to the Pratt & Whitney engine deal.

The Government must be aware of allegations that US$5 million kick-back had been involved in this transaction involving a Cabinet Minister, and a fullest public inquiry into the entire transaction is needed to establish the full integrity of the deal, nationally and internationally.

The fourth dubious event is the government approval for a Malaysian businessman, Mohamad Ariff Ibrahim, to buy a second-hand French refinery and relocate it at Lumut at a cost of some $1.2 billion.

I understand that government approval was given despite Petronas' strongest objections, because plummeting refinery profits, mounting world overcapacity and the generally bleak oil market with the recent forecast of an oil price war which may bring the oil price to as low as US$20 a barrel next year, do not give the project much hope as a viable undertaking.

According to the Asian Wall Street Journal of 5th November 1985, Mohamad Ariff Ibrahim is associated with Tan Sri Ibrahim Mohamed of Promet fame, and that the private refinery project could have the blessing of the Prime Minister and Finance Minister personally.

But Petroleum specialists fear that the $1.2 billion private refinery project would end up as a big flop, and Petronas would be required to step in to bail it out as happened with the $2.5 billion BMF bad debts.

Malaysians have a right to demand that Petronas come under closer public scrutiny and accountability, so that it is not operated as a 'fat cow' to be milked, bled and fleeced for the creation of new bumiputra NEP millionaires — not through entrepreneurship but recklessness and blatant irresponsibility.

Legalisation of Unlawful Actions

"The present Bill is another case of the government coming to Parliament to legalise its unlawful and illegal actions. It happened in the case of the Petronas take-over of Bank Bumiputra and the $2.5 billion Bumiputra Malaysia Finance loans scandal when it retrospectively legalised its unlawful action and is now again offending a cardinal principle of the Rule of Law against retrospective legislation."

Barisan Nasional MPs, although they have a four-fifth majority in Parliament – well in excess of the traditional two-third majority – are clearly not interested or bothered about the various important Bills before the House today. They regard today's parliamentary sitting as their last day in Parliament, not knowing whether they would be returning again for the next meeting, as they expect general elections to be held soon.

Regardless of whether general elections is around the corner or not, they should discharge their parliamentary duties to give the various Bills before the House the attention they deserve.

As my colleague, Sdr. Gooi Hock Seng, DAP MP for Bukit Bendera, has just spoken on the provisions of the Bill, I want to confine myself to a few important issues.

Firstly, the Dangerous Drugs (Special Preventive Measures) Act 1985 was the product of the hearings and recommendations of the Select Committee set up by Parliament to consider the proposed

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Speech on the Dangerous Drugs (Special Preventive Measures) Amendment Bill on December 6, 1985.

legislation. It is only right that any amendment to the principal Act, by the very same Parliament, should first be referred to the Select Committee before bringing them to the House.

I remember that early this year, the Deputy Home Affairs Minister, Datuk Sheikh Radzi Ahmad, even publicly suggested that Select Committees should be set up for major pieces of legislation, but he seemed to have forgotten his own suggestion which had won him considerable praise from all quarters at the time. This is probably why Datuk Radzi is not introducing this amendment Bill – though he introduced the parent Bill in Parliament earlier this year, and the job given to the Education Minister, Datuk Abdullah Badawi. Datuk Radzi must have felt ashamed of himself.

At the beginning of the present parliamentary meeting, when the parliamentary scandal of the improper cancellation of two parliamentary sittings occurred because of the lack of government bills, the Land and Regional Development Minister, Datuk Adib Adam, suggested that in future, there should be at least two weeks' lapse between the first reading and the debate of any bill for second reading.

I do not know how Barisan Ministers could forget their public statements so easily and so fast, for in this case of the amendment Bill to the Dangerous Drugs (Special Preventive Measures) Act, Parliament is given two days between its first reading on Wednesday and debate today on Friday.

DETENTION UNLAWFUL

The Ministry of Home Affairs has no excuse for not being able to give more time for MPs to study the amendment Bill, or for the reference of the amendment Bill to the Select Committee in time for debate in this parliamentary meeting itself.

This is because the question of the illegality of the Minister's directive extending a detention order under the Dangerous Drugs (Special Preventive Measures) Act did not crop up last week or last month, but many months back, when a detainee successfully obtained a habeas corpus order for his release with a High Court Judge pronouncing that such extension of a detention order by the Minister of Home Affairs was unlawful, null and void.

The present Bill is another case of the government coming to Parliament to legalise its unlawful and illegal actions. It happened in the case of the Petronas take-over of Bank Bumiputra and the $2.5 billion Bumiputra Malaysia Finance loans scandal, when it retrospectively legalised the unlawful action, and is now again offending a cardinal principle of the Rule of Law against retrospective legislation.

There have been many cases where the government has refused to take cognisance of the problems of the people to take remedial legislative action to avoid public hardships. A good case is the Setia Timur Credit and Leasing affair, where some 10,000 depositors involving some $60 million face the inability to get back their deposits. I raised this matter in the House more than a month ago, but although there is talk outside the House of amendments to the Finance Companies Act, nothing has been done to date.

Why could the government act so speedily in this amendment Bill, and not in the Setia Timur case. Is it because someone in the Attorney-General's Chambers cannot be defeated in the Courts and proved to be wrong on a point of law, and they must come back to Parliament immediately to legalise their illegalities, to win in Parliament with the blind Barisan majority what they lost in the Courts?

This attitude must not be encouraged, for it breeds a general air of carelessness in legislative draftsmanship, on the ground that whatever mistakes they make in their Bills, it could always be rectified by subsequent retrospective legislation as they have an unthinking majority in the House.

New Section 24 of the Bill empowers the Yang di-Pertuan Agong to make Orders to remove any difficulties or anomalies in any written law occasioned by the provisions of the Act. Under the Malaysian Constitution, the reference to the Yang di-Pertuan Agong here is not to him personally, but to Cabinet or Ministerial action.

However, recently, the Attorney-General's Chambers has taken the position that any criticism of the powers of the Yang di-Pertuan Agong in these references, when in effect they are Cabinet or Ministerial powers, is an offence of sedition.

I therefore call on the government that in future Bills and legislation, to avoid reference to the Yang di-Pertuan Agong when Cabinet or Ministerial powers are intended, so that this position is

made clearly, to avoid anyone being accused or charged with sedition for criticising such powers, producing another Param Cumaraswamy.

The 1986 Sabah Crisis

> ***"Since Sabah's entry into Malaysia 23 years ago in 1963, Sabahans have never been more alienated from Kuala Lumpur for what they perceive to be its blessings to the campaign of agitation and escalation of fear, unrest and violence through demonstrations, bomb explosions, arson and rioting, causing deaths, injuries and damage to property.***
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> ***..... What is even more deplorable is the use of illegal Filipino immigrants to carry out these demonstrations, bomb blasts, arson and rioting. This is allowing a foreign people, I estimate about 300,000 illegal Filipino immigrants in Sabah, to interfere in the domestic political affairs of our own country. This itself is already a disloyal, anti-national and traitorous act."***

The Prime Minister, in his motion on the Fifth Malaysia Plan, asks the House *"to call upon Malaysians from all walks of life to strive harder and gear themselves towards the greater socio-economic and political challenges ahead, in the spirit of the Rukunegara, and stand united in our continuous efforts to build a socially just, progressive and resilient nation."*

These are very stirring words, but they have fallen completely flat and could evoke no response. In the past two weeks, there had been widespread and fundamental questioning as to whether the Barisan Nasional Government is committed to the building of a *"socially just, progressive and resilient nation"* — in fact, whether the Barisan Nasional Government believes anymore in the Rukunegara.

Extract of speech on the Fifth Malaysia Plan on March 24, 1986.

The Rukunegara dedicated the Malaysian nation to five ends, two of which are:

- to achieve a greater unity of all her peoples;
- to maintain a democratic way of life.

The Rukunegara pledged the Malaysian people to five principles to attain these ends, three of which are:

- Upholding the Constitution;
- Rule of Law;
- Good Behaviour and Morality.

For the past 12 days, the people of Sabah in particular and Malaysians in general are entitled to ask whether the Federal Government had suspended these two ends and three principles of the Rukunegara, to the extent that an organised campaign to escalate fear, insecurity, unrest and violence through demonstrations, bomb explosions, arson, and riot to topple the elected system of government in Sabah by unconstitutional, unlawful, and violent means could be allowed to gain momentum without being stopped by the authorities concerned.

The Five Year Malaysia Plan, which set out the agenda of development programme for the next five years, should be the most important event of the people and nation every five years. It should rivet the entire national attention to what the future has in store for the people.

OUTRAGE

The Fifth Malaysia Plan, however, will go down in Malaysian history as the Plan which has evoked the least public interest, for the people have been too preoccupied with too many issues of far-reaching consequences, like the $2.5 billion BMF Scandal, the Memali tragedy, the economic depression, the 2M split reducing the administration to a 1M Government, and the Sabah crisis.

Last Friday, when the Prime Minister's presentation of the Fifth Malaysia Plan in the Dewan Rakyat was telecast live to the whole nation, nobody in Sabah was interested in it. This is not because the people of Sabah have no respect for the Prime Minister or have no

interest in the Fifth Malaysia Plan, but because the only thing in their mind was about the safety of themselves and their loved ones, and that of their property.

They cannot afford to learn about the government's development strategies for the next five years, or what allocation was made for Sabah. They were and even now, preoccupied with when and where is the next bomb blast, who were killed or maimed, what property was damaged; when is the next demonstration, the next riot, the next fire! They have no time for the Fifth Malaysia Plan, for they are consumed by anger and outrage that the Police and Federal authorities have failed in their basic duty to protect life and property, uphold law and order, for there is no doubt in anybody's mind that if the campaign of agitation involving demonstrations, bomb explosions, arson and rioting, had been stopped right from the beginning on the first day on 12th March 1986, with the Police making it clear to the trouble-makers that they 'mean business', the whole game-plan of agitation would have never got off the ground.

I was in Kota Kinabalu on the same day, and Sabah and the rest of Malaysia were two worlds apart — the Prime Minister in Kuala Lumpur presenting the Fifth Malaysia Plan live on television from this august Chamber, but with the entire Sabah state obsessed with the most rudimentary question of every human society, the safety of life and property, and whether the Police and authorities would carry out their duty to put an end to the escalation of fear, unrest and violence.

This, I submit, is the most powerful rebuttal to the government claim that in the last fifteen years, the overriding objective of the New Economic Policy and the Second, Third and Fourth Five-Year Plans had achieved *'considerable progress'* in realizing the goals of national unity and nation building.

KL'S BLESSINGS

In debating the Fifth Malaysia Plan, we must never lose sight of the overriding objective of the New Economic Policy to foster national unity and nation building. An important element of national unity and nation building is regional integration, bringing about greater cohesion among the various states of Malaysia in particular integrating Peninsular Malaysia, Sabah and Sarawak.

Since Sabah's entry into Malaysia 23 years ago in 1963, Sabahans have never been more alienated from Kuala Lumpur for what they perceive to be its blessings to the campaign of agitation and escalation of fear, unrest and violence through demonstrations, bomb explosions, arson and rioting, causing deaths, injuries and damage to property.

I do not blame them, or most Malaysians and world observers for drawing this inference, for there is no other explanation as to why the Police and the Federal government had not acted firmly and strongly to end the campaign of agitation and escalation of fear and violence, which is no less than a conspiracy to topple the elected system of government by unconstitutional means.

It is very clear that the Police and the Federal government, without having to recourse to emergency declaration and take over the Sabah State government, have ample powers and forces at its command not only to snuff out the campaign of agitation and escalation, but to restore Sabah to normalcy in a matter of days.

The latest demonstration, this time led by the former Sabah Chief Minister, Harris Salleh, in Kota Kinabalu yesterday, is a great indictment on the Sabah Police and the Federal government.

In the 12 days from March 12, 1986 till yesterday, the campaign of agitation and escalation of fear, unrest and violence, had claimed 5 lives. There had been 31 bomb explosions which had killed one person and injured 14 others and the police have recovered 14 unexploded bombs, one in the State mosque in Kota Kinabalu. There had been arson and attempted arson and a spate of demonstrations. There was a riot in Kota Kinabalu on March 19, and for the first time in the history of Sabah, curfew was imposed in Kota Kinabalu from dusk to dawn. Properties destroyed or damaged had reached some $10 million worth throughout the State. Business is at a standstill, and schools and offices are closed.

This is a very grave and serious situation, and whoever still wants to demonstrate and create unrest would know that they would be severely dealt with by the authorities. But the television news last night, showing the demonstration and procession led by Harris Salleh, started as if the demonstrators were taking part in a picnic, joking, laughing and generally expecting to enjoy a good time!

EMERGENCY RULE

The immediate thought that comes to mind is that there had been a complicity between the Police and the demonstrators. The police will allow the demonstrators to demonstrate and escalate fear and tension, while the demonstrators will allow the Police to fire tear gas, lock themselves inside the State mosque, later to be summoned!

All very good fun, the police showing that they have taken action while the demonstrators achieved their objective of generating fear and tension up another notch in Sabah, in furtherance of their design to create conditions to justify and invite Federal take-over and emergency rule.

It is incredible to say the least that 12 days after the bomb explosions, arson, riot and extensive damage to property, the Police still allowed Harris Salleh and his demonstrators to gather, form themselves into a procession and to march off. Surely a responsible Police under the circumstances, which is zealous about upholding law and order, would not have allowed the demonstrators to gather and form themselves in the first place.

Could the Police plead that they did not know that there was going to be a demonstration? This is even more unbelievable, and if this is true, then the entire Sabah Police force should be transferred out and replaced. When I was in Kota Kinabalu on Friday, I already heard that *'there is going to be something big on Sunday'*, and on Saturday, the people of Kota Kinabalu heard and knew enough to stay away from town completely on Sunday.

I must conclude therefore, that the Kota Kinabalu Police knew well in advance about the demonstration and procession by Harris Salleh. Why didn't the Sabah Police forestall it by preventing even any gathering or formation of the demonstrators yesterday?

Surely, Harris Salleh would not dare to appear and lead the demonstration if he thinks that the Police would be serious and that he might be fired at! He would only appear if he is very sure that despite all the 'lightning and thunder' by the Police, no harm will come to them, except a summons for unlawful assembly which, under Section 27(8) of the Police Act 1967, provides for a sentence of a maximum fine of $500/- or six months' jail or both.

For a multi-millionaire or billionaire like Harris Salleh, he could afford to demonstrate daily with 500 persons, for with the ordinary fine for unlawful assembly at $150, a daily expenditure of $75,000 for fines for 500 persons in an unlawful assembly, which would come to $2.2 million for a whole month which is chicken-feed to Harris Salleh.

He will instead succeed in escalating fear, panic and violence in Sabah.

CONSPIRACY

Can the Police and the Federal authorities explain why in a tense situation prevailing in Sabah, they could still allow demonstrations to be organised and held, before they are dispersed?

Harris Salleh and those who demonstrated in Kota Kinabalu, Sandakan and Tawau yesterday were not just committing the offence of unlawful assembly, with a maximum fine of $500, but taking part in a concerted conspiracy since March 12 to overawe and topple the Sabah State Government of Datuk Joseph Pairin Kitingan, although it is now a caretaker government, pending the holding of general elections in Sabah, so as to frustrate the democratic process and the elected system of government. The means used in this conspiracy are the unconstitutional and violent ones of organised agitation and escalation of fear, unrest and violence through demonstrations, bomb blasts, arson and rioting, regardless of the loss to life and limb or property.

In doing so, Harris Salleh and the demonstrators are not merely committing offences against the public tranquility, like an unlawful assembly with its maximum of $500 fine, but committing heinous crimes against the State, which is treason itself!

I call on the Police and the Federal authorities to arrest Harris Salleh and the demonstrators for the offence of 'treason' under Section 121B of the Penal Code, which provided that *"Whoever compasses, imagines, invents or intends ..... the overawing by means of criminal force or the show of criminal force the Government of Malaysia or of any State, shall be punished with imprisonment for life and shall also be liable to fine."*

Section 121C provides that whoever abets the commission of any of the offences of treason shall be punished with the punishment provided for the said offences.

The evidence of the use and show of criminal force to overawe the Sabah State Government is self-evident since March 12 — the illegal demonstrations, the bomb blasts, the arson and the rioting!

The Prime Minister, in his speech last Friday, spoke about *'Reducing Threats to Unity, Security and Stability'*. He said:

"We must be mindful of the threats to the stability of our society as without stability it will be difficult for us to sustain development.

"Extremism is a powerful destabilising force. There is no place for extremism in our society as it will erode and destroy all our hardwon achievements.

"Extremists are obsessed with creating conflict and are willing to sacrifice peace and stability.

"They tend to be self-righteous and have no hesitation to use force in their bid to gain followers, attention and power."

The Prime Minister said that Malaysia cannot and must never allow extremists to grow in the midst of our society.

The Prime Minister's description of *'extremists'* who are prepared to wreck the state fits perfectly the 'masterminds' of the organised campaign of fear, unrest and violence in Sabah since March 12, but the Sabah and Malaysian people do not see any firmness of resolve by the Federal Government to check their activities. On the contrary, the people get the impression that the Federal Government is closing, not only one eye, sometimes both eyes, to their activities!

Or does the Federal Government practise double standards in dealing with *'extremists'* who want to sacrifice peace and stability — that there are 'permissible' *extremists* and 'impermissible' *extremists*?

This question keeps recurring when one reviews the Sabah events since March 12, 1986.

On March 12, 3,000 people, mostly illegal Filipino immigrants, led by the USNO MP for Kota Belud, Yahya Lampong, USNO Acting Secretary-General, Hamid Tun Mustapha, USNO Deputy President,

Sakaran Dandai, Berjaya Vice President, Abdul Malek Chua, demonstrated outside the Kota Kinabalu High Court which was hearing a chamber application by the former Independent Assemblyman, Ghapur Salleh, for an injunction to restrain the holding of the Sabah State General Elections. The demonstrators held up banners attacking the Sabah Head of State, Tun Haji Mohamed Adnan Robert, and Chief Minister, Datuk Joseph Pairin Kitingan, for having dissolved the Assembly. They clapped and cheered when seven bombs exploded, one after another within a half-mile radius in the town centre, leaving six people injured.

After a two and half hour demonstration, without being dispersed by the police, although they had committed the high offences of treason and sedition, the demonstrators staged a 6km procession to Tun Mustapha's house in Tanjong Aru, where packet food and drinks were waiting for them!

Datuk Harris Salleh said on the same day that it was the PBS and its leadership who had *'disturbed the hornet's nests'* during the general elections last April and in the subsequent by-elections.

On March 13, there were further bomb explosions in Kota Kinabalu, several cases of arson in Tawau and Sandakan with two deaths in the Tawau fire. Some 600 people gathered inside the Kota Kinabalu State mosque, demonstrating against the PBS Government and Chief Minister with placards, and pelting motorists with stones and shouting abuses.

MUSTAPHA'S INSTRUCTIONS

On March 14, over 1,000 demonstrators defied law and order by holding an illegal procession from the State mosque to Tun Mustapha's house at about 1 p.m. where they were given packed food and drinks.

The procession started from the mosque after the Friday prayers at noon, and after a discussion between USNO and Berjaya leaders, including Sakaran Dandai, Hamid Tun Mustapha, Yahya Lampong and Abdul Malek Chua.

On March 15, the demonstration and hold-out in the State mosque by some 600 people continued.

Tun Mustapha, who returned to Kota Kinabalu from Kuala Lumpur earlier on the day, in reply to press questioning, said he gave instructions for what happened in the past few days. This is what he said on tape:

"Tun Mustapha to Press: Apa mahu tanya?
Reporter: Tun, apa komen tentang apa yang sudah jadi dua tiga hari ini?
Tun Mustapha: Tidak ada komen. Saya punya arahan, pasal saya marah sama Pairin ... kerana dia tidak patuh kepada undang-undang sedangkan mahkamah belum beri keputusan pembicaraan, dia bubarkan Dewan Undangan Negri. Nombor satu penipu, nombor satu jahat. Saya akan hadapi dia. Itu sahaja. Tidak ada lain cakap saya."

On March 16, the 600 people who were holding out in the State mosque swelled to 3,000 to hear Tun Mustapha calling on all Muslims to gather in the mosque to defend their religion.

On March 17, a third demonstration, led by Sakaran Dandai and Abdul Malek Chua, with 3,000 demonstrators marched from the state mosque to the High Court, which rejected the application for an injunction to restrain the holding of the Sabah State general elections.

Police fired tear gas as the crowd, armed with iron bars, bricks and pieces of wood, chanted and stoned shopping complexes and smashed car windscreens. The demonstrators were ordered back to the mosque by the Police to continue their hold-out demonstration.

On March 18, four time bombs exploded in Sandakan killing newspaper vendor Chong Tong Sing and injuring four policemen. In Kota Kinabalu, the hold-out demonstration in the State mosque continued.

On March 19, riots broke out in Kota Kinabalu, causing two deaths and a 6 p.m. to 6 a.m. curfew. The demonstrators, led by Yahya Lampong and Sakaran Dandai, former Assemblyman for Sukau, Zaki Gusmiah, and former Assemblywoman for Lumadan, Dayang Mahani Tun Ahmad Raffae, marched out of the state mosque.

The demonstrators refused to disperse when ordered by the Police, and when tear-gas was fired, rioted in Karamunsing, setting cars,

shop-houses and godowns ablaze, wrecking damage estimated at $6.3 million.

The demonstrators finally returned to the mosque where they were locked in by the Police.

On March 20 and 21, a total of 1,656 people from the State mosque surrendered themselves to the Police in two batches. But the question the Police have not answered is why they had not arrested Yahya Lampong, Sakaran Dandai, Zaki Gusmiah and Dayang Mahani who were in the State mosque on the night of March 20? The question is whether the Police had helped them to escape?

USNO MP Yahya Lampong and the three former Assembly members, Sakaran Dandai, Zaki Gusmiah and Dayang Mahani should be arrested and charged under Section 147 for rioting, which carries a jail sentence of two years, or fine or both.

COMMISSION OF INQUIRY

I understand that Yahya Lampong has run away to Brunei. I raised this matter with the Commissioner of Police, Haji Ahmad Maulana Babjee, but he said the Police are still looking for him. Have Sakaran Dandai, Zaki Gusmiah and Dayang Mahani also run away to Brunei?

This is one of the many unsatisfactory aspects of the police handling of the campaign of fear and violence since March 12, and there must be a Royal Commission of Inquiry to investigate into the whole conspiracy to topple the elected system of government in Sabah by constitutional and violent means, and also to examine into the Police conduct in the entire episode.

A clear pattern stands out, however, that there is a conspiracy directing the campaign of fear and violence, involving demonstrations, bomb explosions, arson and rioting, to overthrow the elected system of government.

What is even more deplorable is the use of illegal Filipino immigrants to carry out these demonstrations, bomb blasts, arson and rioting. This is allowing a foreign people, I estimate there are about 300,000 illegal Filipino immigrants in Sabah, to interfere in the domestic political affairs of our own country. This itself is already a disloyal, anti-national and traitorous act.

I call on the Federal Government to take firm action to uphold the law, honour the Rukunegara, and arrest the two former Sabah Chief Ministers, Harris Salleh and Tun Mustapha, and USNO MP Yahya Lampong, four former USNO Assembly Members, Sakaran Dandai, Dayang Mahani, Hamid Tun Mustapha and Zaki Gusmiah and one Berjaya ex-Assemblyman, Abdul Malek Chua, for their role in the criminal conspiracy in the organised campaign of fear and violence to topple the elected system of goverment by unconstitutional means.

Firm government action must also be taken to liberate Sabahans from the menace posed by the illegal Filipino immigrants.

One subject uppermost in the minds of Sabahans is the talk that the Moros from Southern Philippines are coming to Sabah, partly to intervene in the campaign of fear and violence to destabilise the state, and partly to avenge the Lahad Datu Incident last year.

The Police and Federal government should stop taking lightly the protection of life and property of Sabahans. Without emasculating the democratic rights of Sabahans in declaring emergency and Federal take-over, the Federal Government must send increased reinforcements of police and security forces, in particular marine police, to protect Sabahans from internal unrest and external threat.

Sabah must begin to seriously think of repatriating all Filipino refugees, whether with work or without work permits back to Philippines. I know that this will now be strongly opposed by USNO and Berjaya, because the illegal Filipino immigrants play an important role in their strategy to capture and maintain power.

UNLAWFUL ENFRANCHISEMENT

It is an open secret that the Filipino refugess or illegal immigrants have been given blue identity cards and have been registered on the electoral register, and that this process is still going on. This probably explains Harris Salleh's prediction after he was overthrown that PBS would at most have one term of State Government of five years. He told the Star in May 1985:

"After the elections (Sabah general elections) the Malays have gone to USNO and either USNO or another Islamic party may get 24 seats in a future election because a lot of people are getting citizenships and all that."

The people of Sabah believe that there is a further conspiracy to illegally enfranchise the Filipino refugees or illegal immigrants and give them voting rights to change the political map of Sabah. At present, out of 48 Sabah State seats, 21 are Kadazan majority seats, 8 Chinese majority seats and 19 Malay majority seats. It is feared that if the illegal enfranchisement of Filipino and Indonesian immigrants are allowed to take place unimpeded for three years, the electoral complexion could be changed to 16 Kadazan majority seats, 2 Chinese majority seats, and 30 Malay/Filipino/Indonesian seats.

The unlawful enfranchisement of illegal Filipinos or Indonesians must be halted if the Government is sincere about wanting to forge national unity and nation building, for such a process could only destroy whatever national unity achieved to date.

I have been asked when I was in Kota Kinabalu on Friday whether I am a spokesman for PBS. I want to make it clear that I do not speak for PBS, which has its own leaders and spokesmen. I am however a spokesman for democracy and national unity. In fact, every Malaysian must become the spokesman or spokeswoman for democracy and national unity, if we cherish them.

I note that this is recognised by the Fifth Malaysia Plan which says: *"National unity and nation building is a long-term objective which is to be achieved through a multi-dimensional approach involving social, political, cultural and psychological factors. Government efforts represent but one facet of the overall endeavour in promoting national unity. The attainment of national unity is also the responsibility and concern of every Malaysian. There is a need to mould and inculcate the right values, perceptions, and attitudes towards each other with a view towards building a multi-racial society, that is characterized by tolerance, harmony, mutual understanding, justice, fairness and unity."*

ACCEPT VERDICT

The Prime Minister said in his speech that the government will continue to provide leadership to maintain a conducive investment climate to help Malaysia tide over the economic hardships in the years ahead.

If the Federal Government's handling of the Sabah political crisis for the past year is anything to go by, it is not likely to generate confidence in the wisdom or ability of the government to do so.

If the Federal Government had accepted the verdict of the people in the April 1985 general elections, and given a clear message to USNO and Berjaya that they should play the role of a constructive and loyal opposition instead of seeking to capture power by all sorts of legal, constitutional, political and extra-constitutional means, Sabah and Malaysia would not have been wracked by crisis after crisis for the past year.

When I was in Kota Kinabalu, I learned that as a result of the world television coverage of the Sabah demonstrations, bomb explosions, arson and rioting with religious overtones, there had been mass cancellation of hotel bookings from as far as Europe.

The Federal Government is spending millions of dollars to prepare for the PATA Conference to attract tourists to make tourism a major revenue earner, but its very actions in Sabah had negatived such efforts.

Political stability is an essential ingredient to provide a conducive climate for investment, whether by Malaysians or foreigners. Political stability does not mean that every State must be controlled by a Barisan Nasional component party. It is based on the acceptance by all the political parties in our parliamentary democracy recognising the right of the people to choose the government they want, even if it is a different party.

If the UMNO leadership is prepared to accept this principle, then Harris Salleh or Tun Mustapha would not concoct schemes and fund operations to topple the PBS government to return to power directly or indirectly.

UMNO FORMULA

I am told that Harris Salleh is the main financier of the recent operation to topple the PBS Government, especially the attempt to get PBS Assemblymen to defect so that the PBS government has only a minority of elected Assemblymen. This was the cause which precipitated the dissolution of the Sabah State Assembly by Datuk Joseph Pairin Kitingan.

I call on the Prime Minister to present a White Paper in Parliament on the campaign of fear and violence and the conspiracy to topple the elected system of government in Sabah by unconstitutional and violent means, for this must be regarded as serious as the BMF Scandal and the Memali Incident. Let not Sabahans or Sarawakians have cause to complain that in Malaysia, only what happens in Peninsular Malaysia is important enough to merit national attention — but never what happened in Sabah or Sarawak.

Today, the Prime Minister made his long-belated visit to Sabah, carrying with him a UMNO formula to resolve the Sabah political crisis. I want to ask why is it a UMNO formula, and not a Barisan Nasional formula. This shows again the utter insignificance and irrelevance of the other political parties in the Barisan Nasional, whose job is 'to do and die' and 'not to reason why'; and whose role is to be 'Yes Man' in Parliament and the Cabinet and 'Yes Party' in the Barisan Nasional.

There is no need for any 'UMNO formula' for the artificial crisis in Sabah, for the ingredients to resolving the Sabah political crisis are to be found in the Rukunegara — the ends of national unity and democracy and the principles of upholding the constitution, rule of law and good behaviour and morality.

It is clear that it is the Barisan Nasional leaders, both at Federal and State level, who have forgotten the Rukunegara, and they should return to the Rukunegara ends and principles first, before they continue to preach Rukunegara without knowing what it means.

RESPECT SENSITIVITIES

I have spoken at length on the Sabah situation because it is a test of democracy and nation building in Malaysia. There are other nation-building problems, as evident from the aggravated racial and religious polarisation in the country, which I do not propose to discuss. There is one instance however which I want to bring to the attention of the House to illustrate that sweet and honeyed words in the Fifth Malaysia Plan are often forgetten after they had been written and printed in the Plan

The Fifth Plan, on nation building, said: "*A greater understanding and appreciation of the sensitivities of the various communities as well*

as a recognition of commonness of experiences and values would go a long way in promoting racial harmony and tolerance, and serve to strengthen the bonds among all Malaysians."

From my experience in these 20 years, it would appear that these words are meant for the Malaysian public, but not as a guideline for government servants and public officers.

I can list a catalogue of utter insensitivity of the Government to sensitivities of the various communities. The most recent example is the decision to appoint a Muslim as headmistress of the Sekolah Menengah Convent Kota in Taiping with effect from April 1, 1986.

This is in violation of the principle of *'maximum consultations'* as agreed between the Mission School Authorities and the Education Ministry in 1984.

The Catholic Community in Taiping and in Malaysia are rightly aggrieved for this act shows that their feelings mean nothing, and that their concern that the character and identity of mission schools be preserved are disregarded. Such concerns include:

1. The right of parents to send children to the school of their choice;
2. The right of parents to have religion taught to their children in the 'Mission Schools';
3. The right of 'Mission Schools' to give such religious teaching to Catholic children, through the help of Catholic teachers who should not be 'penalised' for doing so;
4. The right of any 'Mission School' to be run by a principal whose Catholic faith would enable her to better understand and share the various religious needs of Catholic students and to maintain the values upheld by 'Mission Schools'.

I hope the Education Minister would intervene immediately to set right the issue and problems faced by the 'Mission Schools' in accordance with the four principles I had outlined; as the 'Mission Schools' have made a great contribution to education in Malaysia in the last 150 years.

ON A CLEAN, EFFICIENT AND DEMOCRATIC GOVERNMENT

Corruption In Sabah

Datuk Harris Salleh took the opportunity to distort what happened in 1978. After banning me from visiting Sabah, Datuk Harris Salleh had accused me of being 'communistic' as during my week-long visit to Sabah in 1978, I spent considerable time visiting the ordinary people, the hawkers, the taxi-drivers, the workers, the man in the street, to meet them and learn of their problems. If to be with the people is to be 'communistic', I plead guilty. This itself shows the type of politics of Parti Berjaya, which could only hang on to power through the 'Politics of Blackmail' and fear the 'Politics of Rakyat'.

Last October, the Finance Minister, Tengku Razaleigh, presented the 1982 Budget deliberately to generate euphoria to win votes in the April general elections, hiding the grim truths of hard economic times from the people.

He did not prepare the people to be ready for the hard times, forgot about the need to *'cut the coat according to the cloth'*, and instead, embarked on a spending spree just to win a general elections.

The Finance Minister asked Parliament to appropriate $31.95 billion in operating and development expenditures, when he knew better than anyone else in the country that 1982 was going to be an even worse year than 1981, and that there was simply no way of finding this vast sum of money unless we want to go the way of bankruptcy like Mexico.

The merchandise account in 1982 will decline for the second consecutive year to a larger deficit of $2,453 million in 1982, compared to $110 million in 1981. The current account of the Balance of Payments is expected to deteriorate further to a larger deficit of $8,649 million compared to $5,286 million in 1981.

Speech on the 1983 Budget on October 25, 1982.

Partly as a result of the 1982 Election Budget, the people of Malaysia are facing harder times than necessary if the government had acted responsibly in subordinating Barisan Nasional interests to national interests since last year.

At a period of economic recession, and high inflation, the doubling of the Sales Tax from 5 per cent to 10 per cent is insupportable as it would lead to a general jacking up of prices. The government estimates to collect $800 million increased revenue from the doubling of the Sales Tax, but the cost to the consumers would be nearer $1,500 million as this would be used as an excuse for a general price increase over and above the 5% Sales Tax increase.

To prevent another price spiral, I call on the Finance Minister to withdraw the 5% increase of Sales Tax as it is untimely and insupportable.

The Government should look towards greater savings from a more effective cut-back in government spending. For instance, I find it unjustifiable that at a period of economic recession, the government should continue to spend such vast sums on defence developments as distinct from operating expenditures.

The Government is budgetting for an expenditure of $1,900 million for defence development and $1,988 million for defence operating expenditures. Although the government claims that there is a cut-back in defence development expenditures, to spend $1,900 million for defence development in 1983 is highly excessive. Apart from 1982, $1,900 defence development expenditures would be the highest in Malaysian history, when we consider that it was only $116 million for 1975, $338 million for 1976, $351 million for 1977, $316 million for 1978, $530 for 1979, $812 million for 1980 and $1,619 for 1981.

Our national sovereignty and independence would not in any way be undermined or jeopardised if the defence development programmes estimated at $1,900 millon for next year are deferred. It is for the government to make up a case that we cannot afford to defer these development defence expenditures, that their postponement if not cancellation would expose Malaysia to dire dangers threatening our very existence.

Of course, the postponement or cancellation of the $1,900 million defence development expenditures would mean a loss of tens of

million of dollars and even hundreds of millions of dollars of profits, whether in the form of commission or kickbacks, of defence hardware merchants, but their loss is the nation's gain!

HOUSING

With the deferment of the $1,900 million of defence development expenditures, the government should concentrate on socio-economic areas which can directly benefit the low-income groups or in avoiding the dangerous unhealthy trend towards national indebtedness.

Housing, for instance, had been slashed by $800 million as compared to the 1982 Budget when the Finance Minister himself had admitted that one of the most dismal failures of the government is in the provision of adequate housing for the poor. In his budget speech, Tengku Razaleigh said that *"private residential construction has slackened — below that achieved under the Third Malaysia Plan and well below the annual rate of 70,000 houses envisaged under the Fourth Malaysia Plan."*

Low-cost housing in Malaysia is a 'drop in the ocean of demand'. The announcement by the Finance Minister that the government would raise the building rate by another 40,000 in the next 18 months is grossly inadequate, and particularly at this time of recession, I would call on the government to devote a special effort to build low-cost houses commensurate with the crying need of the poor for a roof over their head.

Instead of buying tanks and Skyhawks, the government should build more low-cost houses which will also provide more employment opportunities to Malaysians as well as stimulate economic activities in construction and other related fields.

Government cut-backs must concentrate on the less essential sectors, and not on essential areas where the poor and the low-income groups would be the ones who would be most adversely affected.

A good example is health, where the operating expenses have been reduced by $197 million. The Finance Minister announced that the government would increase rates for the first and second class wards, while the third class wards would remain free.

For quite some time, the hospitals service in the country had been suffering a crisis of confidence, because of poor service and treat-

ment. Those who are admitted into the free third class wards generally complain of poor or even bad treatment, so much so that the not well-to-do get themselves admitted into second class wards although it would mean a crushing financial burden on them.

The really well-to-do either go to the first class wards or to private hospitals. Any increase in hospital rates for second class wards is therefore a financial strain on the common people and I call on the Finance Minister to withdraw the idea of increasing rates for second class wards. Already there is public outcry at the way the hospitals are stopping the prescription of medicine because of expenditure cut-down.

The government should restore provisions to the hospitals to ensure that they could prescribe the necessary medication to the patients. What the government should do in the hospitals is to upgrade the efficiency and standard of service in the hospitals to regain public confidence in the hospitals. The mushrooming of private hospitals is an indictment on the Ministry of Health's hospital service. Only a few days ago, I received a complaint from a former tailor, Sim Om Kim @ Tan Ban Keng, that two years ago in 1980 he went into the Malacca General Hospital for treatment of asthma, but as a result of one injection, his whole left leg had to be amputated about a week later. His admision registration number is 617236. I hope the Minister of Health would investigate into this matter and take urgent steps to restore public confidence in the general hospitals.

NATIONAL INDEBTEDNESS

It is most fortunate that in the 1970s we discovered a new natural resource, petroleum, which has become the leading export earner, helping Malaysia to tide over economic difficulties. Thus, despite the present fall in petroleum prices, Malaysia is expected to earn $1,182 million export duty from crude petroleum for 1983, as compared with the estimated export revenue of $218 million from rubber, $98 million from tin, and $116 million from palm oil.

However, we have not fully made use of our good fortune in becoming a net exporter of petroleum, to save up for the rainy day during the good times. Our public debt has now reached a new high.

When the government introduced the Fourth Malaysia Plan in 1981, it announced that during the Plan period from 1981 to 1985,

Malaysia would borrow from externally $4,000 million as compared with $3,907 million during the Third Malaysia Plan period from 1976–1980. But this year alone, the government's foreign debt exceeded the five-year foreign debt mark set in the Fourth Malaysia Plan.

The government's foreign debt this year is $4,050 million, and together with the foreign debt of $2,909 million in 1981, brings the total foreign debt of Malaysia to $11,813 million. The total outstanding debt of the government, both foreign and domestic, is $40,122 million in 1982. Considering that in 1982 alone, the government borrowed $9,950 million, by the end of 1983, probably another $10,000 million public debt would be added up.

Malaysia is clearly increasing her public debt at too fast a pace, and the government would be well-advised not to rush head-long to mortgage the future of the new generation of Malaysians.

There is still a lot of area where the government can save substantial money from a more stringent economic drive. One area is the entire system of government purchases and tendering of contracts.

When the Deputy Prime Minister, Datuk Musa Hitam, visited Kluang before the April general elections, he approved, among other things, the building of a mosque. A bid for the building of the mosque at $400,000, certified by a quantity surveyor, was rejected, and the contract was given to a tenderer who quoted $600,000.

CORRUPTION

Thus, $200,000 could have been saved from a $600,000 project, which is over 30%. What justification can the 2M government give for such waste of public funds?

The government is asking for $11,669 million for development purposes next year. If conservatively, we could cut down wastage and unnecessary expenditure of funds in the manner of the Kluang mosque by 10%, then a huge saving of $1.6 billion would have been effected for more productive use in more essential fields. Similar savings could be effected in operating expenditures as next year $2,053 million would go towards supplies and services, including the purchase of supplies and materials.

Corruption is another cost of development. The 2M government had succeeded marvellously in a propaganda blitzkrieg giving the image that corruption had been checked. The public knows that far from being brought under control, corruption in Malaysia has become more rife than ever. The only difference is that as compared to before, corruption in the 2M administration has become more EFFICIENT AND COMPETENT and as a result, more EXPENSIVE.

I must warn the 2M government that unless the Anti-Corruption Agency is able to effectively combat corruption at all levels, the slogan of a *'clean, efficient and trustworthy'* government would become an empty one.

I propose that a Parliamentary Committee be set up to ensure a *'clean, efficient and trustworthy'* government, to be named Parliamentary Committee for a 'clean, efficient and trustworthy' government, of equal importance and status as the Public Accounts Committee, to monitor, review and examine government departments and Ministries as to whether they live up to these three criteria of good administration.

As a parliamentary watchdog on the government, such a committee would be able to play a effective and meaningful role to help the ordinary citizen against dishonest, inefficient and untrustworthy government conduct.

LOOK EAST

The 2M Government has asked Malaysians to *'Look East'* and emulate the work ethics of the Japanese. I think it would do well for the 2M government to itself to *'Look East'* first and learn the right lessons from the Japanese economic miracle.

More than anything else, the Japanese success is because of the profound sense of national consciousness among the Japanese who have a common national goal and identity. There is no division of Japanese into two class of citizens, one the bumiputras and the other the non-bumiputras. Japanese professionals do not migrate in such large numbers overseas because their children could not expect fair educational opportunities in their own homeland. Japanese professionals are not accused of being disloyal to the country because they disagree with the policies of the government of the day. Only

last week, the Member for Matang accused my two comrades, Sdr. Sim Kwang Yang, MP for Kuching, and Sdr. Ling Sie Ming, MP for Sibu, for being *'disloyal'* because they exercised their constitutional right to speak in English.

In fact, it is the Member for Matang himself who is disloyal to the Malaysian Constitution in attacking the constitutional provisions allowing Sarawak and Sabah MPs to speak in English in Parliament. Again in Japan, Japanese MPs and Opposition leaders are not banned from visiting parts of their own country, like Sdr. Lee Lam Thye and I are banned from visiting Sabah because of Datuk Harris Salleh's mortal fear of DAP leaders.

If we are to learn from the Japanese, we must first learn to promote that sense of national one-ness, which in Malaysia, must be based on Malaysia's multi-racial, multi-lingual, multi-cultural and multi-religious character.

It is important that the Barisan Nasional understand and respect the legitimate aspirations of the Malaysian people, not only those who voted for the Barisan Nasional, but also those who voted for the opposition.

KEPAYANG DECLARATION

The Prime Minister, Dr. Mahathir Mohamed, said a few days ago that the DAP won in the Kepayang by-election because the Kepayang voters wanted to keep the DAP alive, and that the DAP *"has nothing more to offer and it just wants to live"*.

It will be a sad day if Dr. Mahathir could hear the *'whisper'* of Datuk Lee San Choon, but could not hear the loud and clear voice of the 16,246 people of Kepayang who on October 16 gave the DAP a 9,764 majority. In fact, the DAP's victory in the Kepayang by-election by Sdr. Lau Dak Kee with a landslide majority showed that the Barisan Nasional general elections win in April this year was an 'aberration'.

The Kepayang by-election is historic, not only in terms of establishing within five months that the Barisan general elections victory was an 'aberration', but because the voters adopted a Declaration setting

out the Malaysian nation they aspire to, and which could serve as a basis for the Barisan Nasional government to create national unity to enable Malaysia to perform a Japanese economic miracle.

I have been entrusted by the people of Kepayang to proclaim the Kepayang Declaration in Parliament, which I hereby do:

We, the People of Kepayang, on the occasion of the Kepayang by-election on October 16, 1982, DECLARE on behalf of like-minded Malaysians throughout Malaysia:

THAT WE OPPOSE AND PROTEST IN THE STRONGEST POSSIBLE TERMS the Barisan Nasional's Nation-Building Policy of the 1980s to build a Malaysia of ***'one language, one culture'*** *as contained in the Barisan Nasional Government's first top policy document after the April General Elections at the Official Opening of Parliament on October 11, 1982;*

THAT WE CONDEMN THE MCA IN PARTICULAR, which, after scoring the self-proclaimed ***'major breakthrough'*** *in the April 1982 General Elections, agreed to and supported the Barisan Nasional's Nation Building Policy of the 1980s of* ***'one language, one culture'****, and such a nation-building policy is completely in violation of the multi-racial, multi-lingual, multi-religious and multi-cultural basis of the Malaysian nation;*

THAT WE DEMAND ALL MCA MINISTERS, DEPUTY MINISTERS, PARLIAMENTARY SECRETARIES, MEMBERS OF PARLIAMENT, STATE EXECUTIVE COUNCILLORS AND STATE ASSEMBLYMEN TO EXPLAIN TO THE COUNTRY ON WHAT AUTHORITY THEY AGREED TO AND SUPPORTED the Barisan Nasional's Nation Building Policy of the 1980s of ***'one language, one culture'*** *which will gravely undermine and jeopardise the political, economic, educational and cultural rights and status of Malaysian Chinese and future generations;*

THAT WE CONDEMN THE BARISAN NASIONAL GOVERNMENT'S restrictions on the lion dance, which clearly is one of the early steps in the Barisan Nasional's Nation Building Policy of the 1980s of ***'one language, one culture'****;*

THAT WE EXPRESS SHOCK at the speech by the Acting Prime Minister, Datuk Musa Hitam, at the opening of the MCA General

Assembly questioning the ***'loyalty'*** *of Malaysian Chinese who dare to criticise and oppose the Barisan Nasional policies and DECLARE that our loyalty to Malaysia is second to none but no one is required to be loyal to UMNO, MCA, MIC or Barisan Nasional;*

THAT WE DECLARE THAT MALAYSIA CAN ONLY SUCCEED, FLOURISH AND PROSPER AS A MULTI-RACIAL MALAYSIAN MALAYSIA, where the policy is one of ***'many languages, many cultures'*** *and not* ***'one language, one culture'****;*

THAT WE AUTHORISE THE DAP to communicate our views as herein expressed, which we term the Kepayang Declaration, in Parliament as a guide to Parliament and the Government as the proper nation building policy for the 1980s in Malaysia."

I hope that the Barisan Nasional government would respect the views of the people of Kepayang and Malaysia as expressed in the Kepayang Declaration. We in the DAP are prepared to co-operate fully with the Government to establish a united Malaysia. We do not want a Politics of Confrontation. But if we are confronted, then we have no choice but to respond to the Politics of Confrontation. The very fact that we participate in the parliamentary democratic process shows that we believe in the Politics of Co-operation for the National Interest, but on the basis of the people's rights and interests.

PRIVATE UNIVERSITIES

Another secret of the Japanese success is the pivotal role education plays in Japanese lives. The 2M Government should *'Look East'* and follow the Japanese example and allow the establishment of private universities.

Japan has about two million university students. We are one-tenth of the Japanese population, and in proportion, we should have 200,000 university students. We have only 20,000. Japan has about 300 universities, but we have only five when we should in proportion have 30 universities. I am glad that the Deputy Prime Minister, Datuk Musa Hitam, said on Saturday that the government plans to set up a sixth university, which is grossly inadequate.

In Japan, 80 per cent of the universities are private universities, but in Malaysia, efforts to establish the first private university, the

Merdeka University, were opposed by the component parties of the Barisan Nasional like UMNO, MCA, Gerakan, MIC, SUPP and Berjaya. I would call on the 2M Government to *'Look East'* and announce that Malaysia would follow the Japanese example and allow the establishment of private universities.

CORRUPTION IN SABAH

During the debate on the Royal Address, the Sabah Chief Minister, Datuk Harris Salleh, tried to defend the 'politics of blackmail' practised by Datuk Harris Salleh and Parti Berjaya in Sabah. He also tried to defend his gross abuse of powers in banning Sdr. Lee Lam Thye and me from visiting Sabah on the ground that I had abused the privilege of entering Sabah in 1978, and that the ban was to *'safeguard the security'* of the people, not because the Berjaya State Government feared me.

This is itself proof of the abuse of powers by the Sabah Chief Minister, for arrogating to himself the powers of the Home Affairs Minister with regard to *'security'*. But what Datuk Harris Salleh really means is that my entry into Sabah will pose a 'grave security threat' to the political future of Parti Berjaya, not to the people or State of Sabah.

Datuk Harris Salleh took the opportunity to distort what happened in 1978. After banning me from visiting Sabah, Datuk Harris Salleh had accused me of being *'communistic'* as during my week-long visit to Sabah in 1978, I spent considerable time visiting the ordinary people, the hawkers, the taxi-drivers, the workers, the man in the street, to meet them and learn of their problems. If to be with the people is to be *'communistic'*, I plead guilty. This itself shows the type of politics of Parti Berjaya, which could only hang on to power through the 'Politics of Blackmail' and fear the 'Politics of the Rakyat'.

During the week-long visit to Sabah from February 24 to March 4, 1978, I visited Kota Kinabalu, Sandakan, Tawau and Lahad Datu. I was literally deluged with a multitude of the people's problems, some big, some others small, some of Federal concern, others of Federal-State or State concern or that of the local authorities. I was surprised and even shocked that there were so many problems and complaints,

which made me wonder whether the four major towns in Sabah I visited had elected representatives or not.

I gave expression to many of the problems which the people conveyed to me, in particular those most close to the hearts of Sabahans I met, including the problem of Filipino refugees, rampant corruption and the indiscriminate issue of taxi permits.

I happened to be on the same plane as the Sabah Chief Minister on February 24, and I informed him that at the end of the visit, I would make a courtesy call on him, which I did on March 3.

'SHOW-DOWN'

But Datuk Harris had staged-managed a 'confrontation' and a 'show-down', trooping out his Cabinet and top government department heads. As a civilized man, who makes a courtesy call on the head of government, one does not go for a confrontation. But probably, I should have acted then in a less civilised fashion.

That the whole confrontation was 'staged-managed' could be seen, in retrospect, from the fact that when I returned to Kota Kinabalu on March 2, various people came to meet me and virtually 'begged' me not to have any confrontation when I meet Datuk Harris Salleh the next day. One such approach came from Datuk Wee Boon Ping through telephone introduction by Datuk Stephen Yong, the SUPP Secretary-General, from Kuching.

I had not intention in the first place to have a political confrontation with the Chief Minister, but these 'missions of appeal' made me extra careful to avoid any hint of confrontation with the Chief Minister when I called on him.

Although I walked into a 'trap' by Datuk Harris Salleh, I did not, as given prominent coverage by Berjaya and Bernama reports, withdraw my statements on Filipino refugees, corruption and indiscriminate issue of taxi permits, although I did clarify a few matters.

Firstly, on the problem of Filipino refugees which was, and still is, foremost in the minds of all Sabahan groups, whether Kadazans, Chinese or Malays, for they have created enormous socio-economic problems for the people of Sabah by displacing Sabahans of employment opportunities, educational and health facilities as well as creat-

ing serious law-and-order problems as evidenced by the marked increase in the incidence of crimes like thefts, robbery and even murder. The refugee problem becomes graver when it is realised that Sabahans who live in the interior, whether Malays or Kadazans, lead poor and desperate lives while some of the refugees lead better lives.

FILIPINO REFUGEES

I had suggested an all-party round-table conference to deal with the problem of the 'refugees' so that this be treated as a non-partisan problem. I called for the immediate halt to an increase in Filipino refugees, and I stated publicly that I understood that the number of refugees, one of the issues which Parti Berjaya has highlighted in the 1976 general elections which brought it to power, had increased from 90,000 to 140,000 from 1976 to 1978.

I was asked by Datuk Harris Salleh to prove that there were 140,000 refugees in Sabah at my 'courtesy call'. I had relied on several accounts which point to 140,000 as a fairly reliable figure. But I admitted that I did not possess actual information, and if this figure of 140,000 refugees was disputed by the Berjaya government, I was prepared to withdraw it. But I did not withdraw all that I had said about the problem of Filipino refugees.

After the meeting with Harris Salleh, I found that the person who had publicly declared that there were 140,000 Filipino refugees in the Sabah State was none other than the Deputy Chief Minister, Datuk James Ongkili, in the Berjaya newspaper, Daily Express, dated June 22, 1977.

Datuk Harris Salleh also took strong objection to a statement which I made after laying wreaths at the mausoleum of Tun Fuad and Datuk Peter Mojuntin that *"there is a feeling in some quarters that corruption at all levels of Government had not changed materially since the coming into power of Berjaya Government."* In fact, this feeling was very prevalent, and it was there that I found the phrase, *'Big and Small are all swallowed up'* generally used by Sabahans to describe the corruption in the State.

I told Datuk Harris Salleh that I had not made any allegations of corruption against the Berjaya leaders and Ministers, but there are now evidence galore of corruption by the Berjaya government. The

'A-B-C' scandal, whereby 800,000 acres of timber concessions were distributed to three categories of Berjaya party officials, where those in A category got 1,500 acres, B category 1,000 acres and C category 500 acres each, is the best example of Berjaya corruption.

I challenge Datuk Harris Salleh to agree to the establishment of a Royal Commission of Inquiry into corruption in Sabah, and let the people and the world see whether the Berjaya government is corrupt or clean.

Datuk Harris Salleh said last Saturday that Berjaya will relinquish its three State Assembly seats in Sandakan to the opposition if the people there no longer want the party to represent them. In the Sandakan Parliamentary elections in April, the Berjaya candidate was rejected and Sdr. Fung Ket Wing re-elected which shows that the people of Sandakan do not want Parti Berjaya to represent them. Datuk Harris Salleh should be a man of his words and order the three Berjaya Assemblymen in the Sandakan area to resign and also announce that the Berjaya would not contest in these three seats.

In actual fact, for the good of the people of Sabah, Datuk Harris Salleh should resign as Chief Minister of Sabah and end the 'Politics of Blackmail' in the State, which is a serious blot on Malaysian democracy.

PUBLIC FINANCE WATCHDOG

I want to take this opportunity to commend the Auditor-General, Tan Sri Ahmad Noordin bin Hj. Zakaria, for his consistently high standards and competence in the performance of his role as a watch-dog over public finances. The government must give full support to the Auditor-General, especially in the extension of Financial and Compliance Audit to ferret out any irregularity, weakness or deficiency in financial control and management to Performance Audit or Value-for-Money Audit to assess the efficiency of performance and pinpoint undue delay, wastage, deficiency or other shortcomings in performance.

As the Auditor-General's Office can effect substantial savings by exposing financial irregularities and efficiency of performance, this is one department where the government should increase allocations even in a general cut-back of spending, for otherwise the government is being penny wise, pound foolish.

I am therefore most unhappy that the 1983 budget allocations for the Auditor-General's Department has been reduced from the $21.5 million in 1982 to $20.9 million.

As a result of the failure of the government to expand the Auditor-General's Office in keeping with total government expenditures, the Auditor-General has said in the 1979 Federal Government Report that *"In view of the rapid growth of public expenditure arising from the ever-widening range and variety of government participation in socio-economic activities since the last ten years, it is no longer possible for the Audit Office, with its present strength, to review in every audit year the operations of all public sector agencies in the country for the purpose of reporting on their financial activities."*

As a result, the Audit Office has introduced a new Audit Plan whereby audit coverage is provided on a three-year cycle. Under this plan, the audit to be conducted each year is so programmed that each Ministry or Department will be subject to a detailed review of its financial control systems at least once in every three years.

This is clearly a retrograde step, and I call on the government to immediately increase allocations to the Audit Office so that it could carry out annual audits of all government departments instead of a three-year audit.

I note that the Audit Office will be carrying out special audit reviews or surveys to evaluate specific operational activities and the implementation of programmes or projects. Such performance audits must not be hampered by lack of staff and funds.

I notice that in the 1979 Auditor-General's Report on the Federal Government, the Auditor-General has dropped the usual appendix on *"Recommendations and Observations made by the Public Accounts Committee on the Public Accounts which have not yet been implemented or dealt with by Executive Action"*, which in the 1978 Auditor-General Report listed 11 outstanding items.

I do not know whether this was because all these 11 outstanding items had been acted on by the Government, or whether the Auditor-General had given up in despair, of ever hoping that the Executive would take action on the outstanding items which go as far back as on the 1966 Audit Report!

But the Auditor-General cannot effectively ensure high standards of public accountability of public expenditures, unless his efforts are fully complemented and backed up by an efficient Public Accounts Committee in Parliament.

The Auditor-General has produced his 1979 Audit Report on the Federal Government Accounts, but the Public Accounts Committee has yet to table its Report on the 1975 and 1976 Reports, or produce the full Report on the 1977 Accounts.

The first thing the new Parliamentary Public Accounts Committee must do is to get all these Reports out in the shortest possible time.

Thean Teik Estate — Police Killing

> ***"The failure of the Police to project its neutrality and impartiality in the private property dispute, and demonstrate that its role is to protect human lives and property, is probably one important reason why there is distrust among the Thean Teik residents about the Police — that they have become the paws of Perumahan Farlim to provide back-up support to the developers to demolish the Thean Teik houses and properties."***

On 29th October 1982, a resident of Thean Teik Estate in Penang, Madam Tan Siew Lee, 33, was killed when shot in the neck by police in a scuffle between about 100 Thean Teik Estate residents and workers of the developers of Thean Teik Estate, Perumahan Farlim, who wanted to demolish the chicken coops of one of the residents. Another resident, Chuah Teow Huat, who was standing far off from the scene of the scuffle, was shot in the left hip by the police.

After the police shootings, the Chief Police Officer, SAC Haji Zaman Khan, told reporters that the shooting of both Madam Tan and Chuah by the police was *'accidental'*. The New Straits Times of 30th October reported him as saying that a police constable was attacked by a man during the fight between about 100 residents and 30 workers. SAC Haji Zaman Khan said: *"He fired three shots at the attacker. All the shots went wide. Unfortunately, two of the shots hit Tan and Chuah who were some distance from the constable."*

Speech when moving a $10.00 cut from the allocations for the Royal Malaysian Police on November 24, 1982.

Parliament must take a most serious view of any *'accidental'* or *'panic'* shooting by the police when handling crowds leading to loss of lives or personal injuries, for the role of the Police is to protect human lives and property, and not to become a threat to human lives and property by their propensity to shoot *'accidentally'* or in *'panic'*.

This is why I am taking this serious step of proposing a $10 cut in the budget allocations for the Police for next year, to highlight the need for a thorough review of the training of police to handle crowds without becoming a public threat themselves, the role of the police in private property disputes, and the proper guidelines for the handling of cases of police shootings of the public so as to regain public confidence that the authorities do not condone such crimes committed by the Police, or seek to sweep such incidents under the carpet.

Firstly, the Police must be a neutral and impartial force whose role is to uphold law and order and to protect human lives and property. It must not under any circumstances take sides in any private property disputes, even if one of the parties to the dispute has notable personalities who have high political connections or great material wealth. This is where the Penang police had failed in the Thean Teik Estate dispute, where about 10,000 people who for generations had stayed and earned their livelihood through vegetable farming, pig and poultry rearing, faced eviction by the developer, Perumahan Farlim.

NEUTRALITY

In the long-standing dispute between the Thean Teik residents and Perumahan Farlim, the Police gave the residents more than enough cause to believe that the Police were siding Perumahan Farlim, especially with the numerous incidents of police intervention on behalf of Perumahan Farlim, including the October 23 incident where the Police fired tear gas to stop the unarmed residents from protecting their properties from the Farlim workers. In actual fact, the developer, Perumahan Farlim, has no court order to empower it to move into individual Thean Teik Estate houses to forcibly evict the residents and to demolish the houses and coops.

The failure of the Police to project its neutrality and impartiality in the private property dispute, and demonstrate that its role is to protect human lives and property, is probably one important reason

why there is distrust among the Thean Teik residents about the Police — that they have become the paws of Perumahan Farlim to provide back-up support to the developers to demolish the Thean Teik houses and properties.

I come now to the second issue of the police shooting in Thean Teik Estate on that tragic day on October 29. The police excuse of *'accidental'* shooting is completely unacceptable, for there must be no room for *'accidental'* shooting in any police crowd-control situation.

Something is very wrong with the Police methods and techniques of training and recruitment, where the Malaysian police is prone to *'accidental'* or *'panic'* shooting. There were only 100 Thean Teik residents on that tragic day on October 29. What would have happened if there had been 1,000 or 10,000 people? Would there had been a 'massacre' of the public by police who *'panicked'* and go into an orgy of *'accidental'* shooting?

As there is so much talk about *'Looking East'*, it is pertinent to compare with the Japanese Police handling of crowds or demonstrators sometimes running into tens of thousands of very militant demonstrators. Do the Japanese police indulge in *'accidental'* shootings?

In fact, the essence of the strategy of the Japanese riot police is to minimize the danger of injury, gain the support of the public, and reduce the threat posed by the resisters. The Japanese police make use of their areas of discretion in such a way as to maintain public support. They tend to be slow in arresting people when there is not a high level of support for their behaviour.

DOUBLE STANDARDS

In Malaysia, we seem to be doing quite the opposite, where the police when faced with crowds or demonstrators, act in disregard of the need to minimize the danger of injury and treat public support and public opinion with contempt. When lawyers demonstrated against the Societies Amendment Bill last year, they were arrested and charged in court. But when the UMNO Youth, MCA Youth and MIC Youth leaders and their followers held a demonstration to protest against the seven international lawyers visiting Malaysia to study the human rights situation in the country, the Police acted as

the traffic wardens of the demonstrators! Even now, there is no attempt to respect public opinion by showing that the government would not apply double standards, by prosecuting lawyers for demonstrating against the Societies Amendment Bill, but letting the UMNO Youth, MCA Youth and MIC Youth leaders and members scot-free for holding a similar 'illegal' demonstration.

In reverting back to the Japanese riot police example, it is worth noting that in dealing with massive student demonstrations, for instance, and clearing an area, the riot police generally use huge shields, slowly pushing back the demonstrators blocking an area. Thus, the police have little worry of being hit by flying objects and do not need to respond precipitously out of fear. They systematically move those blocking access.

In Japan, because gun control is very tight, and the police are well-trained in hand-to-hand combat, they amass overwhelming numbers when demonstrators assemble, and because they can count on public support, the police are less likely to attack a suspect or demonstrator out of fear.

In Malaysia, in contrast, although gun control is equally tight, the police seem to have a fear of the public, especially crowds, and because the Police had never felt it important to have public support for its actions, there is a greater tendency for fear-response in crowd situations leading to panic reactions, like panic or accidental shootings.

In Malaysia, for instance, the police have become strangers to crowd situations. Public rallies have been banned for political reasons since 1978, and the only crowds the Police have experienced are 'timid' crowds trotted out to receive and welcome Ministers.

The Police must not be afraid of the People, but must promote that two-way respect and goodwill. The Thean Teik Estate *'accidental'* police shooting highlights the need for a complete overhaul in the techniques and methods of police training, where the police do not fear crowds and the people, and where in crowd handling or demonstrations, *'accidental'* or *'panic'* shootings does not exist in the Police dictionary.

In fact, there is no cause for the Police to be armed with lethal weapons on October 29. They should have water cannons, or should

have used rubber bullets. This is why the incident showed that the whole philosophy of police training must be reviewed.

I therefore urge the Police powers-that-be to review the entire police philosophy to ensure that their effectiveness is based on police self-discipline, greater police professionalism which allows no room for *'panic'* or *'accidental'* shooting, and concern for public support for police actions.

I come now to the third issue of the Thean Teik police shooting. At first, the Penang Chief Police Officer announced that the Penang police would be conducting an inquiry into the shooting in Thean Teik Estate. This would have been treated with contempt by the public, for it tantamounts to the accused conducting his own investigation. Although subsequently the Police Headquarters at Bukit Aman took over the investigations, the suspicion among the public that there could be no impartial and thorough-going inquiry could not be ignored, for what is happening is that the Police is playing the multiple roles of Judge, Prosecutor, Defence and Accused.

Why should the Police be afraid of an impartial inquiry into the Thean Teik shooting, conducted by people who have nothing to do with the police. Such an inquiry could only lead to greater credibility for the police, than inquiries conducted by the Police itself.

COMPENSATION

I call on the Minister of Home Affairs to consider drawing up a new guideline for inquiries into deaths or injuries caused by the Police, whether accidentally or inaccidentally, which commands public confidence with regard to their impartiality, and this could only be done with such inquiries conducted by people who have nothing to do with the Police.

Secondly, where the Police had accidentally shot and killed innocent members of the public, as the Penang Chief Police Officer had admitted with regard to the killing of Madam Tan Siew Lee, the government must be prepared to immediately pay ex gratia compensation to the victims involved, and should not stand on formalities or ceremonies about legalities inhibiting such payments.

Is the government prepared to pay the family of Madam Tan Siew Lee ex gratia payment as compensation, without of course binding

the government in any legal liability, as a sincere gesture on the government's part as remorse for such uncalled for '*accidental*' shooting?

I have raised this matter by way of a $10 cut on the appropriations for the Police, not because I do not appreciate the important work of the police to maintain law and order and peace, but because where there are infractions by the upholders of law and order — namely, the Police — they must be highlighted so that they could be corrected, and public confidence in the police enhanced.

Those who wish to distort the motives for what I am doing are fools and knaves, and I do not intend to spend any time on them, even where they do so after this speech of mine.

Audit and Accountability

> *The very fact that Article 106(2) of the Constitution had never been invoked once to cause an audit to be conducted on even a single one of the teeming government companies, although it is open public knowledge that many of these companies are wasting or mismanaging public funds, leading even to bankruptcies, shows that the Cabinet will be most reluctant and unwilling to allow the Auditor-General to examine the accounts of the public companies.*

The DAP supports the Audit Amendment Bill to improve on the control of expenditure of public funds, whether by Federal or State Governments, public corporations or bodies and companies where there is substantial public funds invested, whether as loan, grant or in terms of equity.

However, the DAP feels that the Audit Amendment Bill does not go far enough to ensure strict public accountability of public funds, particularly in bodies or companies registered under the Companies Act 1965 in receipt of grant, loan or equity participation from public funds.

Up till now, mammoth companies established by public funds, in particular Petronas and Pernas, are completely outside the ambit of control or even review, either by the Auditor-General or Parliament, although it was Parliament which approved the public funds for these government companies to be established in the first place.

The present amendment bill does not improve substantially on controls over expenditures by these government companies. Thus,

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Speech on the Audit Amendment Bill on March 14, 1983

the new section 5(d) of the Audit Act provides that the Auditor-General may examine *"the accounts of any other body, including a company registered under the Companies Act 1965, in receipt of a grant or loan from the Federation or a State, and including also a company where more than half its paid-up share capital is held by the Federation, a State or a public authority, or is so held in the aggregrate by the two or more of them: Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution and notwithstanding any law relating to the audit of the accounts of any such body."*

This is an improvement on the 1978 Audit Amendment Act which provides that only companies with *"not less than 51%"* paid up-share capital from public funds are brought within the Auditor-General's ambit. This means that there is a now an improvement by one per cent, i.e. from over 50% public paid-up share capital from public funds, compared to the present provision of not less than 51%.

What must be noted however is that in both cases, the Auditor-General has no independent power to conduct an audit of such companies. The Auditor-General can only audit such companies if the Yang di-Pertuan Agong, i.e. the Cabinet, invokes Article 106(2) to order him to do so.

As far as I know, ever since the enactment of this power in 1978, Article 106(2) had never been invoked, and for all practical purposes Section 5(d) might as well not exist. If the Government wants to order an audit of the Petronas or Pernas accounts, it has adequate powers under the present Act, for these companies have definitely *'not less than 51% paid-up share capital'* from public funds, or are in receipt of grants or loans.

'WINDFALL' PROFIT

The very fact that Article 106(2) of the Constitution had never been invoked even once to cause an audit to be conducted on even a single one of the teeming government companies, although it is open public knowledge that many of these companies are wasting or mismanaging public funds, leading even to bankruptcies, shows that the Cabinet will be most reluctant and unwilling to allow the Auditor-General to examine the accounts of the public companies.

This is due primarily to political considerations, to avoid unpleasant political publicity for the ruling coalition, thus subordinating public interest to party or sectional political interest. This appears to become a very common phenomenon, as shown by my expose in January this year about the scandalous case where two UMNO Malacca State leaders with a paid-up capital of only $2 were alloted 250 acres of scarce housing land in Batu Berendam, Malacca, in January 1980 at a nominal premium, and two years later, these two Malacca UMNO leaders sold their entire rights for $18 million! The eventual house purchasers of this area would have to finally bear the additional cost of this $18 million 'windfall' profit of these two UMNO Malacca State leaders!

A good case where for political reasons, the government leaders are not prepared to hold government companies or bodies to strict public accountability for their stewardship of public funds is the present scandal of the Bumiputra Malaysia Finance, a wholly-owned subsidiary of Bank Bumiputra in Hong Kong, which gave some $600 to $700 million loans to Hong Kong property speculator companies, one of which is Eda Investments Limited (with some $100 million BMF loans being wound up), while another, Carrian Investments Ltd., with even more massive BMF loans is tottering on the verge of collapse awaiting a rescue operation.

These hundreds of millions of dollars loan by BMF are not only a deviation from the original objectives of the establishment of Bank Bumiputra, but betray abysmal and dubious judgement and management by BMF and Bank Bumiputra officials.

Instead of causing an independent inquiry into the Bank Bumiputra and BMF affairs, the Government appears to be more preoccupied at the moment in denying Malaysian responsibility for the BMF loans, claiming it was a matter for the Hong Kong regulatory authorities, when Bank Bumiputra, with the full knowledge and approval of Bank Negara, had guaranteed the Hong Kong authorities responsibilities for the obligations of the BMF. Furthermore, the BMF's lending activities in Hong Kong were funded primarily by advances by Bank Bumiputra in Malaysia.

I call on the Prime Minister and the Cabinet to invoke Article 106(2) of the Constitution and order the Auditor-General to examine the accounts and activities of Bank Bumiputra and the Bumiputra

Malaysia Finance in particular, to ensure not only strict compliance with financial regulations but control and protect public funds from being misused and mismanaged.

If the Government is not even prepared to invoke Article 106(2) of the Constitution over the Bank Bumiputra and Bumiputra Finance Malaysia scandal, then clearly, the fetters tying the hands of the Auditor-General from independent action in Section 5(d) of the Audit Act should be removed, so that without any order from the Yang di-Pertuan Agong, the Auditor-General is free to examine the accounts of a company or body receiving a grant or loan from the Federal or a State government, and where more than half of its paid-up share capital is held by the Federation, a State or a public authority, or is so held in the aggregate by two or more of them.

Finally, I call on the Government to empower the Auditor-General to audit the accounts of Petronas, Pernas and other government companies and bodies to ensure that their activities can withstand public examination and public accountability.

The BMF Scandal — Bank Negara's Role

Why did Bank Negara authorise such BMF loans? Or is it true that Bank Negara had disallowed such BMF loans but had been overriden by more powerful personalities, who rode roughshod over the objections of not only the head of the Securities and Exchange Division of Bank Negara, but also the Bank Negara Governor himself?

Firstly, I wish to protest in the strongest possible terms against the most cavalier and arrogant attitude of the Government in refusing to give MPs adequate time to study the Banking (Amendment) Bill 1983 for the overwhelming majority of MPs would have received the Bill only this morning or yesterday.

As far as the Government is concerned, Parliament is only a rubberstamp and it does not matter if MPs do not know what is in the Bill, for they are only needed to provide the 'ayes' to pass the Bill upwards on its way to become law.

The DAP MPs are not prepared to be treated with such contempt and surrender their parliamentary duties to the Cabinet and I believe that the Barisan MPs are not all so supine that none of them could feel outraged by such shabby treatment of MPs. The first reading of the Banking (Amendment) Bill was tabled on July 25 and there is no reason why MPs could not be given earlier notice .

The Parliamentary passage of bills is not a question of MPs shouting their 'ayes' when the Government crack its whips, but a full

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Speech on the Banking Amendment Bill 1983 on October 10, 1983.

process of deliberation and debate on the pros and cons of the various legislative proposals, which could only be made intelligently if MPs are given time not only to study the Bills but to consult with the various groups in society who are going to be affected and others who are knowledgeable about the subject-matter of the Bill, for MPs are not know-alls or walking encylopaedieas who could stand up and debate on any subject in a matter of hours.

This is why we find the quality of parliamentary debate so dismally low for MPs are required to debate, and at times to fill up parliamentary time to deny DAP motions from coming up for debate, on subjects they know very little about, without time for them to educate themselves on the subject matter at hand.

For example, the Banking (Amendment) Bill 1983 contains three clauses, the first one on citation of the Bill. The second clause on the 'Scheme of transfer of the undertaking or property of a licensed bank to another licensed bank' runs into six pages, while the third clause on amendment to Section 26A is merely one paragraph.

I am sure that apart from what is stated in the explanatory note of the Bill, the majority of MPs do not know what the Bill is about, for the simple reason that they do not have the time to refer to the 1973 Banking Act and the 1982 Central Bank of Malaysia and Banking (Amendment) Act without which the present amendment means absolutely nothing.

MALPRACTICES

I will discuss Clause 3 of the Bill to amend Section 26A of the Banking Act first, for at a time when the whole country is rocked by the shocking revelations of the $2,500 million loans scandal of Bumiputra Malaysia Finance, the wholly-owned subsidiary of Bank Bumiputra in Hong Kong, this particular amendment is not only ill-timed, but seems to signify a quick and drastic retreat from government proclamations of its seriousness in wanting to ensure integrity and propriety in banking and financial institutions and practices.

When the 2M leadership came to power in July 1981, there was great fanfare about the 2M Government's determination to clean up corruption, malpractices and mismanagement not only in the government service, but also in areas where public trust are exercised as in the banking and financial fields.

As a result, at the end of 1981, the Government introduced the Central Bank of Malaysia and Banking (Amendment) Bill (which was gazetted on 22nd February 1982) to curb banking abuses and malpractices and to ensure that banks maintain prudent banking practices not only in the interest of their depositors but also of the country's economy and finance.

Under the amendments, a new Section 26A in the Banking Act prohibit banks from granting advances, loans or credit facilities to their directors, officers or employees or to any firm or corporation in which any of its directors, officers or employees is interested as *'partner, manager, agent or guarantor'* or has interest. The amendment also defined *'director', 'officer' or 'employee'* to include a spouse, parent, or child of a director, an officer or employee.

Under Section 26A(5), all banks are given till December 31, 1982 or such further period as the Central Bank may specify in any particular case to *'secure the repayment of such advance, loan or credit facility'* which is prohibited under the new section in the Banking Act.

Section 26A only provides for three exceptions to this prohibition on advances, loans or credit facilities by banks to their directors, officers or employees, namely:

- loans to bank employees or officers provided under the appropriate scheme of service (Section 26A(2);
- loans to corporations listed on the stock exchange where the directors do not have any material interest (Section 26A(4);
- loans to public companies where the directors do not have any personal interest (Section 26A(4).

The reasons for this new Section 26A as given to Parliament when introducing the amendment bill by the then Deputy Finance Minister, Datuk Mohd. Najib bin Tun Haji Abdul Razak on 8th December 1981 was as follows:

> *"Larangan tersebut adalah perlu oleh kerana pemeriksaan ke atas bank-bank oleh Bank Negara jelas menunjukkan penyalahgunaan kuasa dan amalan-amalan songsang, terutama oleh Pengarah-Pengarah bank sendiri yang memberikan pinjaman di antara kalangan mereka sendiri tanpa penilaian yang sempurna. Larangan ini juga dijangka dapat menghindarkan pegawai-pegawai bank,*

terutama sekali pegawai-pegawai eksekutif kanan daripada melibatkan diri dalam perniagaan mereka sendiri tanpa menumpukan masa dan tenaga mereka yang sepenuhnya kepada urusan bank."

However, after a year's operation of the 1982 Amendment Bill to 'clean up' the banking industry, the Government is backing down and is introducing an amendment which would nullify the 1982 amendments to prevent banking abuses and malpractices.

Under the present amendment bill, the prohibition on advances, loans or credit facilities by a bank to its directors, officers or employees excepted in the three specified circumstances in Section 26A (2) and (4) could be waived completely by the Bank Negara, with or without conditions!

What is the reason for the Government's backing down in its campaign to 'clean up' the banking and financial malpractices and abuses in the country?

Before the Government comes back to the House to ask for amendments to the 1982 amendments to dilute the powers to check and curb banking abuses and malpractices, the House has a right to expect a report from Bank Negara as to the operation of Section 26A of the Banking Act since its gazette on 22nd February 1982.

For instance, as required by Section 26A(5), has Bank Negara been able to get all banks to comply with the 31st December 1982 deadline to *'secure the repayment of such advance, loan or credit facility'* to their directors, officers or employees, including their spouse, parent or child, under the Section?

Is the Bank Negara in a position to give a bank-by-bank report on whether they have complied with Section 26A(5), or how many such prohibited advances, loans or credit facilities had been repaid by 31st December 1982, how many more had been given an extended period by Bank Negara to secure repayment and the performance record of such extended deadlines? And how many such loans in each bank which had not met the 31st December 1982 deadline, and also not asked for extended period to secure repayment? What is the total amount of such loans, advances and credit facilities for each bank?

In fact, we should ask the more elementary question as to whether Bank Negara has a full list of all such prohibited *'advances, loans or credit facilities'* for every bank in Malaysia?

$769 MILLION UNACCOUNTED

It is such banking and financial malpractices and abuses which has led to the BMF's $2,500 million loans scandal in Hong Kong to three Hong Kong companies, Carrian Investments, Eda Holdings and Kevin Hsu, and the incapacity of Bank Negara to check the gross corruption, malpractices and mismanagement at both Bank Bumiputra and BMF levels.

It was only last Tuesday that Malaysians for the first time had hard information about the magnitude of the BMF loans scandal. The Hong Kong prosecutor, Warwick Reid, revealed in the Hong Kong magistrate's court that Carrian Investments owed Bumiputra Malaysia Finance (BMF) at least HK$4.6 billion (about $1.7 billion) and no one knows what has happened to almost half the money. As Warwick Reid said: *"Of the HK$4.6 billion, about HK$2 billion (M$769 million) is unaccounted for, no one knows where it is, what has happened to it, or who is responsible for it."*

Together with the loans to Eda Holdings and Kevin Hsu, BMF's total loans to these three creditors alone easily exceed M$2,000 million.

With Carrian Chairman George Tan in Hong Kong jail trying to raise HK$51 million ($19.6 million) bail for his release, the once mighty Carrian empire lies in shambles. According to the Hong Kong prosecutor, Carrian owed a total of HK$10.6 billion (M$4 billion) to creditors, with HK$4.6 billion or some 45% to BMF!

With the impending collapse of the Carrian Group, and the BMF's possible loss of anything from $1,000 million to $1,500 million or more, which could easily wipe out the entire Bank Bumiputra capital and reserves of $1,200 million, the question must be put as to whether Bank Negara, as presently constituted, is able to promote a sound and modern banking structure and facilitate effective supervision and control of banks and their financial institutions.

It is fortunate that Bank Bumiputra is a bank established with public funds, and the Government is fully committed to back it up, for if it had been a private bank which allows its subsidiary company to lend out monies well in excess of its total capital and reserves and which would have to be written off as 'bad debts' there would have

been a run on the Bank seriously undermining the entire national economy.

As it is, the BMF's involvement in the Carrian's dubious and shady financial deals had sullied and undermined Malaysia's international financial standing, image and even credit-worthiness, as the once mighty Carrian empire appears to have been the creation not only of George Tan but also the BMF.

Parliament must take a most serious view of the BMF scandal for its lack of financial propriety, probity and integrity reflects not only on Bank Bumiputra but also on the Government of Malaysia.

COVER-UP

This is why I had sought earlier to adjourn the House on a motion of urgent, definite public importance to establish a Royal Commission of Inquiry into the entire BMF loans scandal for it is only in demonstrating our clear position of not condoning any financial impropriety and shady deals that we could regain international financial confidence as well as the people's confidence. However, on the BMF affair, the government appeared to have repealed the principle of accountability.

Thus, although the BMF loans scandal is 20 times more serious than the previous Bank Rakyat fiasco, involving some $150 million, the government's response had been completely different. In the Bank Rakyat case, the Government appointed a special inquiry and published its report, the Price Waterhouse report, as well as a White Paper on it. But on the BMF loans scandal, 20 times more serious, there is only public indifference and persistent cover-up!

All Malaysians are concerned about the BMF scandal and in particular over the recent injection of $600 million into the Bank Bumiputra shareholders fund by Permodalan Nasional Berhad (PNB). Is the $600 million PNB funds going to disappear into the bottomless pit of Carrian and BMF in Hong Kong?

With the latest developments in Hong Kong, and the start of the process of liquidation of the Carrian Group, the people have a right to know what contingency plans the Government has to salvage Bank Bumiputra from being dragged down by the BMF scandal.

Before Parliament is asked to confer greater powers on Bank Negara, as in the case of the present amendment bill, Bank Negara must give Parliament an accounting of its ability to effectively supervise and control banks and their financial operations, especially over the Bank Bumiputra and BMF affair.

I understand that under existing regulations, Bank Bumiputra must get the approval of Bank Negara for all the BMF's massive loans in Hong Kong to Carrian, Eda and Kevin Hsu.

Why did Bank Negara authorise such BMF loans? Or is it true that Bank Negara had disallowed such BMF loans but had been overriden by more powerful personalities, who rode roughshod over the objections of not only the head of the Securities and Exchange Division of Bank Negara, but also the Bank Negara Governor himself?

If this is the case, then Parliament must insist on knowing who had overriden the Bank Negara and had been responsible for the BMF $2,500 million loans scandal, seriously and adversely affecting Malaysia's economic position. This is clearly an exercise of illegal and unconstitutional power by the Executive, and Parliament must consider ways of providing greater unchallengeable autonomy to Bank Negara before we are asked, as is now, to give Bank Negara the power to decide whether Section 26A should be exempted or not. For there is then the very great likelihood that this new power would be exercised not by Bank Negara, but by the political masters!

Secondly, hadn't the Bank Negara inspectorate been aware of the gross malpractices and abuses committed by Bank Bumiputra and BMF officials?

Thus, the Asian Wall Street Journal of March 18-19, 1983 reported that Bank Bumiputra director as well as BMF director, Hashim Shamsuddin, became a director of a tiny Hong Kong company, called Silver Present Ltd., on September 5, 1981. His wife, Margaret Rose Pinder, owned half the company.

Three days later, Silver Present received a HK$3.6 million cheque from the account of property speculator Chung Chin-Man's wife. Two days after the cheque was issued, BMF lent Mr. Chung's Eda Group US$40 million. The only collateral was 115 million Eda shares which are now virtually of no value as Eda went into liquidation with HK$2 billion in debts.

The Asian Wall Street Journal also reported that on the same day that Silver Presents got the HK$3.6 million cheque, another private Hong Kong company, Knife & Dagger Ltd., received a cheque for the same amount from the account of Mr. Chung's wife. The Journal reported that the Hong Kong government records indicate that Knife and Dagger's only shareholders were Carrian Chairman, George Tan, and his secretary, Carrie Woo. Knife & Dagger was incorporated in November 1979. In January 1980 the company deposited HK$372,000 with Wing Lung Bank Ltd. to guarantee a banking facility for Ibrahim Jaffar, BMF's general manager. The Journal reported that at about the same time, Ibrahim also received a Hong Kong $1 million facility guaranteed by Carrian Holdings Ltd.

COMMISSION

What is shocking is that the persons named in this public fashion did not take any legal action to clear themselves and Bank Negara and the government authorities closed their eyes and ears to the revelations!

Again, what has Bank Negara done with regard to the reported $10-$20 million which Bank Bumiputra and BMF senior executives had received in connection with the BMF loans to Carrian, Eda and Kevin Hsu as one percent commission for the BMF loans in Hong Kong.

The Star's report yesterday said the four principal officers involved in the BMF loans scandal are Bank Bumiputra Director and BMF Chairman, Lorraine Esme Osman, Bank Bumiputra Director as well as BMF Director, Datuk Hashim Shamsuddin, Bank Bumiputra's Senior General Manager, Dr. Rais Saniman, and BMF General Manager, Ibrahim Jaffar. I have been told that three of the four are out of the country.

Bank Negara has let the people of Malaysia down badly in the Bank Bumiputra and BMF affair for Bank Negara must bear its full responsibility in allowing a Bank to lend out to one creditor amounts in excess of its capital and reserve together, as in the case of Carrian Group.

There must not only be a Royal Commission of Inquiry into the BMF loans, there must be a separate inquiry into the Bank Negara to ascertain why it had fallen down so badly on the Bank Bumiputra and BMF affair.

BMF Scandal — 'Let the chips fall where they should'

> *Tun Hussein Onn's 1979 hope had proved futile, for we have in the BMF loan scandal involving some $2,500–$3,000 million, a scandal which is 20 times more serious than the Bank Rakyat fiasco — and not only was there no UMNO delegate at the recent UMNO General Assembly who has shown any interest or concern in the BMF scandal, we now have a government which is not prepared to be as forthright and as accountable as the previous Administration which ordered a Price Waterhouse investigation into the Bank Rakyat fiasco as well as releasing the Price Waterhouse report and a Government White Paper on it.*

The Finance Minister's 1984 Budget would probably go down in Malaysian history as the Budget which commanded the shortest span of public attention. It is not even a nine-day wonder, for after one's day's publicity, the Malaysian public returned to the greater preoccupation about the $2,500 million loans scandal of Bumiputra Malaysia Finance in Hong Kong, the biggest banking and financial scandal in the history of Malaysia since Merdeka.

I believe I am not the only one to be very disappointed by the failure of the Finance Minister, Tengku Razaleigh, to take the opportunity of the 1984 Budget presentation to make disclosures, either through his oral presentation or by way of an appendix to the Treasury Report 1983/84, about the BMF scandal in Hong Kong in view of the colossal sum of public funds involved.

Speech on the 1984 Budget on October 24, 1983.

The Finance Minister's 1984 Budget presentation, therefore, has done nothing to restore both national and international confidence about the integrity and responsibility of the country's banking and financial institutions, as well as in the political will and commitment of the Government to clean up the BMF mess and punish the culprits involved to ensure that there would be no recurrence in future.

The BMF scandal is the concern of all Malaysians for its parent company, Bank Bumiputra, was established with public funds and from 1971 to 1980 Parliament allocated a total of $253.5 million to Bank Bumiputra, to, in the words of Tun Abdul Razak when he launched Bank Bumiputra on September 30, 1965, *"remedy the lack of capital among the Bumiputras so as to enable them to improve their existing business and to encourage them to undertake new enterprises which are expected to accelerate development and increase the wealth of the country."*

It is also the concern of all Malaysians because as the flagship of Malaysian banks, Bank Bumiputra must set the example of exemplary leadership in banking and financial ethics and conduct for other banks and financial institutions to follow.

The BMF loans scandal, however, is of even more direct concern of the 1.3 million bumiputras who have invested in the Amanah Saham Nasional because the ASN parent body, Permodalan Nasional Berhad (PNB) has just injected $600 million into Bank Bumiputra to stall off the BMF crisis, with long-term adverse consequences to the value of ASN.

DEAF EARS

This is why the DAP had for the last eight months called for full public disclosure on the BMF scandal, and let the chips fall where they should, regardless of however high-ranking whoever is involved in the BMF scandal, so that those who are responsible would be brought to book and be a lesson to others in future to demonstrate Malaysia's seriousness in demanding high standards of responsibility and integrity among those entrusted with the financial future of the country.

In the debate on the Audit Amendment Bill in the Dewan Raykat as far back as 14th March 1983, I called on the Government to invoke

Article 106(2) of the Federal Constitution to order the Auditor-General to audit the Bank Bumiputra and in particular the Bumiputra Malaysia Finance loans scandal, but it fell on deaf ears. On June 28, 1983, the DAP called for a Government White Paper on the BMF loans scandal and on 21st July 1983, we called for a Royal Commission of Inquiry into the loans scandal following the cold-blooded murder of Encik Jalil Ibrahim, the Assistant General Manager of BMF, in Hong Kong.

Up to now, the Government has been conducting a sustained operation of stone-walling to escape accountability to the people on the BMF loan scandal. The Malaysian people are therefore entitled to demand to know why they should be asked to pay increased government taxes, rates and other government charges and levies when the Government allows Bank Bumiputra and Bumiputra Malaysia Finance to squander billions of dollars of public money with complete impunity.

I remember that in the 1979 UMNO General Assembly, the then Prime Minister, Datuk Hussein Onn, referring to the Bank Rakyat scandal involving some $150 million of malpractices, mismanagement and misuse of public funds, said that *"a country will be destroyed if its leaders are dishonest, untrustworthy or corrupt"* and expressed the hope that the Bank Rakyat 'fiasco' would be a *"bitter lesson to other government institutions and agencies including companies and subsidiaries set up by the Government."*

EVADING RESPONSIBILITY

Tun Hussein Onn's 1979 hope had proved futile, for we have in the BMF loans scandal involving some $2,500 — $3,000 million, a scandal which is 20 times more serious than the Bank Rakyat fiasco — and not only was there no UMNO delegate at the recent UMNO General Assembly who showed any interest or concern in the BMF scandal, we now have a government which is not prepared to be as forthright and as accountable as the previous Administration which ordered a Price Waterhouse investigation into the Bank Rakyat fiasco as well as releasing the Price Waterhouse report and a Government White Paper on it.

Although the Prime Minister, Dr. Mahathir Mohamed, said over the weekend that the Government was considering the possibility of

setting up a Royal Commission of Inquiry into the BMF loan scandal, and he did not rule out the possibility of a White Paper, I cannot find this satisfactory. I of course welcome signs that Dr. Mahathir Mohamed is responding to the nation-wide pressure for a full disclosure on the BMF scandal, but it is time that the Government make a full commitment to establish a Royal Commission of Inquiry into the BMF considering that the Government must have known about the BMF and Bank Bumiputra mess for about two years.

For all this time, the Government had been evading its responsibility to account to Parliament and the people on the BMF and Bank Bumiputra scandal. When DAP MPs asked the Government in the March and July meetings of Parliament about the BMF crisis, the Finance Minister, Tengku Razaleigh, invariably invoked the Central Bank of Malaysia Ordinance 1958 and the Banking Act 1973 to justify their legal inability to disclose any information relating to the affairs of any bank except by way of a High Court order.

But in actual fact, the Government does not regard such laws on non-disclosure on banking information as totally sacred and inviolable. This could be seen by the New Straits Times front-page report, highlighted further by being put in a box, dated Wednesday, October 12, 1983, under the heading '*Maybank's loan to Carrian*'. The report, datelined Kuala Lumpur, said:

"Kuala Lumpur, Tues. — Malayan Banking is a party to a syndicated loan, totalling HK$540 million ($156 million) for the Carrian group, an official of the bank said today.

The bank's share is 'small ... less than the average of the 23 banks involved in the syndication,' ... he added.

The official said the loan, secured against a property called the Carrian Centre, was managed by Wardley Ltd. of Hong Kong.

Wardley was one of Carrian's advisers. It has since withdrawn from that role."

This report is most remarkable, for not a single one of the creditors of Carrian apart from Malayan Banking appears to be ready to volunteer information of their Carrian dealings. Even Bank Bumiputra is not prepared up to now to give the full disclosure of its loans to Carrian and the total loans given out in Hong Kong, which I estimated to be in the region from $2,500 million to $3,000 million.

Is this New Straits Times scoop the result of unusual journalistic enterprise? A seasoned observer will know that the New Straits Time report is an official leak by the Government, which owns 50 per cent of the equity of Malayan Banking Berhad, 30 per cent being held directly and 20 per cent through Bank Bumiputra Malaysia.

I can only conclude that the official leak about the Malayan Banking's loans to Carrian, either by Bank Bumiputra or the Government, is an attempt to 'whitewash', in the words of Dr. Mahathir Mohamed, the *'heinous crimes'* of Bank Bumiputra and BMF. Is the government investigating who leaked the information and violated both the Central Bank Ordinance and Banking Act and initiate prosecution against him or them?

On 11th October 1983, the Prime Minister, Dr. Mahathir Mohamed, made his first statement on the BMF scandal, which he described as a *'betrayal of trust'* and *'a heinous crime'*. His statement, however, raised more questions than answering any.

Before I proceed further, I wish to register my protest at the contempt that Dr. Mahathir has shown Parliament in not giving an accounting to Parliament on the BMF, especially as on the previous day, 10th October 1983, I had sought to adjourn the House on a motion of urgent, definite public importance to discuss the need for a Royal Commission of Inquiry into the BMF loans scandal, and this application was rejected by the Speaker on the ground that the Government would be making a statement on it.

CONTEMPT

It is implicit in the Speaker's ruling that the Government would make the BMF statement in Parliament. The Prime Minister not only made the statement on the BMF outside the House, but even told reporters that he did not answer questions in Parliament on the BMF because the funds involved are those of Bank Bumiputra and BMF and not that of the Treasury and that in Parliament the BMF issue would be *'politicised'*.

The Prime Minister has shown gross ignorance of the principle of accountability to Parliament in this case, which is shocking for one whose first hundred days as Prime Minister was associated with the beginning of a government which would honour the principle of

accountability to the people, but he has also shown contempt to Parliament. I would ask the Prime Minister to apologise, if not to individual Members of Parliament, at least to the institution of Parliament for such slight and contempt, unless the Prime Minister is finding Parliament insufferable and intolerable and should be reduced to a mere rubber-stamp for the Cabinet.

Dr. Mahathir's statement, which came about a year after the first news of the BMF loans scandal in Hong Kong had broken publicly, was clearly forced out of the Government because of the Hong Kong magistrate's court revelation on 4th October 1983 that Carrian Investments owed Bumiputra Malaysia Finance at least HK$4.6 billion (about M$1.7 billion) and no one knows what has happened to almost half the money of about HK$2 billion (M$769 million) and the ensuing liquidation proceedings taken against the Carrian Group after the arrest of its mastermind, George Tan.

I have said that the Prime Minister's October 11 statement and other subsequent statements raise more questions than answer any. I will deal with these questions one by one.

1. What is the extent of BMF loans to Hong Kong?

Early in the year, Bank Bumiputra and Government officials allowed the people to believe that the BMF loans in Hong Kong were in the region of some $400 million. However, as a result of the revelations in the Hong Kong magistrate's court about the Carrian Investment's $1,700 million loan from BMF, the total figure appears to have shot up to $2,000 million. In fact, in my press statement on June 28 calling for a Government White Paper on the BMF loans, I had already estimated the BMF's loans to the three Hong Kong creditors alone, namely Carrian Investments, Eda Holdings and Kevin Hsu, to be in the region of $2,000 million!

However, with the recent Hong Kong court revelations, this estimate may have to be revised upwards. One of the BMF's famous trio of creditors, Kevin Hsu, had been reported in the international press as owing BMF HK$1,000 million. Together with the debts of Eda Holdings, as well as loans given out by the BMF to other Hong Kong borrowers, the grand total of BMF loans in Hong Kong could easily be in the region of $2,500 million to $3,000 million considering the reckless and imprudent manner in which massive loans are given out by BMF.

I would call on the Government to give Parliament the grand total figure for the BMF loans in Hong Kong.

2. How much does BMF stand to lose?

The second question is how much Bumiputra Malaysia Finance and its parent company, Bank Bumiputra, which had *"undertaken to assume the liabilities, obligations and commitments of BMF"*, stand to lose? Dr. Mahathir had estimated that the BMF would be able to recover some 25–30 per cent of the BMF loans, while financial circles in Hong Kong regarded a 20% recovery as already 'optimistic'.

Taking a 20% recovery on the basis of a lower grand total figure of $2,500 million loans in Hong Kong, this means that the BMF and the Bank Bumiputra stand to lose $2,000 million — which is a colossal sum of money, and as the DAP Candidate for the forthcoming Seremban by-election, as well as DAP National Chairman, Dr. Chen Man Hin, had computed last Saturday, it could build 120,000 low-cost housing units or 150,000 classrooms!

3. Who in Bank Bumiputra was responsible for the BMF loans?

The next question is who in Bank Bumiputra was responsible for the BMF loans. Dr. Mahathir said that the Bank Bumiputra Board, apart from the then Chairman, Tan Sri Kamarul Ariffin, was apparently unaware of the extent of the loans to Carrian. This is a most unbelievable statement as on the Bank Bumiputra Board were two other directors, Lorraine Esme Osman and Datuk Mohamed Hashim Shamsuddin, who were also BMF directors directly involved in the BMF loans. Dr. Mahathir also said that the Bank Bumiputra's auditors warned the bank's chairman of the extent of the BMF's loans to Carrian.

Tan Sri Kamarul Arrifin has totally denied knowledge of the BMF loans to Carrian, and asserted that it was never brought up at the Bank's Board meeting and that he also never asked about them. Up to now, he had not seen the external auditor's reporting concerning the huge loans to Carrian. He said that while he was bank chairman until March 1982, his policy was that no loans were to be given for loans overseas and that he was not aware that any funds had been given to BMF by Bank Bumiputra.

Tan Sri Kamarul Ariffin went on further to imply that the BMF's loans scandal in Hong Kong was largely the development after his stepping down as Chairman. Thus, he said that when he stepped down, the BMF statement of accounts did not show any extra-ordinary loans figures, and that he was himself shocked to read the BMF's statement of accounts issued after his departure showing extraordinarily massive loans.

Tan Sri Kamarul Ariffin's remarks are important, for the BMF's 1982 annual report showed that the BMF's outstanding loans at the end of 1982 soared 145% from HK$2,032 million at the end of 1981 to HK$4,972 million at the end of 1982; and that the new lending was funded entirely by Bank Bumiputra which pumped HK$2,282 million into the BMF in 1982.

The question is whether this 145% increase of the BMF's Hong Kong loans in 1982 took place during Tan Sri Kamarul Ariffin's tenure or after. If it took place after Tan Sri Kamarul Arrifin's tenure, then the new Bank Bumiputra Chairman, Dr. Nawawi Mat Awin, should clarify this for he must bear responsibility for this 145% loan increase.

INCREDIBLE

Unfortunately, Dr. Nawawi has so far been making meaningless statements like the one last week that *"apart from the BMF, the bank and the rest of the group have done well and their operating results will be significantly better than the previous years"*, because these other Group profits would be completely wiped out and put the Group in deep red as a result of the massive $2,000 million losses from the BMF.

However, Tan Sri Kamarul Ariffin's statement that when he re-signed as Bank Bumiputra Chairman he knew nothing about BMF loans because no Bank Bumiputra money was given to BMF is highly irresponsible and incredible. This is because from the 1981 BMF Director's Report and Accounts, it is clearly shown that the BMF owed the parent company, Bank Bumiputra, HK$1,879 million at the end of 1981 as compared to HK$1,088 million at the end of 1980.

Furthermore, can Tan Sri Kamarul Ariffin really disclaim know-ledge of BMF's total outstanding loans of HK$1,258 million at the

end of 1980 and an increase of 61.5% to HK$2,032 million at the end of 1981?

How could the Executive Chairman, and all the other Directors of the Bank, who have lent out billions of dollars to a subsidiary know nothing about it, or how could Bank Negara, as well as the Bank's internal and external auditors, allow such imprudent transactions to continue?

There is also dispute as to whether Tan Sri Kamarul Ariffin was asked to step down as Executive Chairman of Bank Bumiputra because of his involvement in the BMF affair, as suggested by Dr. Mahathir and subsequently confirmed by a Bank Bumiputra source, but contested by Tan Sri Kamarul Ariffin himself, who said he resigned because he had *'achieved what he had set out to do'* — namely the handing over of Bank Bumiputra shares to the bumiputras when PNB acquired majority shareholdings.

However, if it is true that Tan Sri Kamarul was asked to step down because of the BMF affair, then we can make the following assumptions:

Firstly, that by Tan Sri Kamarul Ariffin's own admission, from August 1981 to the end of the year, he was confined to his home with hepatitis, the authorities concerned must have come to realise the need to replace him sometime in the latter part of 1981, probably as a result of his illness; this is because it must have taken some time before understanding the BMF maze of loans and the Bank Bumiputra's financial crisis. It is unlikely that this happened at the spur of the moment in February or March 1982.

Secondly, that the 1982 BMF loans which exceeded the 1981 loans by 145% were made without the knowledge of Tan Sri Kamarul Ariffin.

However, if Tan Sri Kamarul Arrifin resigned on his own volition then the above two suppositions do not apply.

4. What is Bank Negara's Role in the BMF scandal?

We now come to the Bank Negara's role in the BMF scandal. Tan Sri Kamarul Arrifin said that the Bank Bumiputra has special links with the government with certain specific features not found in other

banks and that no important decisions were made without the knowledge and agreement of Bank Negara. The refusal of the Bank Negara Governor, Tan Sri Abdul Aziz Taha, to comment on Tan Sri Kamarul Ariffin's statement however does not absolve Bank Negara's responsibility in allowing the Bank Bumiputra to commit itself to the BMF loans.

Dr. Mahathir Mohamed said on October 11 that Bank Negara was *'apparently unaware of the BMF affair'* earlier on but its investigations were still going.

This statement is shocking for two reasons:

Firstly, does Bank Negara want the people to believe that it does not read the published annual reports of Bumiputra Malaysia Finance that revealed that in 1980, it owed Bank Bumiputra HK$1,088 million and issued outstanding loans amounting to HK$1,250 million; while in 1981, it owed Bank Bumiputra HK$1,879 million and had outstanding loans amounting to HK$2,032 million, or it had read them without seeing danger signals? If Bank Negara was not aware of the BMF's loans in 1980 and 1981 *'made beyond banking prudence'* (in the words of Tan Sri Aziz Taha on the BMF affair), then Bank Negara had also been grossly negligent in its duties to promote a sound and modern banking structure and facilitate effective supervision and control of banks and their financial institutions.

Secondly, that even up to now, after some two years since the Government authorities realised that the BMF is a highly scandalous case requiring Tan Sri Kamarul Arrifin to be replaced, Bank Negara has still not completed its investigations. This again raises the question about the competence and efficiency of the Bank Negara!

Clearly, Parliament and the people are entitled to know what Bank Negara has done to try to prevent the BMF loans scandal; whether it had simply fallen on its job or whether it had been prevented by political interference from powerful circles from discharging its responsibility as the custodian of banking integrity in Malaysia.

5. Which Minister is in direct charge of Bank Bumiputra?

A most shocking revelation of the unfolding BMF scandal is the breakdown of authority where no Minister knows who is really in charge of Bank Bumiputra.

In February this year, after the famous Sri Gading speech of the Deputy Prime Minister, Datuk Musa Hitam, on the deviations of the Bank Bumiputra, the Finance Minister, Tengku Razaleigh, said in Kuala Lumpur that the Bank Bumiputra was under the charge of the Prime Minister and that the Bank Bumiputra Board was responsible directly to the Prime Minister.

But the Prime Minister said in his October 11 statement that Bank Bumiputra was under the Finance Ministry during the whole period of the BMF scandal and still is now.

When I asked the Finance Minister the next day on 12th October during question time who was in real charge of Bank Bumiputra, Tengku Razaleigh replied that if the Prime Minister said he was in charge, then he was in charge. What type of an answer is this?

This dispute as to which Minister is in charge of Bank Bumiputra is even more disturbing than the BMF loans scandal, for it shows a failure and even collapse of government leadership when the Cabinet is confused as to the allocation of the various Ministerial responsibilities.

Parliament must demand a full explanation from both the Prime Minister and Finance Minister as to how this confusion, leading to no one in charge, could arise.

6. A 'heinous crime' without criminals?

What Malaysians find unacceptable is that although Dr. Mahathir describes the BMF loans scandal as a *'heinous crime'*, there appears to be no criminals. Dr. Mahathir said that Tan Sri Kamarul Ariffin as well as four other senior officers of the bank's Hong Kong subsidiary, BMF, accepted *'consultancy fees'* amounting to HK$3.3 million from BMF between 1979 and 1981. Dr. Mahathir said that these were *'moral wrongdoing'* although what they had done was within the law and they would not be taken to court.

Dr. Mahathir gives the Malaysian public two impressions here: Firstly, he seems to be double-quick in absolving everyone of legal liability by merely attaching them with moral wrongdoing. Dr. Mahathir's absolution of these legal liability appears to be over-hasty and ill-advised. However, taking his words at face value, that the government has no legal case against them as they were guilty only of

'moral wrongdoing', then is the Government taking action to strip these persons of their Tan Sri-ship and Datuk-ship as they bring dishonour and disrepute to these titles by their 'moral turpitude'?

The second impression is that Dr. Mahathir is spending an inordinate amount of time on HK$3.3 million of *'consultancy fees'* when what is at stake is some $2,500 million!

Malaysians are going to find it hard to believe that in a BMF scandal involving $2,500 million, *'heinous crimes'* have been committed without criminals. The public suspicion of 'cover-up' would be impossible to dismiss.

Tan Sri Kamarul Arrifin's denial that he has received *'consultancy fees'* from BMF and the inability of the Prime Minister to substantiate his allegation has weakened even further the government's entire credibility in the BMF affair.

7. The Anti-Corruption Agency's Role

Another sorry chapter in the unfolding BMF scandal is the role of the Anti-Corruption Agency. Last Thursday, it was reported that the Anti-Corruption Agency had no plans to probe the BMF affair as nobody had asked the ACA to investigate any aspect of the matter. It is now the typical characteristic of the ACA to be blind and deaf to major scandals and corrupt practices and alive only to 'small fishes' as even conceded by the Deputy Finance Minister, Dr. Ling Liong Sik.

Surely, the ACA must be aware of the Asian Wall Street Journal of March 18-19, 1983, which named names and their detailed transactions which if true are clearly fully within the jurisdiction of the ACA.

Thus, the Asian Wall Street Journal reported that Bank Bumiputera director as well as BMF director, Hashim Shamsuddin, became a director of a tiny Hong Kong company, called Silver Present Ltd. on September 5, 1981. His wife, Margaret Rose Pinder, owned half the company.

Three days later, Silver Present received a HK$3.6 million cheque from the account of property speculator Chung Chin-Man's wife. Two days after the cheque was issued, BMF lent Mr. Chung's Eda Group US$40 million. The only collateral was 115 million Eda shares which

are now virtually of no value as Eda went into liquidation with HK$2 billion in debts.

The same Asian Wall Street Journal report also stated that on the same day that Silver Present got the HK$3.6 million cheque, another private Hong Kong company, Knife & Dagger Ltd., received a cheque for the same amount from the account of Mr. Chung's wife. The Journal reported that the Hong Kong government records indicated that Knife and Dagger's only shareholders were Carrian Chairman, George Tan, and his Secretary, Carrie Woo. Knife & Dagger Ltd. was incorporated in November 1979. In January 1980 the company deposited HK$372,000 with Wing Lung Bank Ltd. to guarantee a banking facility for Ibrahim Jaffar, BMF's general manager. The Journal reported that at about the same time, Ibrahim also received a Hong Kong $1 million facility guaranteed by Carrian Holdings Ltd.

To my knowledge, neither of the two persons named by the Asian Wall Street Journal had taken legal action to sue the journal for libel. Surely, these two gentlemen should be subjects fit for the ACA to conduct investigations.

The ACA prides itself as being independent and impartial, not subject to the dictates of the powers of the day. Last weekend, I tried to make an appointment with the top ACA officers to discuss about the BMF scandal, but the ACA officials were so 'independent' that they dare not even return the calls by my secretary, Madhavan Nair. I have no doubt that if the Prime Minister wanted to see them, the ACA would break into a run. This is the independence and impartiality of the ACA!

8. The Role of Permodalan Nasional Bhd

As the PNB has become the 80% majority shareholder of the Bank Bumiputra with the recent injection of $621 million into the Bank's shareholders' fund raising it from $644 million (share capital $476 million and reserves $168 million) to $1,265 million, the PNB owes in particular the 1.3 million bumiputra investors in the Amanah Saham Nasional a full explanation whether their interests have been prejudiced by the PNB's majority stake in the Bank Bumiputra.

As a result, the scandal of the BMF and Bank Bumiputra has also become the scandal of PNB and ASN.

9. Are BMF troubles the result of the collapse of the Hong Kong property market or more deep-seated in being involved in one of history's greatest corporate frauds?

From Dr. Mahathir's October 11 statement, we are being made to believe that the BMF troubles and crisis were created by the *'ham-fisted'* handling of the China-Hong Kong relationship by the British resulting in the collapse of the British colony's property market.

While it is true that the collapse of the property and shares market at the end of 1982 created an economic crisis in Hong Kong, this must not blind us to the fact that the BMF's loans scandal was something more deep-seated: involvement in probably one of history's greatest corporate frauds.

The George Tan and Carrian phenomenon was very much the creation of BMF. The trial of George Tan in Hong Kong would probably reveal not only the frauds of George Tan but also the BMF's role.

Is this the reason why the BMF officials were involved in helping to raise the $15 million bail which the Hong Kong courts demanded for his release? Why should the BMF officials be so solicitous about the welfare of a man who may have caused the BMF and the people of Malaysia the loss of some $1,700 million? Is this to get George Tan's goodwill to co-operate to keep under wraps the BMF's role in the George Tan and Carrian phenomenon? Did the Bank Bumiputra Board of Directors and the BMF authorise the BMF officials to help in raising funds for the bail for George Tan?

10. A Royal Commission of Inquiry

A Royal Commission of Inquiry into the BMF scandal is imperative not only to get to the bottom of the Bank Bumiputra and BMF loans scandal, but also to restore national and international confidence in the banking and financial institutions in Malaysia as well as to re-establish the credibility and authority of the political leadership in the country.

Such a Royal Commission of Inquiry is necessary especially as it has been rumoured for some considerable time that prominent political personalities, reaching up to Cabinet or former Cabinet level, had been involved in the BMF loans scandal. This is all the more

credible as very few Malaysians would believe that a handful of BMF directors and officials would dare on their own authority to commit Malaysia to the tune of some $2,500 million.

A Hong Kong source has also attributed to a high official of the British Colony indications that the Carrian investigations and trials would eventually implicate high officials of a neighbouring country, up to even Cabinet level.

We cannot wait for the series of George Tan court trials for the various BMF time-bombs to go off. We must have the character and political will to conduct our own investigations into the BMF affair.

The dark hints by Tan Sri Kamarul Arrifin that Malaysia could face several more Carrian-like problems, especially involving the PNB, should make such a Royal Commission of Inquiry unchallengeable, or otherwise, it would give rise to an impression that the Government had been cowed by Tan Sri Kamarul Arrifin's threat that more Carrian-like scandals would be exposed to sweep everything under the carpet.

I would also want the Finance Minister, Tengku Razaleigh, to confirm or deny as to whether Hashim Shamsuddin was the Treasurer of the UMNO Building Fund Committee, for such connections would give rise to more inferences which only a Royal Commission of Inquiry could clear.

The Prime Minister should make an early decision to establish a Royal Commission of Inquiry. The Commission should comprise Malaysians of undoubted integrity who can command respect and confidence from all sections of the Malaysian society. Dr. Mahathir should not make the same mistake committed by President Marcos when appointing a commission of inquiry into the assassination of Filipino Opposition Leader, Beningo Aquino, who now has to replace them with a new commission as the members did not have public respect.

A Royal Commission of Inquiry into the BMF should be conducted in public with full powers to investigate all aspects of the BMF loan scandal, including the roles played by Bank Bumiputra, the internal and external auditors as well as Bank Negara.

11. DAP calls on Attorney-General to prosecute Bank Bumiputra Directors for non-compliance of Section 169 of the Companies Act 1965 which is punishable with two years' jail or $5,000 fine

I now come to the massive operation of the Bank Bumiputra Directors, and in particular the Chairman, Dr. Nawawi Mat Awin, to mislead the public about the true state of the accounts of the Bank and its subsidiaries.

I have shown the 1982 Directors' Report and Accounts of the Bank Bumiputra Malaysia Bhd to company law authorities, and I have been advised that based solely on the Bank Bumiputra's 1982 Directors' Report and Accounts, the Executive Chairman and the Directors of Bank Bumiputra have failed on several counts to comply with the requirements provided for in Section 169 of the Companies Act 1965 which make them liable to prosecution under Section 171 for offences punishable with two years jail or $5,000 fine each.

I want to ask the Finance Minister whether action has been initiated to prosecute the Bank Bumiputra directors for failing to comply with the Companies Act to make a salutary example of them so that the directors of all banks and companies would adhere scrupulously to the requirements of Section 169 of the Companies Act designed to protect the interests of shareholders and the public.

Thus, Section 169(5) of the Companies Act 1965 provided that the directors of a company shall cause to be attached to every balance-sheet in the Directors' annual report and accounts a report signed by or on behalf of the directors with respect to the state of the company's affairs and *"if the company is a holding company with respect to the state of affairs of the holding company and all of its subsidiaries."*

Section 169(6) in its various sub-sections provides that the report shall state with appropriate details —

(a) whether or not the results of the operations of the company and of its subsidiaries in the period covered by the profit and loss account have in the opinion of the directors been materially affected by items of an abnormal character;

(c) whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate;

(d) whether any contingent liabilities which have not been discharged have been undertaken by the company or by any of its subsidiaries in the period covered by the profit and loss account and, if so, the amount thereof and whether or not any such contingent liability has become enforceable or is likely to become enforceable within the succeeding period of twelve months which will materially affect the company in its ability to meet its obligations as and when they fall due.

Non-compliance of these provisions under Section 169(6), which appeared to be the case with regard to the Bank Bumiputra's Directors' Report for 1982, makes them liable to conviction under Section 171 which provides for a penalty of two years' jail or $5,000 fine.

How can the Bank Bumiputra's Directors' Report for 1982 report that the results of the Bank and the Group for the year ended 31st December 1982 *'have not been materially affected by items of an abnormal character'* when the bottom had gone out of the Hong Kong shares and property market by the last quarter of 1982, and before the end of 1982, BMF's three major borrowers, Carrian Investment, Eda Grop and Kevin Hsu, were unable to repay their debts.

It was clear by the end of 1982 that the BMF would be able to recover only a small fraction of its HK$4,972 million loans. This is why the BMF's Auditors, Touche Ross & Co, Chartered Accountants/Certified Public Accountants, refused to give a clean certificate to the BMF's 1982 Accounts. Touche Ross & Co. only certified the Accounts of 1982 after the qualification that *"the parent company (Bank Bumiputra) has given an undertaking to assume the liabilities, obligations and commitments of the company should the borrowers of the company become insolvent."*

The insolvency of Carrian, Eda and Kevin Hsu had thus become a very real possibility by the end of 1982, but this *'item of an abnormal character'* involving some HK$4,972 million for which Bank Bumiputra had to assume *'full liabilities, obligations and commitments'* and which could totally wipe out Bank Bumiputra's shareholders' fund was not mentioned at all. This is clearly in non-compliance with Section 169 of the Companies Act.

Again, how could the Bank Bumiputra Directors' certify that no circumstances had arisen which would render adherence to the exist-

ing method of valuation of assets and liabilities of the Bank and of the Group *'misleading or inappropriate'* when the Directors have not made adequate provision for the BMF bad loans and doubtful loans, for which it had stood guarantee?

Again, how could the Bank Bumiputra Directors in their Report dated 13th June 1983 declare that *'no contingent liabilities have become enforceable or are likely to become enforceable within the succeeding period of twelve months which will materially affect the Bank or the Group in their ability to meet their obligations as and when they fall due'* when it was very clear by June 1983 that the rescue operation of Carrian, for instance, may not succeed, and Bank Bumiputra may have to immediately meet its obligations. As events proved, despite the declaration that no contingent liabilities *"are likely to become enforceable within the succeeding period of twelve months"*, i.e. till June 1984, within three months of the Directors' Report, the Carrian empire had collapsed!

PROSECUTE

I have been advised that solely on the Directors' Report for 1982, without taking into account the extraneous statements and developments which could only fortify the cases, the Bank Bumiputra Directors had failed to comply with the Companies Act requirements in Section 169 on disclosures in their Annual Report, and had committed offences under Section 171.

Section 169(16) provided that *'the form and content of the reports of the directors and the annual balance-sheet and profit and loss account shall apply to a banking corporation with such modifications and exceptions as are determined either generally or in any particular case by the Bank Negara, Malaysia'*, but this sub-section could not be taken to mean to exempt Bank Directors to disclose material particulars, or to empower Bank Negara to defeat the whole purpose of Section 169 on disclosure and to commit unlawful acts.

I call on the Attorney-General to prosecute the Bank Bumiputra Directors for offences under the Companies Act for their misleading Directors' Report for 1982 in relation to the BMF loans scandal. The famous Tarling's case in Singapore, which had received the imprimatur of the Privy Council, has clarified the Directors' duties and liabilities in this regard.

It is ironic that just for the sake of pretending that its Group pretax profits were impressive, namely $84.7 million (an increase of $9.5 million or 12.7%), Bank Bumiputra Group had to provide for $40 million in taxes which it would not need to do if it had made adequate provision for the doubtful BMF loans in Hong Kong. Probably the PNB and ASN investors should demand that the Bank Bumiputra Directors should be responsible for this unnecessary tax of $40 million!

According to the Bank Bumiputra Directors' Report for 1982, the Directors for the year ended 1982 were:

Dr. Nawawi Mat Awin (Executive Chairman as from 1.4.1982)
Datuk Mohd. Hashim Shamsuddin (Executive Director)
Lorrian Esme Osman
Datuk Haji K. Mushir Ariff
Tan Sri. S.O.K. Ubaidulla
John K.D. Eu.
Tan Sri Kamarul Ariffin (Resigned on 9.2.1983)
Senator Datuk Saleiman Ninam Shah (resigned on 13.3.83)

The Attorney General should prosecute all the above eight Directors as they are collectively and individually responsible for the misleading information of the 1982 Bank Bumiputra Directors' Report in contravention of the Companies Act 1965.

12. The role of the Auditors

This brings me to the Auditors of Bank Bumiputra Malaysia Bhd., Hanafiah Raslan & Mohamed, Chartered Accountants/Certified Public Accountants, who issued a clean certificate to the 1982 Bank Bumiputra Accounts without any qualifications or reservations whatsover, declaring that the accounts and report gave *"a true and fair view"* of the Bank and the Group's Affairs as at 31st December 1982.

This reminds me of the Government White Paper to the Bank Rakyat fiasco in 1979 which attributed the Bank Rakyat malpractices to the Managing Director and certain officers of the Bank, but said that if the Chairman, the Board of Directors, the Registrar-General of Co-operative Societies and the external auditor *"had properly discharged the functions and responsibilities imposed on them, they could have prevented the management from perpetuating the malpractices and thereby could have reduced the losses to be borne by members of the Bank."*

The White Paper stated that the auditors of Bank Rakyat, Kassim, Chan & Co. failed to comment on a number of important issues in the 1973 and 1974 accounts placed before the members of the Bank at their 19th Annual General Meeting on 6th September 1975. It went on to state that the Price Waterhouse investigations revealed that the auditors did not sufficiently comment on:

(a) the maintenance of proper accounting records;
(b) the provision of doubtful loans;
(c) the valuation of investments in stocks and shares when the market price was substantially below cost.

Section 174 of the Companies Act requires every auditor to state whether, in his opinion, the balance sheet and profit and loss account give a *'true and fair view of the state of the company's affair'* and also whether the Directors' Report had complied with the requirements of the Act.

If the Bank Bumiputra Directors in their 1982 Report had failed to provide the information required by the Companies Act, then the Auditors had also committed a grave act of professional negligence by giving a clean, unqualified report.

Auditors are liable for the losses incurred by their clients because of negligent or fraudulent auditing, but in the case of Kassim, Chan & Co., I am not aware that Bank Rakyat took any action against the auditors to recover the $150 million losses incurred. All that I have read is a three-month suspension as auditors, which is a very lenient treatment indeed.

I call on the authorities also to look into the role of the Auditors in the BMF and Bank Bumiputra loan scandal.

Why did the Malaysian Government protest to Hong Kong authorities against the use of certain BMF documents in George Tan's case?

Finally, I am most disturbed by a report in a local press today that the Malaysian Government has officially complained to the Hong Kong authorities against the use of certain BMF documents in the case involving the Carrian boss, George Tan.

According to the report, the Malaysian Government was of the view that the Hong Kong police were *'unethical'* in using BMF

documents seized in connection with the murder of Jalil Ibrahim for the George Tan trial.

According to the report, the Hong Kong police took away hundreds of documents from the BMF and more than 150 crates of documents from Carrian headquarters on September 9 and 10 but the only aspect the police investigated was connected with the BMF loans.

The impression that has been created and reinforced by previous developments, as in the involvement of BMF officials in raising bail of $15 million for George Tan, is that the Malaysian Government has become the defender, protector and guardian of the Carrian boss, George Tan.

Furthermore, that the Malaysian authorities have a lot of things to hide in the BMF affair from public view as well as an accounting to the Malaysian taxpayers.

This makes a Royal Commission of Inquiry even more compelling, for Malaysians must be convinced that the rot of the BMF and Bank Bumiputra loans scandal had not reached to the highest political leadership levels.

I hope that the Prime Minister and the Finance Minister can answer some of the points I raised here, while the rest could be fully dealt with by the Royal Commission of Inquiry into the $2,500 million BMF loans scandal in Hong Kong.

REVIEW OIL POLICY

As my other Parliamentary colleagues would be speaking on the various aspects of the 1984 budget, I would confine myself to a few salient features of next year's budget.

Firstly, for the first time in budget history, MPs have not been supplied with a copy of the Detailed Estimates of Revenue for 1984, which makes it difficult for MPs to study the revenues proposed to be raised from the various sources next year.

As part of the government restraints on expenditures mainly due to the Balance of Payments constraints because of low commodity prices and stagnant markets, the total development expenditures which amounted to about $12.7 billion this year would be reduced to about

$10.2 billion. This would help to reduce the Federal Government's overall deficit to about $9.8 billion, as compared to $11.2 billion in 1982.

For 1984, a total appropriation of $27.69 billion is being sought comprising $19.01 billion or 69% of operating expenditures and $8.67 billion or 31% of development expenditures, with a budgetted deficit of $7,671 million for 1984.

In actual fact, the deficit of $9.8 billion for 1983 and the targetted deficit of $7,671 million for 1984 would both have been greater if the Government had not abandoned the National Oil Depletion Policy designed to strike a balance between raising revenue from crude oil and the need to conserve this resource for future development for future generations.

For instance, for 1983, the Treasury Report 1982/83 released at the same time as the Budget speech last October set the target of production of crude oil at 300,000 barrels per day.

However, to solve the government's problem of declining revenues and incomes, the political masters took a policy decision to turn on the taps and to slog the oil wells in utter disregard of the National Oil Depletion Policy which set the maximum level for crude oil petroleum output at the end of the Fourth Malaysia Plan in 1985 at 2,362,900 barrels per day.

As a result, the petroleum production in 1983 now stands at 381,600 barrels a day. This 1983 figure is reached by slogging the oil wells to produce 400,000 barrels per day from October to December this year.

The petroleum income tax for 1983 was estimated by last year's budget to increase marginally by 2% when compared to 1982, but in actual fact, it is now expected to generate about $1,987 million in 1983 as compared with $2,075 million in 1982 or a decline of 4.2%. This decline is all the more serious when it is borne in mind that crude petroleum production had increased some 26% in 1983 when compared to 1982.

Thus, in oil production, we have reached a position where the more we produce, the less revenue we get. In fact, if not for the 26% increase in oil production in 1983, Malaysia will have a further deficit

of another $526 million, made up of $424 million petroleum income tax and $102 million in petroleum cash payment.

The latest Government decision to go all out to slog the oil wells next year to make up for the general shortfall in revenue is even more disturbing. It was only in September this year that the Minister in the Prime Minister's Department, Datuk James Ongkili, announced that Malaysian crude petroleum output in June had reached 365,000 barrels per day and that it could climb to the 400,000 barrels per day level next year.

Apparently, hardly one month after Datuk James Ongkill's statement, the Government has adopted another policy decision to increase the daily crude petroleum production from October to December 1983 to 400,000 barrels per day, and to raise the production figures for 1984 from the estimated 400,000 barrels per day to 440,000.

Despite the further increase of petroleum production, the petroleum income tax is expected to decline further from $1,987 million in 1983 to $1,896 million in 1984 due to low petroleum price. Because of increase in petroleum production, the petroleum cash payments will increase by 8% to reach $517 million from $478 million in 1983.

If we had kept to the National Oil Depletion Policy, which fixed the maximum production level at 362,900 barrels per day by 1985, then we should be producing say 340,000 barrels per day in 1984 and not 440,000 barrels per day.

But this would mean further reduction of some $548 million in government revenue, comprising $431 million in petroleum income tax and $117 million in petroleum cash payments.

But the reckless rate at which we are slogging the oil wells to produce the incomes to resolve the Government's cash-flow problems must raise the pressing question whether we are not mortgaging away the future of the new generation of Malaysians yet unborn.

There is an urgent need for the Government to review its oil production policy as to whether this is a wise and sensible decision, in view of the low petroleum price in the world market and the short span of life of crude oil production as Malaysia's current recoverable reserves of crude oil would last for another 12 years until 1995 or

even earlier if there is accelerated increase in oil production, if no additional reserves are discovered. In contrast, it was reported recently that Saudi Arabia's known petroleum reserves could last for another 150 years at the current rate of production.

The Government should furnish the Malaysian public all the relevant data, policy alternatives and the government's policy decisions so that there could be an intelligent national discussion and debate on our oil resources. The crude petroleum resources of Malaysia is not the sole property of the Government Ministers or Petronas, but the birthright of all Malaysians and the future generations, and the people must have the right to participate in the decision-making on the national oil policy.

At present, the Government is acting as if crude petroleum belongs to the Ministers privately, for Datuk James Ongkili had refused recently to reveal the top ceiling on crude petroleum production set by the National Oil Depletion Policy, for it had been fully breached. I call on the Prime Minister to open up the national oil policy making to public discussion and participation.

CURB PUBLIC DEBT

Another matter of grave concern in the 1984 budget is the relentless increase in the public debt. In the last five years from 1979 to 1983, the Public Debt had increased 150 times from $20,719 million in 1979 to the expected $50,365 million at the end of 1983.

The foreign debt component in the public debt has increased most rapidly by some 300% from $4,542 million in 1979 to $17,779 million at the end of 1983.

As a result of the sharp rise in public debt, debt service payments has also increased by leaps and bounds to $3,930 million in 1983, which is over 20 per cent of the estimated revenue for 1984 of $19,145 million. This means that for every dollar the government raises, over 20 cents goes towards repaying the debts.

The continuous increase in the public debt at the annual rate of 25 to 30 per cent must be a matter of grave concern, and the Government must learn from the lessons of Mexico and other countries to ensure that Malaysia never becomes a second Mexico.

The Government must exercise greater economy in areas where extravagant expenditures are not only unjustifiable, but are a bad example for the country. This applies to the $20 million Prime Minister's residence, which is indeed leadership by bad example.

The award of the $313 million contract for the Third Phase of the Dayabumi Complex when the next bid was some $70 million lower in price is another eye-catching example of the discrepancy between the government's call to cut costs and its action which ignored costs. In this case the transfer of technology to Malaysians is most dubious, and the cost of another $70 million to have the Phase Three of Dayabumi Complex completed one year earlier is not justifiable by any standards.

In fact, the Dayabumi Complex Third Phase and the various Look East consequences where large-scale construction projects running into hundreds of millions of dollars had been monopolised by Japanese and Korean syndicates shutting out local consultants and contractors is clearly not in the long-term interest of Malaysia.

In his Budget speech, the Finance Minister said that one of the reasons for Malaysia's traditional invisibles deficit worsening in recent years from $4,300 million in 1979 soaring to $5,600 million in 1982 and expected to increase further to $6,800 million, is because of the very high expenditures for the services of foreign consultants and contractors.

The DAP calls on the Finance Minister to give the total expenditure which had been spent on the services of foreign consultants and contractors during the last decade, and to take severe action to slash down the high expenditures on foreign consultants and contractors, not only to reduce Malaysia's invisibles deficit, but even more important, to allow Malaysian consultants and contractors to develop in their own home country.

SIXTH UNIVERSITY

Other causes of the invisible deficit of Malaysia are: substantial payments abroad for freight and insurance; outflows in the form of profits and of late, interest, remain too high; and expenditure for education and leisure travel abroad.

All through the 1970s, the DAP had called on the Government to conduct a liberal policy on higher education and to ensure that Malaysian students can pursue higher studies in their own country instead of having to go overseas, costing the country's foreign currency some $1,000 million a year. I am glad that after listening to the DAP for about a decade, the Government has woken up to the fact that what the DAP has been saying is true.

However, the establishment of a Sixth University in the Prime Minister's constituency in Kedah by itself would not do much to solve this problem, for by itself, the Sixth University is 'too little, too late'.

The Government should aim to establish up to ten Universities in Malaysia, which can be partly supported by the enormous amounts of money which Malaysian students have to spend overseas. However, the government should make a clear-cut policy pronouncement welcoming the establishment of private universities, as is the case in Japan where some 75% of the 400 universities are privately-funded.

This will go a long way to cut down the invisible deficit of Malaysia as well as to ensure that Malaysian students could be educated locally in tertiary levels in conditions more suitable to Malaysia's manpower and national needs.

CONSTITUTIONAL CRISIS

Finally, this House must not continue to be like an ostrich putting its head in the sand when everyone knows that we are in the midst of the gravest constitutional crisis in the country, as a result of the Government's attempt to push ahead with its Constitutional Amendment Bill 1983, which was passed by both Houses of Parliament in July and August.

I have spoken my mind on the 1983 Constitution Amendment Bill during its debate during the Second Reading and I do not propose to repeat myself, except to draw attention to the grave constitutional consequences if the constitutional crisis and stalemate is not quickly resolved.

The Rulers have objected to the Constitution Amendment Bill on the ground that it undermines their prerogative and position, and as a result, not only the Constitution Amendment Bill had not been given

the Royal Assent, all the other seven Bills passed in July and August had also not been assented.

This is serious, for if this constitutional deadlock is not resolved, then the Government would ground to a complete halt on 1.1.1984 without a single cent to spend if there is also no Royal Assent to the 1984 Supply Bill which we are now debating.

I would seriously suggest that the Prime Minister withdraw the Constitution Amendment Bill 1983 and resubmit to Parliament the proposed constitutional amendments minus the proposed amendments to Article 66(5) and Article 150 to resolve the Constitutional stalemate. I have said in Parliament in July that in the DAP view, our constitutional system provides that Royal Assent shall not be withheld — and this is a constitutional tradition and understanding which could be spelt out clearly, but in consultation with the Conference of Rulers.

The prolongation of the constitutional crisis is most unhealthy for the political development of the country, for we see the Government using its powers to clamp down on freedom of expression and speech, which is only conducive to a more authoritarian and intolerant political climate.

BMF Scandal: The Seremban Declaration

A Royal Commission of Inquiry is particularly important in view of the rife speculation that top political leaders, up to Cabinet or former Cabinet rank, are involved in the BMF scandal. There is also the equally rife rumour that the UMNO Building Fund had been a great beneficiary from the BMF-Carrian-George Tan link!

I am moving a motion to cut the salary of the Finance Minister by $10 to protest in the strongest possible manner against the Government's handling of the $2,500 million Bumiputra Malaysia Finance (BMF) loans scandal in Hong Kong up to today. As the Prime Minister, Dr. Mahathir Mohamed, has said that the Finance Ministry was and is at all material times responsible for Bank Bumiputra, and the BMF, and not the Prime Minister's Department, I am moving this $10 cut against the Finance Minister's salary and not the Prime Minister's salary.

The Government's handling of the BMF scandal has completely discredited the present administration's two most popular slogans: *'Clean, Efficient and Trustworthy'* Government and *'Leadership by Example'*.

Up till today, the Government has refused to report to Parliament on the BMF scandal showing that it is merely paying lip-service to the principle of parliamentary democracy.

Speech when moving a $10 cut from the salary of the Minister of Finance on November 22, 1983.

Even more serious, the Government has refused to establish a Royal Commission of Inquiry to conduct a wide-ranging public inquiry into the BMF scandal. Dr. Mahathir Mohamed was reported to have said on October 22 that the government was considering setting up a Royal Commission of Inquiry but a week later, when in Labuan he backtracked and denied having said so and announced that the government had no intention of setting up a Royal Commission. He said that the Government would conduct its own inquiry into the BMF scandal.

The UMNO Youth, which had always prided itself in the forefront against all forms of betrayals and deviations from public trust, had been particularly timid on the BMF scandal. It organised a UMNO Youth Rally on the Constitutional crisis but did not think it important enough to organise a rally on the BMF scandal.

All that the UMNO Youth had asked for so far is a White Paper, which is completely unacceptable for it could so easily become a 'White-Wash Paper'.

For the same reason, another government inquiry into the BMF scandal as intimated by the Prime Minister in his Labuan statement is completely unacceptable.

SORDID SAGA

This is because firstly, since the BMF scandal came to the government's knowledge some two years ago, it must have conducted one inquiry after another into the BMF scandal either through Bank Negara or the Finance Ministry or the Prime Minister's Department, and another government inquiry would be redundant and a mere duplication.

Secondly, what is urgently required at present is a full-scale public inquiry into the BMF scandal, to get to the root of the scandal, to ascertain the real extent of BMF loans in Hong Kong; the amount the BMF, and therefore Bank Bumiputra, Permodalan Nasional Bhd and the Amanah Saham Nasional shareholders, stand to lose; the persons responsible for the loans; the degree of irresponsibility and negligence of the officials of BMF, Bank Bumiputra, Bank Negara, the Ministry of Finance and the Prime Minister's Department, and in fact the entire Cabinet, in the sordid BMF saga.

This is why there must be a Royal Commission of Inquiry with full and unfettered powers to investigate into all aspects of the scandal, including the power to summon political leaders and Cabinet Ministers, even the Prime Minister himself, to appear and testify and be examined on the BMF scandal.

This is particularly important in view of the rife speculation that top political leaders, up to Cabinet or former Cabinet rank, are involved in the BMF scandal. There is also the equally rife rumour that the UMNO Building Fund had been a great beneficiary from the BMF-Carrian-George Tan link!

There are various aspects of the BMF-Carrian-George Tan link which raise very disturbing questions involving the integrity and character of political leaders in Malaysia.

The Foreign Minister, Tan Sri Ghazalie Shafie, has admitted that he had in July given *'friendly advice'* to the British Government not to use BMF documents, procured for an investigation into the murder of Jalil Ibrahim, Assistant BMF General Manager, for investigations into the Carrian affair.

I find Tan Sri Ghazalie Shafie's *'friendly advice'* most ill-advised, for it would appear that the Malaysian Government had great fear and foreboding that a thorough inquiry into the Carrian affair, and in particular its master-mind, George Tan, would adversely affect Malaysia's reputation.

This could only strengthen suspicion that there is a most unusual relationship between Carrian boss, George Tan, not only with BMF and Bank Bumiputra Directors, but also with top political personalities in the country.

UNDERHAND ARRANGEMENTS

Malaysia must prove whether nationally or internationally that she has nothing to hide whether in the full revelations about the Carrian affair or the BMF scandal. Tan Sri Ghazalie Shafie should therefore officially contact the British Government to withdraw his *'friendly advice'* of July, and inform them that Malaysia has no objections whatsoever to the use of any BMF documents in their possession which could throw light on the Carrian affair for which the BMF had committed some $2,000 million of loans.

The second aspect of the BMF-Carrian-George Tan link is the BMF and Bank Bumiputra's role in helping to raise funds to provide the $15 million bail to get George Tan out of custody in Hong Kong.

The third aspect of this link was pointed out by the Institute for Social Analysis, why when Bentley Ho, executive director of the Carrian group, was arrested on the same day as George Tan on October 2 in Hong Kong by the police, he was trying to board a flight to Malaysia at the Kai Tak airport. Why was Ho trying to come to Malaysia while he was being sought by Hong Kong police?

The fourth aspect of this link is the allegation by the latest Far Eastern Economic Review issue that Bank Bumiputra and BMF had entered into '*underhand*' arrangements with Carrian with regard to Carrian's secret assets hidden outside Hong Kong to limit its losses, which may lead to Bank Bumiputra to be '*ostracised*' by other international banks for such irregular, unethical and even unlawful banking practices.

This brings to mind the attempt by Malaysian businessman, Datuk Mohamed Hussain Mohamed Yusof's firm of Fleuret to buy Carrian's Hong Kong assets in one of its strongest subsidiaries, China Underwriters Life and General Insurance Company.

This attempt by the Channel Island-based nominee company is unlikely to succeed as the Hong Kong authorities had taken full control of the firm and a provisional liquidator appointed before the deal could go through.

It is now reported that Fleuret would lose some $6 million in this aborted take-over bid. And if the general suspicion is correct that the Fleuret was acting as proxy for Bank Bumiputra and BMF, then this is again another instance of Bank Bumiputra throwing more bad money after bad money.

Since my budget speech on October 24 on the BMF scandal, there had been more and more revelations about the BMF which cry out for official explanation.

For instance, the Asian Wall Street Journal of 1st November 1983 reported that BMF continued to lend money to Hong Kong property developer Kevin Hsu long after he told creditors he could not repay his debts. Kevin Hsu had been the first Hong Kong property trader

to go public in late 1982 with his debt problems, but BMF still lent him HK$3 million on March 30 this year.

COMMISSION OF INQUIRY

The Asian Wall Street Journal also reported that it is believed that the BMF had provided a bank guarantee to bail out Mr. Hsu after the Hong Kong Supreme Court bailiffs had seized his jewellery factory and jewellery store inventory for non-payment of a HK$6 million loan.

BMF is the largest creditor of Kevin Hsu whose total debts were at one time computed to be in the region of HK$1.2 to $1.3 billion.

I call on the Government to heed the demands of the people of Malaysia for a thorough public inquiry by a Royal Commission of Inquiry, as expressed in the great majority won by the DAP National Chairman, Dr. Chen Man Hin, in the Seremban by-election on Saturday on November 19.

During the by-election campaign, we presented for adoption by the people of Seremban a Statement on the BMF, which the people endorsed decisively on Polling Day. I would urge the Government and Parliament to heed the voice of the people of Malaysia as expressed by the voters of Seremban.

This is the Statement by the People of Seremban on the BMF Scandal on the occasion of the Seremban by-election:

We, the people of Seremban, gathered at the Negri Sembilan Chinese Recreation Club Hall on Friday, 11th November 1983 at the BMF protest rally resolve to make the following statement for endorsement and adoption by the voters of Seremban on polling day, November 19, 1983:

We, the people of Seremban:

1. Condemn and protest in the strongest possible terms against the $2,500 million Bumiputra Malaysia Finance Loans Scandal in Hong Kong which the Prime Minister Dr. Mahathir Mohamed had described as a *'betrayal of trust'* and *'a heinous crime'*;
2. Express deep shock that despite the $150 million Bank Rakyat Scandal in the late 1970s, a bitter lesson had not been learnt by government institutions and agencies including companies and

subsidiaries set up by the government like Bank Bumiputra and Bumiputra Malaysia Finance to the extent that we have now a BMF Scandal which is twenty times more serious than the Bank Rakyat Scandal;

3. Register anger that the BMF Scandal should involve such a vast sum of public monies as amounting to $2,500 million which would gravely undermine the socio-economic development of Malaysians of all races, as the $2,500 million is equivalent or could be used for the following:

   (a) It would cover Negri Sembilan's development expenditures for the whole state for more than 12 years;
   (b) It could be used to start off 100 universities based on the $27 million starting grant to the Islamic International University for 1983;
   (c) It could be used to build 125,000 low-cost housing units at $20,000 per unit, or two low-cost units for each of the 60,000 voters of Seremban;
   (d) It could be used to double the police force in the country, give them all a 50 per cent pay increase, and still be left with some $1,500 million;
   (e) It could be used to develop another 150,000 hectares of land to settle at least 30,000 settlers; or
   (f) It could be used to develop and even rebuild Seremban many times over;

4. Declare the right to know of Malaysians to the whole story of the BMF Scandal and reject any attempt to cover up the greatest Financial and Banking Scandal in Malaysian History;
5. Call for the establishment of a Royal Commission of Inquiry to conduct a thorough public inquiry into the BMF Scandal and empower it to investigate into the irresponsibility and negligence as well as malpractices of not only Bank Bumiputra and BMF officials but also Bank Negara, Ministry of Finance and the Prime Minister's Department as well as the Cabinet;
6. Urge the Prime Minister to live up to his 1982 general elections pledge of a *'clean, efficient and trustworthy'* administration and his earlier pledge to *'put the fear of God'* in those people who are corrupt by immediately establishing such a BMF Royal Commission of Inquiry which should comprise Malaysians of impeccable integrity and character and who could command instant

public confidence like the Auditor-General, Tan Sri Ahmad Nordin, the Industrial Court President, Justice Harun Hashim, Aliran President, Dr. Chandra Muzaffar, Consumer Association of Penang President, S.M. Mohd. Idris, DAP National Chairman, Dr. Chen Man Hin, former Opposition Member of Parliament, Tan Sri Dr. Tan Chee Khoon, Selangor Graduates' Society President, Gurmit Singh, and Scholar-Academician, Professor Syed Hussein Alatas;

7. Propose that the BMF Royal Commission of Inquiry should in particular study the relationship between Carrian mastermind George Tan and Malaysian political leaders, whether of cabinet or former cabinet rank, as no Malaysian would believe that a few BMF Directors and Officials could commit $2,500 million of loans in Hong Kong to three companies without the highest political approval, as this sum was five times the total capital and reserves of the parent company, Bank Bumiputra;
8. Propose that the BMF Royal Commission of Inquiry should study as to how the $2,500 million Scandal would adversely affect the Amanah Saham National shares of 1.3 million Bumiputra ASN shareholders as its parent company, Permodalan Nasional Bhd. holds 80 per cent of Bank Bumiputra shareholdings;
9. Propose that the BMF Royal Commission of Inquiry should inquire whether Malaysia faces several more problems similar to those created by the collapse of the Carrian group, as asserted by former Bank Bumiputra Executive Chairman, Tan Sri Kamarul Ariffin, who said that *'three or four Carrian-like problems are looming within Malaysia in the 1980s'*; and
10. Demand the prosecution and punishment of all those persons, regardless of their status or influence, responsible for the $2,500 million scandal for we cannot accept that this is a *'heinous crime'* without criminals.

The Government should therefore accept the verdict of the people of Seremban in the by-election and heed their call for a wide-ranging Royal Commission of Inquiry into the BMF scandal.

In his second-year-as-Prime Minister interview on July 16, 1983, Dr. Mahathir Mohamed said the government would take action against anyone found to be involved in any malpractice in the BMF scandal. He also said he was confident that BMF could recover most of the loans it gave out in Hong Kong. It is clear that even up to July

1983, Dr. Mahathir Mohamed had not been given the true picture of the BMF scandal, for in less than three months, the Carrian empire had collapsed bringing down with it the BMF, Bank Bumiputra, unless the Government step in to save it from bankruptcy with the people's monies. In less than three months, Dr. Mahathir was talking about recovering 25 to 30 per cent of the BMF loans.

Dr. Mahathir should not hesitate anymore to set up such a Royal Commission of Inquiry unless the political leadership has many skeletons it wants to hide from the Malaysian public.

The 200-mile Exclusive Economic Zone

'The Government must be more open with Parliament and the people about defence decisions, presenting the various options available to the government as in the assertion of territorial rights at Turumbu Layang-layang instead of hiding under the cover that it is a defence secret.'

On 25th April 1980, the Yang di-Pertuan Agong, proclaimed a 200-nautical mile Exclusive Economic Zone from the baselines of Malaysia's territorial waters, with

(a) sovereign rights, for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the sea-bed and subsoil and the superjacent waters, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water currents and winds;
(b) jurisdiction with regard to:
    (i) the establishment and use of artificial islands, installations and structures;
    (ii) marine scientific research;
    (iii) the preservation of the marine environment.

It has taken the Government more than four years to present the Exclusive Economic Zone Bill to safeguard Malaysia's economic and environmental interests in the Exclusive Economic Zone, to regulate and prohibit activities detrimental to Malaysia's resources rights in the Zone.

Speech on the debate on the Exclusive Economic Zone Bill 1984 on October 9, 1984.

The concept of the EEZ is already recognized in international law, and many countries have proclaimed some form of EEZ. The concept of EEZ was developed further in the 1982 United Nations Third Conference of the Law of the Sea Convention, which took over a decade to produce a consensus.

The DAP fully supports the establishment of the 200-mile EEZ as it will materially benefit our economy, national security and international position. It can be seen as a favourable development in the long drawn-out attempt to balance the interests of the developed and developing countries towards a NIEO.

But we must not pretend that we do not have many problems in the protection of our legitimate economic and resource-related rights in the EEZ and our continental shelf.

I wish here to deal with the major issues and problems with regard to the EEZ and our continental shelf as well as related issues with regard to the Law of the Sea which we in Malaysia must pay close attention.

CLAIM ON SABAH

The first issue I wish to bring up is the problem of delimitation of our territorial water and zone of jurisdiction, leading to disputes over the ownership of islands especially in the South China Sea.

There are several hundred small, mainly uninhabited and uninhabitable islands, reefs, and cays which include Paracel Islands, Spratly Islands, Senkaku Islands as well as the Tsegmu Reef off East Malaysia which are the subject of multiple national claims for ownership.

The territorial waters in the Sulu and Celebes Seas are undetermined because of Philippines' claim to Sabah. Last month, on behalf of the DAP, I had publicly urged the Philippines President, Ferdinand Marcos, to honour his promise made seven years ago at the 1977 ASEAN Summit meeting in Kuala Lumpur to take definite steps to remove the Filipino claim to Sabah.

The Filipino Foreign Minister, Arturo Tolentino, claimed that his country had already dropped its Sabah claim, but this has been challenged by Wismaputra and the DAP fully supports Wismaputra's position.

Unless Section 2 of the Republic Act No. 5446 of the Philippines or the Baseline Act of 1968 regarding Sabah as part of the Philippine territory is amended, the Philippines Government has not taken any concrete step to drop the Sabah claim.

I call on President Marcos to demonstrate Philippines' sincerity in the comity of ASEAN nations by taking concrete action to drop the Filipino claim, which could also lead to the determination of the territorial waters in the Sulu/Celebes Seas in bilateral agreements between the two countries.

For the information of the House, the DAP Central Executive Committee at its meeting on Sunday has decided to send a formal memorandum to President Macros urging the formal dropping of the Filipino claim to Sabah.

The resolution of the disputed islands, reefs and cays in the South China Sea is going to be more complicated. Our immediate problems are:

1. China's southernmost maritime boundary which cuts right into our oil concessions off Sabah and Sarawak;
2. Vietnam's occupation of Amboyna Cay in 1978;
3. Philippines' occupation of Commodore Reef and other areas south of Spratleys.

As a result of these disputes, the Malaysian Government decided in August last year to garrison Malaysian commandos at Turumbu Layang-Layang, a tiny barren atoll which shrinks to the size of three tennis courts when the tides of the South China sea wash in over the Spratley Islands, as well as the 'Exercise Pahlawan' which took six months to prepare.

I understand that Promet has been given the construction job of building a $18 million module, which will house a platoon-size garrison.

The DAP fully supports the government's assertion of territorial rights over Turumbu Layang-Layang and other islands, atolls, sandbanks and shoals of the Spratley Group which are on Malaysia's continental shelf, not only because of its oil-rich potential but also for its strategic position through which pass naval and air routes connecting the Far East and the Indian Ocean through the Straits of Malacca and Lombok of Indonesia.

But there is room for dispute as to whether spending $18 million to build a module for Turumbu Layang-Layang will advance Malaysia's territorial claim — as I understand that the army in particular is very unhappy about the Turumbu Layang-Layang module decision as the atoll is clearly indefensible from any likely attack.

The Government must be more open with Parliament and the people about defence decisions, presenting the various options available to the government as in the assertion of territorial rights at Turumbu Layang-Layang instead of hiding under the cover that it is a defence secret.

MILITARY IMPLICATIONS

According to the 1976 Law of the Sea Conference paper, which quoted figures from the U.S. Geological Survey Professional Paper No. 885, the ocean-space that would accrue to ASEAN nations and the world ranking order for 200-mile EEZ area are as follows:

Indonesia	1,577,300 sq.n.m. —	No. 7
Philippines	551,400 sq.n.m. —	No. 23
Malaysia	138,700 sq.n.m. —	No. 67
Thailand	94,700 sq.n.m. —	No. 52
Singapore	100 sq.n.m. —	No. 149

These figures are approximate ones because of disputed boundary claims.

Parliament should consider the military implications, in particular the naval implications, of an Exclusive Economic Zone, for enforcement problems is perplexing government and military, and in particular naval staffs, of all the coastal nations which have claimed a 200-mile Exclusive Economic Zone.

We have not been able to protect our fishermen in Malaysian territorial waters, so where do we begin to talk about enforcing our rights in a 200-mile EEZ?

A few days ago, the South Trengganu Fishermen's Association Chairman, Hassan Ismail, accused the authorities of doing very little against intrusion into Malaysian waters by foreign fishermen, mainly Thai and Taiwanese, resulting in fishermen in Trengganu losing hundreds of thousands of dollars.

The intrusion by foreign fishermen into Malaysian waters had escalated because of the lack of surveillance by the authorities, and at any one time, as many as 50 to 60 fully-equipped foreign fishing boats with firearms could be seen within about 9km off the coast. Local fishermen in the vicinity would be ordered to vacate the area or be shot at, and fish traps and fishing nets of local fishermen would be set adrift or destroyed.

Apart from intrusion by foreign fishermen in Malaysian waters, Malaysian fishermen also face the perennial problem of 'pirates' who operate in Indonesian naval boats.

I might add here that although there is an agreement between Malaysia and Indonesia on the legalisation of illegal Indonesian immigrants, there is no drop in the number of illegal Indonesian immigrants who land on the west coast of Johore and Malacca.

This again exposes the inability of our naval and other authorities to enforce our national rights within our territorial areas.

In the EEZ, enforcements would require vessels adequate to range the full area of the EEZ, to operate for extended periods in adverse weather, and to successfully enforce the nation's claim to exclusive control of the EEZ.

Do we have such appropriate vessels? If naval vessels designed for sophisticated warfare are dispatched to fisheries patrol, this will waste capability and divert resources from defence tasks.

Which agency would be responsible for enforcing our EEZ rights? Is it to be the navy? Fisheries, customs, transportation, police, immigration, energy, environment and other government departments would have interests in enforcing EEZ rights and would there be a happy and satisfactory working relationship if they have all to depend on the navy vessels for communication? I can imagine considerable internal bureaucratic organisational conflicts.

Or do we have to establish a new agency to enforce our rights in the EEZ, with greater emphasis on EEZ law enforcement rather than on military capability?

Clause 25 provides for *'hot pursuit', 'where any authorised officer has reason to believe that a foreign vessel has contravened any provision of this Act or any applicable written law, he may undertake the*

hot pursuit of such vessel with a view to stopping and arresting and bringing it within the exclusive economic zone in accordance with international law'.

Who will carry out this *'hot pursuit'* and how? Can the fishery officer, police officer or environment department officer direct the navy on such *'hot pursuits'*, or are they all going to have their own vessels directly under their own control, leading to multiple naval forces?

These new problems of EEZ call for a re-evaluation of existing and planned naval forces, and to structure those forces to carry out tasks which have not been required before. In fact, there is a need to review the whole national policy of our naval forces in the light of the EEZ.

DISTANT-WATER FISHING

The Government's efforts in the fishing sector has been one of the failure areas, especially with MAJUIKAN's poor leadership and record to raise incomes for Malaysian fishermen. Malaysian fishermen comprise one of the poverty groups in the country.

With the EEZ, the Government should develop Malaysia into a distant-water fishing state, with distant-water fleets for the catching of high-priced species which are of international demand.

Most Malaysian fishing presently does not extend beyond 30 nautical miles, and the resources within this zone are over-exploited, resulting in violent competition between trawler and traditional fishermen.

Malaysia must now graduate from a largely inshore fishing activity using traditional techniques to a commercial industry using modern boats and equipment which could exploit fishery resources in the EEZ, as Clause 6 of the EEZ Bill has also declared the EEZ seas as *"part of Malaysian fisheries waters."*

To protect our fisheries waters, we must be able to ensure that foreign distant fleets do not encroach into our fishing zones, or if allowed to fish, do not overfish to the detriment of future fish populations.

We must be realistic to acknowledge that this is likely to produce international conflicts since the distant-water fishing fleets of foreign nations require a large maritime space for exploitation while the EEZ changes waters hitherto under international jurisdiction to that under exclusive national jurisdiction.

Malaysia should seriously consider proposing an ASEAN regional mechanism for both fishery management and resource management.

ARCHIPELAGIC CONCEPT

The expansion of the economic zone of Malaysia will essentially be in the South China Sea, especially the offshore areas of Sarawak and Sabah. The waters around the Malaysian Peninsular would, however, become zone-locked by the straight baselines of the Indonesian archipelago.

The main obstacle to Malaysia's extending the economic zone to a maximum area (along the east coast of the Malaysian Peninsular) is the Indonesia claim based on the concept of an archipelagic state.

Archipelagic states consist of numerous islands (more than 13,000 islands in the case of Indonesia and 7,100 islands in the case of the Philippines). If the normal baseline were to be employed, these states would have hundreds of territorial seas separated by numerous belts or pockets of high seas.

Under the Archipelagic concept, the archipelagic states would have the right to draw straight baselines connecting the outermost points of the outermost islands and drying reefs. The waters enclosed by the straight baseline perimeters would be *"archipelagic waters"* (akin to internal waters) in which the state would have sovereignty though innocent passage for vessels would be recognized.

Indonesia's archipelagic baselines would divide East and West Malaysia, because of Indonesia's Natuna Islands which lies athwart Peninsular and East Malaysia. The Indonesian archipelagic waters would not only be in the way of air and sea routes between Peninsular Malaysia and East Malaysia, but they would also acquire rights over many hundreds of square miles of seabed resources.

In July 1982, Malaysia and Indonesia signed a treaty supporting and recognising Indonesia's archipelagic waters claim. This is most

shocking for Malaysia has supported Indonesia's archipelagic concept without fully safeguarding Malaysia's national rights and interests.

The 1982 United Nations Law of the Sea Convention gave support for the archipelagic waters concept, but provided for a 50-mile air and sea navigation corridor through the archipelagic territory. In the Malaysia-Indonesia treaty, Malaysia accepted a 20-mile corridor.

The Treaty did recognise some of the rights and interests of Malaysia, such as:

- the right of access and communication of Malaysian ships and aircraft;
- the traditional fishing rights of Malaysian traditional fishermen in the designated areas;
- joint search and rescue operations including the right to jointly conduct marine research.

But these do not seem to be comprehensive enough, for does the Treaty recognise Malaysia's right of overflight of her military aircrafts over the Indonesian archipelagic waters which overlap Malaysia's EEZ?

In fact, in the United Nations Conference of the Law of the Sea in 1974, Malaysia supported the Indonesian archipelagic concept without making any concrete reservations for its rights to exploit natural resources, which was only made two years later in 1976.

I hope the Minister in the Prime Minister's Department can give a full explanation for the government's support of the Indonesian archipelagic concept which is detrimental to Malaysia's national and economic interests.

Now that we have accepted by treaty Indonesia's archipelagic waters concept and territorial sovereignty over them, Malaysians would be facing problems when Indonesia enforces its archipelagic waters rights.

Call for a Royal Commission of Inquiry into the BMF Scandal

In other countries where there is a more developed sense of political morality, scandals like the BMF loans scandal would have brought down the government of the day. But in Malaysia, where we boast of a motto of 'clean, efficient and trustworthy' government, the Government is not only morally unshaken, it is cocky enough to upbraid Malaysians for being 'excited' about the BMF loans scandal, and drag its feet in a long-drawn-out strategy of cover-ups.

I rise to move:

"That this House

NOTES the repeated public statements of the Prime Minister and other top Cabinet Ministers of the Government's resolve to bring to book the 'culprits' in the Bumiputra Malaysia Finance loans scandal;

NOTES the call by the Chairman of the BMF Inquiry Committee, Tan Sri Ahmad Nordin, that a Royal Commission of Inquiry is the only form of inquiry to establish if anyone is criminally liable in the BMF loans scandal after he had spent nine months to prepare the interim report of the BMF loans scandal;

Speech on the motion to establish a Royal Commission of Inquiry into the $2.5 billion Bumiputra Malaysia Finance loans scandal on October 18, 1984.

RESOLVES that a Royal Commission of Inquiry should be established to investigate into all aspects of the BMF loans scandal and to expose the BMF culprits who have caused Malaysia to lose some $2.5 billion."

I submitted this motion following the renewed call by the Auditor-General and the Chairman of the BMF Inquiry Committee, Tan Sri Ahmad Nordin, in an interview with the Bernama Economic Service on 24th September 1984 for a Royal Commission of Inquiry as the only body with the necessary powers to establish if anyone is criminally liable in the BMF loans scandal. He said that such a commission, headed by a judge, could do a *'more effective job'* as it could summon witnesses to testify under oath and added that it *'was still not too late to set up a Royal Commission of Inquiry.'*

Tan Sri Ahmad Nordin's renewed call for a Royal Commission of Inquiry after he and the three-man BMF Inquiry Committee had spent nine months to prepare the interim report is a very powerful argument for the establishment of a Royal Commission to get to the bottom of the BMF loans scandal, which is the biggest banking and financial scandal and crisis in Malaysia.

Tan Sri Nordin was referring to a statement made a week earlier by the Bank Bumiputra Executive Chairman, Dr. Nawawi Mat Awin, that action would be taken against anyone shown to have committed any wrongdoing in the BMF loans scandal. Dr. Nawawi said: *"I know that the Committee (of Inquiry) will do its best to provide us with relevant information which might be useful in any such action."*

DISTRESS SIGNALS

I am not surprised that Tan Sri Nordin had taken umbrage at Dr. Nawawi's statement which puts the whole responsibility of exposing the 'culprits' in the BMF scandal on the Committee of Inquiry, when it had been denied the fullest powers and widest terms of reference.

Parliament and the whole nation must therefore take heed when Tan Sri Ahmad Nordin charged Bank Bumiputra with *'dragging its feet'* in laying blame for the BMF loans fiasco, and for its slowness to call in question the officers who made out the loans following obvious *'distress signals'* from the Hong Kong unit.

Tan Sri Nordin said: *"I can't understand why all the furore now. Why do they have to wait so long for the committee to be appointed?*

"Bank Bumiputra has enough resources at its disposal to bring those responsible to book. They have all the time to do it; after all, the records are there."

The Auditor-General said that his committee could not have been the first to detect guilt in the Bumiputra Malaysia Finance loans scandal, adding:

"It is on public record that Bank Negara started its own investigations into the BMF accounts as far back as 1982 and Bank Bumiputra also appointed its own internal auditors to examine the accounts.

"You can quote me on this. Why make promises of taking action based on the work of other people, of an independent committee?"

The Auditor-General has asked very pertinent questions, as to why Bank Bumiputra had not taken any action based on previous investigations.

On March 15, 1983, in reply to my question in Parliament, the then Finance Minister, Tengku Razaleigh, said there was no need to call in the Auditor-General to look into the accounts of Bank Bumiputra Malaysia Bhd. and BMF as the Banking Act provided sufficient scope to Bank Negara to investigate into the accounts of any bank deviating from prudent norms, and he said that Bank Negara was already looking into the matter.

On 12th October, 1983, again at question time, Tengku Razaleigh replied to me that there was no need for a Royal Commission of Inquiry into the BMF as investigations by Bank Negara and others were sufficient for the purpose.

At the end of October, the Prime Minister conceded in form but not in substance to the public outcry for a public independent inquiry when he announced that the government would establish an inquiry committee, which was in early January with very restricted powers and terms of reference.

Unless the Ahmad Nordin Inquiry Committee, which was established as a house-committee as it was appointed by Bank Bumiputra,

made public its report and findings, it would be merely duplicating the ground that should have been covered by Bank Negara, the Bank Bumiputra's internal and external auditors, which had conducted investigations into the BMF loans scandal.

There is completely no justification for Dr. Nawawi or for anybody to claim ignorance about the BMF loans scandal until they have received the interim and final reports of the Ahmad Nordin BMF Inquiry Committee, and to justify their inaction in prosecuting errant Bank Bumiputra and BMF officials responsible for the loans scandal by passing the buck to the Ahmad Nordin Committee of Inquiry.

DELAYING TACTIC

I fully sympathise with the predicament of Tan Sri Ahmad Nordin, for as presently constituted, the Committee of Inquiry was legally incapable of further action which would be published as a matter of public record as it does not have the legal powers and immunity to protect against possible suits filed by people whom the committee considers criminally liable for the bad loans.

In retrospect, more and more Malaysians are of the view that the Ahmad Nordin Committee of Inquiry was a 'grand' delaying tactic, which succeeded in pacifying the public outcry in Malaysia following the shocking revelation in the Hong Kong magistrate's court on 4th October that Carrian group owed BMF at least $1.7 billion, and no one knows what has happened to almost half the money of about $769 million!

However, the establishment of the Ahmad Nordin Committee was not meant to have a 'thorough, no-holds barred' inquiry into the BMF loans scandal, nor was it meant to be an exercise to fulfil the government's obligations of accountability to the public with regard to Bank Bumiputra and BMF stewardship of public funds.

Tan Sri Nordin, for instance, has publicly said he did not understand the delay over the release of the committee's interim report, as a speedy release would put an end to misleading speculations and misconceptions.

It is understood that the Ahmad Nordin inquiry committee interim report was submitted to Bank Bumiputra on August 17, 1984, and

the Malaysian public are mystified as to why the interim report had not been made public after two months.

As the Ahmad Nordin interim report could not have produced very many shocking revelations unknown either to Bank Bumiputra, Bank Negara or the Government in view of the fact that previous investigations into the BMF scandal had been conducted by the Bank Bumiputra's internal and external auditors, Bank Negara and others, the delay in releasing the interim report to the public could only stem from the refusal of the government to honour its pledge that there would be no *'cover up*, of the BMF loans scandal.

HONOUR PLEDGE

At the United Nations General Assembly recently, the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, declared that Malaysia *'says what it means, and means what it says'*.

I call on the Prime Minister to honour this pledge at the world forum by proving that it *'says what it means and means what it says'* in immediately releasing the Ahmad Nordin inquiry committee interim report to the public.

It would indeed be most ironic and even tragic if the Auditor-General, famous for his impeccable integrity, should be used as an instrument against his own free will in the latest 'cover-up' of the BMF loans scandal.

All Malaysians want to know why the various government agencies should take such a long time to study the BMF loans inquiry committee interim report which the committee completed in seven months, especially as these various departments had already conducted their own separate investigations.

Is the Government going to take a longer time to study and make up its mind on the Ahmad Nordin inquiry committee report which was completed in seven months?

I get the distinct impression that the Government was forced by public pressure to form the Ahmad Nordin BMF inquiry committee, but it had never intended to take the inquiry committee or its findings seriously.

The spate of contradictory statements by Cabinet Ministers about the BMF inquiry committee interim report is a good case in point.

On 14th September 1984, when announcing the Petronas rescue of Bank Bumiputra with $2.5 billion of oil money, the Finance Minister, Daim Zainuddin, said he was studying the Ahmad Nordin committee interim report, and that he would decide what to do once he had finished studying it.

But the very next day, on 15th September 1984, the Prime Minister said that the government would make public the findings of the inquiry into the BMF affair once it has been studied by Bank Negara and that the interim report had been submitted to the Bank Negara.

This is unthinkable, the Prime Minister and the Finance Minister saying two different things about the BMF interim report. Either they are in their separate ways trying to mislead the people of Malaysia, or it shows that they do not take the BMF interim report seriously and are merely interested in stone-walling government's accountability to the public on the BMF affair. **Who now is causing delay in the release of the interim report: Bank Bumiputra, Bank Negara or the Government itself?**

And then on 25th September 1984, came the startling statement by the Acting Finance Minister, Datuk Sanusi Junid, who said there was '*no reason why we should now be excited*' over the BMF affair as the money involved has gone, and his later statement about the difference between the '*thief with loot in his hand*' and the '*thief whose loot is gone.*'

CRIMINAL ASPECTS

The clue to the government leadership's attitude towards the Ahmad Nordin BMF Inquiry Committee is to be found in the Finance Minister's press conference statement on 14th September when he announced the Petronas take-over of Bank Bumiputra. Daim Zainuddin said that with the Petronas take-over of Bank Bumiputra, the Ahmad Nordin inquiry had been '*overtaken by events*' and that it should now concern itself with the criminal and not technical aspects of the bank's problems.

I find Daim Zainuddin's statement most disturbing, for is he unilaterally now restricting the terms of reference of the Ahmad Nordin Inquiry Committee for the purpose of its final report?

When the Prime Minister announced the formation of the three-man BMF Inquiry Committee headed by Tan Sri Ahmad Nordin, the committee's terms of reference were given as *"to determine and enquire into and report"* on the BMF affairs with reference to:

- *The management and control of its operations;*
- *Whether there has been any misuse, misapplication or misappropriation of any of its funds;*
- *The extent and nature of loans or credit facilities granted by BMF to the Carrian group of companies and the companies associated with its chairman, George Tan, and Eda Investments Ltd;*
- *Whether such loans and credit facilities were approved in compliance with the law and/or lending procedures of the company and were disbursed in accordance with the terms and conditions stipulated by the approving authority, and whether, in all the circumstances, they were made bona fide in the interest of BMF and consistent with normal prudent banking and commercial practices;*
- *The person or persons involved in processing and approving such loans or credit facilities;*
- *Whether such person or persons and/or any director, officer or person, directly or indirectly involved with the administration of BMF, has by himself or by a member of his family or agent received or agreed to receive any benefit either in money or money's worth or by whatever called from:*
  (a) BMF in addition to his ordinary remuneration or
  (b) The borrowers or any of them, and if he has, his identity and the identity or identities of the borrower or borrowers as the case may be;
- *Any irregularities, frauds or breaches of trust or action in disregard of honest commercial practice of contravention of any law in respect of the administration and operations of BMF; and*
- *The measures which in the opinion of the committee are necessary in order to ensure due and proper administration of BMF in the future.*

If the Ahmad Nordin Committee of Inquiry confines itself merely to the criminal aspects of the BMF loans scandal, it would mean the removal of about 80 per cent of the committee's original terms of reference. This also provoked an explanation by Tan Sri Ahmad Nordin that his committee has no powers of criminal investigation and cannot by itself determine whether anyone involved with lending

activities of BMF of Hong Kong has committed any criminal offence or not.

The Finance Minister's statement is also a clear violation of the pledge given by the Prime Minister when he announed the BMF inquiry committee that there would be no *'restriction'* on its probe as *'the government is interested in getting to the bottom of the matter'*.

COVER-UPS

On the first day of the present Parliamentary meeting, the Deputy Finance Minister, Datuk Sabarudin Cik, had during question time asked me a question which I propose to answer in this debate. Referring to my persistent questions on the BMF loans scandal and the Ahmad Nordin inquiry interim report, Datuk Sabaruddin said he did not understand why I wanted to delve further into the BMF loans scandal and the Ahmad Nordin interim report at this juncture. He asked: *"Does he not believe us?"*

Let me declare here that it is not only I myself, but the Malaysian people at large, who do not believe the government as far as the BMF loans scandal is concerned.

This is because the government's handling of the BMF loans scandal and its accounting to the public have been characterised by a series of cover-ups, deceptions and downright lies.

This is why the people want a Royal Commission of Inquiry with unfettered powers to inquire into all aspects of the BMF loans scandal, and why although they have the highest regard for Tan Sri Ahmad Nordin, they have the greatest skepticism about the Committee of Inquiry because of the nature of its constitution and powers. These skepticisms have been proved right as even the Auditor-General had himself become so frustrated as to come out with a number of strong statements in public.

Right from the beginning the 2M Government which boasts of a motto of *'clean, efficient and trustworthy'* administration had been dishonest with the people of Malaysia in the BMF loans scandal.

In February 1982, for instance, the then Finance Minister, Tengku Razaleigh, said that there was *'nothing amiss'* in the BMF dealings and the loan situation was *'nothing more than a normal business problem.'*

MISLED HOUSE

In fact Government Ministers had deliberately misled the House about the BMF loans scandal, which is a breach of privilege. In reply to my question on 15th March 1983, the Finance Minister, Tengku Razaleigh, said that it was still unclear at that stage whether BMF and Bank Bumiputra would actually suffer losses because Bank Bumiputra's accounts for the year ended December 31, 1982 were still being audited.

In retrospect, Tengku Razaleigh had clearly lied or misled the House for it is inconceivable that in March 1983, the Finance Minister was not aware that as sure as the sun rises, the BMF and Bank Bumiputra were going to suffer colossal losses. The Finance Minister may have good reason in not wanting to disclose this knowledge, but it is no justification for him to breach his parliamentary privilege by deliberately misleading the House in claiming that it was still unclear whether BMF and Bank Bumiputra would actually suffer losses.

It is now public knowledge that Carrian Investments' fateful announcement on October 26, 1982 of its *"temporary liquidity difficulties"* which require its debts to be rescheduled, opened up the can of worms not only in Carrian, but also in BMF and Bank Bumiputra.

In November 1982, Wardley Limited, the merchant banking subsidiary of Hong Kong and Shanghai Bank, prepared its first report for Carrian creditors, including BMF, which said that Carrian has debts of some HK$2.5 billion, and, after write-offs, net assets also of some HK$2.5 billion. The problem was with cash flow, as Carrian would not be able to meet payments falling due on HK$700 million of debts in 1982, and HK$1 billion in 1983.

DECEPTION

To restore some immediate liquidity, Carrian planned a HK$500 million share issue jointly financed by the Hong Kong Bank and the Carrian's ultimate owners subject to agreement by its creditors for rescheduling of its debts.

Other Carrian creditors may have excuse for being lulled by the Wardley report, but not BMF, for as it was revealed in the Hong Kong magistrate's court in October 1983, Carrian had all along owed BMF an undisclosed sum of HK$4.6 billion.

According to the Hong Kong Senior Assistant Crown Prosecutor, Warwick Reid, on October 4 in the Hong Kong magistrate's court, there was *"evidence of a systematic scheme of deception and fraud"* in relation to the plan to bail out Carrian and that creditor banks were induced to join the rescue plan because Carrian had understated its debts. In the documentation for the bailout plan, the Carrian group said Carrian Holdings owed Bumiputra Malaysia Finance US$35 million, and that Carrian Investments owed BMF nothing, but on the books of BMF, the Carrian group owes HK$4.6 billion which had been confirmed by BMF.

It is therefore very clear that the BMF, and through it Bank Bumiputra and the Malaysian Government, was best-placed than any other banking or financial institution or government to know the real state of the Carrian finances, as the BMF's HK$4.6 billion debts had not been publicly disclosed.

How can the Finance Minister come to the House in March and claim that it is still unclear whether BMF and Bank Bumiputra would actually suffer losses, when there should be no doubt whatsoever on the question?

From the Wardley memorandum of November 1982, the net asset backing of Carrian Investments seemed to still represent HK$2.50 for every share. But in another report sent to bankers on January 6, 1983, Wardley valued the net asset backing of Carrian Investment shares at just under 15 cents a piece. Wardley's analysis of Carrian spelt out a simple equation: if HK$4.3 billion of debts cannot be rescheduled, the group will be liquidated. Carrian Investments owes HK$2.9 billion, while Carrian Holdings owes HK$1.4 billion.

Again, it must be borne in mind that Wardley never knew until October 1983 that there was the undisclosed $4.6 billion Carrian debt to BMF.

I cannot believe that Tengku Razaleigh, as Finance Minister, did not know about the BMF's precarious financial situation arising from its as yet undisclosed $HK4.6 billion loans to Carrian, many of which are unsecured, for he would then had been grossly negligent and incompetent.

He might not have been a free agent when he misled the House on 15th March 1983 in stating that it was still unclear whether BMF and

Bank Bumiputra would actually suffer losses, but this is a gross breach of privilege which should not be allowed. I officially propose that Tengku Razaleigh should be referred to the Committee of Privileges for his statement in the House of March 15, 1983 which deliberately misled the House on a matter of principle. I am not asking for any 'pound of flesh', but Ministers however senior must not be allowed to get away scotfree when they committed breach of privilege.

Even the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, had not been truthful and honest on the BMF scandal.

Thus in his two-year-as-Prime Minister interview which came out in the press on 16th July 1983, Dr. Mahathir, when asked about the BMF loans, said:

"I don't know about BMF but Bank Bumiputra, the parent company, is in a position to supervise the BMF especially after the Government came out with the statement in support of the bank."

He also said:

"We are confident that we can recover most of what had been committed by BMF."

But less than three months later, at the press conference on 11 October on the BMF after the Hong Kong court revelations about the at least $1.7 billion BMF loans to Carrian, the Prime Minister said that he was kept fully informed about the BMF loans by the Bank Bumiputra Executive Chairman, Dr. Nawawi Mat Awin, including the *'moment the Hong Kong property market collapsed.'* He estimated that only some 25-30 per cent of the BMF loans could be recovered.

BANK BUMI'S LIES

There was again the unseemly dispute as to who was in charge of Bank Bumiputra, whether it was the Prime Minister (as claimed by Tengku Razaleigh in February 1983) or the Finance Minister (as claimed by the Prime Minister in reply to my parliamentary question in October 1983)!

Bank Bumiputra had also its host of lies and deceptions.

I said during last year's budget debate on 24th October 1983 that the Bank Bumiputra Executive Chairman, Dr. Nawawi Mat Awin, and the Bank Directors should be prosecuted for non-compliance with the Companies Act requirements in Section 169 for their misleading 1982 Directors' Report and Accounts.

In view of the BMF loans to Carrian, and the Wardley Reports of November 1982 and January 1983, how could the Bank Bumiputra Board of Directors certify in June 1983 that no circumstances had arisen which would render one Bank's existing method of valuation of its assets and liabilities *'misleading and inappropriate'*, and that there was no *'item of abnormal character'*?

I commend UMNO Youth Exco Member, Tamrin Ghafar, for his courageous stand in early November in supporting my contention that the Bank Bumiputra's non-disclosure as to the possible losses to the bank from Carrian group collapse in its 1982 Accounts was a *'serious breach of several laws.'*

JALIL'S MURDER

Another instance that comes to mind is the attempt by Dr. Nawawi to deny or mislead the public about Jalil Ibrahim's functions in BMF in Hong Kong after he was murdered on July 18, 1983.

In his first public response to Jalil's murder, Dr. Nawawi denied press reports that Jalil was auditing the BMF's accounts in Hong Kong. Dr. Nawawi said Jalil was sent to Hong Kong to *'strengthen'* BMF's administration, and denied that he was sent to Hong Kong in connection with the BMF loans.

This is a slur on the good name of a person who had died in the course of duty, as during the Jalil Ibrahim murder trial, it was brought out that Jalil Ibrahim was auditing the BMF loans to Carrian, and that he had tried to block a US$4 million loan from BMF to Carrian which was the key to a plan to save the tottering Carrian empire.

The murder trial heard evidence that on the day that Jalil Ibrahim was murdered, Carrian had to secure approval of the US$4 million BMF loan if the Carrian rescue plan was to proceed, or the whole plan would have been aborted.

The trial also heard evidence by the former BMF Assistant General Manager, Henry Chin, who testified that Jalil Ibrahim had queried whether the Bank Bumiputra's supervisory committee for BMF had authorised the US$4 million loan to Carrian in a telephone call from Regent Hotel in Hong Kong before his murder. When Jalil Ibrahim did not return to the office after his departure from the BMF office at about noon on July 18 to meet prominent Malaysian businessman, Tan Sri Ibrahim, Henry Chin was pressured by the BMF Chairman, Lorraine Esme Osman, to release the US$4 million to Carrian. Henry Chin said he learnt subsequently that the US$4 million loan to Carrian was approved later by the Bank Bumiputra supervisory committee.

The question that leapt to public mind is that as the natural conclusion of any person is to link Jalil's murder with the BMF loans scandal, why is it that Dr. Nawawi went out of his way to try to rebut that possibility?

Although Bank Bumiputra later introduced a statement in the Jalil Ibrahim murder trial asserting that the Bank Bumiputra supervisory committee had not *'authorised, approved or ratified'* the US$4 million loan to Carrian of July 18, 1983, the many questions raised by this episode had not been answered. Does this mean that even until July 1983, despite the establishment of the supervisory committee and the dynamic chairmanship of Dr. Nawawi, the BMF was still uncontrollable and could release and approve loans at its whim and fancy without reference to the parent company?

Dr. Nawawi had said that Bank Bumiputra will present a special award to Jalil Ibrahim, and the Prime Minister has also announced at the UMNO General Assembly in May 1984 that the government would give Jalil Ibrahim a posthumous award as he *'defended the dignity of the race'*. The Malacca State Government has given Jalil a posthumous award and the Minister for Land and Regional Development, Adib Adam, had described Jalil as a *'pejuang ekonomi negara'*.

I feel that if we in Malaysia want really to honour Jalil Ibrahim's dedication in protecting the public interest and funds in the BMF and Bank Bumiputra, then we should honour him not by giving posthumous awards only but in continuing his work to expose the BMF scandal.

I think there is no better way to honour Jalil Ibrahim than to have a Royal Commission of Inquiry into the BMF scandal to finish what he started which will really be honouring him, then giving him posthumous awards but engaging in a major 'cover up' of the BMF scandal.

To only give Jalil Ibrahim posthumous awards but 'covering up' the BMF scandal would in fact be dishonouring Jalil Ibrahim's name and sacrifice!

NAWAWI INNOCENT?

Last week, the Bank Bumiputra Executive Chairman, Dr. Nawawi, claimed that he was innocent and had not approved or authorised any loan to Carrian or to any Hong Kong group. Malaysians are no more interested in hearing any plea from the BMF and Bank Bumiputra characters, but only in the facts adduced in an independent public inquiry.

Dr. Nawawi's predecessor, Kamarul Arrifin, had like him, also publicly claimed innocence. Where then is the guilt?

According to a Star report of 3rd October 1984, the BMF inquiry interim report revealed that Bank Bumiputra lent about $1 billion through BMF to Carrian and George Tan related companies after the collapse of the property market in Hong Kong in 1982. Only about 20 per cent of the BMF's $2 billion loans to Carrian were given out in the first two years (1980 and 1981), another 20 per cent in 1982. About 30 per cent more was lent out after the collapse of the Carrian group in 1982 and the remaining 30 per cent given out last year.

Dr. Nawawi became Chairman of Bank Bumiputra in April 1982, and I do not see how he could disclaim responsibility, unless he is another Kamarul Ariffin who claims that he does not know what is happening in his Bank and Group!

Dr. Nawawi should realise that his continued tenure as Bank Bumiputra Chairman can do no good for Bank Bumiputra. After the 1983 Bank Bumiputra report which declared a loss of $967 million, and being responsible for the $2.5 billion BMF bad debts, he could still declare that Bank Bumiputra is *'sound and strong'*. By his twisted logic, Bank Bumiputra is probably stronger if it could pile up such losses two or three-fold!

SHELL COMPANIES

The Prime Minister, the Finance Minister and Bank Bumiputra officials have stuck to their claim that the BMF loans troubles are caused by the collapse of the Hong Kong property market, and implied that it was the result of imprudent and overexposed loans.

Is this really the case?

From published information and figures it is now clear that the Carrian empire was not just the victim of a collapsed Hong Kong property market because of the *'ham-fisted handling of China relations on the 1997 question'* by the British as Dr. Mahathir alleged, but that Carrian was in fact one of the biggest corporate frauds in recent times. Even the 1980 deal on which Carrian made its reputation — the purchase of the 390-storey Gammon House, now called Bank of America Tower, for the sum of M$449 million and its resale nine months later for M$752 was never completed. The Carrian empire was a maze of fictitious property deals between a multitude of its shell-companies.

What Malaysians should be concerned is that the BMF seems to have a special relationship well beyond the normal client-relationship. Former Bank Bumiputra Executive Director and one of the two BMF Directors at the time of the BMF troubles, Hashim Shamsuddin, had admitted to foreign journals that BMF financed Carrian in the purchase of the Gammon House which started the Carrian rise and fall.

PETRONAS RESCUE

Apparently, right from the beginning of the Carrian story, the BMF was intimately involved, as seen in the undisclosed HK$4.6 billion BMF loans to Carrian and the BMF's involvement in raising the $15 million bail for George Tan when he was arrested and charged in court.

One of the tasks of a Royal Commission of Inquiry when it is established is to ascertain whether the Carrian-BMF relationship was so close that in fact the Carrian was BMF, and the BMF was Carrian!

The latest episode of the BMF loans scandal is the Petronas rescue of Bank Bumiputra and the take-over of the $2.5 billion BMF bad

debts. It is a most shocking example of irresponsible juggling around with public funds to avoid public accountability and parliamentary scrutiny of the BMF loans scandal.

It would set a dangerous precedent whereby the Government could avoid public and Parliamentary accountability for breach of trust, mismanagement and gross negligence in Off-Budget Agencies by hiding and absorbing such losses by getting Petronas to use its oil money to buy over such agencies.

The Petronas-Bank Bumiputra deal is a great blow to the efforts by Malaysians to get the government to be accountable on the BMF scandal, as well as to get Off Budget Agencies to be brought under greater control and accountability.

I do not want here to deal with my other contention that the Petronas was acting ultra vires its statutory objectives under the Petroleum Development Act in straying from its upstream, downstream and other petroleum-related activities to buy over ailing banks and absorb BMF bad debts, which I will reserve for another occasion.

What the Government should do in the Bank Bumiputra case is to come to Parliament, as in the Bank Rakyat case, to ask for a $2.5 billion vote to bail out Bank Bumiputra, and submit to parliamentary accountability and approval.

REFERENDUM

If there is any national consensus on one subject, it is on the need for a Royal Commission of Inquiry into the BMF scandal to ensure that all those criminally, morally, politically and administratively responsible are made to realise the enormity of their 'heinous crimes' so that there could be no repetition in Malaysia.

The Prime Minister, the Deputy Prime Minister, the Finance Minister, and even the Bank Bumiputra Chairman, had repeatedly said that action would be taken against those who have been shown to have committed offences in the BMF scandal.

Malaysians have been hearing this promise for close to two years, and are no more interested in hearing them again. What they want is action, for those who are responsible for the country's loss of some $2.5 billion to be brought to book.

If the Cabinet cannot bring to book the culprits of the BMF loans scandal, then the Cabinet's integrity and capability comes under question, for clearly the question will arise as to whether the Cabinet must assume full responsibility for the BMF loans scandal as it could not even find the culprits concerned, or to bring them to book.

In other countries where there is a more developed sense of political morality, scandals like the BMF loans scandal would have brought down the government of the day. But in Malaysia, where we boast of a motto of *'clean, efficient and trustworthy'* government, the Government is not only morally unshaken, it is cocky enough to upbraid Malaysians for being *'excited'* about the BMF loans scandal, and drag its feet in a long-drawn-out strategy of cover-ups.

If the Government is not prepared to set up a Royal Commission of Inquiry, then I would challenge it to hold a referendum to ascertain whether the people support such a Royal Commission of Inquiry or not.

The BMF loans scandal is the biggest financial and banking scandal in Malaysia. It is also an acid test as to whether Malaysians are going to tolerate dishonesty, immorality and corruption in political and public life, or whether they are going to demand increasingly high standards of political and public integrity, morality and honesty.

In 1979, the then Prime Minister, Tun Hussein Onn, made an issue of the $150 million Bank Rakyat mismanagement scandal, and sent the then UMNO aspirant for the Prime Ministership and Selangor Mentri Besar, Harun Idris, to jail.

STANDING JOKE

Malaysians hoped that an exemplary precedent had been set whereby high standards of political integrity and incorruptibility would be expected of all Malaysians in public life, but this exemplary standard had been destroyed by the foot-dragging of the 2M Government, which seemed prepared to tolerate mismanagement of funds 20 times the scale of the Bank Rakyat scandal.

Even now, the government is not prepared to release the Ahmad Nordin Inquiry Committee's interim report two months after its submission to the authorities.

If the Government is not prepared to come out clean and publicly on the entire BMF loans scandal, and the punishment of all those responsible for it, then the 2M Government can abandon its motto of *'clean, efficient and trustworthy'* — for it would be a standing joke rather than an elevating motto.

As a result of the foot-dragging of the government over the $2.5 billion BMF loans scandal, I detect a serious deterioration in public integrity and attitudes of government leaders.

Previously, mismanagement or abuses of public funds involving $100,000 or $250,000 would be regarded a very major scandal, but now, with the $2,500 million BMF loans scandal, an attitude is seeping into government circles that mismanagement or abuses of public funds even in the scale of tens of millions of dollars of public funds are not very serious deviations, bearing in mind the magnitude of the BMF loans involved.

Parliament must provide the leadership to check the slide down the slippery slope of corruption, whether legal or moral, for once we become a nation which is used, or tolerate, or cannot get *'excited'* about corruption, abuse of power and gross mismanagement of public funds and trust, then we are on our way towards a doomed people and nation.

MALAYSIA'S SOUL

A Royal Commission of Inquiry into the BMF scandal, with full powers to investigate into all aspects of the affair, to expose the persons and events and the forces at work resulting in the BMF scandal, is necessary to save Malaysia's soul from the pervading corruption in public life.

Such a Royal Commission of Inquiry would serve also as a national notice to all public officers that the country would not tolerate breaches of public trust and dishonesty, which will raise the tone of public service of political and government officers. It will vindicate the cause for which Jalil Ibrahim gave his life — which is to be a guardian of public funds and trust — so that Jalil Ibrahim would not have died in vain.

Such a Royal Commission of Inquiry should also inquire into the role of the various government regulatory agencies, like Bank Ne-

gara, the Companies Registry, the Ministry of Finance, the Prime Minister's Department, for the BMF loans scandal would not have occurred if all these government regulatory agencies had fully discharged their duties to the country.

The reasons that have been given by the Prime Minister and the Deputy Prime Minister that a Royal Commission of Inquiry is inappropriate do not hold water. They had said that a Royal Commission has no powers of jurisdiction in Hong Kong, but this disability is also faced by the Ahmad Nordin Committee of Inquiry. A Royal Commission will have powers which the Ahmad Nordin Committe lacks, which is the legal power to subpoena persons, papers and records, with the power to punish for contempt those who obstruct its proceedings. The other reason with regard to banking secrecies can also be taken into account by the Royal Commission of Inquiry, weighing the respective public interest claims of banking secrecies and expose of crimes.

I do not think that anywhere in the world, banking secrecies should stand in the way against the expose and punishment of crimes against the nation and people as in the BMF loans scandal.

A Royal Commission of Inquiry, headed by a High Court judge, with the Auditor-General, Tan Sri Ahmad Nordin, as a Commission member, who can bring into the Commission all the work done by the Committee of Inquiry, would be the only answer to the BMF scandal.

Anything less would be to demonstrate lack of seriousness to deal with a scandal of the magnitude of the BMF affair, which will bode ill for the development of a clean, honest, incorrupt and trustworthy national climate for all political and public officials. The 2M government must decide whether it wants to be remembered by its motto of a '*clean, efficient and trustworthy*' government or by the BMF Scandal.

Daim's Maiden Budget

> *There must be an end to the secrecy of operations of Petronas if we want to make all OBAs more open and accountable for their actions, and Petronas must open up to explain and justify policy, operational and management practices, in both petroleum and fiscal aspects.*
>
> *.... Datuk Harris Salleh cannot deny that Berjaya leaders, going up all the way to the Berjaya Supreme Council which is the policy-making body, had been corrupt, as he himself admitted in October 1983 that of the 1,600 Bumiputras who borrowed $105 million from the Bumiputra Participation Unit and the Rural Development Corporation's credit scheme, 70 Berjaya politicians, including Berjaya Supreme Council members, wrongly obtained $68 million of the loans.*

I congratulate the new Finance Minister, Daim Zainuddin, for delivering his maiden Budget last Friday — and if I am not mistaken, it was also his maiden speech in Parliament.

Daim Zainuddin's budget has another distinction in that it provoked a public protest and demonstration in Johore Bahru on Sunday for its being a "rich man budget", at a period of deteriorating economy and worsening poverty arising from escalating prices of essential foodstuff and scarcity of low-cost housing.

I will sum up Daim Zainuddin's maiden 1985 Budget as being over-generous to the rich while forgetful of the poor.

The 1985 Budget philosophy could be seen from the disparity in treatment where low income earners were only given one per cent reduction in their income tax rates, while those with chargeable

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Speech on the 1985 Budget on October 24, 1984

income above $10,000 got reductions ranging from 5 to 20 per cent; the raising of the death duty exemption from $600,000 to $2 million, and the reduction of the duty from the previous 12 to 60 per cent (depending on the property value) to only two rates: 5 per cent (for value of estate between $2 million and $4 million) and 10 per cent (for value above $4 million).

The inequity of the new tax reductions, which will cost the Treasury $327 million, could be seen from the differences in tax savings from the rate revision, where the low income earners will benefit in the region of tens of dollars while the high income earners benefit in the region of $30,000 to $40,000.

Thus a salaried employee with a wife and child, and earning $1,200 a month would save in tax $32, an employee earning $1,700 monthly would save $51 while a professional or businessman with a monthly income of $20,000 (which will bring him into the chargeable income of $232,200) would save $38,500.

The restructuring of the income tax rates should be to make it more equitable, rather than to result in a more inequitable and regressive system where the rich and wealthy are given a bonanza when everyone is being exhorted to tighten their belts to see through the troubled economic times the country is in. In fact, the 1 per cent reduction of income tax rates for the low income earners appear to be an afterthought, after the Finance Minister has decided to slash 15 per cent of the income tax rates for the rich, so as to make the decision palatable.

The income tax revision, as well as the death duty changes, would aggravate the disparity in the distribution of income and wealth between the rich and the poor, and makes a mockery of the New Economic Policy objective of wanting to eliminate poverty and create a more equitable Malaysia.

It is still to be seen whether the Finance Minister's hope that the income tax reductions would increase incentive, productivity, individual savings and investment, for clearly for the lower income groups, the meagre tax savings would be used to meet the exigencies of life aggravated by recession and inflation; while for the rich, other factors are probably more dominant in deciding whether to save and invest in Malaysia, which I will come to later.

What I find most disturbing about the 1985 budget is that the new Finance Minister seems to be more receptive and responsive to the representations of the rich while the plight and sufferings of the poor have difficulty in getting his attention.

ECONOMIC DEMOCRACY

The Finance Minister, Daim Zainuddin, in his budget speech said:

"We are convinced that political democracy is incomplete, if the majority of our citizens do not enjoy economic democracy, that is, the ability to overcome poverty. We believe that none of us wants to live in poverty. In fact, every individual has a dream and the aspiration to acquire enough money so as to live and to practise his religion, work and fulfil his responsibilities towards his family. This is also the dream and aspiration of the Government."

If the Finance Minister and the Barisan Nasional Government really believes in economic democracy, how could they explain to the poor and the low-income Malaysians, who represent 80 per cent of all races of our citizenry, that in the 1985 Budget the government could only afford $2,190 million for poverty eradication programmes when one off-shoot of Bank Bumiputra, Bumiputra Malaysia Finance, could with impunity up to now, throw away more than this sum of money in Hong Kong?

DAYABUMI

Again, how could they square their profession of *'economic democracy'* for all Malaysians when for ten days now, over 300 Kampong Bercham squatters who had been evicted by the use of some 200 rounds of tear gas by the FRU, had been crowded into the small Kampong Bercham community hall outside Ipoh, in unsanitary and unhealthy conditions, without privacy or facilities for the students to study or prepare for their examination, with many squatters falling victim to various forms of illnesses — and the government authorities doing nothing to relocate and resettle them after tearing down their squatter houses which had provided their only home for 10–15 years — and showing no concern whatsoever for their welfare or health!

The Finance Minister declares that the government would continue to accord high priority for public low-cost housing projects through-

out the country, and announced an allocation of $278 million for 1985. I thought at first I had heard wrongly, for this is a paltry sum, which shows the low priority of the government on the human right of every Malaysian to have a roof over his head, for the total annual sum of $278 million for low-cost housing for the whole of 1985 is very much less than the cost of building the prestigious white elephant, Dayabumi — the UDA headquarters.

The Government has got its sense of priorities all wrong, and its policies is more wealth-oriented than people-oriented. It would be a tragedy in Malaysia if we reach a position in government and public life where 'Money Talks' and the poor could only suffer in silence, have tear gas fired at them because they are poor and homeless, and their problems and grievances ignored and suppressed. This probably explains why in a budget where the Finance Minister is acting as a Santa Claus for the rich, the low-income have not been spared, for motor-cyclists have to pay higher motor-cycle road tax to help finance some of the goodies being given out to the rich.

Even the increase of vehicle registration and transfer fees could only add to the hardships of the low-income, for vehicle ownership is now no more a luxury but a necessity in the struggle for a livelihood.

For instance, under the budget, transfer fees for vehicles is increased from $40 to $100 from individual to individual; from $40 to $300 from individual to company; and from $40 to $100 from company to individual; and endorsement in the registration book of ownership claim, which was previously free of charge, would now cost $50.

This would mean that a person who buys a second hand car, through a finance company, would have to pay the following additional expenses under the 1985 budget:

* transfer of registration to finance company from original owner:	$300
*transfer of registration from finance company to hire purchaser:	$100
*endorsement of finance company's ownership claim:	$ 50
Total	$450

Before the budget, this will cost the purchaser of a second-hand car only $80 being $40 fee for the double-transfer each. He will now have to pay $450, for the finance company would definitely pass the extra expenses on to him.

Only the low-income will buy second-hand cars, and borrow from the finance company by way of hire purchase, for the rich will buy a fleet of brand-new imported cars of the most expensive make without having to make use of hire-purchase companies. I hope this could be rectified immediately to reduce the budget's bias against the poor and low-income, for this budget proposal penalises the low income for having low incomes and being unable to buy brand new cars or without hire purchase through finance companies.

The basic problems of the Malaysian economy today are the twin budget and balance of payments deficits, the public debts, control and accountability of the government and government agency expenditures in particular of the Off-Budget Agencies, poverty and the inequal distribution of income and wealth.

Although the 1985 Budget touched on these problems, it did not really grapple with the root causes or provide the solution to them.

BALANCE OF PAYMENTS

The current account turned from a surplus of $2 billion in 1979 to deficits of $620 million in 1980, $5.6 billion in 1981, $8.1 billion in 1982, $7.1 billion in 1983, an expected $5.2 billion for this year, and an estimated $4.9 billion for 1985.

This means that for the six years from 1980 to 1985, Malaysia will run up $31.5 billion in current account deficits. The main cause is the rapid rise in the invisible trade deficit, i.e. payments for investment income to abroad, freight and insurance, travel and education, foreign consultants and royalties, which rose from $2.1 billion in 1976 to $4.9 billion in 1979, $5.8 billion in 1980, $5.3 billion in 1981, $6.3 billion in 1982, $8.5 billion in 1983, an expected $9.9 billion for 1984, and an estimated $10.8 billion for 1985.

As a result, although we expect to have a merchandise trade surplus of $4.7 billion for 1984 and $5.9 billion in 1985, the current account deficit is expected to be $5.2 billion and $4.9 billion respectively.

Total Federal Government revenue for 1983 was $18.6 billion while operating expenditure was $18.4 billion and development expenditure $9.4 billion, giving an overall budget deficit of $9.4 billion. For this year, this budget deficit is expected to be $8.4 billion while for 1985 it is estimated to be $6.3 billion.

PUBLIC DEBT

The total outstanding debt of the Federal Government is expected to increase by 17% from $49,508 million in 1983 to $57,746 million at the end of 1984. This is mainly due to an increase in the outstanding external debt from $16,933 million in 1983 to $21,159 million in 1984.

The total debt service payments for 1984 is expected to be $4,805 million. This means that out of the total $8,238 million new loans borrowed in 1984, $4,805 million was spent in paying back old loans, which is equivalent to 58 per cent of the 1984 new loans. This means that 58 cents out of every ringgit in new loans in 1984 merely went back to pay back our old loans, as compared to 42 cents for every ringgit for 1983.

At this rate of public indebtedness, we will soon be in the same situation as Mexico and Argentina, where we will use 100 per cent of our new loans to repay old loans!

In 1985, the debt service payments would rise to $5,486 million which would represent 26 per cent of the 1985 operating expenditure of $21,537 million.

When the government introduced the Fourth Malaysia Plan in 1981, it announced that during the Plan period from 1981 to 1985, Malaysia would borrow externally $4,000 million as compared with $3,907 million during the Third Malaysia Plan, but during the four years of the Fourth Plan, we have already borrowed $16.4 billion, more than four times the Plan target.

This external debt figure has not taken into account the total national indebtedness, as it has been estimated that last year the total external debt, both public and private sectors, was $30.9 billion up from $24 billion in 1982 and $15.4 billion in 1981.

The Barisan Nasional Government must bear the full blame for the huge public debt of $58 billion with external debts as high as 37 per

cent, for when it decided to plunge on its reckless course of external borrowings in 1981 (with its eyes on the 1982 general elections), it in fact decided to mortgage Malaysia's future for its short-term political party interests.

Its style of government must also take the responsibility, for the government's contempt for public debate and fullest consultation before embarking on major policy initiatives, as shown in the other case of the National Car Project which was announced with the minimum of public discussion or even Cabinet knowledge.

VICIOUS CIRCLE

I call on the new Finance Minister to have an open and frank style of government and to take the public into his confidence on matters of common national concern. The Finance Minister, should, for instance, let the country know what is the government's plans with regard to domestic and external borrowings for 1985, which should not be regarded as a top secret, so as to enable intelligent public discussion of economic and financial strategies for the future.

The government has not yet broken the vicious circle whereby the twin current account and budget deficits resulted in a bigger external debt, which in turn in the form of debt service payments, has become the single biggest item on the services deficit in the current account deficit.

The Government must call a halt to the reckless increase in the public debt; slash costly prestigious projects; reduce reliance on foreign contractors in construction and turnkey projects or foreign consultants; bring home the $1,000 million spent abroad annually by Malaysian parents for the higher education of their children by establishing adequate universities, colleges and polytechnics in Malaysia, or allow the establishment of private universities; the end of misuse of public funds by the government and government agencies and the raising of their efficiency and productivity; the creation of a national climate where Malaysians would save and invest in Malaysia instead of the flight of domestic capital which has been estimated to total $13 billion between 1976–1983 and check corruption in public life.

In his budget speech, Daim Zainuddin described the Off-Budget Agencies as a '*new phenomenon*' whose expenditure is expected to peak to $7.2 billion or 46 per cent of total public expenditure in 1984. For 1985, the expenditure of the OBAs will be reduced by $1.5 billion to $5.7 billion. The Finance Minister said that the methods of control and financial management should not differ between the expenditure by the Government and the OBAs, since both have the same effect on the balance of payments and the overall financial position of the country.

OBA'S FREE-WHEELING WAYS

From the recent publicity given to the need to bring the OBAs under government control, it would appear that there has been no system of government control over them. I do not agree. Although the projects and activities carried out by these agencies lie outside the normal budgetary process, they do not lie outside the control and monitoring of the Government. If I am not mistaken, there is always at least an official representative of the Federal or State Government on the governing board of everyone of the OBAs, and if the OBAs run riot to the extent of negating the government's efforts in containing its development expenditures, it is not because of the absence of government control but the breakdown of government control.

The problem of the OBA's free-wheeling ways are more deep-seated, for it stems from the unwillingness of the government to respect the principle of public accountability for the stewardship of public funds, whether directly by the government and its departments, or indirectly through government companies or other OBAs.

The government cannot claim that it had no means of control previously over the OBAs, for then, why did the Federal government loan $20 billion and guaranteed a further $7 billion to the OBAs, with $800 million in default?

The Government had been guilty of gross irresponsibility in allowing the OBAs to operate like a law unto themselves, without proper control or minitoring over their activities. But the question has still to be answered whether the Government is prepared to accept the principle of accountability for all OBAs, because in the final analysis, they are acting as trustees of the Malaysian public in their charge of public funds vested in them.

It is most odd if all that the Finance Minister would concede is that the OBAs are answerable and accountable to the Government, but not to Parliament and the rakyat, when the Government is itself answerable to Parliament and the rakyat.

The DAP calls for the establishment of a Parliamentary Off-Budget Agencies Accounts Committee, as a sister committee of the Public Accounts Committee, to scrutinise and to make the OBAs accountable to Parliament.

If the Government is not prepared to have Parliamentary scrutiny over OBAs, then its recent pronouncements about the need to bring OBAs under control wears thin, for who is to exercise a check on the government's control over the OBAs, if not Parliament itself?

The BMF scandal is an excellent example as to how, even with various governmental checks exercised by regulatory agencies like Bank Negara, the Ministry of Finance, and the Prime Minister's Department, things can go very wrong for the simple reason of the failure of the governmental regulatory agencies.

The Finance Minister in his budget speech said that the *'unpleasant episode'* of BMF *'is now past'* and that the immediate task was to further strengthen Bank Bumiputra and to generate greater confidence among the public and overseas towards the bank.

The Finance Minister cannot be more wrong if he thinks that the BMF scandal could be a *'thing of the past'* and *'forgotten and forgiven'* by the people without a proper public accounting of the scandal and the culprits brought to book.

The BMF scandal is too heinous, and involve too vast a sum of public funds, to be swept under the carpet. The $2.5 billion bad loans of BMF comes to about 10 per cent of the 1985 budget, and could have been used to double allocation of funds for the eradication of poverty projects next year, to relieve the poverty of the farmers, the fishermen, the workers, the homeless, the jobless and the needy and deprived.

I am indeed shocked by the Finance Minister's remarks on the BMF, for his speech could be misread as an indication that the Government wants to 'cover up' the entire BMF scandal and protect the culprits from public prosecution and conviction. This would

naturally raise the question as to why the Government wants to hush up the entire BMF scandal.

If the BMF scandal is hushed up, then it would be a signal to all public officers that the 2M government does not take public integrity, dedication and trustworthiness seriously, and that infractions and violations of the national interests as happened in the BMF scandal would be condoned and even hushed up. Nothing would have done more to destroy public confidence in the integrity and trustworthiness of the entire government itself.

Nobody disagrees with the Finance Minister that Bank Bumiputra should be strengthened and greater confidence among the public and overseas generated. The problem with Bank Bumiputra now is not its financial stability, for with the full backing of the Malaysian Government and its takeover by Petronas, there would be no doubt in anyone's mind about its financial strength.

Bank Bumiputra's problem will be whether it could regain public and international confidence about its integrity and the trustworthiness of its officers whether at the parent company or its subsidiary companies. This could only be done if Bank Bumiputra is made to admit its mistakes, which is by now public and world knowledge, and the officers guilty of the BMF's $2.5 billion losses, punished and made an example of.

The Ahmad Nordin Committee of Inquiry into the BMF scandal is reported to be completing its second report, which would mention names of persons, including prominent politicians, against whom action should be taken for the BMF scandal.

I call on the Finance Minister to keep his word on his return from the World Bank and International Monetary Fund meetings in early October that the BMF inquiry committee interim report would be made public after his budget presentation on October 19.

I also call on him to make a clear-cut clarification that his budget remark on the BMF scandal is not meant to publicly close the chapter on the BMF scandal, for this is impossible, for far from being a *'past'* matter, it is still very present and alive in the minds of all thinking Malaysians until there is a full accounting and the culprits concerned are brought to book.

PETRONAS' RESCUE

I wish here to deal with Petronas' use of its oil money to rescue and take over Bank Bumiputra and buy up BMF's $2.5 billion bad debts.

The Bank Bumiputra-Petronas deal set a most dangerous and unhealthy precedent whereby the Government could avoid public and Parliamentary scrutiny and accountability for breach of trust, mismanagement and gross negligence in Off-Budget Agencies by hiding and absorbing their colossal losses by arranging for them to be bought up by Petronas or other OBA similarly aflush with public funds.

The Bank Bumiputra-Petronas deal is therefore a great blow to the efforts by Malaysians who want to bring OBAs under greater control and accountability, for it provides a vehicle for the OBAs to be even more unaccountable and irresponsible.

The Petronas take-over of Bank Bumiputra runs counter to all Daim Zainuddin's profession of wanting to bring the OBAs under greater control and supervision.

The new Finance Minister had the reputation of a Corporate King before his appointment to the Cabinet, dazzling Malaysians with his corporate take-overs and his wizardry in corporate battles. But he cannot regard government finances as a mere corporate chessboard, and apply in toto the strategy and principles and tactics which would be relevant in the corporate world.

BANK RAKYAT SCANDAL

Thus, a corporate empire facing the problem with one company burdened with a huge bad debt running into billions of dollars could bail it out by arranging for other companies in the same group with large liquid assets to take it over, with the corporate group showing healthy financial balance, without having to explain or account to anyone for the mismanagement or breach of trust or other acts of negligence that might have been committed.

This is not applicable in the management of a country's finances, for the principle of public and Parliamentary accountability must be strictly observed.

As the Government of Malaysia had repeatedly given public assurances that the Government would stand by Bank Bumiputra, it is the Government that must bail out Bank Bumiputra by way of an application to Parliament for the allocation of an advance to Bank Bumiputra — in this case, some $2.5 billion.

This was done in the case of Bank Rakyat, which as a result of breach of trust, mismanagement and negligence, led to huge losses, and had to be bailed out by Parliament. The Bank Rakyat scandal was debated in Parliament, and a White Paper presented, before Parliament approved $150 million as an advance to bail out the co-operative bank.

In the Bank Bumiputra-Petronas case, however, although public funds in the form of Petronas' oil money would be used to bail out Bank Bumiputra, the government would have avoided accountability to Parliament and the public.

The Petronas Chairman, Raja Tan Sri Mohar bin Raja Badiozaman, had said that Petronas had enough profits to inject into Bank Bumiputra as part of the Government's rescue package to restructure the Bank, and that it was a '*good buy*'.

If Petronas had a '*good buy*' in the Bank Bumiputra deal, then the PNB must have had a '*bad sell*' in disposing of its 86% shareholding in Bank Bumiputra, and the PNB Chairman, Tan Sri Ismail Ali, owes the PNB shareholders an explanation.

However, I do not think Tan Sri Ismail Ali need to lose any sleep over the sale of PNB's majority stake in Bank Bumiputra to Petronas; for it was PNB which had a '*good sell*' and Petronas which had a '*bad buy*', as according to one calculation, the $2 per share paid by Petronas is well in excess of its net book value which is only 25 cents per share. I understand the PNB would be making a record low dividend of 9 to 11%, and I have no doubt that if PNB had not disposed of the Bank Bumiputra majority shares, it would not be able to declare any dividend for this year at all!

The argument that Petronas would now get a banking licence does not hold water, for if the Government is that keen that Petronas should run a bank, it could simply issue it with a banking licence!

This brings me to another aspect of the Petronas-Bank Bumiputra deal, namely its legality or otherwise.

I contend that Petronas has acted ultra vires of its statutory objectives in using $2.5 billion of oil money to bail out Bank Bumiputra and BMF.

Although Petronas is incorporated under the Companies Act with its own Memorandum and Articles of Association, it is established by a special Act of Parliament, the Petroleum Development Act, 1974, and the parent or controlling statute for Petronas is the Petroleum Development Act and not the Companies Act.

ULTRA VIRES

The objects of Petronas must therefore be limited to the terms and the policy of the constituent Act, namely the Petroleum Development Act 1974, which stated in the preamble of the Act as follows:

> *"An act to provide for exploration and exploitation of petroleum whether on-shore or off-shore by a Corporation in which shall be vested the entire ownership in and the exclusive rights, powers, liberties and privileges in respect of the said petroleum, and to control the carrying on of downstream activities and development relating to petroleum and its products."*

As the buying over of an ailing bank and the bailing out of a finance company cannot remotely be defined as activities having any connection with upstream or downstream or petroleum-related activities, Petronas has violated its statutory objectives, and acted ultra vires.

Petronas may have its Memorandum and Articles of Association purporting to give it powers to buy banks and bail out finance companies, but such Memorandum and Articles of Association would be null and void and of no legal effect as they conflict with the statutory objectives of Petronas as laid down by the Petroleum Development Act. Otherwise, Petronas could also go into the entertainment field, buy and sell detergents and set up fast-food chains or supermarkets, and a whole host of activities unrelated to petroleum whatsoever!

When he was in the United States, early this month the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, told Malaysian students that he believed that the Government had acted correctly in the Petronas-Bank Bumiputra deal, and that the Government was

prepared to be challenged in court over the legality of the takeover of the bank by Petronas.

Referring to my earlier announcement of the DAP's intention to take Petronas to court for acting ultra vires of its statutory objects, Dr. Mahathir said:

"We are willing to let him challenge us. If we are found to be wrong, we will take corrective measures."

We find this a most irresponsible manner of governing the nation. In the first place, the question of the government's willingness to be used in court does not arise, for the government has no choice in the matter.

Secondly, his statement that if the government is found to be wrong, it would take corrective measures, could only mean the summoning of an emergency meeting of Parliament to pass retrospective validation laws to make what had been illegal legal as in the Essential Security Cases Regulations 1975 which was pronounced by the Privy Council in the Teh Cheng Poh case as unconstitutional and null and void.

Since the Prime Minister has conceded that there is a possibility that the Petronas-Bank Bumiputra deal might be unlawful, then the government and in particular the Attorney-General, is duty-bound to refer the whole matter to Court for a definitive ruling so as not to allow legal rights and liabilities that might accrue after the Petronas-Bank Bumiputra deal to be left in doubt as to their legality.

COURT DECLARATION

The Petronas-Bank Bumiputra case cannot be treated in the same way as Teh Cheng Poh's case with regard to the Essential Security Cases Regulations, for in the former, a whole maze of commercial, financial and property rights and liabilities would be affected.

I want to ask the Attorney-General whether he proposes to refer the whole Petronas-Bank Bumiputra deal to the Courts for a definitive ruling on his own initiative, or whether he is prepared to be joined as a party to seek the court's ruling on the legality of the Petronas takeover of Bank Bumiputra?

The DAP Central Executive Committee, at its meeting on October 7, decided in the public interest that the Petronas take over of Bank Bumiputra must be taken to the courts for its legality to be challenged, for if we are right in our contention that Petronas cannot legally act outside its ambit of statutory objects laid down by the Petronas Development Act 1974, although it is incorporated under the Companies Act, then at least 50 per cent of its 33 Articles of objects and powers would be illegal and unlawful.

The DAP had intended to go to the Courts for a declaration on 9 matters, namely:

(1) A declaration that the objects and powers of Petronas must either be expressly conferred or derived by reasonable implication from the Petroleum Development Act, 1974;

(2) A declaration that each and every object set out in the Memorandum and Articles of Association of Petronas other than objects which are or are incidental or conducive to the attainment of the objectives of the Petroleum Development Act, 1974 are ultra vires Petronas and void in particular Articles 3,7,9,12,14 and 16;

(3) A declaration that the acquisition of shares in Bank Bumiputra Malaysia Bhd by Petronas is ultra vires, Petronas being not within the objectives and purposes of the Petroleum Development Act, 1974;

(4) A declaration that the purchase or acquisition of $2.225 billion problem loans of Bank Bumiputra Malaysia Bhd by Petronas is ultra vires, Petronas being not within the objects and purposes of the Petroleum Development Act 1974;

(5) A declaration that the Prime Minister of Malaysia cannot, purporting to act under the provisions of Section 3(2) of the PDA issue a direction to Petronas to purchase or acquire the shares in Bank Bumiputra Malaysia Bhd. and that such direction is not binding on Petronas;

(6) A declaration that a resolution of the Government of Malaysia, the sole shareholder of Petronas, in approving the purchase by Petronas of shares in Bank Bumiputra Malaysia Bhd. is ultra vires Petronas being not within the objects and purposes of the Petroleum Development Act, 1974;

(7) A declaration that Petronas is not empowered to provide financial assistance to restructure Bank Bumiputra Malaysia Bhd. or

engage in any form of salvage operations relating to Bank Bumiputra Malaysia Bhd;

(8) A declaration that

(a) the purchase of 90 per cent of the share capital of Bank Bumiputra Malaysia Bhd. for the price of $933 million from Permodalan Nasional Bhd.;

(b) the injection of $300 million into Bank Bumiputra Malaysia Bhd;

(c) the purchase of $2.2225 billion problem loan of Bank Bumiputra Malaysia Bhd. for $1.255 billion,

are not in the interest of Petronas;

(9) A declaration that Raja Tan Sri Mohar Raja Badiozaman, in his capacity as Chairman of Petronas has not acted in the interest of Petronas in approving the entire transaction or acquisition of the shares in Bank Bumiputra Malaysia Bhd. by Petronas and has thereby failed to discharge his duties as an officer of Petronas to act bona fide in the interest of Petronas."

We now understand that the Bar Council, in pursuance of its statutory objectives and duties under the Legal Profession Act 1976 to *'uphold the cause of justice'* and to advise the government on the laws of the land is interested in taking a test case to determine the legality of the Petronas-Bank Bumiputra deal.

In view of the Bar Council's interest in the matter we in the DAP are prepared to let the Bar Council take up this test case on the legality of the Petronas's takeover of Bank Bumiputra and BMF's bad loans, and it is for this reason that we have not taken further action on the matter so far. We will await the Bar Council's decision on whether it wants to proceed with the action or not.

Petronas is the largest and most unaccountable OBA in the country. I had asked my secretary at the Parliamentary Opposition Leader's Office, Sdr. Madhavan Nair, to write to Petronas for copies of all its annual reports for purposes of the 1985 Budget debate, but Petronas did not even have the courtesy to reply.

Petronas officials seem to forget that they are not the personal owners of Petronas, and are mere trustees of the people and as such must be prepared to account to Parliament as representatives of the people.

A local press recently reported how there was a game of 'hide and seek' when its reporters went to the Registry of Companies for the Petronas' 1983 accounts before the records were produced. Why this secrecy and mystery?

DIRECTORS' EMOLUMENTS

According to the report, Petronas and its subsidiaries were worth $9.5 billion on March 31, 1983. Its reserves were $9 billion which in some way could rival the country's reserves in gold and foreign exchange which at the end of December 1983 were only $8.8 billion.

Its expenditure for the 1983 financial year was $390 million with the 15 directors' emoluments totalling $1.4 million, which works out to an average of $8,422 a month. This does not include loans to directors for housing and motor vehicles which came to a further $1.2 million.

After the Pertamina scandal in Indonesia, Petronas has been described as the most top-heavy national oil corporation which does not produce a drop of oil.

The secrecy and mystery of Petronas, accountable to no one but the Prime Minister, is most unhealthy and unsatisfactory, especially as it commands vast reserves which could make it into a parallel government.

There must be an end to the secrecy of operations of Petronas if we want to make all OBAs more open and accountable for their actions, and Petronas must open up to explain and justify its policy, operational and management practices, in both petroleum and fiscal aspects.

We do not want to have a situation where in the public sector, austerity and belt-tightening is demanded of all departments and government servants, except Petronas, where because of the unlimited oil monies, become an oasis of plenty, overstaffed, highly-paid and with the minimum of work.

The oil resources of Malaysia is not meant to be a bonanza for the fortunate few appointed to the Board of Petronas, and the time has come for the Petronas to, for a start, justify its annual expenditure of $400 million and the annual director's expenses of some $3 million!

Secondly, Petronas should voluntarily submit its accounts to the Auditor-General for audit to show that it is prepared to accept the principle of accountability to Parliament and the people, with the Auditor-General submitting his report to Parliament.

In 1980, the Government formulated and implemented its National Oil Depletion Policy to conserve the petroleum and petroleum-related resources for future generations. But from the petroleum production figures, which shot up from an average of 371,108 barrels per day during the first six months of 1983 to 457,700 barrels per day in the first six months of 1984, it is clear that the National Depletion Policy appears more to deplete rather than to conserve our petroleum resources.

There is now talk that to bail out Malaysia's twin deficit problems in our budget and balance of payments, oil output should be increased to 600,000 barrels per day, even though world oil prices are plummeting.

Two days ago, the Deputy Finance Minister, Datuk Sabaruddin Chik, said Malaysia would not cut back its oil production rate even if oil price in the international market falls, showing the desperation of Malaysia in depending on the petroleum resources for economic rescue, abandoning the conservation objectives of the National Oil Depletion Policy.

The government must reconsider its entire oil production policy for we seem to be bent on sacrificing the long-term interests of future generations to tide over our present economic woes.

'FEAR OF GOD'

When public accountability breaks down, whether in the BMF scandal case or Petronas for example, there will be across-the-board fall in public integrity, leading to corruption and graft in Malaysia becoming most blatant and rampant today than at anytime in the 1980s.

The 2M Government's promise of a *'clean, efficient and trustworthy'* government has become a poor joke to the people of Malaysia, for the Prime Minister's promise to put *'the fear of God'* into the corrupt had clearly failed to evoke any fear whatsoever. Today, corruption, abuse of power and breach of trust has become the order of the day.

I call on the 2M government to have a second lease of commitment to fight corruption, abuse of power and breach of trust, which if unchecked, would like cancer, destroy the very fabric of our society in the way many nations in the past had gone to ruins.

Political leaders, whether at Federal or State levels, must set a high standard of political morality. The clear case of the breach of Article 6(5) of the Sabah State Constitution by the Sabah Chief Minister, Datuk Harris Salleh, prohibiting the Sabah Chief Minister from *'actively engaging in any commercial enterprise'* is a good case in point.

In response to Datuk Harris Salleh's challenge, I had on September 3 publicly at the Chinese Assembly Hall in Kuala Lumpur accused him of breaching Article 6(5) of the Sabah State Constitution and named three companies where he had been director during his tenure as Sabah Chief Minister, namely DUA BERSAUDARA SDN. BHD., EMPAT BERSAUDARI SDN. BHD. and SEJATI SDN. BHD.

On September 24, at the Chinese Assembly Hall, I had named a fourth company where Datuk Harris Salleh had been a director during his tenure as Sabah Chief Minister, i.e. SADAS Sdn. Bhd.

There is also a fifth company which calls for explanation and investigation by the Anti-Corruption Agency. I am referring to MINYAK BERJAYA SDN. BHD., which was incorporated on 7th August 1974 in Kota Kinabalu with Datuk Harris Salleh as one of the two original subscribers.

According to the annual returns lodged with the Registry of Companies on 16th August 1980, Datuk Harris Salleh is the largest single shareholder with 600,000 shares out of the total 3 million shares at $1 each. Sabah Land Development Board held 500,000 shares.

After this return, the entire company of MINYAK BERJAYA SDN. BHD. was sold to SAPLANTCO SDN. BHD., which is wholly owned by Sabah Land Development Board, for an undisclosed consideration.

We have therefore here a case of a company where Datuk Harris Salleh owns 600,000 shares out of the total 3 million shares being sold to a wholly-owned subsidiary of a government agency, the Sabah Land Development Board, which is finally responsible to the Sabah Chief Minister.

The Anti-Corruption Agency should investigate into this case to ascertain whether there is any conflict of interest.

In any other country where political leaders have a greater sense of political morality, Datuk Harris Salleh would have resigned as Chief Minister when these breaches of the Sabah Constitution are made public. But in this case, the Sabah Chief Minister is hoping that the Prime Minister would bail him out.

Corruption in Sabah under the Berjaya government has become so rampant that way back in 1978, the people in Sabah had aptly described it as *'Big Small All Eat'*. It was because in 1978 when I visited Sabah I called on Datuk Harris Salleh to honour the founding Berjaya pledge of Tun Fuad, Datuk Peter Mojuntin and Datuk Chong Thian Vun to have a clean, honest and incorrupt government that I was subsequently banned from entry into Sabah.

Datuk Harris Salleh cannot deny that Berjaya leaders, going up all the way to the Berjaya Supreme Council which is the policy-making body, had been corrupt, as he himself admitted in October 1983 that of the 1,600 Bumiputras who borrowed $105 million from the Bumiputra Participation Unit and the Rural Development Corporation's credit scheme, 70 Berjaya politicians, including Berjaya Supreme Council members, wrongly obtained $68 million of the loans.

Even more damaging had been a TIME magazine report dated April 27, 1981, which reported:

"Another problem plaguing Harris' economic development programme is corruption. Sabah's Land Development Board, which is responsible for the ambitious resettlement program, is notoriously corrupt: contract kickbacks are routinely demanded. Throughout Sabah politics, money talks. The result of last month's state elections, which Harris' Berjaya (Successful) Party won handily, was not unaffected by voters' receiving the government's annual gift of $67 (US) just before the vote as well as the distribution of money and favors to village headmen for delivering votes. Harris has granted key Berjaya supporters valuable timber licences and has himself become enormously wealthy since taking office, with interests in oil, real estate, plantations and timber. The Chief Minister argues that 'patronage' is involved not 'corruption'. 'He

gets his piece of the action but he doesn't cheat', says a Kota Kinabalu businessman. 'He insists on high standards and makes his millions honestly'."

Apparently, the Anti-Corruption Agency does not read TIME magazine.

I challenge Datuk Harris Salleh to disclose all the companies where he had remained as a director at any time during his tenure as Sabah Chief Minister and to declare his assets and that of his family and close kins before he became Chief Minister and at present, and to allow a public scrutiny and examination of his personal assets and incomes.

The Anti-Corruption Agency must be more effective in Sabah to stamp out the *'Big Small All Eat'* corruption, or Sabah would stand as the very symbol of the utter failure and ineffectiveness of the ACA to combat corruption for which it was established.

RACIAL POLARISATION

The Finance Minister had slashed the income tax rates of the wealthy in an exercise in Reagonomics to spur productivity, investment and individual savings although the supply-side theory has contributed to the biggest budget deficit in US history.

Various studies have shown that the savings rate in Malaysia greatly exceeds its investment rate and that between 1976-1983, there was a flight abroad of domestic capital totalling $13 billion.

The problem therefore is not so much capital shortfall as whether domestic capital could be encouraged and induced to invest locally.

Apart from problems of economic uncertainty arising from the international situation, a major cause of the domestic flight of capital is the problem of racial polarisation in the country.

Only last week, I was told of a Malaysian Chinese industrialist who in the late sixties and early seventies was a very strong proponent of the need to help the Malays catch up economically, but who in the late seventies and eighties had become so disenchanted by NEP policies and measures that he had transferred most of his capital overseas to invest abroad.

Extremists and chauvinists can accuse such a person as being disloyal to Malaysia and 'good riddance', but it could only mean we are not prepared to grapple with the problems created by racial polarisation in the economy, national unity and our national future, and want to see it escalate further.

The demand for the extension of the NEP goals and targets after 1990, the accelerated process of Islamisation in all sectors of national life trying not to be too far removed from the ultimate demand for an Islamic State, the shocking insensitivities of Federal and State Government authorities to the political, religious, cultural, economic, educational and national aspirations of all races, religions, cultures, aggravating racial polarisation and threatening the country with religious polarisation, are factors which affect productivity, investment and savings in Malaysia.

BUKIT CHINA ISSUE

The Bukit China issue in Malacca is a good illustration. For four to five centuries, Bukit China has become the community trust property of the Chinese for religious purpose, and there are 12,500 graves on the ancient cemetry hill.

Bukit China therefore symbolises the cultural roots of the Malaysian Chinese in Malaysia, their contribution to the building of Malaysia today, their religious freedom, political status and citizenship rights. In fact, Bukit China should be regarded as part of the national heritage by all Malaysians, regardless of race.

In utter disregard of the historic, cultural, religious, political sensitivities of the Chinese in Malacca and Malaysia, and even without consultation and consent from the trustees of Bukit China, the Cheng Hoon Teng Temple Committee, the Malacca Chief Minister unilaterally announced the Malacca State Government's decision to level and develop Bukit China, announcing two development plans and even gazetting the government's intention to acquire Bukit China for road purposes.

I know that since Merdeka in 1957, many UMNO and MCA leaders had been dreaming their 'Bukit China' dream, for anyone who could participate in the development of Bukit China, which is in the heart of Malacca town, would be virtually given the franchise to mint money and become a multi-millionaire overnight.

But the cost of any forcible State Government development of Bukit China, especially as the Chinese community had both in Malaysia and Malacca made clear their opposition, would cost the nation very dearly in terms of the damage to inter-racial, inter-religious, inter-cultural relations and national unity as a whole.

This is because if the Chinese community finds that what had been their community trust property for centuries, and used for a religious purpose, could be forcibly taken away from them, then the non-Malay community in Malaysia will not feel safe with regard to any of their rights.

As a result, racial polarisation would take a turn for the worse, confidence in the long-term investment in Malaysia destroyed, and Malaysia enter a period where citizens would be set against citizens, instead of all uniting to make Malaysia a great nation.

For the sake of the long-term interest of Malaysia, to prevent the worsening of racial polarisation and the grave damage to both national and international confidence in Malaysia's investment climate, I call on the Federal Government to stop the Malacca Chief Minister, Datuk Abdul Rahim Thamby Cik, from forcibly levelling and developing Bukit China, and to fully respect the Cheng Hoon Teng Temple Committee, as the trustees, in their views as to the future of Bukit China.

The high-pressure, amounting to extortionist tactics, of the Malacca State Government to compel the Cheng Hoon Teng Temple Committee to capitulate to the government's Bukit China plan must be withdrawn immediately, including the $2 million demand for quit rent and arrears and late payment fines, when all these years it had been exempt; and the two so-called development plans for Bukit China; and the gazette notification of government intention to acquire Bukit China for road purpose.

If the Federal Government does not pay attention to issues like the Bukit China question which could undo all its attempts to build up national harmony and unity and confidence in long-term national investment, then State Governments will become the political 'OBAs' which negate the Federal Government's economic measures.

With a corporate king as Finance Minister, there is an urgent need to remind the government that in its actions, it must be people-oriented and not wealth or money-oriented.

PAPAN NUCLEAR DUMP

The government's solution of the protest by the people of Papan to the siting of the radioactive waste dump in Papan will be a test-case as to whether the government places greater priority to the welfare, health and well-being of the 20,000 villagers in Papan and surrounding areas, or to the profit considerations of a Japanese-Malaysian joint venture, the Asian Rare Earth Sdn. Bhd., to carry out activities in Malaysia which is prohibited in Japan because of its threat to health and lives.

A British physicist and safety analyst, Dr. William Cannell, and an American nuclear expert, Dr. Edward Radford, had inspected the proposed dump and found the trenches badly constructed.

I call on the Federal and State Governments to respect the legitimate fears and wishes of the 20,000 villagers in Papan and surrounding areas in their opposition to the siting of the radioactive waste dump in Papan — especially as the government had heeded the objections of the people of Parit where the dump was originally to be sited.

Before I end, I want to refer to a final item. During the debate on the motion for the establishment of a Royal Commission of Inquiry into the BMF last Thursday, the MCA MP for Padang Serai, Tan Kok Hooi, insinuated whether I had been *'bought'* as I had not yet revealed the irregular $30 million loans of a local finance company.

I have seen the Bank Negara Governor, Tan Sri Aziz Taha, on this matter as I am concerned that there should be no local BMFs which would undermine public confidence in financial institutions in the country because of unethical and unlawful misuse of public funds deposited with finance companies.

I had since then read in the press that the Neo Yee Pan MCA faction had claimed that they had information about this local finance company, and would soon be making public revelations.

I do not propose to be caught in the MCA power struggle, or to be used by either side. I have decided therefore to let the MCA Neo Yee Pan faction to have the opportunity to make the revelations about the irregular loans of this local finance company, unless it is afraid to do so because they have skeletons in their cupboard too.

BMF Scandal — Malaysia's Watergate?

> ***Is the BMF scandal the Malaysian Watergate scandal, and is it for this reason, that the Government is not prepared to have a full-fledged inquiry in the form of a Royal Commission of Inquiry for fear that it would trace the 'smoking gun' to higher and higher levels of political responsibility, well beyond administrative and managerial ranks whether in BMF or Bank Bumiputra?***

A year ago, on 22.11.1983, I moved a $10-cut motion on the Finance Minister's salary to protest in the strongest possible manner against the Government's handling of the $2.5 billion Bumiputra Malaysia Finance (BMF) loans scandal in Hong Kong, as it had completely discredited the 2M administration's two most popular slogans of *'Clean, Efficient and Trustworthy'* Government and *'Leadership by Example'*.

Today, I am moving a second $10-cut motion again to protest against the new Finance Minister's unprecedented 'evasiveness' and broken pledges of the government to give a full accounting to the public about the BMF scandal, the government's refusal to hold a Royal Commission of Inquiry into the scandal, and the government's refusal to take Parliament into its confidence about the BMF scandal.

It is most significant that in today's newspapers, the Auditor-General, Tan Sri Ahmad Nordin Zakaria, who is also the Chairman of the three-man Bank Bumiputra in-house inquiry into the BMF loans scandal, had cautioned the public not to expect too much from his committee of inquiry as it had to work within the terms of reference specified by Bank Bumiputra.

Speech when moving a $10 cut on the Finance Minister's salary on November 20, 1984

"As a result, what can be done by the committee depends on the information that is obtained from the bank and BMF officials", he said.

Tan Sri Ahmad Nordin said that his committee had no powers to compel anyone to give information to the committee, as such powers are vested with government bodies like the Attorney-General's Office, the police, the ACA, and magistrates.

WATERGATE SCANDAL

Tan Sri Ahmad Nordin's remarks today have again thrown into limelight the most unsatisfactory nature of the government's handling of the BMF loans scandal, which seemed to be guided by the principle of maximum damage control rather than to have the fullest expose of the root cause of the BMF scandal.

In fact, one is reminded of the Watergate scandal which shook the Nixon Presidency in the early stages, where there was a blanket denial of wrongdoing by any top leaders. But when the incriminating evidence began to pile up, the Nixon Administration was engaged in a series of damage control operations, where at any one stage, top officials who could not be protected were made to take the rap in the hope of salvaging the political reputation and position of those higher-ups who were similarly implicated.

Is the BMF scandal the Malaysian Watergate scandal, and is it for this reason, that the Government is not prepared to have a full-fledged inquiry in the form of a Royal Commission of Inquiry for fear that it would trace the 'smoking gun' to higher and higher levels of political responsibility, well beyond administrative and managerial ranks whether in BMF or Bank Bumiputra?

The Finance Minister, Daim Zainuddin, reiterated yesterday that there would not be a Royal Commission of Inquiry into the BMF, claiming that Parliament had rejected such a Royal Commission being set up.

This is the lamest excuse Daim Zainuddin could have given, for Parliament had rejected my motion for the establishment of a Royal Commission of Inquiry on October 18 because of the mindless obedience and subservience of Barisan Nasional MPs to the government whip.

Although a few Barisan Nasional MPs realised that the national interest demand a Royal Commission of Inquiry into the BMF Scandal, none of them dared to vote for a Royal Commission of Inquiry for fear of breach of party discipline. To these Ministers and MPs, party discipline is more important than national interest and the people's rights to public integrity and trust in the management of public funds by public officials.

I have no doubt that if today, the government has come round to the view that there should be a Royal Commission of Inquiry, everyone of the BN MPs who voted against it would vote for it even without batting an eyelid!

I am glad that the UMNO Youth Leader and Agriculture Minister, Anwar Ibrahim, has now taken the position that there should be a Royal Commission of Inquiry, and that he is as disappointed as ordinary Malaysians by the interim report of the Ahmad Nordin Committee of Inquiry.

I am surprised however that according to the Finance Minister, UMNO Youth had not made a formal presentation to the Government for a Royal Commission of Inquiry, for this is contrary to the usual style of operation of UMNO Youth to press its views on the Government with representations, memorandum, request for meetings, etc.

Why is the UMNO Youth and its leader so docile this time in their demand for a Royal Commission of Inquiry? I hope Anwar Ibrahim is not making his statement about the Royal Commission of Inquiry only for the record, to show that his previous ABIM record of opposing corruption and abuse of trust remain consistent to his present thinking, but without pressing or pursuing the demand to ensure that it is accepted by the government.

The Ahmad Nordin BMF committee interim report, which was made public by the Minister of Finance on 2nd November 1984, more than two and a half months after it was completed and submitted, was a great 'let-down' as it had not taken the sordid financial scandal any much further and the public are not any more wiser about the whos, the whys and the hows of the scandal.

The interim report on the *'extent and nature of the loans or credit facilities granted by BMF'* to Carrian Group and Eda Investments Ltd. was a great let-down because if the committee had the fullest co-

operation from the Bank Bumiputra and BMF, it should have been able to get those information and data in a matter of days and would not have to require seven months.

APPENDIX SUPPRESSED

This makes the statement by Tan Sri Ahmad Nordin today that the committee's progress depended on the information that is obtainable from the bank and BMF officials is highly significant, for clearly, if the Bank or BMF officials are uncooperative or hostile, there is nothing very much the Committee could do.

When releasing the interim report of the Ahmad Nordin BMF inquiry committee, the Finance Minister suppressed an appendix on the ground that their revelation would be a breach of the Banking Act.

This is completely unacceptable, for how could the Banking Act be used to protect the actions of Carrian Group and Eda Investments Ltd. which are responsible for some $2 billion loss of public funds. Secondly, the Banking Act is not applicable to the BMF, as the BMF is registered in Hong Kong. Thirdly, even more important, Daim Zainuddin had broken a solemn pledge by the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, two days earlier that the first interim report of the BMF loans scandal would be released in full and that *"nothing will be concealed"*. The Prime Minister said this was a Cabinet decision.

The Finance Minister should explain to Parliament and the people why he had reneged on the Prime Minister's pledge, and the Cabinet's decision on a full, unconcealed publication of the Ahmad Nordin Committee interim report?

It has been reported that the Ahmad Nordin Committee had submitted a second report, said to be at least two inches thick with its index, which contained recommendations that action be taken against at least four former BMF and Bank Bumiputra executives for the loans scandal.

The Finance Minister, Daim Zainuddin, said that he would *'strongly'* advise the Cabinet to make the second report public.

I want to ask the Finance Minister why it is necessary for the Cabinet to vet every report submitted by the Ahmad Nordin Com-

mittee of Inquiry and to decide individually whether, and to what extent, such report should be made public. Is it because the Cabinet and the political leadership are afraid that in some of the reports, the political leadership may be implicated? And is this the reason why the Royal Commission of Inquiry was rejected to keep the inquiry strictly at the BMF and Bank Bumiputra level, when nobody believes that authority would have been given for the approval of loans amounting to $2.5 billion without green-light by top political leaders?

I call on the Finance Minister to release the second report of the Ahmad Nordin Committee without any more delay, and to get the Cabinet to take a policy decision that henceforth the subsequent reports of the Ahmad Nordin Committee would be released to the public as a matter of course without having to get prior Cabinet vetting and approval.

RACIAL ATTITUDE

Although the Finance Minister has repeatedly said that there would be no *'cover up'*, it is most tragic that he is unaware that his actions since he became Finance Minister in July this year with regard to the BMF loans scandal had been one of *'cover ups'* especially his Budget speech remark that the *'BMF scandal is a thing of the past'*!

In this connection, I must deplore in the strongest terms possible the statement by the Prime Minister last month accusing those who demand an open inquiry into the BMF scandal as motivated by the desire to destroy the Malay political leadership.

This is most unworthy of the Prime Minister, for it would forfeit his claim to be the leader of all Malaysians regardless of race, if he is to take such perverse and racial attitude towards the BMF loans scandal.

If there is anyone who are trying to destroy the Malay political leadership, then it is those who are responsible for the *'heinous crime'* of the $2.5 billion BMF loans scandal. Unfortunately, the government seems to have lost its moral sense of right and wrong, regarding the critics of the BMF loans scandal as greater enemies of the state than the perpetrators of the BMF loans scandal!

I hope that the Prime Minister's unworthy statement is a momentary lapse and would not be repeated in future, whether by him or by his other colleagues in UMNO.

Ever since the eruption of the BMF loans scandal, Parliament had been treated shabbily, denied necessary information about the greatest banking and financial scandal in Malaysian history. The Government had never volunteered information on the BMF loans scandal in Parliament, and whatever meagre said about the BMF had to be forced out from the Government Ministers by DAP's persistent questioning and speeches on the subject.

Parliament should be treated with greater respect, and should be given a periodic report about the BMF loans scandal, instead of learning bits and pieces from some enterprising newspaper reports. The Finance Minister should not use Parliament whenever it suits him, as in rejecting a Royal Commission of Inquiry, while at other times, treating Parliament with utter contempt and disrespect. Finally, I call on the Finance Minister to be guided by the national interest and get the Cabinet to agree to the establishment of a Royal Commission of Inquiry into the BMF loans scandal, as there is no other more satisfactory way of dealing with the '*heinous crime*' of the BMF loans.

BMF Scandal — Token Prosecutions and Punishments

'Malaysians do not want to see 'token police reports' about 'token wrongs' leading to 'token prosecution' of 'token personnel' in BMF and Bank Bumiputra and 'token punishments'.

At a time of economic stringency, the government should have kept within its operating and development budgets, instead of coming to Parliament asking for additional allocation of funds.

What is being asked is not a small sum of money either, as the total sum for the 1983 and 1984 supplementary operating and development votes come to $2.4 billion.

Before the government asks Parliament for more supplementary allocations, it must be able to convince the House that it had expended the funds approved in the budgets proper judiciously and economically, and that it had steered the country's economy and finances with the minimum of wastage, squandering, mismanagement or corruption.

It may be a coincidence that the total supplementary votes being asked is $2.4 billion, which is just short of the sum involved in the BMF loans scandals in Hong Kong.

Up to now, the Government has failed to give Parliament a satisfactory accounting of the BMF loans scandal, and I am minded

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Speech on the 1984 Supplementary Operating and Development Estimates on December 3, 1984

to suggest that the House should not approve any supplementary vote unless there is a full public accounting of the BMF loans scandal.

I know I will not get the support of the Barisan Nasional MPs, who do not regard the BMF loans scandals as a major affair. In fact, I would expect Barison Nasional MPs to criticise me in this debate for bringing up again the BMF loans scandal.

Let me tell these Barisan Nasional MPs, that as far as I am concerned, and I am sure I share the views of the overwhelming majority of Malaysians, the BMF loans scandal is the biggest banking and financial shame for Malaysia, and they have the right to insist at every available opportunity for a full public accounting. It is my intention to bring up the BMF loans scandal at every possible occasion in Parliament, until and unless the whole story of the BMF loans scandal is told to the Malaysian public and the culprits, regardless of their rank and political influence, are brought to book in the courts.

If there are Barisan Nasional MPs who do not like to listen to what I have to say about the BMF loans scandal, either now or later, they can leave the House. They may think I am wasting the House's time, but in fact, they are the very ones who are wasting the time of Parliament in not bringing up important issues like the BMF loans scandal in Parliament; they are interested only in trivial matters.

Since my last speech in Parliament on the BMF loans scandal during the debate on the Ministry of Finance's 1985 budget during the committee stage on November 20, the Ahmad Nordin BMF Inquiry Committee has submitted its third report to the authorities. According to the Finance Minister a few days ago, the Cabinet had not even considered the Ahmad Nordin BMF Inquiry's second report.

The Ahmad Nordin BMF Inquiry Committee must be commended on the speed with which it has produced its second and third reports — to the extent that the BMF Inquiry Committee is producing its reports faster than the Cabinet could consider them. This is a very poor reflection on the Cabinet, and I would call on the Cabinet to buck up, and not to sit on the BMF Inquiry reports but to act on them with despatch and efficiency as expected by the Malaysian people.

Recently, the Prime Minister issued a directive that government servants must reply to Ministers' instructions and directives within five days. The people would expect the Cabinet to set an example first and decide on the Ahmad Nordin BMF Inquiry Committee's reports within five days!

POLICE REPORTS

The Finance Minister has said several times that he would want to have the second report of the BMF Inquiry Committee released to the public. I want to ask the Finance Minister why he is unable to do this, as the BMF Inquiry Committee report comes directly under his Ministry's jurisdiction, and only the Prime Minister or the Deputy Prime Minister have a weightier voice than him on the subject in the Cabinet. Is he suggesting that either the Prime Minister or the Deputy Prime Minister or both of them want to suppress the second and subsequent reports of the Ahmad Nordin BMF Inquiry Committee.

Last week, a big fanfare was made out of two police reports lodged by the Bank Bumiputra in connection with the BMF loans scandal. Thinking Malaysians are not impressed by the two police reports, for they concern very small sums of money, actually less than 4 per cent of the total BMF loans scandal of $2.5 billion.

Malaysians do not want to see *'token'* police reports about *'token wrongs'* leading to *'token prosecution'* of *'token personnel'* in BMF and Bank Bumiputra and *'token punishments'*.

As the BMF Inquiry Committee Chairman, Auditor-General Tan Sri Ahmad Nordin, had commented, the *'consultancy fees'* issue, which was the subject matter of one of the two police reports, were *'peanuts compared to the loans'*.

What is even more disturbing is the Attorney-General's statement that clearly gave the impression that the BMF Inquiry Committee's findings cannot be the basis for legal action and that only police investigations would be taken into account.

I can understand the demoralisation of the BMF Inquiry Committee about the Attorney-General, Tan Sri Abu Talib Othman's statement, for it means that the BMF Inquiry Committee's investigations do not matter one iota in the eyes of the Police and the Public Prosecutor.

In these circumstances, Tan Sri Ahmad Nordin has rightly asked whether it wouldn't have been better for the Attorney-General to recommend to the Finance Minister that the Inquiry Committee should not concern itself with the criminal aspects.

But it was the Finance Minister who, after the submission of the first report, told the Ahmad Nordin Committee to concentrate on the criminal aspects of the BMF loans scandal!

I call on the Cabinet to direct the Attorney-General to use the Ahmad Nordin Inquiry Committee's reports on the BMF loans scandal as a basis for police action instead of initiating police action on the BMF loans scandal which would duplicate and cover the same ground, wasting a lot of time and public money.

In this connection, could the Finance Minister explain why the two reports to the police were not lodged very much earlier, last year or even sooner, as the Bank Bumiputra must have known about them already?

The Government's handling of the BMF loans scandal to date has been most unsatisfactory, giving the public the impression that intense public pressure must be maintained if the government is to be forced to account to the people about the loans scandal. Parliament must not abdicate its responsibility to get to the bottom of the scandal, as the representatives of the people, and for this reason, I propose that we should establish a Parliamentary Committee on the BMF loans scandal to study the Ahmad Nordin Committee's report and other aspects of the loans scandal. The Standing Orders of the Dewan Rakyat provides for such a Parliamentary Committee to have as vast powers as a Royal Commission of Inquiry. The question is whether Barisan MPs dare to rise to the challenge of safeguarding the country's finances.

TAX DODGE RACKET

Before I leave the BMF subject, I want to know when the Cabinet proposes to discuss and decide on the second and third reports of the BMF Inquiry Committee, and when both reports would be released to the public.

When the government agencies had failed to follow up on tax dodges, involving tens of million of dollars, then the government has

failed to minimise the need to ask for supplementary votes from Parliament.

On January 7, 1980, the New Straits Times carried on its front page a lead story of the Customs Department uncovering a well-planned tax dodge racket involving the export of crude palm oil which involved more than $20 million over the past three years.

The modus operandi of the tax evasion was to export crude palm oil at that time under the names of non-dutiable by-products, one of which is neutralised palm oil (NPO) — with the exporters evading Customs duties between $200 to $400 for every ton.

But since that report, nothing more has been heard, as if the investigations never took place.

One of the informants who had co-operated with the Customs to uncover this tax dodge racket has informed me that he had furnished the Customs Department with documents whereby two sets of documentation were made — one set to the Customs and the local authorities where the shipments were classified as non-dutiable by-products while another set of documents were presented to the banks and end-importers in foreign countries where the shipment was rightly classified as 'Crude Palm Oil'. There are even two sets of Bills of Lading for the same consignment!

For such a racket to operate for over three years, a lot of people must have been involved. In fact, I understand that very highly-placed influential people are involved in this racket. Is this the reason why the entire investigations were suddenly hushed up?

I have with me some sets of these double-documents to evade Customs duty, and I am really shocked that with such documentary evidence, the Customs Preventive Branch has abandoned the entire investigation and could have saved for the country over $20 million in evaded duty, and hefty fines for the multitude of people who are involved.

I call on the Finance Minister to give a full and satisfactory explanation on why the Customs investigations into this $20 million tax dodge was abandoned, although it had adequate evidence for prosecution. The Anti-Corruption Agency should be called in to investigate into this $20 million Customs scandal.

FINANCE LICENCES

The BMF loans scandal and the $20 million Customs duty scandal are disturbing signs that high integrity in public life is sorely lacking. Recently, the market was full of rumours that the last batch of Finance Companies licences before the freeze are up for bid to the highest bidder, at the rate of about $50 million to $70 million each.

What is the use of the Government blaming the ordinary bumiputras of Ali-Baba enterprises, when highly-placed Bumiputras who get finance company licences eventually sell-out their licences for $50 million a piece? In this connection, I call on the Finance Minister to disclose how many finance companies licences were issued since 1980, to whom, and what provision had been made that they are not used merely for sale to the highest bidder in the market.

Unlicensed Finance Companies

If Bank Negara and the Finance Ministry had provided for greater safeguards to protect the interests of depositors of unlicenced finance companies, and not just think about convicting them of an offence, then the Setia Timur crisis would not be so big. It is for this reason that I seriously call on the Government to set up a $50 million Salvage Fund to help and save the depositors of the Setia Timur company as well as other Credit and Leasing Companies in the same plight.

Yesterday, during the debate on the amendments to the Banking Act, the DAP Chairman and MP for Seremban, Dr. Chen Man Hin, and I spoke about the Setia Timur crisis, where around 13,000 to 15,000 depositors who had deposited some $40 to $50 million in Setia Timur Credit & Leasing (M) Sdn. Bhd., are unable to get their monies back.

The Setia Timur Credit & Leasing (M) Sdn. Bhd., which had more than 32 branches in Wilayah Persekutuan, Selangor, Pahang, as well as in Negri Sembilan and Perak, had operated as an unlicensed finance company, attracting deposits with 24 per cent interest per annum, or two per cent interest per month.

Most of the depositors are small-timers, such as housewives, hawkers, workers, taxi-drivers, although there are also businessmen. The crisis occurred when there was a run on Setia Timur because of its inability to meet payments.

The Finance Ministry and Bank Negara had come into the picture for three weeks, but nothing concrete had come out of it, with the

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Speech on the Finance Companies Amendment Bill 1985 on October 24, 1985.

depositors getting no assurance that their monies are protected, except that the Bank Negara and the Police are co-operating in investigations.

This is not good enough. In actual fact, studying the Finance Companies Act 1969, it is clear that the Ministry of Finance and Bank Negara, when drafting the principal Act, had through an 'oversight' failed to make provisions to safeguard the interests of people in the shoes of the depositors of Setia Timur Credit & Leasing (M) Sdn. Bhd.

Section 20 of the Finance Companies Act 1969 gave Bank Negara the powers, where it has reason to suspect that any person is carrying out finance business in the Federation, to inspect under conditions of secrecy the books, accounts and transactions of the person for the purpose of ascertaining whether he had contravened the offence of Section 3 of unlawfully carrying out a finance business.

Section 3(2) provides that any person who contravenes the Act in carrying out an unlicensed finance business shall be guilty of an offence liable to a fine not exceeding $5,000 or three years' jail or both.

But the Act is silent on what action the Bank Negara could take to protect the depositors of an unlicensed finance company or business.

In the case of a licensed company, where Bank Negara is of the opinion that it is *"likely to become unable to meet its obligations or is about to suspend payment"* or *"is carrying on its business in a manner detrimental to the interest of its depositors"*, the Bank Negara, under Section 33, can do the following:

(i) require the licensed finance company to take such steps as Bank Negara considers necessary or expedient;
(ii) appoint a person to advise the company in the proper conduct of business;
(iii) assume control of and carry on the business of the company; and
(iv) wind up the company by way of petition to Court.

But these powers of the Bank Negara are exercisable, if I am not mistaken, only over licensed Finance Companies but not unlicensed Finance Companies. If this is so, then this is a major loophole for which the Finance Ministry and Bank Negara must take full responsibility.

When an unlicensed finance company like Setia Timur Credit & Leasing (M) Sdn. Bhd. operates for some three years, taking deposits of $40 million to $50 million in more than 32 branches throughout the

country involving from 13,000 to 15,000 depositors, public interest require the protection of the interest of the depositors — who will invariably be the small-timers — rather than the securing of conviction, which entails a $5,000 fine — which is chicken feed!

Surely, Bank Negara and the Finance Ministry could not have been blind to the operations of Setia Timur Credit & Leasing (M) Sdn. Bhd. which had openly advertised for depositors with the offer of 24 per cent interest per annum, or the Bank Negara and Finance Ministry officials would be guilty of gross incompetence and irresponsibility.

This is why I say the Bank Negara and Finance Ministry must come forward to help and save the life-savings of many small-time depositors.

The Setia Timur Credit & Leasing (M) Sdn. Bhd.'s Managing Director, Datuk Cheng Chong Siew, had suggested the formation of a holding company converting all depositors into shareholders, and converting all their deposits into shares for the company.

SALVAGE FUND

I do not want to comment on the feasibility of this shareholding proposal, but whatever the salvage plan, Bank Negara must come in as a public custodian of the interests of the depositors, and assume governmental responsibility for any Salvage Plan.

I am not so much interested in Section 3 of the Finance Companies Act about the offence of operating an unlicensed finance company. What I am concerned is what the Bank Negara can do to save the life-time earnings of the depositors in Setia Timur Credit & Leasing Co., as well as other credit and leasing companies whose depositors may be faced with the same plight.

If Bank Negara and the Finance Ministry had provided for greater safeguards to protect the interests of depositors of unlicensed finance companies, and not just think about convicting them of an offence, then the Setia Timur crisis would not be so big. It is for this reason that I seriously call on the Government to set up a $50 million Salvage Fund to help and save the depositors of the Setia Timur company as well as other credit and leasing companies in the same plight, and I hope that in view of the urgency, the Finance Minister, Daim Zainuddin, could announce in his Budget speech tomorrow the good news of the establishment of such a Fund. $50 million is a small sum, and more justifiably allocated, then the $2.5 billion of public funds lost in the BMF loans scandal in Hong Kong.

BMF — Call for a Special Debate

I would suggest to the Finance Minister to inform the Hong Kong authorities that if money is the only problem standing in the way of the fullest probe into Carrian, which will throw light on the $2.5 billion BMF scandal, the Malaysian government is prepared to subsidise the Hong Kong authorities in the expenses of the investigation. And the DAP MPs are prepared to vote in Parliament for a funding of the Hong Kong government in the Carrian investigation, provided that the results of investigations are turned over to the Malaysian authorities and the public, for Malaysia must leave no stone unturned, or allow any expenditure to stand in the way, to get to the very bottom of the $2.5 billion BMF loans scandal.

On Monday, in reply to a question by the DAP National Chairman and MP for Seremban, Dr. Chen Man Hin, the Finance Minister, Daim Zainuddin, said the government does not intend to submit the report of the Ahmad Nordin Inquiry Committee on the $2.5 billion BMF loans scandal in Hong Kong to Parliament for debate.

This is the latest in a long series of systematic government attempt to avoid full public and Parliamentary accountability for the $2.5 billion BMF loans scandal, and I want to ask the Finance Minister why the government is afraid to submit the report to Parliament for debate.

In fact, in view of the magnitude of the breach of trust and abuse and misuse of public funds involved, the DAP calls for a special

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Speech on the estimates for the Ministry of Finance on November 22, 1985

sitting of Parliament to be summoned on the completion of the Ahmad Nordin Inquiry Committee final report, so that a special Parliamentary debate could be held.

I would even suggest that the Public Accounts Committee should summon the BMF Inquiry Committee members to appear in a special hearing on the BMF loans scandal, and to present a special PAC report to Parliament.

Tan Sri Ahmad Nordin, the Chairman of the Inquiry Committee, had recently indicated that his committee's final report would be completed next month. I ask the Finance Minister to assure Malaysians that the Ahmad Nordin BMF Committee's final report would be released to the public in full without any delay, and in any event, should not take more than a week after its submission to Bank Bumiputra and the authorities.

Malaysians have had enough of cover-ups, evasions and half-truths from the government about the $2.5 billion BMF loans scandal, and they have a right to expect that the Malaysian government be open and forthright with them for once in the final report of the BMF scandal.

CARRIAN PROBE

Early this month, there was disturbing news from the British colony that the Hong Kong Finance Secretary, Sir John Bremridge, had said he was *'horrified'* at the escalating costs of the Carrian investigations, and that the Hong Kong government may have to halt investigations to save *'public money'*.

The Hong Kong Government had spent so far M$14.5 million, and the Carrian trial, which begins in late February, will cost the taxpayer about M$8.7 million for a six-month trial.

The Malaysian Government must officially convey to the Hong Kong government its concern at the Hong Kong government's unwillingness and pursue the Carrian probe to its final end, especially in view of the vast $2.5 billion lost by the BMF and Bank Bumiputra in the British colony, the murder of a Bank Bumiputra official, Jalil Ibrahim, and the integrity of Malaysian public servants in banking and finance.

Malaysian government leaders, including the Finance Minister and the Attorney-General, had repeatedly said that Malaysia would give all help to the Hong Kong authorities to bring the BMF culprits to book.

I would suggest to the Finance Minister to inform the Hong Kong authorities that if money is the only problem standing in the way of the fullest probe into Carrian, which will throw light on the $2.5 billion BMF scandal, the Malaysian government is prepared to subsidise the Hong Kong authorities in the expenses of the investigation. And the DAP MPs are prepared to vote in Parliament for a funding of the Hong Kong government in the Carrian investigation, provided that the results of investigations are turned over to the Malaysian authorities and the public, for Malaysia must leave no stone unturned, or allow any expenditure, to get to the very bottom of the $2.5 billion BMF loans scandal.

It would be most unfortunate however, if in Hong Kong, justice is computed strictly in monetary terms.

INCREASED PETROLEUM OUTPUT

The 18.6% increase in petroleum production from 430,000 barrels per day this year to 510,000 barrels per day next year has become the lynch-pin of the government's revenue-raising strategy. Unfortunately, in less than a month since the budget presentation on October 25, this revenue-raising strategy seems to have come apart, with the threatened collapse of the OPEC cartel and a oil price war next year. Petroleum industry analysts are already talking about the possibility of the petroleum price dropping to below US$20 or even US$15 per barrel.

In this context, the statement by the former Prime Minister and Petronas adviser, Tun Hussein Onn, that Malaysia may have to increase its production of petroleum beyond its targetted level of 510,000 barrels per day next year if the price of oil drops below US$24 per barrel seems to reflect government thinking and strategy on revenue dependence on petroleum.

Are we going to break even the 600,000 barrels per day petroleum output next year to make up for the shortfall of petroleum revenue — the mainstay of government revenue strategy?

When in December last year, the Finance Minister announced a 40,000 barrels per day cut in oil production as a *'gesture of support to OPEC'*, a Petronas official boasted that *'by making a small reduction now we are making world news with our contribution and are earning the gratitude of OPEC'*.

He explained Malaysia should not produce as much petroleum as possible to reap maximum revenue in the shortest possible time, as if all other countries followed suit, including OPEC members, oil prices might tumble to US$15 or even US$10 per barrel. In his words, *"we would then have to produce twice or three times our present level of production to obtain the same level of revenue."*

I want to ask why this stand of Petronas and the government about the government revenue strategy from petroleum only early this year had been abandoned completely, and we are now prepared to produce more petroleum to get less revenue?

ON THE NEW ECONOMIC POLICY

The Plight of Trawler Fishermen

'It is indeed a great paradox that while the New Economic Policy was launched in a great fanfare to eliminate poverty, the fishermen in the country remain the poorest poverty group in the country who have not been able to escape from the clutches of poverty.'

Trawler fishermen, who had been encouraged by the Fisheries Department to convert from traditional methods to trawler fishing in the mid-1960s, to help increase the total fish landings in the country, are now faced with great hardships and difficulties, especially after the 1980 Fisheries Regulations which require trawl nets to have mesh size of not less than 1.5 inches, as compared to the previous 1 inch mesh size.

On 19th October 1982, the Batu Pahat Fisheries Association, Johore, in an emergency meeting, adopted the following resolutions requesting the Minister of Agriculture to help them:

"Mereka memohon jasa baik dan pertolongan Menteri Pertanian membatalkan Peraturan-Peraturan Perikanan mengenai penggunaan pukat yang mata pukatnya berukuran 1½ inci, dengan sebab dalam kawasan Batu Pahat, Johor, kebanyakan hasil penangkapan mereka, iaitu pukat tunda, ialah 'undang putih', 'udang batu', 'udang tajam', dan 'udang merah' yang badannya panjang di antara 1½ inci dan 2 inci (udang besar hanya berjumlah 1% dari hasil penangkapan mereka). Dengan udang tersebut yang kecil itu, di-

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Speech on the allocation for the Ministry of Agriculture on November 16, 1982.

wajibkan menggunakan pukat tunda yang mata pukatnya berukuran 1½ inci itu, maka udang-udang kecil itu akan mudah dilepaskan dari pukat oleh kerana pukat tunda ditarikkan dengan deras dan udang-udang yang terlepas itu akan mati dan mengotorkan muka air laut.

2. Pada bulan Mac 1982, Jabatan Perikanan telah menjalankan gerakan tangkap dan kaji di Kawasan Batu Pahat, selama tiga hari untuk menguji dan menyiasat penggunaan pukat yang mata pukatnya berukuran 1½ inci itu. Dalam tempoh selama tiga hari itu, pegawai-pegawai yang berkenaan menangkap ikan dan udang sebanyak enam kali setiap hari, hasil penangkapan mereka itu hanya $97.60 dalam tempuh tiga hari itu. Hal ini menunjukkan bahawa pukat yang mata pukatnya berukuran 1½ inci itu tidak sesuai digunakan oleh kaum pukat tunda.

3. Mereka menimbulkan masaalah nelayan pukat tunda yang dikehendaki menangkap ikan di kawasan sejauh lima batu laut dari pantai, dimana mereka sentiasa diancam dan diperasugut oleh lanun-lanun dikawasan yang berhampiran dengan Selat Melaka dan perairan Indonesia. Mereka juga sentiasa berjumpa bot-bot peronda Indonesian yang No. bot mereka BC 5003 dan BC 3002 dan mereka sentiasa diperasugut oleh mereka. Tambahan pula, dikawasan jauh itu, mereka terpaksa lebih membelanjakan minyak diesel yang mahal itu."

PARADOX

I would call on the Minister of Agriculture to ensure that the trawler fishermen, who had acted bona fide in converting into trawler fishing in response to government appeal in the 1960s, are not neglected by the government. If the government wants the trawler fishermen to undertake even more capital-intensive and deep-sea fishing, then the Government must come out with a scheme to help the trawler fishermen to convert to even bigger scale of trawler fishing. At the same time, the Government must ensure that the trawler fishermen do not become victims of highsea piracies by our neighbouring country's naval forces.

It is a great paradox that while the New Economic Policy was launched in a great fanfare to eliminate poverty, the fishermen in the country remain the poorest poverty group in the country who have not been able to escape from the clutches of poverty

MAJUIKAN, for instance, has been a great failure to fight poverty among the fishing community. The operations of MAJUIKAN had been plagued with great malpractices, abuses of political position by local political officials in the ruling parties, and failures of various schemes to increase fish production, productivity and incomes of fishermen.

The Chairman of MAJUIKAN, the MP for Pasir Puteh, Wan Najib bin Wan Mohamed, instead of spending so much time making extremist speeches in Parliament, would do well to spend more time to ensure that MAJUIKAN succeeds in uplifting the poverty of the fishermen.

An area where MAJUIKAN had failed badly is in the area of commercial fish farming. Marine fish landings in Malaysia in 1982 is estimated at 861,000 tonnes, while freshwater fish production is estimated at 8,500 tonnes, an increase of 1.2% compared with 8,400 tonnes in 1981.

In 1976, production through aquaculture constituted about 6 per cent of the total fish production in Malaysia. This has now fallen even lower. This is a most insignificant percentage when compared to other countries in Asia such as China, estimated at 40%, India 38%, Indonesia 22%, and Philippines 20%.

I understand that MAJUIKAN had a major commercial fish farm in Puchong which it had now abandoned and that MAJUIKAN had in fact moved out of fresh-water fish culture altogether.

Aquaculture must be expanded to play a significant role in fish production in the country, not only in ensuring adequate protein supply for Malaysians, but also in terms of employment and foreign earnings which could be derived from aquaculture.

I suggest that the Ministry of Agriculture should set up a special department to promote aquaculture in the country to ensure that it comprised a significant portion of total fish production each year. There are more than 40,000 hectares of water surface which are suitable for fish culture in West Malaysia alone, but this resource has been hardly utilised. Another 150,000 hectares of mangrove swamps and mudflats in West Malaysia are also suitable for the development of coastal aquaculture.

Such a special department to promote aquaculture should overcome the major constraints in the development of aquaculture on a large scale in Malaysia such as inadequate seed supply; lack of standardization of techniques and management systems; shortage of feed; diseases and predators; pollution and pesticides; lack of know-how in pond construction and engineering, lack of technical personnel; and quality control of aquaculture products, to credit and marketing.

Felda — NEP's most conspicuous failure

'FELDA is the main instrument of the government to provide new agricultural settlements, and up to date, FELDA represents the most conspicuous symbol of the failure of the Barisan Nasional government to carry out a balanced restructuring of our society. I am indeed most shocked to find from the Minister of Land and Regional Development's answer to my question that up to 31 October 1982, only four percent of the Felda schemes come from the non-Malay settlers.'

The New Economic Policy was promulgated and implemented in 1970 with the objective of restructuring society so that there would be no identification of race with vocation or location.

Through the NEP Five-Year Malaysia Plans, there was much talk about government plans to increase the Malay population in the towns, as well as to increase the non-Malay population in the rural areas. Unfortunately what we see today is merely the swift urbanisation of the Malays, without any serious effort to increase non-Malay population in the rural areas by providing agricultural opportunities, like opening up land for non-Malays.

FELDA is the main instrument of the government to provide new agricultural settlements, and up to date, FELDA represents the most conspicuous symbol of the failure of the Barisan Nasional government to carry out a balanced restructuring of our society. I am indeed most shocked to find from the Minister of Land and Regional Development's answer to my question that up to 31st October 1982,

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Speech on the estimates of the Ministry of Land and Regional Development on December 1, 1982.

only four percent of the FELDA schemes come from the non-Malay settlers. Thus up to 31st October 1982, 73,942 settlers had been emplaced in FELDA schemes, comprising the following:

Malays:	71,613	(96%)
Chinese:	1,249	(1.7%)
Indians:	1,431	(1.9%)
Others:	35	(.05%)

I call on the 2-M Government to carry out a serious and concerted effort in the rest of the 20-Year Perspective Plan ending in 1990 to ensure that by the year 1990, there would be about 30 per cent non-Malay participation of the FELDA settlers, and this can be carried out if the Ministry of Land and Regional Development carry out a 7-year programme beginning 1983 to increase the non-Malay percentage of the FELDA schemes by 4 per cent every year.

I cannot accept the argument that there is inadequate interest among non-Malays to become FELDA settlers. The Government is not, in the first place, emplacing all eligible non-Malay applicants for FELDA schemes. If FELDA finds that there is not a single non-Malay applicant for FELDA, then let it inform the DAP and we are prepared to give all assistance to ensure that a balanced restructuring of society is carried out in the country.

JENGKA PROJECT

The ambitious Jengka Triangle project has run into many difficulties, and the Jengka Corporation formed in 1971, has yet to settle more than $6 million borrowed from the State Government.

The Corporation was to have developed more than 121 hectares in the Jengka Triangle but to date it has only managed to meet a mere fraction of the target.

The Jengka Triangle Master Plan also included three townships complete with infrastructure, light industry and business to cater for 35,000 people. But Jengka has now only one small town — Bandar Pusat Jengka — with poor opportunities for cottage industries and business. The corporation has failed to build enough homes, shops and roads to open up the area and only 8,000 of an estimated 35,000 people have settled in the Jengka Triangle.

I understand the Federal Government is considering taking over the Jengka Triangle project, and I ask the Minister to give the House the latest position on the matter.

In the recent seminar on 'Law, Justice and the Consumer' organised by the Consumers' Association of Penang, the Government was urged to carry out a radical overhaul of the country's land system as it does not reflect social needs and is not responsive to changes in society.

For example, in the urban areas, the top 10 per cent of landowners possessed 53 per cent of all private land in Kota Baru, 66 per cent in Alor Star, 67 per cent in Georgetown, 72 per cent in Bukit Mertajam and 80 per cent in Butterworth. In the rural areas, 11.1 per cent of the biggest holdings in the Muda padi growing area accounted for 42 per cent of all padi lands. In the estate sector, foreigners owned 60 per cent or 1.29 million acres of estate land cultivated with rubber, oil palm, coconut and tea.

I want to ask the Minister concerned whether the Government proposed to carry out a radical overhaul of land laws to provide for greater equity in land ownership in the country, and also to carry out land reforms to abolish absentee landlordism in the padi growing sector to ensure that the padi-peasants enjoy the full fruits of their labour.

Land Acquisition and NEP guarantees

> ***Some of the state governments and acquisition authorities seemed to have lost sight of the fact that they must not be seen to be siding one race against another race in the exercise of their duties to decide on what land to acquire. Thus no government should acquire land from non-Malays for the exclusive development of the Malays for otherwise, the New Economic Policy pledge made in the Second Malaysia Plan that it would be implemented in a way so as to ensure that 'no particular group experiences any loss or feels any sense of deprivation' had been violated.***

Earlier at this parliamentary meeting, the DAP had given full support to the government in its legislative proposal to give Malay reserved land the same valuation as non-reserved land in government land acquisition exercises.

Here, I would urge the Minister of Land and Regional Development, Datuk Rais Yatim, to make sure that in land acquisitions, no racial factor or consideration should intrude into the decision-making process.

Some of the state governments and acquisition authorities seemed to have lost sight of the fact that they must not be seen to be siding one race against another race in the exercise of their duties to decide on what land to acquire. Thus no government should acquire land from non-Malays, for the exclusive development of the Malays for otherwise, the New Economic Policy pledge made in the Second

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Speech on the estimates for the Ministry of Land and Regional Development on November 29, 1983.

Malaysia Plan that it would be implemented in a way so as to ensure that *'no particular group experiences any loss or feels any sense of deprivation'* had been violated.

The most serious case of this unhealthy development is in the parliamentary constituency of the Acting MCA President and Minister of Housing and Local Government, Datuk Dr. Neo Yee Pan.

The Johore State Government acquired land from the Chinese in Sungai Abong and Tanjong Agas in Muar to build respectively 578 and 531 low-cost houses, but before the low-cost schemes were built, the land in both areas were gazetted as Malay reserved land. As a result, in both these housing schemes, the low-cost units were given 100 per cent to Malays only.

On 18th October 1983, the Muar Land Office again gave notice of its intention to acquire three pieces of land totalling 4.1 hectares at Jalan Junid in Muar for low-cost housing.

The first piece, measuring 1.6 hectares, is jointly owned by 38 people who had planned to build their own homes on the land, and had submitted their plan for subdivision and conversion in October 1977. Their lay-out plan had been approved by the Pengarah Perancang Bandar dan Desa, Johore, and they were waiting for conversion and sub-division to start work.

In the other two pieces, the landowners were negotiating with housing developers to develop the land when the acquisition order came.

All the owners, except for one Indian doctor, are Chinese. The overwhelming majority of the landowners do not have a house and hope to build one on the land for their own use. The people in Muar are particularly aggrieved for they notice that land adjoining to the three pieces being acquired belonging to Malays have not been affected.

Coupled with the earlier Sungai Abong and Tanjong Agas cases, feelings in Muar are quite high, that the land acquisition powers are being used by some racialists in a way totally at variance with the solemn pledge of the New Economic Policy that *'no particular group experiences any loss or feels any sense of deprivation.'*

I call on the Minister to intervene in this matter and have the acquisition notice withdrawn, for it is also most illogical to build low-cost houses in the heart of the town. Since the government is talking about 'privatisation', the landowners should be allowed to continue with their advanced plans to build up houses of their own.

MALACCA MALAYS

I have been asked by Malacca Malays to urge the Minister for Land and Regional Development to ensure that there is no deviation from the National Land Code (Penang and Malacca Titles) Act 1963 to protect the interests of the Malacca Malays.

Under Part VIII of the National Land Code (Penang and Malacca Titles) Act, 1963, both Sections 94 and 108, provides that Malacca Customary Land could only be transferred to a Malay domiciled in Malacca.

This protection of the interests of the Malacca Malays is being flouted and one example is with regard to Lot 79 (MCL 96) Kawasan Bandar V Melaka (3.875 acres).

In 1976, a Tengku from outside Malacca who is not a domiciled Malacca Malay, bought the land, against the provisions of the law, and this land is now being sold to a company, Fanon Sdn Bhd., having secured approval from the State Government for conversion and subdivision into building land, for $1.8 million.

All the directors of Fanon Sdn. Bhd. are not Malays domiciled in Malacca, and the Malacca Malays feel that they are losing their rights and people from other states are going to own land that should remain only in the hands of Malacca Malays.

Fanon Sdn. Bhd. had appointed a nominee, again a Malay not domiciled in Malacca, to whom the Malay customary land would be transferred, which is a clear deviation of the law.

Malacca Malays urge the Minister to look into such deviations and to put an immediate stop to it.

Triple Failures of NEP

A great failure of the NEP in its anti-poverty prong is its disregard of the problem of income inequality and the relative concept of poverty, where success in eradicating poverty implies a distributional aspect which demands not merely that the income of the poor be increased absolutely but also that they be increased relative to the average income level.

The results of the NEP, however, are going to provide compelling political reasons as to why this policy of bumiputraisation is not going to be abandoned, but would be perpetuated. This is because the continued poverty of the substantial Malay rural households would be given a communal explanation and used as a justification for the continuation of the NEP policies of racial quotas and percentages.

The Prime Minister, Dr. Mahathir Mohamed, has said that the Mid-Term Review of the Fourth Malaysia Plan heralded new directions in development and implementation of strategies to take into account the structural weaknesses and constraints of the Malaysian economy highlighted by the severe global economic recession, and that the details of the contents of the policies, strategies and programmes of the new thinking on development would be elaborated in the Fifth Malaysia Plan, 1986–90.

The prolonged global economic recession has made it impossible to attain the major growth targets in the Fourth Malaysia Plan and shown up the problems and perils associated with the over-dependent structures of the Malaysian economy and the need for a more self-reliant type of development strategy.

Speech on the Mid-Term Review of the Fourth Malaysia Plan on April 2, 1984

The structural transformation of the Malaysian economy is long-overdue, just as it is also long-overdue for the country to seek new directions in the task of nation building.

This is because the New Economic Policy, after over 13 years of operation, is a triple failure. The NEP has failed in its two-prong development strategy to reduce and eventually eradicate poverty by raising income levels and increase employment opportunities for all Malaysians, irrespective of race; and to restructure Malaysian society to correct economic imbalances to reduce and eventually eliminate the identification of race with economic function. It has also failed in its overriding objective of achieving national unity.

POVERTY

One of the most remarkable aspects of the Mid-Term Review is the attempt for the first time since the launching of the NEP in 1970 to downplay the problem of poverty in Malaysia. The Prime Minister in his speech when introducing the Mid-Term Review last Thursday virtually dismissed poverty in Malaysia as a '*statistical problem*' in his attempt to explain that the '*absolute poverty*' of Malaysian households below the government poverty line is not '*absolute*' after all!

The Prime Minister was probably on the psychological defensive knowing fully well that the set of poverty figures given in the Mid-Term Review is in stark contradiction to another set of poverty statistics released by Cabinet Ministers four months ago.

The Mid-Term Review states that the overall incidence of poverty, which had dropped from 49.3% in 1970 to 43.9% in 1975, and 29.2% in 1980, had increased slightly to 30.3% in 1983.

But last December, the Minister of Youth, Culture and Sports, Anwar Ibrahim, and later the Minister of Trade and Industry, Tengku Rithaudeen, released a different set of poverty figures.

According to them, a survey by the Socio-Economic Research Unit (SERU) of the Prime Minister's Department in 1982, based on a poverty line of $384 for a five-member household, found 42.8% of the population below the poverty line.

The differences in the poverty figures for the various socio-economic groups between the Mid-Term Review and SERU findings are even more startling:

	FMP 1980	MTR 1983	SERU 1982
Rubber smallholders	**41.3%**	**61.1%**	**69.2%**
Oilpalm smallholders	**7.7%**	**1.5%**	**56.3%**
Coconut smallholders	**38.9%**	**32.7%**	**77.6%**
Padi farmers	**52.7%**	**54%**	**76.2%**
Fishermen	**45.3%**	**44.7%**	**72.8%**

The SERU figures, which differ so greatly from the Mid-Term Review figures, were given by Anwar Ibrahim and Tengku Rithaudeen and were quoted in the press. At a forum on '*Dasar Ekonomi Baru — Kebimbangan Menjelang 1990*' at the Universiti Sains Malaysia on 10th March, I quoted the SERU poverty figures while the government representative, the Deputy Minister for Finance, Datuk Sabarrudin Cik, quoted the Fourth Malaysia Plan poverty figures. When I asked him which set of figures was correct, Datuk Sabarrudin Cik said there was no conflict, for the Fourth Malaysia Plan figures were for 1980 while the SERU figures were for 1982!

MANIPULATION

In these circumstances, the Government must give a clear and satisfactory explanation for the different poverty figures in the Mid-Term Review and the SERU finding.

Ever since the use of the poverty line by the Third Malaysia Plan, its credibility had been questioned as the non-disclosure of the data used makes it open to statistical manipulation. If the Government fails to give a credible explanation for the great discrepancy in the MTR and SERU figures, then all credibility on the government's poverty line would be destroyed.

In this light, the MTR claim that the overall poverty situation in Sabah and Sarawak had improved significantly since 1976 must be taken with a pinch of salt, especially as Table 3-4 shows that the incidence of poverty in Sabah had declined from 58.3 per cent in 1976 to 41.1 per cent in 1979 and further to 29.2% in 1982; while in Sarawak, the incidence of poverty had decreased from 56.5 per cent in 1976 to 47.7 per cent in 1979 and 31.3 per cent in 1982.

In view of the fact that both Sabah and Sarawak could reduce the incidence of poverty by some 25-29 percentage points in a matter of six years, while Peninsular Malaysia planners are still struggling to bring the incidence of poverty down by 20 percentage points after 13 years, probably Peninsular Malaysia planners should all be sent to Sabah and Sarawak to learn the techniques from their more effective counterparts in Sabah and Sarawak, who must rank as the most successful anti-poverty planners in the world!

Again, unless the government released data to explain the poverty line of Sabah and Sarawak, the MTR claims of the phenomenal fall in the incidence of poverty in these two states is not likely to have much credibility.

A great failure of the NEP in its anti-poverty prong is its disregard of the problem of income inequality and the relative concept of poverty, where success in eradicating poverty implies a distributional aspect which demands not merely that the income of the poor be increased absolutely but also that they be increased relative to the average income level.

The only occasion when the Government referred to the need to redistribute income was in the Mid-Term Review of the Second Malaysia Plan in 1973 where *"the reduction of existing inequitable distribution of income between income classes and races"* was listed as one of the seven *'policies, programmes and projects'* to achieve the New Economic Policy objectives in the Outline Perspective Plan 1970-1990.

The Mid-Term Review of the SMP was also the occasion where the Government gave some figures about the distribution of incomes in Peninsular Malaysia, showing that in 1970, some 60 per cent of the households in Peninsular Malaysia had incomes below $200 a month. In 1970, the top one-tenth of all households accounted for nearly 40 per cent of the total income earned in the economy, while the share of the lowest two-fifths of the households amounted to only 12% of total income.

'INSTANT MILLIONAIRES'

Inequality in the distribution of income in Malaysia despite high economic rate of growth and high per capita income could also be shown by the period between 1957 to 1970, where the top 5% of the

population increased their share of total income from 22% to 28% and the bottom 40% of the population suffered a drop in their share from 15.7% to 11.7%. The top 5% of the households in 1970 in fact obtained more than the income of the bottom 60% of households.

I am sure that the Government has the latest figures on the distribution of income and wealth among the various social classes, but the Government is not releasing these figures because it is not committed to the elimination of poverty and the inequality in the distribution of income. It would find it embarrassing for the people to know under the NEP, intra-ethnic inequalities and in particular among the Malay community, had worsened, and for data about the small percentage of the Malays who really benefit and become the NEP 'instant millionaires' at the expense of the Malay masses, to become public property.

During the debate on the Mid-Term Review of the SMP, I had suggested that the NEP should have 20-year plan objective to create a more equitable society by ensuring that in 1990, the lowest 40 per cent of the Malaysian households would account for at least 30 per cent of the total income.

But this was ignored completely. Various studies have shown that under the NEP, the disparity of income, in particular among each intra-ethnic group, has greatly worsened. With the SERU findings, on poverty in 1982, both absolute and relative poverty of about half of the households in Peninsular Malaysia would have worsened.

The comparative allocations of the Second, Third and Fourth Malaysia Plans for the two NEP prongs is also an indicator of the NEP bias towards the Malay rich in contrast to the Malay poor. Thus, in the three NEP plans, $9,319 million was allocated for eradication of poverty programmes, which affect some 50% of the households in Peninsular Malaysia; while a total of $4,397 million was allocated in the same period for restructuring which would benefit some 5% of the Malays to become 'instant millionaires' or the 'instant rich'.

Furthermore, the main beneficiaries of anti-poverty programmes in the absence of structural changes in the economy as in land reforms for the padi farming sector, are not the really poor but the better off who are positioned to reap the benefit from these programmes.

This is why although more than two billion ringgit have been spent by the government since Merdeka on the padi sector, and production had more than tripled, yet 76.2% according to SERU or 54% according to the MTR of the households still constitute the 'hardcore' poverty group below the poverty line.

As one of the new strategies of development, the Prime Minister announced that padi farmers would consolidate their uneconomic small plots into an estate which would be run as a co-operative with each landowner getting his share, based on his land size.

What is surprising is that an official Universiti Sains Malaysia-Muda Agricultural Development Authority study on the land tenure in the Muda Irrigation Area lasting for six years from 1975 — 1981 had recommended against the proposal of group farming among padi growers to solve the problem of persistent absolute poverty among a sizeable proportion of padi growing households in the Muda area, despite the successful implementation of double-cropping.

Before Parliament approves the government's new proposal of co-operative estate schemes for padi-growing sector, we should pay heed to the USM-MADA Land Tenure Study's conclusions and recommendations, including its views on group farming:

"GROUP FARMING"

Efforts to promote group farming among padi growers in Malaysia are a recent policy initiative which is still at the pilot stage. However, given the design of the projects and the way they are being implemented, we feel that they are likely to be of little, if any, benefit to small farmers. The basic reason for this is that the projects do not appear to be economically sound. What they appear to be in fact are state farms on which the former padi farmers (or rather a few of them) are at most employed as agricultural labourers. The majority of former farmers (and in some cases all of them) are not employed at all and do not take part in the management of the farm. This is in the hands of government agricultural staff. Overheads and operating expenses are high, especially if fully accounted, and returns do not appear to match them. Thus government has had to subsidize these projects rather heavily. Even then, however, they have not improved the situation of small farmers very much. This is because the return to the farmer 'participant' has been in proportion to the amount of

land he contributes to the project. Thus those with only small amounts to contribute have obtained only small returns, and those with nothing to contribute i.e. former tenants, have not received anything except possibly wages for seasonable labour. Without a preceding or accompanying increase and equalization in the size distribution of farms such a program even if heavily subsidized will be of little benefit to small farmers and may even aggravate the position of small tenants. This would be the case even if the farm was managed and operated collectively by the owners of the padi land, as long as they stood to benefit according to the proportion of the land they owned."

The Study also ruled out the feasibility of any reforms to legislation for control of rents and security of tenure to protect small tenants and reduce poverty among them as all tenancy reform legislation to control the level of rents and ensure security of tenure of tenants in the padi-growing sector passed as early as 1955 had proved to be ineffective becuase of the greater political power of the landowners to block their implementation.

LAND REDISTRIBUTION

The Study concluded that as the basic cause of the persistence and increase of absolute poverty of padi farmers in the MADA area is the increasingly unequal size distribution of padi farmers and the consequently large number of farms which are too small to produce an income above the rural poverty line for their household, the solution lies in some redistribution of ownership and operation of padi land to small farmers (including tenants) and landless agricultural labourers.

The redistribution of ownership and operation of agricultural land, where they are distributed quite unequally, would serve the dual objectives of efficiency and equity. Increases in productivity are likely to take place with a more equal distribution of agricultural land because productivity tends to be higher on small farms, provided there is equality of access to new inputs, technology and credit. Greater social justice should result from a more equal distribtion of agricultural land because access to such land is the most important determinant of household income in predominantly agricultural societies. In practice, this would mean the imposition of a ceiling on the amount of padi land that could be owned and operated by one

household and restriction on the ownership of padi land by members of non-cultivating households.

The Study finds that there is sufficient padi land in the Muda Scheme area to enable each cultivator, after redistribution of ownership to small farmers and landless agricultural labourers, subject to suitable ceiling per capita, to have enough land to provide an adequate level of living for each household.

In one estimate, the Study calculated that it would cost the government some $384 million to carry out such a land redistribution programme by compensating landowners whose land are affected. When we take into account that the government had given out more than $608 million in padi subsidies since 1980, clearly a land reform scheme would in the long run be cheaper for the country and more beneficial for the padi farmers themselves.

The DAP therefore calls on the Government to deal with the root cause of persistent and rising absolute poverty among the padi farmers by a land redistribution programme which should precede and accompany the proposal for co-operative estate padi farming.

The snag is whether the government would be able to find the political will to help the poor as the affected landlords are the traditional political backbone of the UMNO and occupy positions of leadership at various levels of the party.

NON-MALAY POOR

Another blemish of the NEP's anti-poverty is its blind spot to the universality of the problem of poverty among all races, although its pronouncement had included the recognition that poverty, regardless of race, must be eliminated.

In practice, however, poverty among non-Malay groups had been virtually ignored, the poor among non-Malay groups were completely left to their own devices ever since the launching of the NEP in 1971.

The Second Malaysia Plan divided the Malaysian economy into five sectors, the traditional rural sector, the modern rural sector, the traditional urban sector, the modern urban sector and the government sector, and identified the traditional rural and traditional urban sectors where about 60 per cent of the workers were to be found, as the lowest income sectors who suffered the most from economic imbalances.

The traditional rural sector comprises uneconomic rubber smallholdings, single-cropped padi, traditional livestock and other agriculture, gathering of jungle produce, inshore fishing, and dulang washing and small gravel-pump mining for tin. The modern traditional urban sector comprised those parts of manufacturing, construction, commerce, transport and services, in which work was done with little benefit from modern equipment or techniques; included were small artisans, petty traders, hawkers, stallholders, household servants, trishaw-riders, and other persons pursuing a multitude of activities requiring little or no initial skill or training.

Malays outnumbered non-Malays by a factor of nearly 3 to 1 in the traditional rurbal rural sector but in the traditional urban sector, the position was reversed.

Although the Second Malaysia Plan declared that those who lived in poverty, particularly in the traditional rural sector and traditional urban sector of the economy, must be equipped with the training and resources needed to improve their economic position, the Government in the last 13 years is guilty of disregarding the lot of the non-Malay poor in both these sectors, including giving them greater access to higher education through scholarships and bursaries in colleges and universities in Malaysia and abroad.

RESTRUCTURING

It is this same blind spot which has caused the restructuring prong of the NEP to fail in its objective to eliminate the identification of race with vocation or location because of the selective way it is being conducted.

Although one of the cardinal pledges of the NEP is that it would be implemented in such a way so as to ensure that no particular group experiences any loss or feels any sense of deprivation in the process, the fact is that an entire generation of young Malaysians are growing up feeling deprived of their educational, economic, political, cultural and citizenship rights.

One outstanding feature of the Five Year Plans and Mid-Term Review Reports is that economic imbalances are only elaborated upon, whether in the text or in tables and charts, where there is an under-representation for Malays; but areas where there is Malay

over-representation, the Reports become conspicuously silent or gloss over them.

The Third Malaysia Plan 1976, for instance, devoted a special section on *'Racial Balance and Education'*, where it stated that during the period 1971-1975, *"the share of the Malays and other indigenous people to total enrolments in domestic tertiary insitutions increased from 50% to 65% (or from 6,622 to 20,547)* while the share of other Malaysian students declined from 50% to 35% (or from 6,702 to 10,982).

The Mid-Term Review of the Fourth Malaysia Plan had done away with the section on *'Racial Balance and Education'* altogether, although it gave a table on the breakdown of enrolment in tertiary education in local institutions and overseas.

If we follow the Third Malaysia Plan example and exclude figures for local private institutions and those overseas, confining ourselves to government institutions like the local universities, the polytechnics, the MARA Insitute of Technology and including the Tunku Abdul Rahman College, we will find that the disparity in the enrolment between bumiputra and non-bumiputra students had widened. Using the revised 1970 tertiary enrolment figures as given in the Fourth Malaysia Plan, we get the following total enrolment figures for certificate, diploma and degree courses for 1970, 1980 and 1983:

Enrolments in Tertiary Education for certificate, diploma and degree courses

	Bumiputra	Chinese	Indians	Others	Total
1970					
Certificate	151	209	9	—	369
Diploma	2,871	393	32	22	3,318
Degree	3,084	3,752	559	282	7,677
	6,106	4,354	600	304	11,364
	53.7%	38.3%	5.3%	2.7%	

1980	Bumiputra	Chinese	Indians	Others	Total
Certificate	1,590	907	96	10	2,603
Diploma	11,427	1,993	161	21	13,602
Degree	13,604	5,161	1,193	234	20,192
	26,621	8,061	1,450	265	36,397
	73%	22.1%	4%	0.7%	
1983					
Certificate	2,480	1,628	158	5	4,271
Diploma	18,570	2,479	250	42	21,341
Degree	19,143	7,865	1,967	485	29,460
	40,193	11,972	2,375	532	55,072
	73%	21.7%	4.3%	1%	

Thus from 1970 to 1983, the enrolment of bumiputra students in the domestic tertiary insitutions funded by government had increased from 53.7% to 73%, in (or from 6,106 to 40,193 which is an increase of 65.8%) contrast to the enrolment of non-bumiputra students which had declined from 46.3% to 27% (in absolute terms, an increase from 5,258 to 14,879 which is only an increase of 280%).

By adding private student enrolment in local and overseas institutions, the Mid-Term Review states that the total enrolment in 1983 in tertiary education works out to 43.3% for bumiputra and 46.7% for non-bumiputra students. This, however, is unacceptable, for Malaysians have a right to expect all government institutions to be guided by the principle of racial balance, apart from the fact that out of the 58,000 students pursuing various courses of studies overseas, 12,800 are government sponsored students.

IMBALANCE

The DAP calls on the Government to immediately rectify the gross imbalance in the enrolment of students for the certificate, diploma and degree courses in the domestic tertiary institutions.

Another blatant example of the selective restructuring process of the NEP is the omission from all Five-Year Plans and Mid-Term Reports about the imbalance of FELDA schemes which, as the main instrument of rural land development, should set the example in

restructuring Malaysian society to eliminate the identification of race with vocation or location. It has however done the opposite.

Thus from 1970 to 1980, the Malay percentage of Felda settlers rose from 94.3% to 96.2% or 17,729 settlers to 61,663 settlers; Chinese fell from 3% to 1.8% or from 558 settlers to 1,127; Indians and others also fell from 2.4% or 446 settlers to 1.2% or 1,273 settlers.

The Third Malaysia Plan made a valiant attempt to dispel what it describes as a *'dangerous misconception'* that the national goals of poverty eradication and restructuring society are objectives intended to benefit only the Malays and other indigenous people.

Thus it declared that as the Malays and other indigenous people show progress in their involvement in the modern sector, the other Malaysians should be encouraged to play a greater role in modern agriculture so that the identification of the Malays and other indigenous people with agricultural pursuits is eliminated. The basic objective, it affirmed, is the creation of a socio-economic environment in which a united nation would evolve out of the daily interaction of Malaysians of all races in all sectors of the economy across the geographical regions of the country.

These noble sentiments, however, have not been followed up by deeds and the government has itself to blame if more than ever, the NEP is perceived or construed in ethnological interests, as illustrated by the call by some UMNO leaders for the extension of the New Economic Policy (which is based solely on ethnological interests and considerations) and the reaction to the call.

TRIPLE FAILURE

In fact, this is a double misconception, for it is not the Malays as a whole who are benefitting from the NEP, but a small group of well-connected Malays who are making use of the policy to become instant millionaires even though it is built on a great disparity of income and wealth in the Malay community itself.

This is why the NEP has become a triple failure, not only in the eradication of poverty and restructuring of society, but most important of all, in creating the national unity which is its overriding objective.

The NEP is in fact a major cause of increased polarisation of the various ethnic groups in the country apart from causing greater class polarisation through the widening disparity of income distribution.

A whole generation of Malaysians have grown up under the NEP nurtured on the division of Malaysians into bumiputras and non-bumiputras. Whether in education, employment, commerce, industry and the professions, every Malaysian is made to realise the difference between a bumiputra and a non-bumiputra.

As the NEP is designed to achieve national unity within its 20-year perspective plan, one would have thought that in 1990, the divisive differentiation of Malaysians into bumiputras and non-bumiputras would end and every citizen would be treated and regarded as a Malaysian.

The results of the NEP, however, are going to provide compelling political reasons as to why this policy of bumiputraisation is not going to be abandoned, but would be perpetuated. This is because the continued poverty of the substantial Malay rural households would be given a communal explanation and used as a justification for the continuation of the NEP policies of racial quotas and percentages.

The non-Malays, on their part, who had looked forward to 1990 for the equalisation of opportunities are also going to be greatly disappointed when the NEP policy is continued with new communal goals and objectives.

As the overriding objective of the NEP is the achievement of national unity among the diverse peoples in Malaysia, its success or failure must be judged by this criteria alone.

This is why I had said that this is time not only for new thinking about development and its strategies, but even more important, for new thinking about laying a sound and healthy basis for nation building.

DAYABUMI

The Mid-Term Review, in discussing new directions in development strategies and policies and their implementation, has elevated to the status of official government policy various 2M proposals like privatisation, Malaysia Incorporated, Look East, etc.

The success or otherwise of these new policies will be judged as to whether they result in a more self-reliant and less dependent Malaysian economy and the promotion of economic growth with distributional equity, or whether they lead to new forms of Malaysian economic dependence and become the instrument for the subjection of the working and peasant classes by new NEP capitalists and privateers, who are making their transition from Ali-Baba to Ali-John and now Ali-Masushita relationships.

The $313 million Dayabumi Phase III project where a Malaysian tender which was $84 million lower was rejected in favour of the successful Japanese contractors, is not only the symbol of the Government's Look East Policy, it is also the symbol of Japanese economic and financial conquest in Malaysia — a belated success in the economic and financial field where it had failed on the battleground in its attempt to establish the Greater East-Asia Co-Prosperity Sphere with its military might forty-three years ago.

The Dayabumi Phase III project would have become an expensive white elephant if it had been a private sector project for it would not have been viable, especially in view of the recession and the office glut in Kuala Lumpur. As it is, Dayabumi is depending on public agencies, especially Petronas which is taking up three-quarters of the Dayabumi tower's 35 floors, to take up the office space.

But the question Malaysians want to ask is whether public monies should be spent so extravagantly, and whether the $84 million Dayabumi experience in terms of additional costs is justified by the transfer of technology acquired by Malaysians?

The Dayabumi complex (mentality) of the government represents one of the new development thinking of the NEP, where 'small is beautiful' is discarded for 'big is sublime'.

EXTERNAL DEBT

This is why it is essential that we should subject all the new development thinking of the NEP as foreshadowed by the Mid-Term Review to rigorous examination and study, for we do not want to jump from the frying pan into the fire.

Although the Government has spoken of the need for new development strategies and policies, it has not committed itself to a long-

term strategy to make Malaysia less dependent on external economies and make Malaysia more self-reliant, as this would involve structural changes in Malaysian economic development, which would involve reducing Malaysia's dependence on foreign capital, external trade and foreign technology, and the creation of a new life-style which is not so consumer-good oriented and capitalistically-based.

We must immediately eschew policies which will make Malaysia even more dependent in the future, as in the unprecedented rise in the external debt in the last three years to cover up the huge budget deficit and current account deficit. According to World Bank's latest international debt report, the Malaysian Government's foreign debt servicing (repayment of interest and principal) would rise to $3.35 billion in 1986 and $3.69 billion in 1988, when the total external debt servicing for the ten years from 1971-1980 is less than $5 billion.

The total national external debt servicing would be higher when we take into account the foreign borrowings of public agencies and the private sector, which was some $31 billion as of last year.

We should also seek ways to reduce the continued foreign dominance in the ownership and control of the key industrial, financial and commercial sectors of the Malaysian economy as seen not only in the free repatriation of profits by foreign companies (one study computed that there was a net outflow of capital amounting to $7,772 million from 1967-1981), but also in the hidden profits by way of transfer pricing, royalty payments and other accounting methods of transnational companies.

Finally, we must admit that we have failed to fully mobilise the resources and talents Malaysians themselves possess, in particular in the Malaysian human potential, because of short-sighted political policies which was the main cause of the brain-drain of Malaysian professionals abroad, and which would defeat any effort to instil basic and progressive values of hard work, self-reliance and striving for excellence. The government must create the political, economic, social and cultural conditions whereby these basic and progressive values can flourish so that together, all Malaysians, irrespective of race, could make Malaysia a great nation for everyone in the country.

NEP Injustices and Inequalities

The Barisan Nasional should realise that if its restructuring process is confined to certain sectors, groups or to affect certain races only, then it runs counter to the NEP's overriding objective of creating national unity because it would be spawning new inequalities and injustices.

So long as these NEP injustices and inequalities are allowed to multiply unchecked, the overriding objective of the NEP to achieve national unity would not only fail, the NEP would be the chief instrument for national disunity.

I wish to move:

"That this House resolves that in preparation for the Fifth Malaysia Plan 1986-1990, the House establishes a Parliamentary Select Committee to inquire into the New Economic Policy injustices and inequalities which had defeated its two-prong objectives of eradicating poverty irrespective of race and the restructuring of Malaysian society to eliminate the identification of race with vocation or location as well as its overriding objective of achieving national unity."

When the New Economic Policy was promulgated in 1970, it was announced that it had a two-prong objective of eradicating poverty, irrespective of race and the restructuring of Malaysian society to eliminate the identification of race with vocation or location. But even more important than these two objectives is the overriding objective of the New Economic Policy to achieve national unity which has eluded Malaysia since Merdeka in 1957.

Speech when moving a motion on the NEP injustices and inequalities on July 15, 1985.

The New Economic Policy, which had a time-span of twenty years from 1970-1990, had failed in its overriding objective of being the primary instrument of welding Malaysians of diverse races, languages, cultures and religions into one Malaysian people with a common identity, consciousness and sense of purpose although it had been in operation for 15 years.

This is best illustrated by the admission of the Barisan Nasional leaders, in particular by the Deputy Prime Minister, Datuk Musa Hitam, in July last year, that racial polarisation in Malaysia had become so serious that it had affected school children!

The New Economic Policy has not only failed to achieve national unity, it had become the most divisive force in the country creating even greater alienation and antagonism among the people.

No Malaysian opposes the two proclaimed objectives of the NEP to eradicate poverty irrespective of race and the restructuring of Malaysian society to eliminate the identification of race with vocation or location.

NEP RICH

After 15 years of implementation of the NEP, it could be said without fear of contradiction that the NEP had failed on both prongs. Hard core poverty, whether among the Malays or non-Malays, in Peninsular Malaysia, Sabah or Sarawak, had remained an intractable problem, with the gap between the rich and the poor growing ever wider under the NEP. Although the Barisan Nasional government made great play about the magnitude of the problem of Malay poverty, the problem of the disparity between the Malay poor and the small class of NEP Malay rich who could accumulate wealth and assets of hundreds of millions of dollars in a matter of months has become most acute under the NEP.

The second prong objective of restructuring Malaysian society had been implemented in a most discriminatory and selective manner that instead of creating national unity, it had fostered division and disharmony.

When the New Economic Policy was launched in 1970, one Prime Minister after another had pledged that in its implementation, the government would ensure that *'no particular group experiences any*

loss or feels any sense of deprivation'. But this cardinal pledge and principle of the NEP seemed to have been ignored so often during its implementation that one is entitled to wonder whether it had become a policy decision to disregard it.

The case of the Boon Brothers petrol station in Sitiawan is a very good case in point about the new injustices and inequalities created by the New Economic Policy. The Boon Brothers had been operating a petrol station business for sixty years, but after the expiry of the lease of the petrol station, the Perak State Government refused to renew the lease to enable Boon Brothers to continue its long-standing traditional petrol station business.

If the Perak State government had wanted to use the land for some public purpose, no one could complain. But what the Perak State Government did was to give the lease to a bumiputra company, Manjung Development Sdn. Bhd., which had only $4 paid up capital, to carry out exactly the same petrol station business!

If this is not the NEP causing loss or depriving Malaysians of their rights and traditional livelihoods, I do not know what is.

In this particular case, it is still not too late for the Perak State Government to honour the cardinal NEP pledge not to deprive Boon Brothers of its rights. It should call up Manjung Development Sdn. Bhd. and get the company directors to agree to surrender the lease back to the government so that it could be renewed to enable Boon Brothers to continue its petrol station business, while the State government could alienate another piece of land in Sitiawan to Manjung Development Sdn. Bhd. In this manner, the rights and interests of all parties under the NEP would be looked after.

CIVIL SERVICE POLARISED

The NEP injustices and inequalities are not confined to this one case of Boon Brothers, but extend to all fields of national life. The Barisan Nasional should realise that if its restructuring process is confined to certain sectors, groups or to affect certain races only, then it runs counter to the NEP's overriding objective of creating national unity because it would be spawning new inequalities and injustices.

The civil service, which the MIC President and Minister for Works, Datuk Samy Vellu, had finally admitted is polarised by discriminatory policies with regard to recruitment and promotion opportunities to non-Malay public servants, is another significant area. Although UMNO Ministers had denied that there is discrimination in recruitment and promotion opportunities for non-Malay civil servants, only the abolition of such discriminatory policies could serve the cause of national unity. For instance, in the last two decades, there had not been a single non-Malay appointed to the post of Vice Chancellor of the country's seven universities. Is it because there is no single non-Malay who is qualified to hold the post of Vice Chancellor in a local university in Malaysia? Again, the most senior civil servant was by-passed for appointment as Chief Secretary recently, obviously because he is a non-Malay although he is second to none in experience, ability or seniority. Is this not discriminatory policy in the civil service unjustly affecting the promotional prospects of non-Malay civil servants?

There are many other areas where NEP injustices and inequalities contaminate the nation-building process, as in the virtual dominance of Felda schemes by one racial group; the allocation of university places and scholarships; licensing and granting of permits; the allocation of low-cost housing, etc. So long as these NEP injustices and inequalities are allowed to multiply unchecked, the overriding objective of the NEP to achieve national unity would not only fail, the NEP would be the chief instrument for national disunity.

This is why I propose that a Parliamentary Select Committee should be established, as a preparation for the Fifth Malaysia Plan, 1986-1990, to inquire into the NEP injustices and inequalities which had defeated the two-prong NEP objectives of eradicating poverty irrespective of race with vocation or location, as well as its overriding objective of achieving national unity.

Last Friday, when speaking to foreign correspondents in the Federal capital for the ASEAN Foreign Ministers' Conference, Deputy Prime Minister, Datuk Musa Hitam, said that the Government would not extend the New Economic Policy after 1990 but the Government would continue to pursue the NEP objectives. A change in the name of the policy without substantial changes in policy directions would mean no great or real change at all.

Whatever the government's intentions after 1990, the country is faced with the new injustices created by the NEP in the last 15 years of its implementation which must be identified and rectified so that the overriding objective of national unity could be achieved.

MAS shares and the NEP

'Malaysians who subscribed to the MAS shares are particularly incensed, and rightly so, for when they subscribed to the shares, the new guideline of another 30% of the open portion of new public share issue had not been made. When the MAS shares were balloted, the subscribers found that the ground rules had changed, in mid-stream literally.'

The government has lamented that the private sector had failed as an 'engine of growth', as it had placed great reliance on the private sector to lift the Malaysian economy out of the recession and doldrums.

However, the government should take a deeper look at the problem as to why there appears to be a lack of private investor confidence in Malaysia. The government has announced a review and proposed changes to the Industrial Co-ordination Act. When the DAP warned in the 1970s that the ICA is the greatest dampener of domestic private investment, this was disputed by the Barisan Nasional government. Now, the government had to admit that what the DAP had been saying for the last decade was correct.

But the problem is more deep-rooted than just the Industrial Co-ordination Act. Lack of private investor confidence in the government stems from the arbitrary power of the government to change rules and regulations, not to mention laws, mid-stream, without consultation or notice, in utter disregard to the legitimate rights of those affected.

Speech on the Finance Companies Amendment Bill 1985 on October 24, 1985

A good example is the sudden announcement of a new Trade and Industry Ministry guideline involving a major change in corporate ownership, i.e. that 51 per cent of new shares offered in a public issue must be reserved for bumiputras.

Under the new guideline, companies wishing to float their shares will now have to allot 30 per cent of the open portion of shares available for public subscription to Bumiputra individuals and wholly Bumiputra-owned companies and organisations registered with the Ministry. This is in addition to the 30 per cent made by way of private placement to government approved Bumiputra institutions. This works out to a total of 51 per cent of new shares in a public issue being reserved for bumiputras.

MAS SHARES

What is shocking is the unseemly haste and off-handed manner in which such a major change in corporate ownership is carried out, without regard to the political and social ramifications of the new guideline.

Malaysians who subscribed to the MAS shares are particularly incensed, and rightly so, for when they subscribed to the shares, the new guideline of another 30% of the open portion of new public share issue had not been made. When the MAS shares were balloted, the subscribers found that the ground rules had changed, in mid-stream literally.

The MAS subscribers rightly feel that they had been cheated by MAS and the Ministry of Trade and Industry, for the MAS prospectus made no mention about the removal of 30% of the share issue from public subscription, which could have influenced their decision whether to subscribe or not.

Why wasn't the new guideline announced by a Ministry official, instead of by an official of a company issuing the MAS shares, and without adequate notice to the public so that they were not misled?

It is such high-handed and arbitrary governmental change of rules and regulations in mid-stream, in utter disregard of the rights of those affected, which is responsible for the lack of private investor confidence.

With the 51% of all new public shares issue reserved to bumiputras, will the 49% be solely for non-bumiputras, or there will again be an unofficial quota for this remaining 49%?

No top Minister has offered to give reason or justification for this new 51% guideline, and I call on the scrapping of this new guideline as counter-productive of the government effort to gain private investor confidence in the government.

BUY MALAYSIAN CAMPAIGN

The Ministry of Trade and Industry has launched the Buy Malaysia campaign, to promote local goods and services to save on Malaysia's Invisibles Account deficit.

Unfortunately, the campaign seems to be more a propaganda campaign than a serious one committing the entire government services and all its ancillary organisations.

I have just been informed that the JKR is laying Japanese pipes from Kulai to Johore Bahru instead of using local pipes. Why is this so?

Again, Malayan Banking, in its Maybank Building at Court Hill, has given the $2 million marble contract to Koreans when a Malaysian firm had tendered at a lower price, and had in fact, assembled 40 workers for the job lasting about 2 years. Instead, Malayan Banking had awarded the marbling contract to the Korean firm, displacing the job opportunities of some 40 Malaysians, as Korean workers were brought in for the job.

I cannot but ask whether the Government is at all serious about its Buy Malaysia Campaign.

When I suggested that Ministers should set an example with a Cabinet directive that all Ministers should not take their leave overseas, but must use local holiday destinations, the Deputy Minister evaded the issue altogether.

If the Ministers who are saying so much about the Buy Malaysia Campaign are not serious in buying Malaysian goods and services themselves, how could they expect the campaign to bring any success or improvement to Malaysia's Invisibles deficit?

ON PARLIAMENT AND PARLIAMENTARIANS

PAC and the BMF Scandal

"I am not asking for a revolution for the PAC, but merely a total change in the present philosophy on the PAC. This is because the Standing Orders on the PAC actually provides for a PAC which could take part actively and meaningfully in the process of ensuring high standards of handling public money and accountability, not merely by inquiring into the past, but also by inquiring into the present!"

The Prime Minister has moved this motion to ask the House to appoint Y.B. Daud bin Dato' Haji Taha as the Chairman and Y.B. Lim Liang Seng as Vice Chairman of the Public Accounts Committee for the rest of the Parliamentary session, following the appointment of the previous Chairman Y.B. Oo Gin Sun, as Deputy Minister for Trade and Industry.

Without referring to the capabilities of the two nominees for the posts of Chairman and Vice Chairman of the Public Accounts Committee, I would ask the Prime Minister to withdraw this motion until later at this Parliamentary meeting, probably next week, as I feel the time has come for both Parliament and the Cabinet to review and reconsider what we expected of the Public Accounts Committee.

Up till now, the Public Accounts Committee had failed to play its role as an effective watchdog over public funds, making no impact or contribution to ensure higher standards of public accountability in the handling and expenditure of public funds.

Speech on the motion to appoint the Chairman and Vice Chairman of the Public Accounts Committee on July 25, 1983.

The PAC has been quite impotent, plodding away at out-dated accounts and dealing with the ghosts of government officials who had violated financial propriety or probity, but who are either retired or have resigned from public service. What is worse, when the PAC reports are published, they are so dated, that nobody, not even Parliament, is interested in them, making the whole PAC proceedings a meaningless exercise. Thus, as at present, the PAC had not yet presented its full Report on the 1975 Accounts of the Federal Government, let alone the accounts from 1976 and after.

This is completely out of keeping with the pledge of greater government accountability to the people made by Dr. Mahathir Mohamed when he first assumed the Premiership two years ago, for the PAC-system and philosophy at present do not ensure greater public accountability of public funds, but on the contrary, help to evade such public accountability.

If we are to have meaningful public accountability for the expenditure of public funds, then we need an activist and even aggressive Public Accounts Committee, which would leave the musty past of dusty files, and actively participate in the contemporary process of maintaining and ensuring high standards in the handling of public money by the present crop of public officials.

I am not asking for a revolution for the PAC, but merely a total change in the present philosophy on the PAC. This is because the Standing Orders on the PAC actually provides for a PAC which could take part actively and meaningfully in the process of ensuring high standards of handling public money and accountability, not merely by inquiring into the past, but also by inquiring into the present!

Thus Standing Order 77(1) provides four terms of reference for the Public Accounts Committee, namely to examine:

(a) the accounts of the Federation and the appropriation of the sums granted by Parliament to meet the public expenditure;

(b) such accounts of public authorities and other bodies administering public funds as may be laid before the House;

(c) reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution;

(d) such other matters as the Committee may think fit, or which may be referred to the Committee by the House.

Thus far, the PAC has confined itself to dealing with only one of the four items, namely reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution, condemning it to the musty files or the murky past, when it should also had dealt with current problems as permitted to it under the other three terms of reference, which would make the PAC's work relevant to the present.

In fact, a reading of the terms of reference of the PAC shows that the powers of the PAC are even wider in scope than the Auditor-General, and that the PAC is not constitutionally required to await the Auditor-General's reports before conducting examinations into accounts and expenditure of public funds.

It was only in March this year that Parliament amended the Audit Act to confer power on the Auditor-General to examine *"the accounts of any other body, including a company registered under the Companies Act 1965, in receipt of a grant or loan from the Federation or a State, and including also a company where more than half its paid-up share capital is held by the Federation, a State or a public authority."*

However, the Auditor-General's new powers are stymied by the proviso that he could only conduct such an examination by order of the Yang di-Pertuan Agong.

PUBLIC ACCOUNTABILITY

There is also the further doubt whether the Auditor-General is empowered to audit co-operatives, like Bank Rakyat, or banks like Bank Bumiputra, which are in receipt or are wholly constituted by public funds.

The PAC, however, is not bogged down by such limitations, for in pursuance of its duty entrusted by Parliament to ensure that public monies are properly handled and expended, it could delve into areas which are denied to the independent initiative of the Auditor-General, or even into areas which are beyond the jurisdiction of the Auditor-General, as in co-operatives and banks, in receipt or constituted with public funds. Under Standing Order 77(5), the PAC has the power to send for persons, papers and records on the accounts and expenditures of such public monies so as to be able to report to Parliament.

The PAC has therefore constitutional powers to become an activist, aggressive and relevant watchdog over public funds, but what is needed is the change in the PAC philosophy by the Government and whoever is to occupy the important posts of Chairman and Vice Chairman.

The PAC must be able to live up to its responsibility entrusted to it by Parliament to defeat Executive attempts to avoid public accountability for the expenditure of public monies.

A good example is the attempt over the last seven months by both Cabinet Ministers and Bank Bumiputra officials to deny a public accounting on the billion-dollar Bumiputra Malaysia Finance loans scandal in Hong Kong.

During the March meeting of Parliament, from Tengku Razaleigh's answer to my question on the BMF loans, and after, the people of Malaysia were led to expect that there would be a full accounting of the BMF loans in Hong Kong after the annual general meeting of the Bank Bumiputra.

Unfortunately, the Chairman of Bank Bumiputra, Dr. Nawawi Mat Awin, and the directors of the Bank, all went into hiding, leaving three low-level Bank officials to conduct the post-AGM press conference of Bank Bumiputra, with the officials making it very clear from the start that they were not authorised to answer any questions about the BMF loans.

The Bank Bumiputra Chairman and Directors, the Finance Minister and the Cabinet, should realise that Bank Bumiputra is not a private bank, but a bank which had been established with public funds, and which owe a responsibility of public accountability for the proper handling, management and expenditure of public funds, bringing it directly within the terms of reference of the Public Accounts Committee on *"the appropriation of the sums granted by Parliament to meet the public expenditure."*

From 1971 to 1980, under the Second and Third Malaysia Plans, Parliament allocated a total of $253.3 million for Bank Bumiputra, which establishes Parliament's right to demand an accounting of its management and expenditure of these monies by Bank Bumiputra, especially with the series of mysterious happenings surrounding the billion-dollar BMF loans in Hong Kong.

When the BMF loans scandal first broke, Ministers had justified their keeping 'mum' by a variety of reasons: such as the need to maintain public confidence in the banking community as Bank Bumiputra is the premier bank in the country; that the Ministers do not have control over the BMF loans in Hong Kong as they are a matter for the Hong Kong regulatory authorities; and Tengku Razaleigh's reply to me in Parliament that he was unable to say what losses would be incurred from the BMF loans as the Bank's 1982 accounts were still being audited.

PUBLIC CONFIDENCE SHAKEN

The cold-blooded murder of Bank Bumiputra officer Jalil Ibrahim in Hong Kong last Tuesday where he was assigned to deal with the BMF loans, the fiasco of the Bank Bumiputra post-AGM press conference and the annual report which set out to conceal rather than reveal the actual position, the failure on the part of the Bank Bumiputra and BMF authorities to act on the very explicit reports of the international press, especially the Asian Wall Street Journal of March 18–19, naming names of Bank Bumiputra and Bumiputra Malaysia Finance officials who had received million-dollar cheques in their private companies before BMF loans were made out, have shaken public confidence in the integrity and competence of those responsible for the stewardship of banking and finance in Malaysia.

I would call on the Prime Minister to completely clear the air on the BMF loans, to come out publicly on the extent of the BMF loans to Carrian Group, Eda Group and Kevin Hsu in Hong Kong, what percentage of the loans it thought recoverable, and what actions had been taken against the officials remiss in these loan transactions. In view of the Government's full backing to Bank Bumiputra, such a frank statement on the BMF's woes not only would have no adverse effect, but could positively regain confidence of the public in the integrity of the whole system.

However, if the Executive and Cabinet refuse to honour the principle of accountability in the BMF loans, then Parliament must invoke its own rights and powers to insist on such accountability.

There is where the Public Accounts Committee must shoulder the responsibility entrusted to it by Parliament to be the Parliamentary watchdog over public monies, and to send for Bank Bumiputra and

BMF officials, their papers and records to enable it to report to Parliament on the BMF loans scandal. The PAC should, to the best of its ability, report to Parliament on the background, status and consequences of the BMF loans; to inquire into specific allegations made by the international press against named Bank Bumiputra and BMF officials that they received, through their private companies, million-dollar cheques before BMF loans were made out; whether the increase of the shareholders' fund of Bank Bumiputra by $500 million from $476 million to $1,076 million would be used primarily to bail out the BMF because of the Hong Kong loans.

If the Prime Minister is not prepared to withdraw the motion to allow for more time for Cabinet and Parliament to consider whether it isn't time for the PAC to play a more aggressive and relevant role, I would then formally move an amendment to the motion, to read:

"DELETE the full-stop at the end and SUBSTITUTE a semi-colon; and ADD:
'And under Standing Order 77(1)(d) directs the Public Accounts Committee to examine the loan transactions of Bumiputra Malaysia Finance in Hong Kong and to report to Parliament."

However, if the Government is prepared to establish a Commission of Inquiry into the Bumiputra Malaysia Finance loans scandal, I am also prepared to withdraw this amendment, provided that the findings of the Commission are made public.

The Chairman and Vice Chairman of the PAC, therefore, must be persons who are not afraid, in the discharge of Parliamentary duties entrusted to them, to step on the toes of Ministers or the Executive, for fear of dimunition of their chances of political promotion. This is why in other countries the parliamentary convention has developed for an Opposition member to be Chairman of the PAC.

Finally, I understand that YB Lim Lian Seng was recently appointed the Special Assistant to the Deputy MCA President and Minister for Labour and Manpower, YB Mak Hon Kam. Standing Order 77(4) makes a clear cut prohibition for a Minister to become a Member of the PAC, for he would end up as prosecutor, accused and judge, so to say. Similarly, Deputy Ministers, Parliamentary Secretaries, and even political Secretaries and Special Assistants to Ministers should not sit on the Committee, for they are the direct creatures, government or party, of the Minister concerned, and cannot be

expected to assert Parliament's interest over his immediate loyalty to his political superior who is a Minister.

If the Prime Minister is not prepared to withdraw this motion as I suggested, I would hope he would at least accept the principle that there should be no conflict of interest with Ministers, Deputy Ministers, Parliamentary Secretaries, Political Secretaries or Special Assistants to Ministers although in their political party capacity, and a new Vice Chairman for PAC be nominated.

Cuckoo's Land in Parliament

> *As a result, the stocks of Parliament in the eyes of the people had never been lower. For we are showing that we are not only staging a 'Wayang Kulit' disregarding the real substance of bills and issues; but also have recently been transported to the 'cuckoo's land', completely cut off from the realities around us.*

I congratulate the Finance Minister, Tengku Razaleigh, and the other Cabinet Ministers for their great parliamentary performance or non-performance during the winding up of the 1984 Budget debate in the last two weeks, for they have completely belittled the dignity and purpose of Parliament.

During the Budget debate, I spoke for more than an hour on the $2,500 million Bumiputra Malaysia Finance loans scandal in Hong Kong, for the whole sordid saga highlighted not only the negligence and irresponsibility of BMF directors and officials as well as Bank Bumiputra Directors. I also highlighted the irresponsibility and negligence as well of the various regulatory and supervisory bodies over Bank Bumiputra and BMF, like the Bank Negara, the Ministry of Finance, the Prime Minister's Department, PNB, the Registry of Companies, the internal and external auditors, and even the entire Cabinet.

Even a few UMNO MPs had the courage to express the concern felt by the 14 million Malaysians about the enormity of the BMF loans scandal, the biggest banking and financial crisis in Malaysia.

Speech on the estimates for the Prime Minister's Department on November 9, 1983.

But there was not a single MCA MP who dared to breathe a word about the BMF, for fear of losing the favour of the UMNO leaders.

But there was not a word of reference in any Minister's speech during the budget reply. I do not know whether this is because there is still great confusion as to whether the Prime Minister's Department or the Finance Ministry is really in charge of Bank Bumiputra and with the Prime Minister away on another trip to Japan, there was no Minister who dared to decide!

Be that as it may, I find the Cabinet performance in the budget replies as the most atrocious in Parliamentary history, for by avoiding a subject which has engrossed the attention of every Malaysian, the Cabinet has treated Parliament with utter contempt and ridicule.

Only yesterday, the papers reported that the two main Carrian companies, Carrian Investments and Carrian Holdings, are being wound up. This means that the BMF would have to be wound up as well, as the loans the BMF had given out to Carrian is close to some $2,000 million! This could also lead to the winding up of the parent company, Bank Bumiputra, unless Parliament again injects another $2,000 — $2,500 million to save Bank Bumiputra, in the same way that Parliament had to inject $150 million in 1980 to save Bank Rakyat from bankruptcy.

It is time Parliament reviews its role in the political process, whether it is the highest legislative and deliberative chamber, or it is a mere appendage or a department of the Government of the day.

If it is the highest legislative and deliberative chamber in the land, then the most important national issues should be addressed in this House, and not disregarded as if they don't exist.

CUCKOO'S LAND

Since the opening of the present budget meeting on October 10, the House had chosen to ignore two grave national crisis in the land, the $2,500 million BMF crisis as well as the Constitutional Crisis which resulted from the Constitutional (Amendment) Bill 1983 adopted by both Houses in July and August this year.

As a result, the stocks of Parliament in the eyes of the people had never been lower. For we are showing that we are not only staging a

'Wayang Kulit' disregarding the real substance of bills and issues; but also have recently been transported to the 'cuckoo's land', completely cut off from the realities around us.

Ever since October 10, all Barisan MPs are more interested in congregating outside the House to find out the latest development in the two national crisis, the Constitutional Crisis and the BMF crisis, resulting in a no quorum last Thursday.

But inside the House, the House and in particular the front benches pretend as if both these crisis do not exist. On October 11, I had sought to move an adjournment of the House on a motion of urgent, definite public importance to discuss the Constitutional Crisis, but the Prime Minister in his reply a day earlier said he was not aware of any Constitutional crisis.

Parliament would become completely irrelevant if UMNO Youth, UMNO Wanita, and other organisations address urgent national questions while Parliament is completely indifferent to them.

In the matter of the constitutional crisis, Parliament has as great a responsibility as anybody else to discuss and find ways to overcome the Constitutional crisis, for it is because of the insensitive attitude of the Parliamentary majority on this question which had sparked off the present crisis.

I would hope that we would not continue to pretend in this House that there is no constitutional crisis. Even the first Malaysian Premier, Tunku Abdul Rahman, had admitted that there is such a crisis. Thus, in the recent issue of his weekly column in Star, he wrote:

> *"Now a crisis has arisen in which the people, particularly the Malays, are torn between their loyalty to the Rulers and to UMNO.*
>
> *"This has been caused through the recent Constitutional Amendment Act — Clause 12 of the Bill — which provides 'that any Bill not assented to by the Yang di-Pertuan Agong automatically becomes law after 15 days'.*
>
> *"This truly was a drastic action and it brought fear to the minds of the Rulers and those who support constitutional monarchy."*

What is most deplorable is that a few UMNO Ministers are going round the country accusing the DAP of opposing the Constitutional

Amendment Bill because we do not want the 22 new parliamentary seats to be created. Another UMNO leader even accused the DAP of wanting to break up Malay unity.

UNCONSTITUTIONAL

The DAP has made its reasons for opposing the 1983 Constitutional Amendment Bill very clear. The Bill is unconstitutional, as it affects the privileges, position, honours or dignities of the Rulers and under Article 38(4) it could not be presented and passed by Parliament without the prior consent of the Conference of Rulers. I had also warned the Government of a constitutional crisis which would arise if the Rulers do not sign this Bill on the perfectly constitutional ground that the Bill had not complied with the entrenched Constitutional requirements.

I hope that the UMNO Ministers would not try to distort the entire issue, to get themselves out of the trouble which is completely of their own making. For our part, we in the DAP do not want to see the Constitutional Crisis continue so as to bring to a halt the entire government machinery.

The Tunku has rightly pointed out in his recent article that as under Article 3 of the UMNO Constitution, UMNO members are sworn to uphold the dignity, prestige and position of the Rulers. So how could UMNO Youth in their rally in Petaling Jaya Civics Centre on November 4 support unreservedly the Constitutional Amendment Bill 1983?

With a view to help resolve the present Constitutional Crisis, I would suggest that the Government withdraw the 1983 Constitutional Amendment Bill as passed by both Houses of Parliament in July and August, and reintroduce a new Constitutional Amendment Bill 1983 with the proposed amendments to Article 66(5) and Article 150 removed, so that the proposed amendments to increase parliamentary constituencies and other amendments could come into force. As for the proposed amendments to Article 66(5) and Article 150, since they directly affect the 'privileges, position, honours or dignities' of the Rulers, they should receive the consent of the Rulers Conference before coming to the House.

Finally, to restore Parliament's credibility which suffered greatly in the past one month because of our totally ignoring these two national

crisis, I would propose that the Government should issue Ministerial Statements on both these crisis, and allow time for a parliamentary debate on each of them. Parliament can extend time for night debate specially for these two debates if necessary.

REVIEW

The Standing Orders Committee had invited MPs to submit proposals to review and amend the Standing Orders by November 19. There is a need for a total review of the role of Parliament, whether we are playing the role we have been alloted under the Merdeka Constitution, or whether we are becoming a very inconsequential unit in the political process.

The mentality of some MPs who regard Parliament as a department of some Ministry is indeed shocking, for how can there be true Parliamentary supremacy and the sovereignty of the people with such mentality.

On October 10, when I moved a motion for Parliament to condemn the Soviet Union for downing the South Korean jetliner killing 269 people on board in cold-blood, this motion was rejected on the ground that the Government had already condemned the act, and there was no need for Parliament to pass such a motion.

Such MPs just do not understand that Parliament is separate and higher than the Government, and such a Parliamentary motion would strengthen the Government's position inside and outside the country.

There is therefore an urgent need to review the Parliamentary role and function, as part of which the Standing Orders would be reviewed. If the Standing Orders are reviewed in order to adjust Parliament to its diminished and even emasculated role, than I think we are doing Parliamentary democracy and the Malaysian people a great disservice.

ANTI-CORRUPTION AGENCY

In any event, I would on behalf of DAP MPs request the Standing Orders Committee to extend the deadline of November 19 for proposals, as this is a most hectic period for us, as well as to allow the Standing Orders Committee to consider the proposal to conduct a more wide-ranging review.

I am glad to know from the reply of the Minister in the Prime Minister's Department, Datuk Abdullah bin Haji Ahmad Badawi, that the Anti-Corruption Agency was not running away from an appointment with me on the BMF scandal, and was prepared to meet me.

I would definitely be making an appointment with the ACA to find out what they have been doing on the BMF loans scandal. The whole credibility of the Anti-Corruption Agency has been severely shattered if it could do nothing with a *'heinous crime'* involving $2,500 million of public funds, giving the people the impression that its scope of operation is only with those who take $25 bribes!

Dr. Mahathir Mohamed had said that the BMF loans scandal is a *'heinous crime'*, but no legal wrong had been committed, only *'moral wrongdoing'* causing the country to lose some $2,500 million punishable under the Anti-Corruption Act.

The ACA should investigate such cases, and even if no legal action could be initiated, they should publicly publish their report to advertise the *'moral wrongdoing'* of public officers to help deter future offenders.

After 18 months of the last general elections, the government has run out of steam and lost its commitment to a *'clean, efficient and trustworthy'* government. This is best seen in the current Seremban parliamentary by-election campaign, where the MCA has not put up a single poster or streamer on a *'clean, efficient and trustworthy'* government.

This is because there had been so many instances which had blemished the administration's anti-corruption record. Apart from the BMF scandal, we have cases like the Kok Lanas scandal involving the KSM of the MCA, where 16 hectares of land were bought for $11.5 million. According to the 'Kok Lanas No Deal Committee' a Deputy Minister is involved in the transaction. What has the ACA done to investigate this scandal in Kota Bharu?

PETRONAS

I am most alarmed by the reply by the Minister in the Prime Minister's Department to my budget speech cautioning the Government against slogging the oil wells and over-depleting the oil re-

sources just to cover up the shortfall in government revenues, as the government had abandoned Fourth Malaysia Plan production targets to aim for 440,000 barrels per day of production.

This is what he said: "*Sebenarnya, simpanan minyak mentah Malaysia didapati bertambah dari setahun ke setahun hasil daripada usaha-usaha mencarigali yang berterusan. Pada masa ini simpanan minyak yang diketahui yang boleh dikeluarkan ialah lebih kurang 2,600 juta tong sahaja.*"

The Government seemed to have veered away from a conservation-minded policy to a mentality of 'unlimited petroleum supplies'.

This is a total change of the government philosophy in the management of petroleum resources which prompted the government to announce a National Oil Depletion Policy. Oil and gas resources must be treated as depletable and non-renewable resources and not as a bonanza to be frittered away. We should conserve our oil and gas resources at a time of low petroleum prices and aim for the highest prices so that the highest returns are obtained, instead of slogging our oil wells at a time of low oil prices to meet revenue demands of the government.

At present, there is too little information about the national oil resources, reserves, management policy and the management of Petronas, for MPs or the Malaysian public to be informed about the most important natural resource in the country.

In 1976, when Petronas was first established, the oil sector contributed $160 million to total exports and $700 million to total Federal revenue. By 1982, oil had contributed $7,600 million to total exports and $4,400 million to total Federal revenue.

With such vast funds in its command, there must be a strict supervision and control of Petronas if what happened in the BMF — the mismanagement and betrayal of trust — is not to happen. I understand that Petronas and its subsidiaries have on their payroll over 4,000 employees while the oil companies like EPMI and Sarawak Shell which carry out the real production of oil do not in total have more employees than Petronas, which does not produce a single cent of oil. There is clearly a great need to review the Petronas management, and I call for the establishment of a Parliamentary Committee to monitor Petronas and to present an annual report to Parliament.

Two weeks ago, in reply to my question, the Minister in the Prime Minister's Department, Datuk Dr. James Ongkili, said that Petronas has one of the best safety records for oil rigs in the world, and was awarded the 'Sword of Honour' by the British Safety Council on October 19.

Firstly, I understand that the 'Sword of Honour' was awarded by the British Safety Council after the answering of a questionnaire by Petronas on safety records, and not as a result of any stringent check on safety records. Those in the know also wonder whether the award of 'Sword of Honour' was more of a political act to re-establish British-Malaysia relations.

Be that as it may, we have no reason to be proud of our safety records of our oil rigs and platforms, for it was only in June this year that a contract worker died of burns on Esso Production Malaysia's Tinggi A oil platform off the Trengganu coast. The worker, Chee Tah Heng, was working with a blowtorch on the sub-sea deck and did not realise that another worker on an upper deck was manipulating some oil outlets at the time. When some 40 gallons of diesel poured out of the well-head area and gushed to Chee's working area, Chee was engulfed in a sea of flames.

The Petronas authorities should not disregard the anxieties of the oil-rig workers who fear for their safety. Did this accident show up in the British Safety Council questionnaire as answered by Petronas? Or was it not included, as the EPMI do not record the accidents and fatalities of the contract workers in its safety record submitted to Petronas!

There is a great need for Parliamentary scrutiny of Petronas for it has taken several decisions which is highly questionable.

I call on the Government to immediately enact regulations to protect the safety of off-shore workers and off-shore installations as well as to ensure that the instruments and operations conform with the international standards. At present, Petronas had to rely on the words of EPMI and Sarawak Shell as it has no regulations which it could really enforce, nor experts it could use to enforce.

Petronas is still very much at the mercy of the multi-national oil companies.

For instance, in many countries, before offshore platforms could be put into initial operation, the national oil corporation must issue a certificate of fitness. This is not the case in Malaysia. Petronas also does not check and certify annually the offshore equipments and vessels as is the normal international standard.

UNECONOMICAL REFINERY

I would therefore call on Petronas and the Government not to become complacent because of a 'Sword of Honour' from the British Safety Council which probably means nothing at all.

Petronas must come under strict Parliamentary scrutiny because it has made several questionable decisions. For instance, the $165 million Petronas Refinery at Kertih which is probably the most 'uneconomical' refinery in this part of the world. Could the Minister responsible inform this House what is the price for refining one barrel of oil in Kertih Refinery, as compared to the other refineries in Malaysia and the refineries in neighbouring countries.

The refinery does not produce petrol or aviation spirit but only some 25% of napther, 25% of kerosene, 30% of diesel; 15% of heavy oil residue and 2% of L.P.G. with a maximum capacity of 30,000 bpd.

Yet it employs 240 workers with some 30 expatriate Caltex staff!

What is even more shocking is the $20 million Refinery Loading Buoy, which was supposed to be positioned 4km from the beach to take 100,000 tons deadweight tankers. But when it was finally installed, it was positioned 2.1km. from the beach in approximately 60 feet of water. Although this involved a saving of some $20 million, this restricts the tanker size to 35,000 tons deadweight and increases the possible accident factor by some 30 times.

There has already been one accident with a tanker on the buoy on 8th June 1983 when the buoy moved from its anchors by some 26 feet, causing damage, endangering the whole sealife there with an oil spillage.

I am told that as presently positioned, if a tanker is loading at the buoy and a wind of 22 knots occurs, the loading operation must stop, and if the wind reaches 35 knots, the ship must be removed from the buoy.

Otherwise, in a matter of 11-12 minutes, the tanker could be thrown onto the beach in an emergency causing oil pollution of the entire sea area. I am told that such a ship could beach much sooner on the sand bars and break up even faster.

Because of the inadequacies of the Buoy, which does not have pipe-lines to take the oil/water slops from the loading tanker, the tankers would de-ballast and unload their slops at sea causing oil pollution.

At present, fishing, turtles and the beaches in Trengganu, in particular Tanjong Kalong, near the Outward Bounds School, are already seriously endangered with oil-tar balls strewn on the beaches.

In this connection, I want to ask why the Kertih Refinery was not built at Tanjong Berhala, where the Trengganu Crude Oil Terminal is sited so that the crude oil need not be piped 42km to Kertih, especially as Tanjong Berhala is a natural harbour which would obviate the problem of oil spillage as is now threatened by the Refinery Buoy, and is the supply base for Petronas.

Fung Ket Wing vs Harris Salleh — Labuan Land Ownership

> ***Just as it is always said that he who asks for equity in the Courts must come with clean hands, similarly we must ask Harris Salleh that in demanding justice from Parliament, had he come with clean hands? Why is he unwilling to discharge the onus of proof that is on him to prove that he does not have more than 2% of the land holdings in Labuan by producing under oath a full list of his land properties?***

On 31st October 1983, while debating the 1984 Budget, the DAP MP for Sandakan, Fung Ket Wing, expressing concern at the possible conflict of interest arising from the proposal to establish Labuan as Federal Territory, made the following statement:

> *"Adalah menjadi pengetahuan umum bahawa pemilik tanah yang terbesar di Labuan adalah Ketua Menteri Sabah sendiri, Datuk Harris Salleh, yang memiliki kira-kira 70% daripada tanah di Labuan."*

On 22nd November, Datuk Harris Salleh made a denial in Parliament to Fung Ket Wing's statement, and said:

> *"Dengan tegasnya saya menafikan bahawa 70% daripada tanah di Pulau Labuan kepunyaan saya. Jumlah kawasan Pulau Labuan ialah sebanyak 8,752 hectar dan saya hanya mempunyai sejumlah 147.88 hectar atau tidak lebih dari 2%."*

Speech on the Privileges Committee Report on Fung Ket Wing and Harris Salleh on July 23, 1984

On 23rd November, the Dewan Rakyat adopted a resolution to refer both Fung Ket Wing and Harris Salleh to the Privileges Committee to *"menentukan siapakah di antara kedua Ahli Yang Berhormat itu yang telah membuat kenyataan palsu di dalam Dewan ini."*

Today, we are here to debate and decide whether to accept the Privileges Committee's finding that Fung Ket Wing had made a false statement and its recommendation that Fung be reprimanded.

Reading the Privileges Committee findings and the verbatim proceedings of the Committee, I cannot help getting the impression that the Committee had deviated from its terms of reference, which is to ascertain which of the two MPs concerned had made a false statement. The terms of reference adopted by the Dewan Rakyat in referring both MPs to the Privileges Committee made it very clear that this is not the case of one MP making an accusation against another, and he being required to prove his allegation. This is a case where two MPs made two conflicting claims, Fung saying that Harris Salleh owns some 70 % cent of the land in Labuan with Harris Salleh claiming that he did not own more than 2% of Labuan island, and the Privileges Committee required to ascertain who has made a false statement.

If Fung Ket Wing cannot prove his 70% claim, then he had made a false statement and if Harris Salleh could not prove that he did not own more than 2% of Labuan land, he had also made a false statement. If both could not at the same time prove their respective claims, then both had made false statements, and both should be equally reprimanded.

The Privileges Committee is wrong therefore to give this case the title:

Y.B. Tuan Fung Ket Wing ..... Yang Mendakwa

dan

Y.B. Datuk Harris bin Mohd. Salleh ..... Yang Menjawab

It is from a complete misreading of the terms of reference of the Dewan Rakyat motion to refer Fung Ket Wing and Harris Salleh to the Privileges Committee, that the Committee required Fung to prove his 70% claim, while not making a similar requirement on Harris Salleh to prove his '*not more than 2%*' claim.

Reading the verbatim proceedings of the Privileges Committee, although Fung Ket Wing had not been able to prove his '70%' claim, he had proved beyond a shadow of doubt that Harris Salleh had also made a false statement in the Dewan Rakyat when he claimed that he did not own more than 2% of Labuan Island.

Harris Salleh should be reprimanded for telling an untruth in Parliament, especially for his far from honest and sincere attitude in disclosing his entire land property in Labuan. I shall substantiate my statement in the course of the debate.

During the Privileges Committee hearing, Fung Ket Wing submitted two lists of Labuan properties belonging to Harris Salleh: Exhibit A listing the land owned by Harris Salleh in person and Exhibit B listing the land owned by companies in which Harris Salleh had shares.

The Privileges Committee reported that if Harris Salleh's ownership of shares in companies that also owned land in Labuan was taken into consideration, i.e. Exhibit A and Exhibit B, the amount involved would be about 409 hectares, or 4.5 per cent of the total land on the island. This would be twice over Harris Salleh's statement in the Dewan Rakyat that he had less than 2% of landownership in Labuan.

The Committee of Privileges, by 5 to 1 (with Karpal Singh objecting), decided to reject Exhibit B as irrelevant to the terms of the inquiry. We shall discuss later whether this rejection of Exhibit B to calculate Harris Salleh's total land holdings in Labuan is correct or not.

Based solely on Exhibit A, which totals 140.388 hectares, the Privileges Committee reported that as the total land area of Labuan was 9,065 hectares, this will work out to about 0.154 per cent. This is wrong, for 140.388 hectares out of a total of 9,065 hectares is not 0.154 per cent, but 1.54 per cent. I do not know how the Privileges Committee could make this mistake.

I fully agree with the argument submitted by the Counsel for Fung Ket Wing, K.C. Cheah, to the Privileges Committee that the Committee's specific responsibility is to establish the veracity of the statements made by Fung Ket Wing as well as Harris Salleh, that both should have been made to prove their claims in Parliament.

HARRIS' CONDUCT

Fung Ket Wing was asked to prove his statement that Harris Salleh owned some 70% of the land in Labuan, but why wasn't Harris Salleh asked by the Privileges Committee to prove his statement that he did not have more than 2% ownership of the land in Labuan?

I also find Harris Salleh's conduct at the Privileges Committee hearing, as reported in the verbatim proceedings, shifty, evasive, and far from honest and sincere in wanting to make a full disclosure of his landholdings in Labuan, adopting the attitude that he would only admit what has been revealed but would not volunteer data on his other landholdings in Labuan if they have not been discovered by Fung Ket Wing, disregarding the fact that the onus is on him to prove that he has not more than 2% of the land ownership in Labuan.

Just as it is always said that he who asks for equity in the Courts must come with clean hands, similarly we must ask Harris Salleh that in demanding justice from Parliament had he come with clean hands? Why is he unwilling to discharge the onus of proof that is on him to prove that he does not have more than 2% of the landholdings in Labuan by producing under oath a full list of his land properties?

BACKTRACKED

At first, Datuk Harris Salleh affected preparedness to volunteer information about landownership in Labuan, of himself and that of his family as well as companies where he has shares. Thus, I quote from the verbatim minutes of the first Privileges Committee hearing on 5th March 1984 (page 13):

"Datuk Harris bin Mohd. Salleh: ..... Saya ada semua, jelas di sini yang ditandatangani oleh Pendaftar-pendaftar Tanah Negeri Sabah — semua ada. Jadi daripada membuang masa dokumen-dokumen dari sana ini semua ada salinan geran, map negeri Sabah dipunyai oleh saya dan saya volunteer juga kerana tuduhan itu kepada saya sendiri. Saya volunteer bawa dokumen kompeni-kompeni, family saya yang ada di Labuan, volunteer masukkan di sini. Sebenarnya, saya tidak payah kerana the burden of proof bukan saya punya hal, tetapi hal penduduk ....."

But less than five minutes later, he backtracked completely and declared:

> *"Yang Berhormat Datuk oleh itu saya tarik balik yang saya suka-rela memberi dokumen tadi. Saya tarik balik, jadi sekarang the burden of the proof itu ..... (interruption) Jadi saya tidak payah bawa saksi apa semua di mesyuarat akan datang kerana bukan saya yang menunjukkan bukti-buktinya, ini terpulanglah kepada pihak sebelah apabila mereka mengemukakan dokumen itu untuk membawa saksi-saksi datang ke sini — saya tidak payah bawa saksi-saksi, saya tidak payah serahkan dokumen ini." (page 14)*

The first impression of anyone who reads the above verbatim proceedings would be that Harris Salleh is a very poor specimen of the Leadership by Example which the Prime Minister, Dr. Mahathir Mohamed, has been exhorting on Federal and State government leaders in order to have a clean and trustworthy government.

As Harris Salleh asserts that he does not have more than 2% of the landownership in Labuan, why is he unwilling to produce to the Privileges Committee his entire Labuan landownership records? Why did he make a show of wanting to produce all these landownership documents, not only of himself, but of his family and companies where he had shares, and then withdraw this offer? Is it just for the sake of 'drama', and bravado meant to make his subsequent refusal to produce his landownership records more credible?

DISCREPANCIES

I just wish to note here that at the first Privileges Committee meeting, Harris Salleh was prepared to volunteer landownership information of his family and companies where he had shares, which he later retracted, as I will be dealing with this later.

There are various discrepancies between Datuk Harris Salleh's claim in the Dewan Rakyat on 22nd November that he owned only 147.88 hectare or not more than 2%, and the facts brought out at the Privileges Committee proceedings.

Firstly, I will deal with Exhibit A of the list of landholdings in Harris Salleh's name, which was produced by Fung Ket Wing to the Privileges Committee, which comprised 33 separate land titles representing a total of 140.388 hectares.

After the Exhibit A was produced, Harris Salleh objected to seven of the 33 titles from being admitted, either on the ground that the

property concerned had been transferred to a Company where he had 75 per cent shareholding as Tropicals Orchid. Sdn. Bhd. with regard to Item No. 33 in Exhibit A; or on the ground that the memorandum of transfer had already been signed although the transfer had not been registered, as in Items 3, 30 and 31 of Exhibit A.

If the Committee of Privileges had sustained the objections of Harris Salleh to the seven properties from being included in Exhibit A, then the overall landholdings would have been reduced to 137.539 hectares — which is very much less than the 147.88 hectares which he himself claimed he owned.

This shows very clearly, backed up by his conduct in the verbatim proceedings, that he has his own list of his landholdings, which he was not prepared to submit to the Committee of Privileges. As Harris Salleh was not prepared to submit his list of landholdings to the Committee of Privileges, and evaded his onus of proving on oath that he had not more than 2% of land in Labuan, we must draw the adverse conclusion that had he submitted his list of landholdings, coupled with the Exhibit A, his claim that he had no more than 2% landholdings in Labuan would have been proved false.

That Harris Salleh was not prepared to explain the discrepancy between the total landholdings in Exhibit A, which is 140.388 hectares for all the 33 items, and his claim in the Dewan Rakyat that he had only 147.88 hectares shows that he was not being fully honest and sincere with the Privileges Committee to enable Parliament to decide on the veracity of his statement of November 22.

Fung has produced not only Exhibit A, landholdings in Harris' name, but also also Exhibit B, landholdings owned by companies in which Harris has shares, some of which are virtually family companies like SEJATI SDN. BHD., EMPAT BERSAUDARI SDN. BHD., DUA BERSAUDARA SDN. BHD., both lists add up to 409 hectares, which is 4.5% of Labuan Island — which makes false Harris' claim that he did not have more than 2% landownership in Labuan.

The Privileges Committee, by majority opinion, has rejected Exhibit B on the ground that what Fung said was with regard to Harris' personal landholdings, and did not include those belonging to companies where he had shares.

This is what Fung said in Parliament on October 31:

"Adalah menjadi pengetahuan umum bahawa pemilik tanah yang terbesar di Labuan adalah Ketua Menteri Sabah sendiri, Datuk Harris Salleh, yang memiliki kira-kira 70% daripada tanah di Labuan."

A close study of Fung' statement shows that he was not unambiguously referring to Harris's personal assets.

INTENTION

This statement is open to two interpretations, firstly the broad interpretation that what is at issue is Harris Salleh's position as a landowner in Labuan, whether registered in his name or in the name of companies where he has full or majority shares, or through that of nominee companies; or the second narrow interpretation that the issue is with regard to Harris Salleh's personal landownings disregarding those registered in companies in which he had shares.

To help in determining which interpretation Parliament should adopt, we should consider the intention and the context in which this remark was made.

Fung was referring to the Sabah State Government offer at that time to make Labuan a Federal Territory, and this is what he said in the Hansard on 31st October 1983:

"The proposal to turn Labuan Island into a Federal Territory is most shocking as the people of Sabah were not consulted on the matter. In fact, I am shocked that the proposal was first made public by the Sabah Chief Minister on 1st August and am doubly shocked to know that the proposal was officially communicated on 23rd July when I understand that the Sabah State Government approved the proposal only on 27th July. If this is true, then it is safe to assume that the Sabah Chief Minister acted on his own bet without consultation and prior approval of the State Cabinet.

"What is more pertinent and disturbing is that such an important issue was never discussed with the people of Sabah and their wishes ascertained."

Fung then spoke of how Sabah would lose in terms of revenue and income, especially from the oilfields situated at the off-shores of

Labuan, and that no compensation would be paid to Sabah for offering Labuan as Federal Territory when Selangor was paid some $3 billion for acquiring Kuala Lumpur as Federal Territory.

After suggesting a referendum be held in Sabah to ascertain the wishes of the people of Sabah on the matter, Fung continued:

"It is public knowledge the biggest landowner in Labuan is the Chief Minister of Sabah, Harris Salleh, himself, who owns some 70% of the land in Labuan.

"The question the people want to ask is whether Harris Salleh will be the chief beneficiary from Labuan becoming Federal Territory because of the appreciation of property values that would ensue as a result of the carrying out of Federal projects in Labuan.

"If the whole idea of Labuan becoming Federal Territory will eventually benefit Harris Salleh most, then Harris Salleh must declare clearly his pecuniary interest in this proposal.

"I would suggest that in order to avoid any suspicion about the personal motives of the Labuan proposal, the Sabah State Government should immediately issue a government land acquisition order covering all Harris Salleh's land in Labuan so that their property values would not appreciate as a result of the Labuan proposal, and when Labuan should become Federal Territory, the Federal Government acquire those land it needs for Federal development while the rest could be released for sale to the public by way of auction.

"In Harris Salleh's case, he would get the current price for Labuan land and in this manner avoid any suspicion that he was making the Labuan proposal as Federal Territory solely for his own personal benefit."

What Fung said was that it was Harris Salleh himself, and not anybody else, who is the biggest landowner in Labuan, whether holding in his own personal name, or through companies where he or his family have shares or through nominee companies.

In fact, Harris had at one time conceded that land held by companies where he or his family had shares are also at issue, for he had offered to volunteer to produce these landholding records to the Committee of Privileges on 5th March 1984 before he withdrew it.

It is significant that Harris Salleh had not disputed the statement that he is the biggest landowner in Labuan.

What Fung had produced, which are unavoidably incomplete records, amount to some 4.5% of Labuan land in the ownership of Harris, whether in his personal name, or companies where he has shares. This does not include land held by nominee companies of Harris Salleh.

Thus, although Fung's statement that Harris Salleh owned 70% of the Labuan island, whether directly, or through companies where he or his family had shares or nominee companies, is 'unproven' — for the inability to prove a statement does not mean it is false in this case — Harris Salleh's statement that he has not more than 2% of the Labuan land has been proved false, whether by a proper interpretation to include the ownership of companies in which he has shares, or by his deviousness and refusal to co-operate with the Committee of Privileges by producing on oath his own list of land properties in Labuan.

The intention of Fung Ket Wing was to ensure that there is good and ethical government, whether in Sabah or Malaysia, that public officials have a direct responsibility to ensure not only that they are clean and incorruptible, but seen to be clean and incorruptible.

MORAL CORRUPTION

This is fully in keeping with the emphasis which the Mahathir Government is giving to ensure that corruption, whether legal or moral, is eliminated from all levels of public life.

The courts have no powers to deal with moral corruption, and as a result, many corrupt in high political places have been able to get away scotfree to enjoy their ill-gotten gains.

A year after he became Prime Minister, in a wide-ranging interview, the Prime Minister, Dr. Mahathir, spoke about moral corruption, referring at that time specifically to the Taman Aman case in Petaling Jaya where one and a half acres of park land in Petaling Jaya had been subdivided and awarded to five influential Selangor Government officials.

Dr. Mahathir said there was clear moral corruption in this incident although there was no legally answerable case.

The Prime Minister said he was helpless in cases of moral corruption, and he appealed for public and press help to expose such moral corruption.

Fung Ket Wing was responding to the Prime Minister's call for help to check moral corruption when he raised the question of a possible conflict of interest between Harris Salleh's landownership in Labuan, whether personally or through various other companies where he had shares or nominees, and he even suggested a way whereby such likely conflict of interest could be prevented.

The courts have no power to deal with moral corruption but Parliament has the power and responsibility to check moral corruption. The Privileges Committee and Parliament therefore should bear in mind Fung's proposal to ensure a good and ethical government and its responsibility to check moral corruption or all other forms of improper government practice when deciding on the Fung Ket Wing-Harris Salleh case.

From the Privileges Committee proceedings, we must note the following:

1. that Datuk Harris Salleh had refused to co-operate with the Privileges Committee by producing on oath his list of land properties in Labuan;
2. Datuk Harris Salleh's failure to prove his Dewan Rakyat claim that he owned not more than 2% of Labuan island;
3. that for at least two companies, which have land in Labuan, namely DUA BERSAUDARA SDN. BHD. and EMPAT BERSAUDARI SDN. BHD. Datuk Harris Salleh remained until the last check with the Registry of Companies in 1983 a Director, for it contravenes Article 6(5) of the Sabah Constitution which provides:

   "The Chief Minister shall not hold any office of profit and shall not actively engage in any commercial enterprise;"

4. that for the companies referred in the Privileges Committee report as holding land in Labuan, their total landholdings as shown in existing company records both inside and outside Labuan amounts to some 2,500 hectares and these exclude companies in which Harris Salleh has shares but which have land elsewhere apart from Labuan;

5. that Datuk Harris Salleh had not disproved Fung's statement that he is the biggest landowner in Labuan who, with Labuan becoming Federal Territory, stands to make the greatest profit as compared to other landowners;
6. that Harris Salleh had offered 500 acres of his land on Labuan in 1978 to the ASEAN University project, which is already 2.2% of Labuan.

Parliament would be abdicating from its responsibility to be the guardian of political and public morality, if in the Fung Ket Wing-Harris Salleh case, it disregards the real crux of the issue, which is to check any likely conflict of interest and any form of political corruption (whether legal or moral), so that Parliament can demonstrate to Malaysians that we are fully conversant with the aspirations of the people to have a clean, incorruptible and honest political leadership and government. We can spend all our time quibbling over technicalities, over legal persona or corporate personality, while missing the larger picture, and we will be no different from the Middle Age theologians in Europe who spent whole lifetimes debating as to how many angels could dance on the head of a pin.

Fung Ket Wing has not been able to prove that Harris Salleh owns 70% of the land in Labuan. It need not mean that the statement is false. At the moment, it is merely unproven.

SCOTFREE

We find it most unfair however, if Fung Ket Wing is to be reprimanded for failing to prove his 70% statement, while Harris Salleh gets scotfree when he is also unable to prove that he has not more than 2% of landownership in Labuan.

In the Fung Ket Wing-Harris Salleh case, Fung Ket Wing is performing a public and national service, to throw the glare of public scrutiny on government actions to ensure greater accountability and higher ethical standards.

The person who is really on trial is Harris Salleh, and I am afraid he has not emerged from it intact. He had the excellent opportunity to show not only to the Privileges Committee and Parliament, but the people of Sabah and Malaysia that he is a political leader of integrity who has nothing to hide, by throwing open all his properties, whether

held in his name, or through companies with shares or nominees, to prove that he dares to withstand the fullest and the most minute public examination for his deeds as Chief Minister of Sabah.

Before I conclude, I call on the Anti-Corruption Agency to investigate and if there is basis, to arrest and prosecute Datuk Harris Salleh for breach of Article 6(5) of the Sabah State Constitution in continuing to get involved in commercial enterprises by remaining as a Director of Dua Bersaudara Sdn. Bhd. and Empat Bersaudari Sdn. Bhd. and for his removal as Sabah State Chief Minister.

Fung Ket Wing's Suspension

'Parliament must be fair. Both the MP for Sandakan and the MP for Ulu Padas were referred to the Committee of Privileges, and the MP for Ulu Padas had also failed to prove his statement that he had less than 2% of the Labuan land ownership. What the MP for Sandakan received by way of punishment should also be meted out to the MP for Ulu Padas.'

I am very surprised that an amendment has been moved to the motion presented by the Deputy Minister of Home Affairs, Radzi bin Sheikh Ahmad, on the Committee of Privileges Report on the Fung Ket Wing-Harris Salleh case.

Firstly, this amendment, moved by a Berjaya backbencher, tantamounts to a gesture of no confidence on the Deputy Minister of Home Affairs, Radzi bin Sheikh Ahmad. I can express my sympathy for him.

Secondly, this amendment is also a gesture of no confidence in the Committee of Privileges, on its Chairman, who is the Speaker and formerly a High Court Judge, and members of the Committee, comprising two Deputy Ministers, Radzi bin Sheikh Ahmad and S. Subramaniam, one Parliamentary Secretary, Yeoh Poh San, and three MPs, one of whom was a former Minister, another a former Deputy Minister, and the third a leading barrister.

Although we in the DAP have our disagreements with the proceedings of the Privileges Committee, which I had set out in my speech

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Speech on the amendment to the motion on the Privileges Committee Report on Fung Ket Wing-Harris Salleh on July 24, 1984

yesterday, we have not sought to amend the motion to show our confidence in the Committee of Privileges.

In fact, this is the first time for quite some time that we are having a proper procedure and system to deal with complaints of breach of privilege, for I still remember in the previous Parliamentary sessions, various complaints of breaches of privilege, including one on the Member for Kinabalu, Mark Koding who had read out extracts of a banned book in the House, had disappeared into oblivion when the Parliament concerned was dissolved.

For this I commend the Committee of Privileges, in particular the Chairman, for introducing a proper system and procedure to deal with complaints about breaches of privilege.

NO CONFIDENCE

But this amendment tantamounts to a show of no confidence in the wisdom and judgement of the Committee of Privileges. Of course, Parliament has the right and the power to overrule the findings and recommendations of the Privileges Committee, but where it varies greatly, it must reflect on the competence and wisdom of the Chairman and Members of the Committee of Privileges.

Thirdly, the manner of amendment, which is not to amend the motion before the House, but to amend the Report of the Committee of Privileges itself, to require the Committee of Privileges to recommend a suspension instead of a reprimand.

If I were on the Committee of Privileges, I would have protested against such open contempt for the dignity and integrity of the Committee of Privileges.

I have said that it is within the power and right of Parliament, which appointed the Committee of Privileges, to accept or reject the finding and recommendation of the Committee of Privileges, and substitute what it regards as the proper finding and punishment.

But Parliament has no right to violate the integrity of the Report of the Committee of Privileges, by forcibly amending it, without even consultation or consent of the Committee of Privileges.

We must not allow this highly irregular and improper practice of Parliament amending the Report of the Committee of Privileges, for

this is insulting the integrity and wisdom of the Committee of Privileges. We are in fact forcing on the Committee of Privileges a point of judgement which Members of the Committee of Privileges have no chance to agree or dissent.

We are also setting a highly dangerous precedent. On this basis, when the Ahmad Nordin Committee of Inquiry into the $2,500 million Bumiputra Malaysia Finance loans scandal in Hong Kong completes its report and submits it to the authorities, the authorities could rewrite the findings of the Inquiry Committee, which makes a mockery of all investigations and inquiry committees.

In my experience, in all Commonwealth Parliaments, I have never come across an incident where in debating Privileges Committee Reports, amendments are ever made to the Committee of Privileges Report to rewrite forcibly its recommendations and findings, except by way of motion to accept or reject and substitute its own decision based on the Committee of Privileges Report.

'POUND OF FLESH'

The Committee of Privileges in making recommendation for a reprimand for the MP for Sandakan, had approached the matter in as impartial and non-partisan a manner as possible, in keeping with the subject matter at hand.

But this proposal to overrule the Privileges Committee's recommendation of reprimand to one of nine-month suspension for the MP for Sandakan is clearly politically-motivated, reflecting a vindictive, spiteful attitude on those who demand their 'pound of flesh', in particular on the part of the Chief Minister of Sabah.

Everybody knows that the Sabah Chief Minister is not happy about the 'reprimand' proposal of the Privileges Committee. He even had the temerity to demand at the Privileges Committee that the MP for Sandakan should be suspended for one full year.

Parliament must be fair. Both the MP for Sandakan and the MP for Ulu Padas were referred to the Committee of Privileges, and the MP for Ulu Padas had also failed to prove his statement that he had less than 2% of the Labuan land ownership. What the MP for Sandakan received by way of punishment should also be meted out to the MP for Ulu Padas.

I propose therefore an amendment to the amended motion, as follows:

"And as revealed in the verbatim proceedings of the Report of the Committee of Privileges, the Member for Ulu Padas did not or did not offer to prove his statement made in the Dewan Rakyat on 22.11.1983 which was also referred to the Committee of Privileges, thus the Member for Ulu Padas should also receive the same punishment as the Member for Sandakan."

Barisan Yes-Men in Parliament

But we seemed set to present another unfavourable spectacle about Parliament in the debate over the Exclusive Economic Zone Bill 1984, for clearly very few MPs would know what the Bill is about, for the simple reason that MPs have been given too little time to study it. We will only be repeating the Civil Law Amendment Bill fiasco where MPs would be passing Bills they knew very little about, and have no time to familiar themselves with.

I rise to propose that the question, '*That the Bill be now read a second time*' be amended by leaving out the word '*now*' and add, at the end of the question, '*six months after this day*'.

Under Standing Order 53(4), I need to give at least one day's notice in writing for this amendment, but I cannot do so as I only saw the Order Paper setting out the Order of Business of Parliament last evening. I am sure that many MPs only got to see the Order Paper today.

It has therefore been impossible for any MP who wish to invoke Standing Order 53(4) to comply with it and this is why I have only this morning sent in my notice of my intention to invoke Standing Order 53(4).

On this ground alone, it would be out of order, most unparliamentary and a violation of all parliamentary conventions to proceed with the second reading of the Exclusive Economic Zone Bill, for it is just not myself, but MPs generally have been denied the parliamentary

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Speech on the debate to postpone the Exclusive Economic Zone Bill 1984 on October 8, 1984

right to invoke Standing Order 53(4) which requires one day's notice, if they wish to do so.

In this connection, I wish to protest strongly against the undesirable practice whereby MPs only know what is the order of parliamentary business of a two-month long or four-week meeting on the first day they come to Parliament. State Assemblies require Assemblymen to be given at least seven days notice of the business to be transacted at the Assembly, and there is no reason why Parliament should not do the same.

In fact, the spirit and intent of the Standing Orders clearly require prior advanced notification of Parliamentary business to be communicated to MPs, for otherwise, they would be unable to invoke Standing Order rights such as Standing Order 53(4).

I would therefore ask the Speaker for a ruling that it would be out of order for the Exclusive Economic Zone Bill to be read a second time today, for MPs have not been able to invoke Standing Order 53(4) which requires a day's notice.

The second reading of the Exclusive Economic Zone Bill should be read at the earliest tomorrow, to comply with the Standing Orders.

If the Speaker rules that it would be in order to proceed with the second reading of the Exclusive Economic Zone, then I ask to be allowed to amend the question before the House to postpone the second reading of the Bill until after six months as provided for under Standing Order 53(4), although I have been denied the opportunity to comply with the one day's notice requirement.

I do not wish here to speak on the Bill proper, which I intend to do later in the debate, after hearing what my collegues Sdr. Sim Kwang Yang (MP for Kuching), and Sdr. Lee Lam Thye (MP for KL Bandar) and other MPs have got to say.

I want to confine my remarks as to why the second reading of the Exclusive Economic Zone should be read six months hence.

On 25th April 1980, the Yang di-Pertuan Agong proclaimed a 200-mile exclusive economic zone with

(a) sovereign rights, for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the sea-bed and subsoil and the superjacent

waters, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water currents and winds;

(b) jurisdiction with regard to —
  (i) the establishment and use of artificial islands, installations and structures;
  (ii) marine scientific research;
  (iii) the preservation of the marine environment.

Several years before the royal proclamation, the Cabinet had set up a National Action Committee for the EEZ, co-ordinated by the Foreign Ministry.

This means that the Government had taken at least five years to prepare for the Exclusive Economic Zone Bill, but what is shocking is that the government expect MPs to study and debate the Bill in five days — and Sarawak and Sabah MPs don't even get this five days' notice.

CIVIL LAW FIASCO

The Government must show greater respect to MPs by giving them ample time to study proposed Bills before demanding a debate, especially complicated bills like the Exclusive Economic Zone Bill. As the EEZ Bill was tabled for first reading in the July meeting of Parliament, why couldn't the Bill be given to MPs with ample time for them to study it, considering the complexity of the Bill.

I thought that after the adverse publicity for Parliament and MPs over the Civil Law Amendment Bill, where the Deputy Minister of Home Affairs himself only learned about the Bill a day before delivery, everybody would have learned the lesson and be more serious about their respective duties and responsibilities.

But we seemed set to present another unfavourable spectacle about Parliament in the debate over the Exclusive Economic Zone Bill 1984, for clearly very few MPs would know what the Bill is about, for the simple reason that MPs have been given too little time to study it. We will only be repeating the Civil Law Amendment Bill fiasco where MPs would be passing Bills they knew very little about, and have no time to familiar themselves with.

Any conscientious MP who wants to know what he is talking about in the Exclusive Economic Zone debate would have to refer to the voluminous literature on the United Nations Law of the Sea Conferences, not just the Third Law of the Sea Conference which took over a decade, but also the First United Nations Conference on the Law of the Sea in 1958 and the Second United Nations Conference on the Law of the Sea in 1960.

I want to ask how many MPs have seen, let alone read, the 1982 United Nations Convention on the Law of the Sea, with its 17 Parts, 320 Articles, and 9 Annexures, dealing with subjects like territorial seas, straits like the Straits of Malacca used for international navigation, archipelagic states which affect Malaysia, exclusive economic zones, continental shelves, high seas, — all of which are related to the Bill before the House today.

If Parliament is merely a rubber-stamp chamber, then it matters not a whit that MPs know nothing about the Bills they are presented with, but to shout 'aye' and pass it. But if Parliament is meant to be a serious deliberative, legislative chamber, the apex of our system of parliamentary democracy, then MPs must actively participate in the legislative process which must involve knowledgeable and intelligent study and debate of Bills presented by the Government. There can be no intelligent debate if MPs have no time to study the wide ramifications of a Bill. This is why I propose that debate for the Exclusive Economic Zone Bill should be deferred until six months later.

Karpal Singh's Suspension from Parliament

> *'..... But we must search our conscience as to whether Sdr. Karpal Singh had committed 'wilful failure or refusal to obey any lawful order of the House, whereby the House is or is likely to be obstructed or impeded.' He had done the opposite, for when the Speaker ruled that his supplementary question was out of order, he complied with the ruling and made no attempt whatsoever to challenge the ruling, or to continue in the same line of questioning.'*

The motion before the House, to cite the MP for Jelutong, Sdr Karpal Singh, with parliamentary contempt is most unprecedented, for it is not only most irregular, unlawful, but also breaches all canons of parliamentary practice and conventions, being nothing more than a tyranny of the majority over the minority.

On 5th November 1984, during a question on police standard of service and performance, when Sdr. Karpal Singh asked a supplementary question which has become the subject matter of this motion, the Speaker had disallowed the supplementary question, and the MP for Jelutong had accepted the ruling of the Speaker, and the matter should have rested there.

But we have today the motion before the House which is to resolve that Sdr. Karpal Singh had committed a contempt of the House in asking the supplementary question which had been ruled out of order, and to mete out punishments accordingly.

Speech on the motion to cite Sdr. Karpal Singh for contempt of the House on November 22, 1984.

As the matter before the House concerns the privilege, dignity and powers of the House of Parliament, I hope all MPs could approach it from the point of view of MPs, and not from any narrow partisan party angle. Let us bear in mind that what we are deciding today will bind Parliament for the future and would be used as a precedent, and we are in fact exercising judicial powers which do not allow party bias, personal vendetta or other extraneous considerations to intrude into this deliberation.

Firstly, I do not think that any reasonable man could accept that the MP for Jelutong had committed a contempt of the House in his supplementary question, as it had already been ruled out of order and which ruling was accepted by the MP for Jelutong.

The motion states that Sdr. Karpal Singh had violated Standing Order 36(8) which reads:

"The conduct or character of His Majesty the Yang di Pertuan Agong, or any of their Highnesses, the Rulers or their Excellencies the Yang di-Pertua Yang di-Pertua Negeri, or Judges or other persons engaged in the administration of justice, of members of the Armed Forces Council or of any Service Commission established under Part X of the Constitution, of members of the Elections Commission, or of sovereigns of friendly states shall not be referred to except upon a substantive motion moved for that purpose."

Firstly, I wish to point out that Standing Order 36(8) is inapplicable to the case in question, as Standing Order 36 refers to *'contents of speeches'* under the section on *'Rules of Debate'* for motions in the House.

The proper provision should be Standing Order 22(m), relating to *'Contents of Questions'*, which read:

"a question reflecting on the character or conduct of any person whose conduct can only be challenged on a substantive motion shall not be asked."

Secondly, does a breach of either Standing Order 22 or Standing 36 tantamount to a 'contempt' of the House? If this is the case, then almost every day, Members of Parliament are committing contempts of the House, although nothing is being done about it.

Thus under Standing Order 36(1), it is provided that *"A Member shall confine his observations to the subject under discussion and may not introduce matter irrelevant thereto."*

Every day, we hear MPs, especially from the Barisan Nasional ranks, making remarks and observations in their speeches which are sometimes completely irrelevant to the subjects under discussion. Are they guilty of 'contempt' and if so, why have not motions been moved against them for their 'contempt'?

MOTIVES IMPUTED

Standing Order 36(4) provides: *"It shall be out of order to use offensive and insulting language about members of the House"*. Standing Order 36(6) states: *"No member shall impute improper motives to any other member"*. Standing Order 36(10) states: *"It shall be out of order to use: (a) treasonable words; (b) seditious words; (c) words which are likely to promote feelings of ill-will or hostility between different communities in the Federation or infringe any provision of the Constitution or the Sedition Act, 1948."*

It is not unusual for Barisan MPs to break all these Standing Orders, as when my motive and that of my comrades in the DAP were imputed as wanting to destroy Bank Bumiputra and the Malay leadership when we persisted in our demand for a full scale public inquiry into the $2.5 billion BMF loans scandal in Hong Kong; as when the entire Indian community was slurred and insulted by remarks comparing them as worse than snakes. Was there any motion to cite such MPs for 'contempt' against the House?

Or we take Standing Order 23 relating to *'contents of questions'*. The rules governing contents of questions include the following:

"23(1) (a) a question shall not include the names of persons or statements not strictly necessary to render the question intelligible;

(c) a question shall not contain any argument, inference, opinion, imputation, epithet or misleading, ironical or offensive expression nor shall a question be frivolous or be asked seeking information on trivial matters;

(d) a question shall not refer to debates or answers to questions in the current session;

(e) a question shall not refer to proceedings in a Committee which have not been reported to the House".

Would any supplementary question which violate any of these Standing Orders be 'contempt' of the House, apart from being ruled out of order?

Thirdly, if it is contended that Sdr. Karpal Singh had committed a breach of privilege, then why wasn't he committed to the Privileges Committee for investigation as Standing Order 80(1) provided that *"There shall be referred to this Committee any matter which appears to affect the powers and privileges of the House."*

CONTEMPT

At most, it could be contended that the MP for Jelutong had committed a breach of privilege, which should be studied in depth by the Committee of Privileges, but I cannot by any stretch of imagination see how the question of 'contempt' against the House arises.

Erskine May's Parliamentary Practice (20th Edition), Chapter 5, states:

"The particular privileges of the Commons have been defined as: 'The sum of the fundamental rights of the House and of its individual Members as against the prerogatives of the Crown, the authority of the ordinary courts of law and the special rights of the House of Lords." (page 70)

In page 71, it states:

"When any of these rights and immunities, both of the Members, individually, or of the assembly in its collective capacity, which are known by the general name of privileges, are disregarded or attacked by any individual or authority, the offence is called a breach of privilege, and is punishable under the law of Parliament. Each House also claims the right to punish actions, which, while not breaching any specific privilege, are offences against its authority or dignity, such as disobedience to its legitimate commands or libels upon itself, its officers or its Members. Such actions, though often called 'breaches of privilege', are more properly distinguished as 'contempts'."

Erskine May in Chapter 10, on *'Breaches of privilege and contempts'* defining 'contempt' states:

> *"It may be stated generally that any act or omission which obstructs or impedes either Houses of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence."*

Can we in all conscience assert that Sdr. Karpal Singh's supplementary question, which was ruled out of Order and which ruling was accepted by the MP for Jelutong, could be classified as *'acts ... which obstruct or impede the House of Parliament in the performance of its functions'?* There was no obstruction or impediment whatsoever!

UNPARLIAMENTARY

In fact, Erskine May defined 'contempt' by strangers or non-MPs as: *"Any disorderly contumacious or disrespectful conduct in the presence of either House or any committee thereof"*. Here, for an MP, there is not even the *'disorderly, contumacious and disrespectful conduct'* which is necessary to found a contempt charge for strangers to the House.

Thus, parliamentary coventions about privileges and contempts mentioned in Erskine May's Parliamentary Practice are only of persuasive authority, where the procedure to be followed is concerned, and not as far as the substantive issues as we have the Houses of Parliament (Privileges and Powers) Ordinance 1952. Parliament does not have powers and privileges which are not to be found within the Ordinance itself.

Section 10 of the Houses of Parliament (Privileges and Powers) Ordinance 1952 provides that the House may summarily punish for contempt by a member of the House or any other person 14 categories of such 'contempt' offences.

I give below the 14 categories of 'contempt' offences for which this House has powers of summary punishment as we are being asked to do today:

> *"The House may, for or in respect of any of the offences hereinafter mentioned, whether committed by a member or by any other person,*

summarily punish for contempt by fine not exceeding one thousand ringgit as provided by the standing orders or by this Ordinance; and if any such fine so imposed be not immediately paid the offender shall be committed to the custody of the keeper of any gaol or of an officer of the House in such place as it may direct until payment be made or until the House is dissolved or prorogued, whichever be the earlier.

The said offences shall be —

(a) disobedience to any order for attendance or for production of papers, books, records, or documents made by the House or any committee duly authorized in that behalf, unless the attendance or production be excused as provided in section 20 of this ordinance;

(b) refusing to be examined before or to answer any lawful and relevant question put by the House or any such committee, unless such refusal be excused as provided in section 20 of this Ordinance;

(c) the wilful failure or refusal to obey any lawful order of the House, whereby the House is or is likely to be obstructed or impeded;

(d) the offering to or acceptance by any member or officer of a bribe to influence him in his conduct as such member or officer, or the offering to or acceptance by any member or officer of any fee, compensation, gift or reward for or in respect of the promotion of or opposition to any bill, resolution, matter, rule, or thing submitted to or intended to be submitted to the House or any committee;

(e) assaulting, obstructing, or insulting any member coming to or going from the House or on account of his conduct in the House or endeavouring to compel any member by force, insult, or menace to declare himself in favour of or against any proposition or matter pending or expected to be brought before the House;

(f) assault upon, interference with or resistance to an officer of the House while in the execution of his duty;

(g) sending to a member any threatening letter or challenging a member to a fight on account of his conduct in the House;

(h) creating or joining in any disturbance in the House or in the vicinity of the House, whereby any proceedings of the House are or are likely to be interrupted;

(i) tampering with, deterring, threatening, beguiling, or in any way unduly influencing any witness in regard to evidence to be given by him before the House or any committee;

(j) presenting to the House or to any committee any false, untrue, fabricated or falsified document with intent to deceive the House or any committee;

(k) prevarication or other misconduct as a witness before the House or any committee;

(l) the publication of any false or scandulous libel on any member touching his conduct as a member;

(m) the publication of any Report of a Committee of the House or of any evidence given or any documents presented to such Committee or extracts from such documents, before such Committee has presented its Report to the House;

(n) the publication of any report or statement purporting to be a report of the proceedings of the House in any case —

(i) where such proceedings have been conducted after exclusion by order of the House of the public; or

(ii) when such publication has been expressly prohibited by order of the House; or

(iii) when such report or statement constitutes or contains a wilful misrepresentation of the proceedings of the House or of the speech of any member thereof or is otherwise not made or published in good faith.

The only section that may remotely have any connection with the subject at hand is Section 10(c), which reads:

"the wilful failure or refusal to obey any lawful order of the House, whereby the House is or is likely to be obstructed or impeded."

But we must search our conscience as to whether Sdr. Karpal Singh had committed '*wilful failure or refusal to obey any lawful order of the House, whereby the House is or is likely to be obstructed or impeded.*' He had done the opposite, for when the Speaker ruled that his

supplementary question was out of order, he complied with the ruling and made no attempt whatsoever to challenge the ruling, or to continue in the same line of questioning.

Parliament must not take lightly actions to punish MPs for breach of privilege or for contempt, for Parliament in such circumstances has taken on judicial powers, and must not only be fair, but be seen to be fair.

How could Malaysians be convinced that this action against the MP for Jelutong is fair, when he could not possibly be guilty of the offence of 'contempt' as provided by the Houses of Parliament (Privileges and Powers) Ordinance 1952. I challenge any Barisan Minister or MP to tell me and the country under which of the 14 categories of contempt offences under Section 10 that Sdr. Karpal Singh's action falls under.

What we are doing is setting a dangerous precedent, whereby just because the government has the overwhelming majority, it could decide to punish any opposition MP it wishes, even though it is irregular, unparliamentary and even unlawful — knowing that there is no remedy as the action of Parliament has no appeal, however perverse, unfair or unlawful.

TYRANNY OF THE MAJORITY

If Parliament persists in such action, its standing, credibility and respect among the people can only fall to a all-time low.

Recently, my comrades in the DAP had tried to refer one Barisan MP to the Committee of Privileges, but this was sent into the limbo of oblivion, on the ground that it is a private motion and would not be debated and decided unless the government agrees. It would appear that in the Malaysian Parliament, only Opposition MPs could be guilty of breaches of privilege, for the Opposition MP concerned could be sent to the Committee of Privileges by government motions, while the same could not be done for government MPs.

Now, we are having a new situation where Opposition MPs could be cited and punished for contempt against Parliament, when there is not such 'contempt' by whatever reading of the Houses of Parliament (Privileges and Powers) Ordinance 1952. Such is the tyranny of the majority in Parliament.

Voices of the dead in Parliament

The report we are discussing today is the Report of the PAC of the Fifth Parliament on the 1977 Federal Government Accounts. The Fifth Parliament was dissolved in March 1982, but our Parliamentary system is so 'efficient' that we are now hearing and debating the 'voices of the dead'! By 'dead' I do not mean that the MPs of the Fifth Parliament are dead (for I myself was an MP in the Fifth Parliament), but that the Fifth Parliament had ceased to exist!

Malaysia's Parliament is most unique in the entire world, always setting precedents to expose our Parliamentary institution to new heights of ridicule and public contempt!

I move:

"That this House expresses regret that the full report of the Public Accounts Committee of the Fifth Dewan Rakyat on the 1977 Federal Government Accounts was only tabled on 15th October 1985;

"Further Notes that the Public Accounts Committee of the Sixth Dewan Rakyat has not presented a single full Report together with the minutes of proceedings yet to the Dewan Rakyat;

"Resolves to accept the full report of the Public Accounts Committee of the Fifth Dewan Rakyat on the 1977 Federal Government Accounts; but

"Directs the Public Accounts Committee of the Sixth Dewan Rakyat to complete and table all its reports on the Federal Government

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Speech on the motion on the Report of the Public Accounts Committee on October 21, 1985

Accounts from 1978 onwards to the present Dewan Rakyat, as otherwise the Public Accounts Committee would have lost its purpose should its reports be ready for the Seventh Dewan Rakyat."

Last week's Parliamentary farce where the Dewan Rakyat was misled by a Cabinet Minister to violate the Standing Orders to improperly and irregularly cancel Parliamentary sittings on Thursday and Friday brought Parliament's public standing, which was never very high, to a new low. As a result of the parliamentary farce, the Malaysian public was entitled to ask whether they could trust MPs to legislate for their future and that of the nation, when MPs and Ministers could not even understand their own Standing Orders. They are further entitled to wonder as to what they could expect from Parliament, when both Government and Parliament are so inefficient that Government Bills could get stuck with the Government Printers as to disrupt Parliamentary proceedings.

The subject of my motion today, the Parliamentary Accounts Committee, which is supposed to be the highest custodian of government public accountability, is also unlikely to raise Parliament's esteem, standing and respect among Malaysians.

It is very sad that on the 25th Anniversary of Parliament, which we celebrated early this year, Parliament's standing had never been so low, and instead of taking remedial measures through parliamentary reforms to give substance and meaning to Malaysia's Parliament to regain public respect, we seem determined to perpetuate and expose Parliament's inconsequence and irrelevance.

Clearly if MPs themselves do not take Parliament and their Parliamentary duties and responsibilities seriously, (otherwise there is no reason why with a four-fifth majority, the ruling Barisan Nasional could not even assure a parliamentary quorum), then no one would have respect for Parliament in the country.

The report we are discussing today is the Report of the PAC of the Fifth Parliament on the 1977 Federal Government Accounts. The Fifth Parliament was dissolved in March 1982, but our Parliamentary system is so 'efficient' that we are now hearing and debating the 'voices of the dead'! By 'dead', I do not mean that the MPs of the Fifth Parliament are dead (for I myself was an MP in the Fifth Parliament), but that the Fifth Parliament had ceased to exist!

It is the Fifth Parliament itself which should have debated the report of its PAC, but then the full report of the Fifth Parliament's PAC on the 1977 Federal Government Accounts was not ready for tabling in Parliament until last week! Malaysia's Parliament is most unique in the entire world, always setting precendents to expose our Parliamentary institution to new heights of ridicule and public contempt!

Another shocking piece of parliamentary sleight-of-hand is to attempt to disguise the 'agedness' of the PAC report. In the Order Paper of Wednesday, October 16, 1985, the Fifth Parliament's full report on the 1977 Federal Government Accounts, was given the reference number of 'DR. 4/1981', although its date of tabling in Parliament was 15th October 1985.

If the full report of the Fifth Parliament's PAC is a 1981 document, then why should it be presented and tabled in the Sixth Parliament on 15th October 1985? If it is to be presented at the Sixth Parliament, then it must properly be described and referenced as having been tabled in Parliament in 1985 and not 1981. It would appear that in Malaysia we are not only having retrospective legislation, we are also having retrospective tabling of papers in Parliament!

In December 1981, the PAC of the Fifth Parliament decided to depart from the usual practice of submitting its report on the 1977 Federal Accounts, by tabling its recommendations first without the minutes of the proceedings — which are the verbatim proceedings of the PAC hearings.

According to this PAC report (DR. 4/1981), "*kami mengambil keputusan untuk tidak mengikut amalan biasa dalam mana laporan kami diserahkan bersama-sama dengan nota-nota keterangan. Demi untuk kepentingan menyampaikan laporan kami dalam masa yang patut dan sewajarnya, kami dengan ini mengemukakan satu laporan mengenai penyiasatan dan syor-syor kami dalam satu dokumen berasingan tanpa menunggu penyiapan nota-nota keterangan penyiasatan itu kerana ia akan mengambil masa untuk disiapkan. Walau bagaimanapun ianya akan dibentangkan dalam Dewan sebaik sahaja ia siap dicetak.*"

The flexibility of the PAC of the Fifth Parliament to rush out its report and recommendations on the 1977 Federal Government Ac-

counts first is to be commended, but the good it is supposed to do was all lost, when it was unable to bring out its verbatim proceedings report before the dissolution of the Fifth Parliament.

This is because the verbatim proceedings of the PAC is an essential part of the PAC report to Parliament, so that Members of Parliament could judge whether the PAC's report and recommendations are appropriate and justifiable from the PAC hearings, or they are too mild or too harsh.

Standing Order 77(2) provided that a Public Accounts Committee shall be set up 'as soon as may be after the beginning of each Parliament', and Standing Order 86(1) stated that 'Every Select Committee (which includes PAC), shall make a report to the House upon the matters referred to them as soon as possible'.

Technically and strictly speaking, the PAC of the Fifth Parliament, being a creature of the Fifth Parliament, ceased to exist the same time as the Fifth Parliament was dissolved in March 1982, and as the PAC could not get its verbatim proceedings report on the 1977 Federal Government Accounts presented before dissolution, the report lapsed for the PAC of the Fifth Parliament could not have the 'after-life' return to present its report to Parliament, four years after its 'dissolution'.

GHOST DOCUMENT

The only way to salvage the Verbatim Proceedings Report of the Fifth Parliamentary Public Accounts Committee into the 1977 Federal Government Accounts is for the Sixth PAC to present it under its name, making it a 1985 document of the Sixth Parliament, and not introduced surreptitiously into Parliament on 15th October 1985 as a 1981 'ghost' document! Even here, I must confess I am not very sure about its parliamentary propriety!

But what is involved here is not only parliamentary propriety, but that Select Committees including the PAC, must carry out their terms of reference 'to report as soon as possible', in any event before dissolution of the Parliament which created them, if they are not to fail in their parliamentary responsibilities.

While the innovation of presenting the PAC's report to Parliament separately is well-intentioned, I think it is insupportable and unaccep-

table. The solution to having early presentation of the PAC's report to Parliament is not by downgrading the importance of the PAC's Verbatim Proceedings Report, but by ensuring that the Verbatim Proceedings could be published at the same time as the PAC's recommendations.

Otherwise, Parliament which set up the PAC would not have the full report to decide whether to accept, reject or amend the PAC's report.

The rationale to 'short-circuit' the procedure in submitting PAC reports was given by the Auditor-General, Tan Sri Ahmad Nordin bin Zakaria, at the PAC meeting on 3rd September 1981 (page 111), where he said:

> "... the Committee is trying to short-circuit the procedure, because last October we submitted the Report of the Committee for 1974. Now I am trying my best to be more up-to-date and the Committee agrees that it will submit its Report even before the evidence is available, because like in the courts the records of evidence will not be available for years until there is an appeal. You see, I just follow that procedure. If it is good for the court it should be good for us, because we are a semi-judicial body. In the case of the court, the evidence taken at the hearing even by witnesses is not submitted with the judgment. The judgment is the findings of the court, whether the accused is convicted or not..... But the records of evidence will not be available until there is an appeal. So similarly, we want to work on the same basis."

With the greatest respect to the Auditor-General, Tan Sri Ahmad Nordin has got a completely wrong grasp of the nature of the PAC and its duty to Parliament.

Under Standing Order 77, Parliament sets up a Public Accounts Committee at the beginning of the session to examine public accounts, and to report to Parliament its recommendation. Parliament must then decide whether to accept, reject or amend the PAC's report and recommendations, and Parliament cannot do this without a full report including the evidence and verbatim proceedings.

The Auditor-General's comparison of PAC' proceedings as court proceedings, where its judgment stands unless appealed against by either party, is highly inappropriate. The PAC's report is immediate-

ly subject to the scrutiny of Parliament, and this can only be done with the attachment at the same time of the PAC report and recommendations and the verbatim PAC proceedings.

I hope that in future the PAC would see to it that it would submit a full report, and not an incomplete report carrying its recommendations only, which would deprive MPs the opportunity to pass judgement on the PAC report.

I give notice that I would propose the rejection of all PAC reports in future which are incomplete, which do not have the verbatim PAC proceedings attached to it.

I would later give my proposals as to how the PAC verbatim proceedings could be speedily made available to MPs, so that it would not be an excuse for holding up the submission of PAC reports to Parliament.

PUBLICITY SPLASH

Just as 'Justice delayed is Justice denied', similarly MPs should realise that 'Public Accountability delayed is Public Accountability denied.'

MPs would remember that the publication in August 1981 of the Auditor General's Report on the 1977 Federal Government Accounts made the greatest publicity splash in the history of Auditor-General's Reports.

It coincided with the accession to power of the 2M Government, which took up column-miles of newspaper space to proclaim the new government's pledge for an Open, Accountable, Efficient and Trustworthy Government.

The Prime Minister, Datuk Seri Dr. Mahathir Mohamed, even told the press in August 1981 that the Auditor-General's Report was being allowed to be made public for the 'first time', and showed the 2M Government's 'open-ness'! This was of course untrue, for all along, the Auditor-General's Reports had been published in the press, but that was the first time it was given the blaze of publicity because of government encouragement.

The 2M Government wanted to show in 1981, that it would be very different from previous governments, that it had nothing to hide, that

all exposes of government weaknesses, abuses of public funds and inefficiencies would be mercilessly exposed.

But four years after, Malaysians have found that things have not changed much between the 2M Government and previous governments.

Firstly, even up till now, the various weaknesses, irregularities and improprieties in the 1977 Federal Government Accounts pointed out by the Auditor-General's Report released in 1981 are still unresolved. The best example is the notorious 'Instant Mee' scandal in Sabah and Sarawak where the contract price was $4.90 and $3.90 per packet respectively, when the average price was 14 cents a packet in Peninsular Malaysia for the corresponding period.

What accountability can we boast about when in 1985, the 'Instant Mee' Scandal is still unresolved. In fact, the investigation and handling of the 'Instant Mee' Scandal has become a great scandal by itself. I will come to the 'Instant Mee' Scandal' later in my speech.

Secondly, despite the promise in the early days of the 2M Government that the government would give priority to 'public accountability' by ensuring that the Government's Annual Financial Statements and the Auditor-General's Report on the Federal Government Accounts are published promptly, and not as in the past after a lapse of many years, there had been no perceptible change.

As of now, October 1985, Parliament has not received the Auditor-General's Report for the Federal Government Accounts for 1982, 1983 and 1984. I understand that the Auditor-General's Report for the 1982 and 1983 Federal Government Accounts have been completed and submitted to the Government. If this is the case, I would want the Finance Minister to explain why the Cabinet is holding back the Auditor-General's Report for these two years, breaking the 2M Government's commitment on 'public accountability'.

I find that there was an interesting exchange of views between the Auditor-General, Tan Sri Ahmad Nordin, and the Accountant-General, Datuk Shamsir bin Omar, in the PAC proceeding on 3rd September 1981 (p.126). The Auditor-General was commenting on the need for the early submission of accounts, and the importance of maintaining public confidence in the integrity of the government financial system.

The Accountant-General, Datuk Shamsir bin Omar, expressed agreement and remarked twice that the PAC (then meeting in September 1981) should be sitting in respect of the 1980 Federal Government Accounts instead of the 1977 accounts.

But the Accountant-General's remarks were just pious empty expressions, just like the long catalogue of empty assurances given by various Ketua Setiausahas and other top government officials to the PAC which littered the PAC's Verbatim Proceedings — as if the PAC is just a Big Joke not meant to be taken seriously.

EMPTY ASSURANCES

This could be seen by the fact that the Sixth PAC had not submitted its full report on the 1978 and 1979 Federal Government Accounts, no sign of any PAC report on the 1980 and 1981 Federal Accounts, while the Auditor-General had not tabled his report to Parliament on the 1982, 1983 and 1984 Federal Government Accounts.

It is only by reading the PAC's Verbatim Proceedings that one can understand the PAC's recommendations, whether the PAC is making the desired impact on the government financial system to ensure greater public accountability, or it is a parliamentary exercise which government servants do not take seriously.

Clearly, the PAC cannot expect the government officials to take it seriously for:

Firstly, when the PAC gets to examine the Federal government accounts, it is four or five years after the event and the officials concerned would have retired, resigned or transferred to another department; and

Secondly, when the PAC's Verbatim Proceedings are published, it is another four or five years later, when those who appeared before the PAC need not fear being held to their statements, as they would themselves have retired, resigned or transferred off.

A good example is the PAC's examination into the Auditor-General's perennial complaint about the delays in the payment of Bills by Government Departments.

Regulations require government departments to request Bills to be submitted not later than the month following that in which the purchases were made or the services rendered and Departments should ensure that all bills are paid not later than one month from the date of their submission. (Para 112 of AG's Report on 1977 Accounts).

As the delays in payment of government Bills could give rise to corruption and various forms of malpractices, the Treasury representative assured the PAC in September 1981 that since October 1980, the government *'telah mengambil tindakan tegas terhadap bayaran lewat ini' ..... dan 'kita akan mengambil tindakan surcharge dan di masa akan datang tidak ada excuse.'*

But things have not changed since 1980. Only last month, we read that $7 million in unpaid hospital bills are owed to the Health Ministry, and more than half of this sum involved government servants who were admitted on guarantee letters from their respective departments.

This means that the various government departments are blatantly breaking the Treasury Instructions on payment of Government Bills, and in accordance with the assurance given by Treasury officials to the PAC in September 1981, the responsible officers should be surcharged for the $4 million of outstanding hospital bills. Is this being done? This is urgent, as government hospital services had deteriorated recently, as in some hospitals, common medicine like Panadol is not available.

This reminds me of the case of Hotel Ria in Seremban, which was built at over $5 million to replace the former Rest House. It was rented out to a Bumiputra Company at $10,000, but for the last 24 months, Hotel Ria had not paid a cent, piling up an outstanding debt of $240,000.

Clearly, government financial discipline, whether in paying or collecting payments had not improved despite repeated assurances at PAC proceedings.

I hope the Minister of Finance could enlighten the house how many government officers had been surcharged, and for how much, and whether they had paid up, for contravening the Treasury Instructions implemented since October 1980 with regard to payment of

Government Bills, and imposition of surcharge for defaulting officials.

There has been no follow-up on the assurances given by government officials at PAC meetings, and even recommendations by the PAC had not been given the seriousness they deserve.

In this connection, I want to ask why the Auditor-General had stopped his past practice of listing in his Report the outstanding matters in his previous Audit Reports which had not been acted upon, as well as the outstanding recommendations and observations of the PAC in previous Reports which had not been implemented or dealt with?

In the Auditor-General's Report on the 1978 Federal Government Accounts, we find that the PAC's recommendation as far back as 1971 (with regard to the 1966 Accounts) had not been acted upon yet by the Government.

Is this lack of follow-up the reason why the Auditor-General had decided beginning with his Report for the 1980 Federal Government Accounts to stop listing the outstanding matters, whether of his audit comments or the PAC's recommendations and observations?

This clearly is a retrogressive step in the battle to ensure greater public accountability!

INSTANT MEE SCANDAL

The most scandalous part of the PAC's Report on the 1977 Accounts is none other than the notorious Instant Mee Scandal, where the contract price was $4.90 per packet for Sabah and $3.90 per packet for Sarawak, when the average price was 14 cents a packet in Peninsular Malaysia for the corresponding period.

During the PAC hearings into the Instant Mee scandal, the PAC found that 'Instant Mee' was only one of the seven food items out of a package food contract for 52 items, which were quoted with high price but low quantities, but which were ordered in large quantities to cost some $4 or $5 million loss to public coffers.

The Defence Ministry defended the contract, on the ground that the tender was for a package food supply of 52 items, and not just for 'Instant Mee', and the successful tenderer was awarded on the

average lump sum price. But as the PAC Chairman colourfully put in the PAC meeting of 9th September 1985, (page 218): "Overall price. So if I charge $5.00 for a $2.00 item and 20 cents for a 50 cents item, my overall price would be lower than the next tenderer and I would get the contract, and the Supply Officer always orders the heavy items so that the contractor makes fat profits."

And this was what precisely happened in the 'Instant Mee' Scandal! What is very shocking is that the lowest price tendered for Instant Mee for Sabah, where the successful tenderer quoted $4.90 per packet, was 10 cents a packet! The Defence Ministry gave a most ridiculous answer as to why this tender was rejected.

But the greatest scandal of the 'Instant Mee' affair, is the manner in which the Ministry of Defence had succeeded in stonewalling the PAC's inquiries and investigations.

PASSING THE BUCK

As the Fifth PAC admitted, it spent the better part of three sittings on the Instant Mee scandal, but to no avail. At the September 1981 PAC meetings, the Ministry of Defence officials told the PAC that the 'Instant Mee Scandal' had been referred to the NBI in July 1978. The Director of the Supply Directorate responsible for the 'Instant Mee' scandal told the PAC on 9th September 1981 that he was unable to ascertain who was responsible for the manipulation of the figures because "... the NBI came and they seized all my documents and they took away all my files."

But two weeks later, on 25th September 1981, the then Director of the Sarawak NBI, Abdul Wahid bin Shamsuddin, told the PAC that the NBI did not at any time investigate the 'instant mee' scandal.

Furthermore, on the same day, Mindef officials agreed that it should conduct a departmental inquiry, forgetting the earlier protest by the Director of the Supply Directorate that this could not be done because the NBI had taken away all the relevant files.

Anyone reading the PAC verbatim proceedings cannot but get the impression that the Ministry of Defence was engaged in a massive operation of stone-walling and passing-the-buck.

This was confirmed by the Sixth PAC's Report on the 1978 and 1979 Accounts (submitted to Parliament on 3rd June 1983), which said:

"40. Jawatankuasa dapati maklumat yang diberi dalam perenggan 34 Memorandum Perbendaharaan (on the Instant Mee Scandal) tidak sepenuh kerana tiada dinyatakan apa-apa keputusan atau pendapat Jawatankuasa Penyiasat yang telah ditubuh oleh Kementerian Pertahanan pada 12 November 1981. Semasa membincang perkara ini pada 30 Mei, 1983, Jawatankuasa ini dimaklumkan bahawa Jawatankuasa Penyiasat tersebut telah menyampaikan laporannya kepada Ketua Setiausaha Kementerian Pertahanan. Akan tetapi pihak Kementerian, atas alasan nasihat pegawai undang-undang, telah memberitahu kepada Ketua Odit Negara bahawa isi kandungan Laporan itu sebagai hasil dari penyiasatan Kementerian sendiri, adalah disifatkan sulit dan menjadi 'privileged document' dan ini tidak boleh diberitahu kepada sesiapa di luar Kementerian Pertahanan."

This is most shocking, as the Secretary General of Mindef, who appeared before the PAC on 25th September 1981, Tan Sri Dato' Mohd. Yusof bin Abd. Rahman, in his evidence admitted that the Committee of Inquiry was being set up at the direction of the PAC. In denying to submit to the PAC the findings of the Committee of Inquiry, the Defence Ministry is guilty of contempt of Parliament.

CONTEMPT OF PARLIAMENT

The Ministry of Defence should be given two weeks to submit the report of its Committee of Inquiry into the Instant Mee scandal, failing which, the Ministry of Defence officials responsible should be committed for Parliamentary contempt.

This will show to all government officials that the PAC means business, and would brook no obstruction from any government officials, whatever the excuse or guise, including plea of confidentiality.

It is a mockery of the very principle of parliamentary democracy and the sovereignty of Parliament that a government department could deny the PAC results of investigation initiated at the PAC's

directive on the grounds of confidentiality. It is for the PAC to consider the Ministry's request that the Committee of Inquiry's Report should not be made public, but not to deny the report to Parliament altogether. If this principle is not established, then the principle of government accountability to Parliament would suffer a grievous blow.

For this reason, I wish to move an amendment to my motion, to insert the following new paragraph before the final paragraph:

> "Further Notes Paragraphs 23.1 to 23.11 of the PAC Report on the 1977 Federal Government Accounts; as well as Paragraphs 40, 41 and 42 of the PAC Report on the 1978 and 1979 Federal Government Accounts; and Resolves to give the Ministry of Defence two weeks to submit to the PAC the report of the Ministry's Committee of Inquiry on the Instant Mee scandal, failing which the Ministry of Defence officials responsible would be committed for contempt of Parliament".

FEAR OF GOD

The PAC is the highest custodian of government public accountability, but it is now regarded as a joke, being toothless, obsolete and ineffective, producing outdated reports which interest nobody.

For instance, according to paragraph 35 of the PAC's Report on the 1978 and 1979 Federal Government Accounts, the PAC was helpless in pressing disciplinary or legal action against a former official of the Ministry of Primary Industries, Adenan bin Satem, who, through his negligence caused the nation to lose $20.26 million. According to the Ministry's Legal Adviser, no action could be taken against Adenan Satem because he had left the government service. Today, Adenan bin Satem is an Assemblyman in Sarawak and slated to be a future Sarawak State Cabinet Minister.

Surely, the PAC should not be so helpless to protect the country's financial interest, and the government should be instructed to file civil proceedings against Adenan Satem for reimbursement of the $20.26 million lost to the country through his negligence.

As an Assemblyman in Sarawak, Adenan bin Satem should also be made to realise that he has a moral responsibility to reimburse the government for the loss of $20.26 million.

PROPOSALS

The PAC must be able to put the 'fear of God' into public officials if it is to be an effective watchdog of public accountability. The PAC's greatest weapon is publicity, to expose public officials to the glare of publicity about their incompetence, negligence and indifference to public accountability.

Parliament and the Government is now being 'penny wise, pound foolish', for if the PAC is allocated adequate funds to enable it to be effective, it should be able to save the country tens and hundreds of millions of dollars in terms of elimination of wasteful, improper and even irregular government financial practice.

For this reason, I would make the following proposals to make the PAC an effective custodian of government public accountability:

*Commitment by Government and Parliament to allocate adequate funds for Parliament and PAC to discharge the task of custodian of public accountability;

*Holding of PAC proceedings in public, and the daily publication of the verbatim proceedings of PAC meetings.

The present practice of publishing the entire verbatim proceedings of the PAC which lasted 16 days for the 1977 Federal Government Accounts in September 1981 in one volume of 730 pages four years later is one of the stupidest acts one could think of. This is because after the lapse of years, and with the thickness of volume, it would guarantee that most MPs would not even touch it.

Secondly, the daily publication of the verbatim proceedings of the PAC would enable the PAC to submit its full report (its recommendations together with the verbatim proceedings) to Parliament without delay, when the recommendations are ready.

Thirdly, the daily publication will put the 'fear of God' into government officials for they know their infractions would be publicised immediately, and not hidden away in some thick tomb which when published several years later, nobody is interested.

*Tabling in Parliament of the Treasury's Memorandum on the PAC report within a week, so that a Parliamentary debate on the PAC report as well as the Treasury Memorandum could be held at latest two weeks after tabling of the PAC report.

I believe that the above proposals would make the PAC a meaningful institution. In my motion, I mentioned that the Sixth Parliament had not tabled a full report yet to Parliament. Parliament is expected to be dissolved soon, if there is going to be early general elections. The Sixth PAC should work overtime to table all its reports to the Dewan Rakyat before the dissolution of the present Parliament, for it would indeed be another mockery if the Sixth PAC appointed by the present Sixth Parliament is working towards a schedule which would mean tabling their reports for the next Seventh Parliament after the next elections.

ON EDUCATIONAL, HEALTH, LABOUR, AND SOCIAL ISSUES

The Sixth University

> *I had myself welcomed such a review (of the Universities and University Colleges Act) but about a year had passed without any indication that there would be amendments to repeal the provisions in the Act which restrict freedom of activities of the students and university staff, or to restore the autonomy of universities from their present status as government departments.*

Every year, there is bad news for Malaysian students who aspire for higher education opportunities. Last month, it was announced that Australian universities are making plans to limit the number of overseas students beginning next year. The quota system which so far limits entry into the medical courses in the Australian universities will be extended to cover other courses.

With a very restrictive policy governing entry into the five local universities, the unrelenting dimunition of higher education places overseas at ever higher and exorbitant costs is making higher education one of the most frustrating and exasperating experiences both for the students and their parents.

Although the Prime Minister announced last December that the government was looking into the need for the establishment of a sixth university, from answers which DAP MPs had extracted from the Education Minister and his Deputy Ministers in the current meeting of Parliament, it is very plain that the Ministry of Education is very half-hearted in its approach to the question of establishing a sixth university. There is no sense of urgency or even sense of importance. Information we could glean from the Education Ministry as to what progress had been made about the proposal to establish a sixth university is minimal, indicating that minimal work had been done.

Speech on the estimates for the Ministry of Education on November 19, 1982.

The Deputy Education Minister, Dr. Tan Tiong Hiong, was unable to answer a supplementary question as to who are the officials responsible for the study into the need for a sixth university, apart from saying that there is a general planning committee looking into these matters headed by the Education Minister himself.

There are at present some 40,000 Malaysian students abroad, and at the average student expenditure of $1,000 a month, or $12,000 a year, this means a colossal loss of foreign exchange of some $500 million a year! If the 40,000 Malaysian students could be educated locally, and the $500 million for higher education spent in our country, then this sum of money is more than enough to meet the operating expenditures of another five universities.

Thus, for next year, the Operating Expenditures for the five local Universities are as follows:

Universiti Kebangsaan Malaysia	$72.6 million
Universiti Malaya	$81.8 million
Universiti Sains Malaysia	$48.5 million
Universiti Teknologi Malaysia	$30 million
Universiti Pertanian Malaysia	$60 million
	$293 million

The development expenditures for the five universities for next year total some $221 million.

Thus, with the $500 million which the 40,000 Malaysian students are spending abroad each year, they could finance the operation of another five universities.

UNIVERSITY AUTONOMY

I therefore call on the Government to seriously consider the establishment, not merely of a sixth university, but the establishment of another five universities as the foreign exchange saved from the 40,000 Malaysian students abroad could easily support the operating expenses of another five universities.

I am aware that the capital costs of founding a university is a sizable one, but this will be a worthwhile investment, as investment in human capital is the most productive form of investment.

Last December too, the Education Minister, Datuk Dr. Sulaiman Daud, announced that his Ministry was reviewing the Universities and University Colleges Act.

I had myself welcomed such a review but about a year has passed without any indication that there would be amendments to repeal the provisions in the Act which restrict freedom of activities of the students and university staff, or to restore the autonomy of universities from their present status as government departments.

The Universities should be a place for character building, rather than merely for the learning of trades or the transmission of knowledge, a place for the stimulation of the critical and thinking faculties, instead of accumulation of data and information.

I call on the Education Minister not to delay any further and to introduce amendments to the Act to remove the restrictions placed on students and university staff, and to restore the autonomy of universities and abandonment of the present status of universities as government departments.

QUALITY EDUCATION

At a time when there is a lot of talk about '*Looking East*' and emulating Japan's economic success, it is important that we know what we should adopt and what we should discard.

In this connection, it is worthy of our attention that a new study conducted by the New York Stock Exchange to find out why productivity had been growing so much slowly in the United States than in Japan had found the fundamental answer in the Japanese educational system.

This study found that the high quality of Japanese primary and secondary education is the single most important factor in Japan's extraordinary productivity — more than quality circles, techniques of management or the partnership between business and government.

International surveys show that, in both mathematics and science, the average scores of Japanese youngsters are higher than those of any other country — much higher than in the United States. And in Japan the degree of variability around the average is one of the smallest, showing that educational achievement there is widespread.

Japanese students show greater consistency than Americans in completing their schooling. Approximately 95 per cent of Japanese teenagers graduate from high school compared with 74 per cent in the United States.

Our primary and secondary schools must aim at high quality education comparable to the best in the world. A 10-month survey from June 1979 to 1980 covering 287 pre-selected primary schools and 16,806 pupils in all three medium of National, Chinese and Tamil, show that only 48.3 per cent of those in Chinese schools have sufficient arithmetic skills while only 37 per cent in national schools and 30.6 per cent in Tamil schools can do arithmetic.

It is unlikely that with the 3M curriculum for primary schools, with the major problems of big class size and inadequate teaching staff to achieve the desirable teacher-ratio unresolved, Malaysia could attain high quality in primary and secondary schools, especially in mathematics and science.

I do not have figures as to what percentage of Malaysian students graduate from full secondary education, and I do not know whether the government has the latest figures, but it is clearly well below that of Japan and even the United States.

The Ministry of Education must therefore aim at raising the quality of the primary and secondary schools to enable Malaysia to keep abreast with world progress in science and technology.

UTM PROJECT

Recently, the Education Ministry issued a ruling banning advertisements from school magazines.

It will be a step backwards in promoting the creative qualities of our children if this ruling leads to the closure of school magazines in our schools. As one who had been intimately involved in the production not only of school magazines, but also of class magazines, during my school-days, I can speak from experience that such activities are very useful and important in nurturing creative talents and leadership qualities. I would go so far as to suggest that the Education Ministry should issue a ruling that every school must produce a school magazine each year, so that the students have an opportunity to express themselves and to take part in creative activities, and that if schools

are not allowed to ask for advertisements to finance the school magazines, then the Education Ministry should devise a system whereby funds for the school magazine project is found.

The $500 million Universiti Technology Malaysia (UTM) project at Scudai, Johore, had been plagued with a series of problems, leading to its being behind schedule and probably not being able to be completed in time.

The Minister concerned should explain to the House the reason for the delay in the construction of the Scudai campus for the UTM, which is to accommodate 6,000 students. Last year, the Prime Minister, Datuk Seri Dr. Mahathir Mohamed, announced that the UTM project in Scudai would be carried out mainly by bumiputra students majoring in building and construction. The contractors, Kobena-Sambu, dismissed some 200 local workers last month, leading to further bad blood at the building site. There are complaints that local skilled workers are being paid less than Korean workers doing the same job as well as complaints that local trained workers are being paid the same as untrained local workers.

I hope the Minister could clear the air with regard to the stalling in the construction of the UTM campus in Scudai.

Pusat Serenti Tampin — Reign of Terror

Drug addiction is a major problem in Malaysia, which can sap the moral fibre and sense of purpose of Malaysia, and can lead to the ruination of our nation. We must approach the problem of drug addiction with greater sense of seriousness and sense of purpose than is being shown by the Ministry of Welfare.

Two weeks ago, on 17th November 1982, I called a press conference to tell the ordeal of an inmate in the Kuala Kubu Baru Drug Rehabilitation Centre, Chow Yue Kum, 27, from Malacca, who absconded from the Centre to which he was committed by court for drug addiction, because he was in mortal fear for his life.

Chow escaped from the Kuala Baru Drug Rehabilitation Centre, on November 15, not because he was afraid of the officials of the Centre, but because of his fear at the 'reign of terror' imposed by drug inmates who have formed 'governments within a government'.

What Chow had to tell about the 'reign of terror' by the underground 'governments' of the inmates is nothing new, although this was the first time that someone had publicly talked about it. In the Kuala Kubu Baru Drug Rehabilitation Centre, the inmates are governed by three illegal governments, known as 'UMNO' for the Malay inmates, 'MCA' for the Chinese inmates, and 'MIC' for the Indian inmates.

These three 'illegal authorities' imposed their will on the new inmates by coercion, physical violence and brutalities, and I understand, on occasions, leading to deaths.

Speech on the estimates for the Ministry of Welfare on November 30, 1982.

The New Straits Times, in one of its 'Time Probe' articles, on 23rd May 1981 wrote about the way these three self-styled governments of 'UMNO', 'MCA' and 'MIC' terrorised other inmates into obedience and subservience. When I discussed Chow's problem with the Minister of Welfare Services, Datin Paduka Aishah Ghani, the Minister showed her knowledge about these three illegal governments of 'UMNO', 'MCA' and 'MIC' in the KKB Drug Rehabilitation Centre.

These three underground governments have their own Eight Rukuns or laws, which inmates break on pain of varying degrees of punishment involving physical violence. One of the most important of these Eight Rukuns the underground governments imposed on the inmates was *'Jangan Hantu'* — i.e. you cannot go to office alone or talk to officers alone; you cannot even go for medication alone.

'STARLIGHT' TREATMENT

New inmates are severely ragged on the first day of entry, to subdue their resistance, and a regimen of physical violence are administered by the Seniors and *TaiKos* on junior inmates who do not accept the authority of the illegal governments. The Seniors also demonstrate to the new inmates in front of Centre officials, that the Centre officials have no control or authority over the Senior's actions.

Punishments cover a wide range, including the 'starlight' treatment — where various people take turns to punish the victim by hitting his forehead with a hard flick of the middle finger — and in Chow's case, until his forehead was swollen up to half an inch.

The three illegal government's also have their own court system, like the 'High Court', where the 'accused' is normally set upon by the Seniors and *Taikos* of the three groups, 'UMNO', 'MCA' and 'MIC', and assaulted mercilessly.

It was because Chow overheard on the morning of November 15 that he would be sent to the 'High Court' of the three illegal governments that night that in fear of his life, he absconded from the Centre.

A week later, on 24th November 1982, I called a second press conference where another inmate, S. Rajah, 26, from Kuala Lumpur, narrated how he was physically assaulted for several days by the

Seniors of the 'MIC' in the KKB Drug Centre until he agreed to go on a 'commando mission' to go to Kuala Lumpur to get heroin, ganja and cigarettes for them.

Rajah, who was also committed by court to the centre for six months, was kicked by 'MIC' Seniors on the day he entered the Kuala Kubu Baru Drug Rehabilitation Centre on 23rd August 1982, when he would not finish the rice piled up on his plate by the Seniors, and made to jump, shouting '*Terima Kaseh Aishah Ghani*', and run around the field.

When he was shaved 'bald' the next day, he was asked by a 'MIC' Senior whether he had 'money' to pay for the shave, and when Rajah said he had no money, he was told that he had to take 'licence' to shave, and he was given the 'starlight' treatment 15 times by three 'MIC' Seniors.

On September 19, Rajah was told by a 'MIC' Senior to work in the kitchen, and when he said he would ask the Centre officer, he was told that there was no such need as it was what the 'MIC' Seniors wanted him to do. In the kitchen, he was made to prepare special food for the Seniors, and to double up to serve the Seniors with extra tea, nescafe, etc, and he would be warned if he refused or had something else to do.

One night, one of the Seniors took him to the Recreation Room where he saw a syringe and a tube of heroin, plus ganja and a bottle to smoke ganja with. The Seniors asked Rajah whether he would like to smoke heroin, and when Rajah said no, as he was at the Centre to be rehabilitated, and not to become an addict, he was told that this was only once in a while, and not always. They threatened Rajah and forced him to smoke, and Rajah took two 'drags' of ganja. Clearly, the Seniors wanted to 'compromise' Rajah. They forced him to smoke ganja a second time, before they told him on September 25 that he was required to go to Kuala Lumpur to get drugs for them.

When Rajah said he would be taking a risk, the 'MIC' Seniors told him that there would be no risk as they would cover up for him until he came back from Kuala Lumpur. He was attacked by these Seniors the night he was approached and refused, the Seniors taking turns to punch him on the chest, and another Senior took a stick and beat him on his feet, which is still swollen and painful today after two months!

REIGN OF TERROR

For the next few days, the 'MIC' Seniors deliberately found fault with him and kept on beating him by punching him on the chest every two or three hours. He was told that he would be a 'free man in the Centre' if he agreed to go to Kuala Lumpur to get drugs for them. The beatings continued until October 1, when the 'MIC' Seniors gave him an ultimatum that if he refused, they would 'bang and bash' him up the next day, and throw him outside the fence, and then report to the Centre officials that he had escaped and have him charged in Court for running away from the Centre. After some more beatings, S. Rajah could not stand it any longer and agreed. The next day, at about 4.30 p.m., an 'MIC' Senior accompanied him in the escape out of the Centre by crawling from the back fence, and took him through estate road for about 1½ miles to wait for a bus, where he was sent onwards to Kuala Lumpur. S. Rajah returned home instead, and after discussing with his mother, decided not to return to the Centre.

These are eye-witness accounts of the 'reign of terror' in the KKB Drug Rehabilitation Centre, of the complete breakdown of law and authority in the Centre.

We send drug addicts to the KKB Drug Rehabilitation Centre to be cured of their addiction, so that they could lead useful lives, instead of subjecting them to a 'reign of terror' perpetrated by the illegal 'UMNO', 'MCA' and 'MIC' gangsters in the Centre to be trained into hardened criminals. Those who do not want to submit to the 'reign of terror' of the illegal governments in the centre had to abscond. I understand there is a large number of abscondment of inmates from the KKB Drug Rehabilitation Centre, not from the legal authority, but from the illegal authority!

How many inmates had tried to abscond, and how many had actually absconded, from the KKB Drug Rehabilitation Centre since its first day? Are the Centre and Ministry officials aware that these inmates absconded not from the Centre's authorities, but from the illegal authorities who seem to have overpowered the Centre officials?

We are not interested anymore in wishy-washy statements or replies from the Ministry that the Ministry or Centre would inquire into the complaints, for the Ministry and the Centre have shown that

they are incapable of dealing with the grave problem of the KKB Drug Rehabilitation Centre becoming a nest of 'illegal' underground gangs.

SELECT COMMITTEE

Drug addiction is a major problem in Malaysia, which can sap the moral fibre and sense of purpose of Malaysia, and can lead to the ruination of our nation. We must approach the problem of drug addiction with greater sense of seriousness and sense of purpose than is being shown by the Ministry of Welfare.

Clearly, before the officials at the KKB Drug Rehabilitation Centre could rehabilitate the drug addicts, the Centre officials must be rehabilitated first to possess the right attitudes and commitment to rehabilitate the drug addicts.

The problem of the KKB Drug Rehabilitation Centre, and that of other Centres in Tampoi, Bukit Mertajam and Kuala Besut, have become too big for the Ministry of Welfare Service to handle. I suggest that the Minister agree to the establishment of a Parliamentary Select Committee to investigate and make recommendations on drug rehabilitation in the country, as well as throughly expose the underground rule of the self-styled 'UMNO', 'MCA' and 'MIC' governments in the KKB Drug Rehabilitation Centre. The Parliamentary Select Committee should also consider whether and how Drug Centre officials should be rehabilitated first before they could set out to rehabilitate drug addicts. This is a grave social problem which must be treated seriously as the former Home Affairs Minister, Tan Sri Ghazalie Shafie, had said that the Drug Problem has overtaken the problem of communism as the No. 1 Problem. Then let us give the drug problem priority attention and treatment, and we in the DAP are prepared to render all possible assistance to ensure that the youths of Malaysia are not destroyed, and our country with it, by drugs.

Perak Hydro Workers

What is most disheartening to the Perak Hydro workers is the attitude of the LLN and the Ministry of Telecoms, Energy and Posts to the 300 odd clerical and supervisory staff, who have been made to suffer great reduction of their salaries on employment by LLN.

On 1st October 1982, the National Electricity Board took over the electricity supplies to the Perak areas from the Perak Hydro Electric Power Company and its subsidiary Kinta Electrical Distribution Co.

Perak Hydro served about 350 tin mining and industrial consumers and 368 bulk supply points to Kinta Distribution at various towns and villages. Kinta Distribution serves 102,147 consumers of which 88,362 were domestic, 12,595 commercial, 955 industrial and 235 public lighting.

The history of Perak Hydro, which started as a British company, went back to 1926 when it was given the right to generate, transmit, distribute and sell electricity to a large part of Perak including parts of Ulu Perak, Kuala Kangsar, Batang Padang and Hilir Perak. The Malaysian Government bought over the company in 1976.

The Perak Hydro workers, amounting to some 2,000 workers, and their union, the Perak Hydro Employees' Union, support the programme of integration to establish a single authority for the generation of electricity in the country.

However, in the process of integration, the Perak Hydro workers are not being fully and fairly integrated into the LLN service, where their years of service, present salary, pension rights, promotional prospects are fully taken into account.

Speech on the Supplementary Operating and Development estimates on December 6, 1982

Although the Perak Hydro was a most profitable concern as a result of the co-operation and hard work of the Perak Hydro workers, the LLN has refused to recognise the years of service of the Perak Hydro workers, and treated the Perak Hydro workers as new recruits into the LLN service. This attitude is most regrettable, and although this particular issue has been referred to the Industrial Court, I would still urge the Minister concerned to cause a reconsideration of the matter to recognise the years of service of the Perak Hydro workers as years of service in LLN, for purposes of computing pension and other benefits. In such event, the case in the Industrial Court could also be withdrawn.

What is most disheartening to the Perak Hydro workers is the attitude of the LLN and the Ministry of Telecoms, Energy and Posts to the 300 odd clerical and supervisory staff, who have been made to suffer great reduction of their salaries on employment by LLN.

At a meeting between the Perak Hydro Employees Union officials and the Minister of Energy, Telecoms and Post, Datuk Leo Moggie, on 24th August 1982, the Minister promised that *'perbezaan gaji yang akan diterima di LLN dengan gaji yang diterima sekarang ini dapat diperkecilkan lagi dengan syarat tidak melebihi had maksima yang ditetapkan dalam sekil sekim perkhidmatan LLN'* for the clerical and supervisory category.

However, this promise has been broken and as a result, this category of some 300 workers suffer pay cuts ranging from 10 per cent to 54 per cent. Why has the Minister dishonoured his pledge to the Union that the clerical and supervisory workers in Perak Hydro would be put to the nearest point of present salaries when emplaced in LLN?

For instance, there is one employee who was drawing $1,040 clean wage after 12 years of service with the Perak River Hydro Electric Power Co. Ltd., who was offered the salary scale of C11, with a salary step of $780 clean wage — involving a loss of $260 a month.

In accordance with the Minister's promise, he should have been offered the salary of $1,000 under the same salary code of C11.

The 300 clerical and supervisory workers are suffering great hardships as a result of the failure of the Minister to honour his promise, as many of them had committed themselves to house purchase,

sending their children for further studies, etc. There is the case of another 51-year-old Perak Hydro worker who was offered the salary of $1,240 in Salary Code C3, when he was drawing $1,779.60 in Perak Hydro, involving a reduction of $539.60. These are gross injustices.

I therefore call on the Minister concerned, Datuk Leo Moggie, to cause a review of the whole exercise of absorbing the Perak Hydro workers into the LLN and to honour his promise made to the Perak Hydro Employees Union on August 24 by putting all the 300 clerical and supervisory staff on to the nearest salary point in the LLN from the salary they were drawing in Perak Hydro.

Private Universities

I hope that the Barisan Nasional leaders and MPs could be enlightened enough on the issue of private university education in Malaysia, and to stop treating the issue as a 'political football'. By giving support to the DAP proposal to allow private universities to be taken out of the ambit of the UUCA so that they could be established without being categorised as 'public authorities', the country will be going a long way to create national harmony, unity and cohesion.

The Government has introduced the 1982 Universities and University Colleges Amendment Bill to pave the way for the establishment of the Islamic University by providing for the exclusion from the operation of the Universities and University Colleges Act (UUCA) 1971 any higher educational institution with the status of a University established under any treaty, agreement or convention between Malaysia and any other country or any international organisation.

I understand that the Islamic University, to be sited at Fraser's Hill, is to use English and Arabic as media of instruction, while Bahasa Malaysia would be used as the language of administration.

This amendment to take the Islamic University outside the ambit of the Universities and University Colleges Act 1971 is necessary as the High Court and the majority judgement of the Federal Court in the Merdeka University case held that a university established under the UUCA is a *'public authority'*, and that under Article 152(1)(a) of the Malaysian Constitution, *"A person may be prohibited or prevented from using any other language for official purposes"* and that *'official purpose'* means *'any purpose of the Government, whether Federal or State, and include any purpose of a public authority'*.

Speech on the Universities and University Colleges Amendment Bill on December 8, 1982

By excluding the Islamic University from the operation of the UUCA, the Islamic University when established would not be a *'public authority'*, and its use of English and Arabic as media of instruction would not be using them for official purposes.

We in the DAP do not oppose the establishment of the Islamic University, but we feel strongly that the time has come for a deeper review of the UUCA to ensure that it does not restrict or limit the expansion of higher education opportunities in the country to meet the great demand for local university places by our students.

The UUCA must be amended not only to exclude universities established under any treaty, agreement or convention between Malaysia and any other country or any other international organisation from the operation of the UUCA, but also to exclude fully-funded private universities from the UUCA.

MERDEKA UNIVERSITY

In the Merdeka University case, the High Court and the majority judgement of the Federal Court held that if established, the Merdeka University would be a *'public authority'* by virture of being incorporated under the UUCA, and the use of Chinese as one of the media of instruction in the proposed Merdeka University would be using Chinese for official purpose.

The solution is very simple, and that is by taking the proposed Merdeka University outside the ambit and purview of the Universities and University Colleges Act 1971 completely.

As the government has itself set a precedent in showing that there can be universities in the country which are excluded from the ambit of the UUCA 1971 in its proposal that the Islamic University be exempted from the UUCA, the proposed Merdeka University and other private universities fully funded by the private sector should also be excluded from the UUCA.

It is for this reason that I have given notice that I would be moving an amendment to the UUCA Bill during Committee Stage that private universities fully-funded by the private sector are excluded from the ambit of the UUCA.

I hope that this proposal will get the support of all MPs, regardless of party, who support the concept of Merdeka University and the principle of private universities in the country. I hope in particular that Gerakan Ministers, Deputy Ministers and MPs, especially the MP for Tanjong, Dr. Koh Tsu Koon, would support the proposal, as during the April general elections, the Gerakan had declared that they accepted the Tung/Chiau Chung policy on Chinese Education as part of the political programme of Gerakan, which includes the establishment of Merdeka University.

Gerakan Ministers and MPs had been talking a lot about *'three in one'* to fight for the legitimate aspirations of the Malaysian Chinese, that Chinese education should have a complete educational system, from primary to secondary and university level. Let the Gerakan Ministers and MPs, in particular the MP for Tanjong, Dr. Koh Tsu Koon, show now by deed whether they are prepared to stand up in Parliament and show their *'three in one'* spirit and commitment for the Merdeka University idea and proposal.

My amendment, however, is not restricted merely to the Merdeka University proposal. It is also to allow for the free establishment of private universities, including the proposed Merdeka University.

As a result of the restrictive policy of the government on fair and equal opportunities for Malaysian students in our universities, there is a crying need for expansion for higher education opportunities for our students.

For the 1982/83 academic session, the five local universities took in only 6,127 students, made up of the following:

Bumiputras	3,575	(58.3%)
Chinese	2,004	(32.7%)
Indians	486	(7.9%)
Others	62	(1.0%)

Although the Government is talking about the possibility of establishing a sixth university, there does not seem to be any seriousness behind it. In fact, as far back as 9th November 1979, when replying to points raised during the budget debate, the then Deputy Education Minister, Datuk Chan Siang Sun, had announced that the Education Ministry was studying the possibility of establishing a sixth university under the Fourth Malaysia Plan. In the present budget meeting,

during question time, the impression I got from the Deputy Education Minister, Dr. Tan Tiong Hong, is that the Education Ministry has not yet got down seriously to studying the question of establishing a sixth university. This does not speak well for an administration which has as its motto the slogans of efficiency and competence!

The inequity of the government's higher education policy has caused great hardships to Malaysian students who had to go overseas to fulfil their higher education aspirations. Many of our students had been made dupes of unscrupulous colleges, without any protection from our Education Ministry.

For instance, only last week, the New Straits Times reported of hundreds of Malaysian students who went to Britain hoping to obtain higher qualifications at private colleges have found that they had been given a shabby deal. The premises of some of these colleges are sub-standard and some are said to offer bogus degrees. Some Malaysian students have left a few of these colleges in frustration and have returned home although it meant losing a great deal of money. Others have opted for educational institutions in Canada and other countries.

There was one incident last October when a group of Malaysian students arrived in London to take a computer course at the Pure and Applied Computer School. Each student had paid $5,200 to $6,400 for the one-year course. The students were told that the school had been in operation for three years — when in fact it had been set up only around the time the students arrived. The school was in financial trouble and many of its teaching staff were suspended. The school did not re-open.

'LOOK JAPAN'

That Malaysia needs private universities and colleges to meet the great Malaysian demand for higher education opportunities, to help supplement the government's university programme, and to save Malaysian students from being duped by unscrupulous education racketeers overseas exploiting Malaysian students' thirst for higher education, needs no argument. Furthermore, the establishment of private universities would also help to save vast sums of foreign exchange being spent each year by the some 50,000 Malaysian students overseas.

If the average annual cost per student is $12,000, this means that every year, the 50,000 Malaysian students abroad are spending some $600 million a year. This year's total expenditure for the five local universities is only in the region of some $400 million. This means that the $600 million being spent abroad by the 50,000 Malaysian students could support the maintenance of another five local universities with ease, whether government or private.

The 2M Government wants Malaysians to 'Look Japan'. In Japan there are some 300 universities, 80 per cent of which are private universities, with a total university population of about two million students. The allowing of the establishment of private universities in Malaysia would therefore be following the Japanese university education tradition.

I hope that the Barisan Nasional leaders and MPs could be enlightened enough on the issue of private university education in Malaysia, and to stop treating the issue as a 'political football'. By giving support to the DAP proposal to allow private universities to be taken out of the ambit of the UUCA so that they could be established without being categorised as *'public authorities'*, the country will be going a long way to create national harmony, unity and cohesion.

LIBERALISE UUCA

I regret that in tabling the amendments to the UUCA, the Education Minister has not taken the opportunity to table amendments to effect repeal of the clauses in the Act which inhibit freedom of university autonomy and turned universities into government departments.

As the University of Malaya Guild of Graduates said in December last year, the restrictions on student and academic staff activities had seriously eroded the quality of campus life in so far as it could be considered a university.

The amendments to the UUCA 1971 which muzzled campus life were enacted in 1975 after student unrest both in and out of the country over the Baling Incident and other socio-economic issues.

Section 15 of the UUCA prohibits a university student, or organisation, body or group of persons from becoming members or be

associated with any organisation, society, political party, trade union or group of persons whatsoever except as may be provided for under the University's Constitution, or except as may be approved in advance in writing by the Vice Chancellor. It is an offence for any student, student organisation, body or group to collect or attempt to collect or promote or attempt to promote any collection of, or make any appeal orally or in writing or otherwise or attempt to make any such appeal, any money or property.

Section 16 gives power to the Vice Chancellor to suspend or dissolve any student body or organisation that he considers detrimental or prejudicial to the interests or well being of the university, students, staff, public order, safety and security.

The 1975 amendments to the UUCA not only provides for the government appointment of the Chancellor, but also the appointment of the Vice Chancellor, and the appointment of the various deans and deputy deans of faculties by the Vice Chancellor instead of being elected by the various faculties concerned before the amendments.

The combined effect of these UUCA provisions is to stultify the autonomy and academic freedom of universities, as not only are the university students inhibited from the natural growth of being thinking, inquiring and critical members of our society, preparing them to be the future leaders of tomorrow, academic staff members are reduced to the status of civil servants whose job is to turn out university graduates as if they are in factories fulfilling a production quota, without regard to the deeper meaning and purpose of higher education.

No wonder Malaysian universities have been losing their 'best brains' because the university conditions are stultifying to intellectual inquiry and growth. I call on the Minister of Education to revoke Sections 15 and 16 of the UUCA to restore to the university students the fullest freedom of university student activity, and to restore university autonomy and academic freedom for the university academic staff so that they have freedom to encourage an intellectual awakening and flowering in our campuses, to search for higher truths untrammelled by the political dictates of the government of the day.

Kenyir Hydro-Electric Dam — Korean Exploitation of Malaysian Workers

"The workers tell me that they are very disappointed by the MP for Ulu Trengganu, for although they had repeatedly taken up their problems to him, the MP for Ulu Trengganu behaved as if he was the MP for Hyundai, taking the side of the Korean company."

In the Government's Look East campaign, Japanese and South Korean companies have moved into Malaysia in a major way to take over the big construction projects, displacing local contractors and workers of the contracts and job opportunities.

The Government had justified this on the ground that the Japanese and South Korean construction giants could impart needed skills to Malaysian workers and transfer technology.

But the actual experience of such cases seem to show that there is imparting of very little skills to Malaysians nor transfer of technology.

Recently, representatives of local workers in the $700 million Kenyir hydro-electric dam project in Trengganu, which was awarded to Hyundai Construction Co. Ltd., and which at one time reached to some 1,200 local workers most of whom are Malays, came all the way

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Speech on the estimates for the Ministry of Energy, Telecommunications and Posts on November 28, 1983

from Trengganu to see me to ask me to raise in Parliament about their bad experiences with the Hyundai Construction Ltd.

Those who came to see me were Mat Jusoh bin Mat (Secretary), Adzehar bin Cik (Acting Chairman), Musa bin Mat Zin (Treasurer), and Yusuf bin Taib (Committee Member) of the Construction Workers' Union, Hulu Trengganu branch. Hyundai Construction Ltd. crushed the union's efforts to unionise all the local workers and secure recognition.

This is their complaint:

1. **Bilangan pekerja-pekerja tidak mahir daripada Korea terlalu ramai**

   Pada 4.12.82 terdapat 760 orang pekerja daripada Korea dan kira-kira 990 pekerja tempatan. Pada 1.2.83, pekerja-pekerja Korea meningkat kepada 870 orang.

   Kedatangan pekerja-pekerja Korea yang begitu ramai adalah bercanggah dengan dasar kerajaan untuk memberi peluang pekerjaan kepada rakyat tempatan dan amnya pada rakyat Malaysia yang ingin mendapat nikmat dari arus pembangunan di negara kita. Pekerja-pekerja Korea terdiri daripada pekerja-pekerja biasa seperti Pemandu jentera, Tukang Kayu dan lain-lain. Kerja-kerja ini memangnya mampu dilakukan oleh pekerja-pekerja tempatan.

   Pekerja-pekerja tempatan tidak diberi kesempatan untuk mendapatkan teknologi daripada kemahiran pekerja-pekerja Korea tetapi sebaliknya pekerja-pekerja Korea datang ke sini untuk belajar dengan pekerja-pekerja daripada sini dan ini adalah bercanggah dengan dasar kerajaan.

2. **Pembuangan pekerja**

   Pembuangan pekerja dibuat sewenang-wenangnya tanpa diberi sebarang notis terlebih dahulu, misalnya seorang yang bernama Abdullah bin Ismail telah dibuang kerja tanpa notis dengan alasan bahawa pekerja ini telah tua, sedangkan umurnya 44 tahun dan telah bekerja dengan Projek Haidro dua tahun yang lepas. Dua orang yang lain lagi yang dibuang dengan alasan bahawa pekerja ini cacat anggota, sedangkan semasa diambil bekerja dua tahun yang lepas mereka sudah memang begitu. Dua orang itu ialah Abdullah bin Muhammad dan Tahir bin Yunus.

3. **Perbezaan Gaji**
Gaji yang diterima oleh pekerja tempatan jauh lebih rendah daripada yang diterima oleh pekerja Korea walaupun jenis pekerjaan yang dibuat adalah sama.

Alasan yang diberi pekerja-pekerja kita tidak mahir. Misalnya pekerja-pekerja tempatan cuma mendapat di antara $20.00 hingga $30.00 bagi kerja membawa kenderaan berat tetapi diketahui bahawa pekerja Korea mendapat $50.00 hingga $60.00 bagi kerja ini.

Pekerja tempatan dibayar antara $10-$15 sehari terutama buruh am dan buruh separoh mahir. Memandangkan tempat kerja yang jauh dipendalaman (45km dari Kuala Trengganu) dan tinggal di kongsi-kongsi kerja yang berbeza dengan barrack pekerja-pekerja Korea serta dengan kerja yang membahaya, amatlah tidak wajar dibayar gaji yang begitu murah. Berbeza pula dengan gaji pekerja-pekerja Korea, melalui risek pekerja-pekerja tempatan, tiada seorang pun pekerja Korea dibayar gaji kurang daripada $1,000 sebulan tidak termasuk elaun lain sedangkan mereka ini membuat kerja yang sama. Bahaya kerja di projek haidro Kenyir boleh dibayangan daripada kenyataan bahawa lebih kurang dua-puloh orang pekerja telah mati dalam pekerjaan mereka.

Kenaikan gaji tidak seimbang adalah dengan alasan pekerja tempatan malas dan selalu ponteng kerja. Apabila bantahan dibuat oleh pekerja kepada pihak pengurusan mereka hanya berjanji untuk memberi kenaikan tetapi janji hanya tinggal janji sahaja.

4. **Arahan Kerja Bertindih**
Seorang pekerja tempatan menerima arahan yang tidak selari daripada dua tiga orang ketua kerja Korea. Kadang kala arahan yang diterima adalah bertindih di antara satu sama lain. Ini memeningkan pekerja tempatan menyebabkan prestasinya menurun.

Setengah-setengah peraturan cuma dikenakan kepada pekerja tempatan dan tidak kepada pekerja Korea. Misalnya pemandu-pemandu jentera berat tempatan diarahkan supaya mengikut peraturan memandu dengan tepat dan jika mereka ingkar tindakan

diambil ke atas mereka. Tetapi pekerja-pekerja Korea bebas untuk tidak mengikuti peraturan ini.

5. **Kemudahan Bekerja**
Kemudahan yang diberi adalah berbeza. Misalnya ada pekerja-pekerja Korea, makan minum mereka adalah ditanggong oleh pihak majikan tetapi tidak diberi kepada pekerja-pekerja tempatan. Alat penyelamat tidak dibekalkan kepada pekerja-pekerja simen dan ini membahayakan keselamatan mereka.

6. **Sikap orang Korea tidak menghormati adat susila orang Malaysia**
Dalam pergaulan antara pekerja-pekerja tempatan dan pekerja-pekerja Korea, pekerja-pekerja Korea banyak menyentuh soal-soal sensitif yang menyakit hati pekerja-pekerja tempatan. Mereka langsung tidak menghormati adat susila orang Malaysia.

   Pekerja-pekerja tempatan selalunya dimarahi dengan kata-kata yang kasar dan biadap walau pun atas kesalahan-kesalahan yang kecil. Pekerja-pekerja Korea tidak pernah memikirkan akan masalah perhubungan puncanya kesilapan menerima arahan-arahan kerja mereka sewenang-wenangnya memaki hamun seolah-olah kesalahan itu sengaja dilakukan oleh pekerja tempatan-tempatan.

   Kata-kata sensitif ditujukan kepada pekerja-pekerja tempatan seperti Malaysia tidak bagus. "All Malaysians are bananas" atau maki hamun dalam bahasa Korea, Si-kye maknanya anak anjing atau Si-balama kata lucah dan banyak lagi yang pekerja-pekerja tempatan tidak faham. Mereka berlagak lebih dari penjajah sedangkan mereka ini datang sebagai pekerja bukannya Tuan.

   Bukan sekadar maki hamunnya sahaja malahan tingkah lakunya kasar juga, mereka membaling batu apabila memanggil pekerja tempatan; memukul pekerja tempatan dengan topi (helmet) jika membuat sedikit kesilapan.

   Pernah pada satu ketika seorang pekerja tempatan yang bekerja dengan Syarikat Perunding-Snowy Mountain Engineering, dibelasah oleh sekumpulan pekerja-pekerja Korea yang menimbulkan kemarahan pekerja-pekerja tempatan.

All these problems of the 'Look East' policy had been brought to the attention of the authorities, including the MP for Ulu Trengganu,

Alias Ali, the Minister in the Prime Minister's Department, Abdullah Haji Ahmad Badawi, but they all came to nought. Although Datuk Abdullah promised the workers' representatives when they came to Kuala Lumpur to raise their greivances in his office on 10th February 1983, that he would visit the Kenyir work-site to see things for himself, he never kept his promise although he was in Kuala Brang to open the UMNO Delegates' Meeting of Ulu Trengganu about a month later, which is only 12km from Kenyir dam.

When the Minister for Energy, Telecommunications and Posts, Datuk Leo Moggie, visited the Kenyir dam site in June 1981, the Koreans deliberately created a wrong picture about the Malaysian workers by telling them to go back to their quarters, so that machinery were idle, giving the impression that Malaysians were lazy and Hyundai needed more Korean workers.

The workers tell me that they are very disappointed by the MP for Ulu Trengganu, for although they had repeatedly taken up their problems to him, the MP for Ulu Trengganu behaved as if he was the MP for Hyundai, taking the side of the Korean company.

ASSAULTED

A good case in point was the assault of a Malaysian by a group of Koreans when the Malaysian, working for a consulting firm, refused to approve the Korean work as up to standard. Why wasn't the group of Koreans who committed the assault charged and prosecuted in court as a lesson to all others? Why did the authorities swing into action only when the Malaysians workers retaliated by attacking the Koreans?

The workers are also very dissatisfied with the Hyundai's staff in charge of labour, who I understand is a close relative of the MP for Ulu Trengganu, who should educate the Koreans about Malaysian workers' rights and sensitivities. But on the contrary, he was even more Korean than the Koreans. Thus, one of the worker's representatives, who had worked for three years as dump-truck driver (35 ton), told a South Korean personnel sometime in July that he wanted to go to Mecca on pilgrimage. The Korean said this was no problem, and he could be away for two or three months. Near time for departure to Mecca over a month later, he went to see Wan Mohd. Nor, the assistant in Hyundai in charge of labour, to ask for leave.

Wan Mohd. Nor said the worker must be regarded as being retrenched and not as going on leave!

The Hyundai case in Kenyir should make the Government to take a second look at this 'Look East' policy, for we must not allow South Koreans and Japanese to come and exploit Malaysian workers, to help them solve their unemployment problem by mass despatch of their workforce to Malaysia, displacing Malaysians of contracts and work.

The Government should reprimand Hyundai for its disregard of the rights and sensitivities of Malaysian workers, for failing to impart skills to local workers by having training programmes and failing to effect transfer of technology.

The original cost of the Kenyir dam was $250 million, but it had recently escalated to $684 million, and according to a consultant engineering source, the cost was likely to go up to $720 million.

Can the Minister of Energy, Telecommunications and Posts give Parliament an explanation for such trebling of the construction costs?

In August 1982, 400 Malaysian workers engaged by Hyundai Engineering and Construction on the Penang Bridge project downed tools and staged a lightning strike, when three truck drivers were summarily dismissed.

I call on the Government to monitor the work of all Hyundai and all Korean and Japanese firms in Malaysia closely and protect the interests of Malaysian workers and the nation.

Kampong Bercham — Police Brutality Against Squatters

> ***The Malaysian Police, and we the people of Malaysia, have nothing to be proud about the Kampong Bercham police action, and as Members of Parliament, we must have the sense of righteousness and courage to speak up and condemn such high-handed police action, to ensure that there would be no repetition.***

Yesterday was a day of shame for Malaysia, for over a thousand anti-riot police, fully armed with tear gas canisters, wicker and baton, and rifles and Field Force personnel with sub-machine guns were mobilised against 500 squatters, including the old, sick, women and children, as if they were criminals, terrorists or dangerous animals without human rights when all they were seeking was to defend their human right to have a home.

Tear gas were fired indiscriminately against the old, sick, women and children, while the womenfolk were manhandled and forcibly evicted from their homes.

The Malaysian Police, and we the people of Malaysia, have nothing to be proud about the Kampong Bercham police action, and as Members of Parliament, we must have the sense of righteousness and courage to speak up and condemn such high-handed police action, to ensure that there would be no repetition.

Speech on an adjournment motion of urgent, definite, public importance on October 11, 1984.

Squatters problem is a housing problem, and a social and not a criminal problem, and must be handled by various social government agencies and not by criminal-enforcement agencies.

I went to Kampong Bercham in Ipoh with the MP for Jelutong, Sdr. Karpal Singh, from Parliament yesterday, arriving there at about 10.40 p.m. and at about 11.30 p.m., together with the DAP Assemblyman for Kepayang, Sdr. Lau Dak Kee (whose constituency includes Kg. Bercham) and other DAP leaders, visited the area of yesterday morning's police action, where 42 squatter houses had been demolished.

Strewn all over the ground were the tear gas canisters and casings which were fired indiscriminately by the FRU in the morning, and I collected five gas canisters (four of which were spent although I am not sure about the fifth one) and about 20 casings, to let MPs know about the atrocities committed by the Police against the ordinary rakyat whose only crime was to defend their homes.

From the reactions by some UMNO MPs just now, it is clear that they are more interested in trying to make an issue about my bringing in the tear gas canisters and casings, on the ground that they are dangerous weapons, when they should be aghast that such 'dangerous weapons' (which are now spent) had been used against the sick, women, the old and children.

POLITICAL OPPORTUNISTS

I expect the UMNO MPs of trying to paint me of being an enemy to Parliament, of wanting to blow up Parliament, and I would not be surprised if they suggest that I should be arrested under the Internal Security Act for bringing in dangerous weapons.

I say to these UMNO MPs that they should be thoroughly ashamed of themselves of being such incorrigible political opportunists, who do not have a sense of conscience or moral responsibility.

It is a national tragedy for Malaysians of all races that MPs could be more concerned about spent gas canisters and casings being brought to Parliament when they have no thought whatsoever for the old, sick, women and children who were the targets of these tear gas canisters.

I want to ask these MPs whether they are elected to look after their own interest or the interest of the people?

I hope that the UMNO MPs are not suggesting that the Police are fully justified to use anti-riot squads to fire indiscriminately tear gas and use other forms of violence against squatters, for if this is the case, then they would also be advocating that the FRU should go into Sungei Nibong Kecil in Penang, which is in the constituency of the MP for Balik Pulau, and fire indiscriminately tear gas against the squatters, who are made up predominantly of Malays, while in Kampong Bercham, the squatters are Chinese.

RACIALIST ATTITUDES

Or are these UMNO MPs suggesting that it is all right to use the FRU against the Chinese squatters but not Malay squatters?

The DAP condemns such petty, opportunistic and racialist attitudes. We want squatters to be treated as poor and unfortunate Malaysians, regardless of race, who should be helped by the Government, whether Federal or State, to have a roof of their own, and where the FRU or other forms of state violence are never applied against poverty and social backwardness.

If the UMNO MPs claim that the gas canisters and casings are 'dangerous weapons', then they should thank me for doing a public service, for if these gas canisters and casings are left around in Kampong Bercham, then they would cause injury to many innocent people, including the young. These UMNO MPs should praise me for going to Kampong Bercham, and Sdr. Karpal and I returned to Kuala Lumpur only after 4 a.m. this morning (and for the information of all MPs, I have not yet gone to bed since yesterday), and bring them to Parliament to be handed over to the Deputy Minister of Home Affairs.

But these are mere pretensions, for how could gas canisters and casings (except for one which had probably not been exploded, and nobody wants to explode it!) be dangerous, except for those who want to sensationalise on non-issues.

If in bringing these spent tear gas canisters and casings into Parliament, I could jolt and shock MPs into realising the horror perpetrated on the 500 squatters at Kampong Bercham, and to put a

stop to such high-handed and even brutal police action against squatters, whether Malays, Chinese or Indians, to stop treating them as criminals or terrorists, but to respect them as human beings, then I would be glad to accept the consequences of my action.

My conscience would be very clear that I have done my duty to all the squatters in Malaysia, of all races, who run easily to over a million, to speak up for their basic human right to be treated as human beings.

Here, I want to mention that the tear gas canisters have passed their shelf life, some which carried instructions that they should be replaced in October 1974, others in 1976. What is the consequence of using tear gas canisters which have expired their shelf life? I understand it could be one of two consequences: either the tear gas canisters would not work, or it could emite not just tear gas, but poisonous gas!

I hope that the House would not be deviated from the issue before us, which is the plight of the 500 squatters who were brutally treated by high-handed police action yesterday, and not the so-called security of Parliament with the spent gas canisters and casings.

EMPTY PROMISE

We must deplore the arrest of nine persons yesterday in the Kampong Bercham operation on the ground that they were obstructing public officers from carrying out lawful duties. When your only home for the last 10 to 15 years is being demolished, exposing you to homelessness, what do you expect the squatters concerned to do? Lawyers would know of the concept of natural law which would justify human beings to defend their basic rights against the lawlessness of man-made laws.

What makes the Kampong Bercham incident so unnecessary is that mature leadership could have avoided a conflict.

During the October 1982 Kepayang by-election, the Mentri Besar, Ramli Ngah, publicly promised the Kampong Bercham squatters a 20-acre land for 142 housing lots to resite them to make way for low-cost housing in the squatter area.

But his solemn Barisan Nasional promise proved an 'empty' one. On August 21, a squatter delegation led by the DAP Assemblyman

for Kepayang, Sdr. Lau Dak Kee, met the Mentri Besar who promised that all the squatters would be given land for housing (initially TOL and later to become a leasehold) and for those with farming activities, would be given land for farming as well.

The Kampong Bercham squatters were let down again and again. When on October 1, the Land Office with Police support wanted to demolish the 64 houses, with the intervention of Sdr Lau Dak Kee, the Mentri Besar agreed to a one-week extension. Furthermore, the Mentri Besar also agreed to meet Sdr. Lau Dak Kee on October 17 to discuss the problem of Kampong Bercham squatters, which is a tacit understanding that there would be no forcible eviction until then.

Yesterday itself, when the Assistant District Officer went to the scene and told Sdr. Lau Dak Kee that the Kampong Bercham squatters would be given housing lots and others who have farming land, land for farming as well, Sdr. Lau Dak Kee sought and received the agreement of the squatters to co-operate with the authorities in demolishing the squatters huts. But when the Assistant District Officer on being asked for further clarification, said it was not a housing lot but some 'long house' temporary arrangement, tempers flared.

It is most deplorable that the Kampong Bercham squatter problem was already so close to settlement, and with further patience, discussions, an amicable settlement would have been reached if the government had honoured its pledge to the squatters.

The Kampong Bercham squatters are very disappointed that MCA and Gerakan leaders, in particular the MP for Ipoh, Peter Chin, had not helped them — but had allowed yesterday's police high-handed action and brutality to take place. The MCA MP for Ipoh should actually resign for his political negligence and irresponsibility.

GUIDELINES

The squatter problem must be seen in a larger and national perspective. It is the result of the failure of the Barisan Nasional government housing policy to provide housing for the poor.

The Federal and State Government must bear responsibility to find immediate accommodation for the Kampong Bercham squatters who had been evicted.

It should embark on a crash programme to build low-cost houses for all, and in resolving squatter problems, must adopt the four guidelines of:

(a) squatters must be treated as human beings and not treated as criminals, terrorists or akin to animals without human rights;

(b) there must be no police solution to the squatter problem, such as the indiscriminate and massive firing of tear gas at the sick, old, women and children, and resort must be had to negotiations and discussions;

(c) government acknowledgement of its responsibility for the squatter problem because of its housing programme failure to provide a roof over the head of the poor;

(d) the fulfilment of the government's promise that all pre-June 1975 squatters (made by the Perak Mentri Besar in the Perak Assembly) would be provided with alternative accomodation before they are evicted.

Finally, I call on the House, to prevent future Kampong Bercham incidents from repeating, to

(i) condemn the high-handed police action against the Kampong Bercham squatters in firing tear gas indiscriminately against them; and

(ii) call on the Federal and State governments to have a humane solution to the squatter problem.

Pusat Serenti Tampin — Hell on Earth

"The public wants action from the authorities to ensure that Pusat Serenti Tampin ceases to be a torture chamber or death cell but a centre where drug addicts are given a second lease of life, to be restored as useful and productive citizens of the country.

...If the government cannot put a stop to abuses of powers in the Pusat Serenti Tampin, how could the people entrust more powers to the Government, although it is for a good cause — to check and eliminate the drug menace."

The DAP welcomes the establishment of a Parliamentary Select Committee on the Dangerous Drugs (Special Preventive Measures) Bill 1984, for we hope that it marks the beginning of a new government attitude which aceepts the principle that legislation is not the sole prerogative of the government of the day, but must involve the widest public participation in the deliberation and formulation stage even before they are debated in Parliament.

We hope that the Government would not set up Select Committees merely for X-films, divorce laws, and now drugs legislation, but also on Bills with wide-ranging constitutional, economic, human rights and political implications, like constitutional amendments, the recent Civil Law Amendment Bill, even the Companies Amendment Bill, so that Parliament will not merely operate as a rubber stamp of the Executive, but participates actively in law-making.

Speech on the establishment of a Select Committee on the Dangerous Drugs (Special Preventive Measures) Bill 1984 on October 17, 1984.

The establishment of the Parliamentary Select Committee on the Dangerous Drugs (Special Preventive Measures) Bill 1984 also reflect a praiseworthy awareness on the part of the government that the war against the drugs menace cannot succeed if there is no public support.

The DAP, and I am sure the whole population, give the fullest support to the government's effort to wipe out the drug menace, for it is not only the government's war, it is the country's war, so that drugs would not destroy the fibre of Malaysians and wreck the very social fabric of our nation.

But I must warn the government that the government could lose the support of the people in the anti-drug war if it is unable to check and eliminate gross abuses of power, creating public revulsion and antagonism instead.

The best example of the failure of the government to check abuses in the anti-drug campaign, which is threatening the forfeiture of public support to the government's campaign, is the case of Pusat Serenti Tampin, the one-stop rehabilitation drug centre.

In June and July last year, I publicly exposed how inmates at the Pusat Serenti Tampin were subject to the most unspeakable brutalities and inhuman treatment by the Pusat Serenti Tampin staff, to the extent that inmates swallowed cut glass from broken bottles and rusty nails to escape from being returned to Pusat Serenti Tampin.

The highest authorities, including the Deputy Prime Minister and the Minister of Home Affairs, Datuk Musa Hitam, gave public assurances that the Pusat Serenti Tampin was still at an experimental stage but no one would be allowed to take the law into his own hands.

On September 14 this year, the Pusat Serenti Tampin was officially opened by Datuk Musa and I was very pleased to accept the invitation to visit Pusat Serenti Tampin. What I saw impressed me, and I said so to the Deputy Prime Minister and the Centre authorities, but who is to know that in less than two weeks, the public will again be shocked into realising that the brutalities and physical violence meted out to inmates at Pusat Serenti Tampin had not ceased, although it was not on so big a scale and involving so many Pusat staff as at the beginning of the Centre last year.

Like all Malaysians, I am still waiting for the result of police investigations into the death of Tee Kian Eng, 32, from Malacca, who was committed to the Pusat Serenti Tampin by the Malacca Magistrate on Tuesday, 25th September 1984, on the request of his businessman father, Tee Kim Lwi, 58, who was admitted to the Tampin General Hospital less than seven hours after he arrived at the Pusat Serenti Tampin with critical injuries, transferred to the Seremban General Hospital and died the next day at about 6 a.m. of *'severe cerebral concussion'*.

TORTURE CHAMBER

Tee Kim Lwi, the father, is particularly aggrieved for he holds himself responsible for his son's death, although he wanted to do the best for his son and society by sending him to the Pusat Serenti Tampin for drug rehabilitation.

The whole of Malacca is upset that Pusat Serenti Tampin has become a torture and death chamber, especially at what appears to be another attempt to 'cover-up' the crimes committed there against the inmates.

Undisclosed official sources have claimed in the Malay Mail that Tee Kian Eng could have died of an *'overdose of drugs'*. How could this be when from September 13 to September 19, Tee Kian Eng was in the custody of Pusat Serenti Tampin, and from September 19 to September 25, in the custody of the Melaka Tengah Police Station. Is it being officially suggested that during the 12 days that Kian Eng was in custody, either at Pusat Serenti Tampin or Melaka Tengah Police Station, drugs were freely available. This then calls for an official inquiry into the Pusat Serenti Tampin and the Melaka Tengah Police Station.

Last week, another inmate of Pusat Serenti Tampin, Mohamed Nasir Nazar Alikhan, 24, lodged a police report alleging that he was physically tortured at the Centre. He alleged that he was assaulted with canes and bamboo poles on September 28 by at least four corporals at the centre's field and in public view on September 28, and he suffered a broken left hand and scars all over the body.

I have given to the Deputy Prime Minister, Datuk Musa Hitam, 11 names of Pusat Serenti Tampin staff, from the centre officials, army

and social welfare sections, who are most guilty of committing brutalities and physical violence against the inmates.

The public want action from the authorities to ensure that Pusat Serenti Tampin ceases to be a torture chamber or death cell but a centre where the drug addicts are given a second lease of life to be restored as useful and productive citizens of the country.

If the government cannot put a stop to abuses of powers in the Pusat Serenti Tampin, how would the people entrust more powers to the Government, although it is for a good cause — to check and eliminate the drug menace?

The Select Committee should look into this aspect with great thoroughness, because public confidence and support in the government's anti-drug campaign hangs on the trustworthy use of government powers, and the ability to stamp out abuses of power swiftly and effectively.

I have come across a case where an innocent person was framed up by police personnel, who were working in cohoot with his personal enemies, by charging him of being a drug pedlar by the simple method of putting packets of drugs in his car when the police were searching his car.

This person was detained for two months and subsequently released. This case was reported to me, but as he was subsequently released, I did not pursue the matter. But the question we must ask is what safeguards are there to prevent abuses of power whereby innocent people could be framed?

I note that most of the police personnel, getting to quite high ranks, were disciplined in this frame-up case.

CONSULTATION

I have said that the DAP fully supports the national campaign against the drug menace and we will participate in the Select Committee being set up today.

I wish here to bring up a matter of principle. By all established parliamentary conventions, before appointments are made with regard to parliamentary committees, the Party leadership concerned must be consulted and its consent sought. In this case, the DAP

parliamentary leadership was never consulted or our consent sought with regard to the DAP MP to sit on the Select Committee.

I say this not because the DAP is opposed to Sdr. Lee Lam Thye sitting on the Select Committee. In fact, we believe he can make useful contributions to the Select Committee's deliberations.

But we cannot agree or allow the ruling parties to go behind the back of the DAP parliamentary leadership to make decisions with regard to DAP MP appointments to various Parliamentary committees or delegations, for we do not want the ruling parties to 'play politics', to use this as an instrument to cause division in the DAP Parliamentary group.

Everybody knows that for quite some time, the Barisan MPs and government had been trying to create the impression that there is a great split between Lim Kit Siang and Lee Lam Thye, and even in today's New Straits Times report about the Select Committee appointments, there is a suggestion that Sdr. Lee Lam Thye was appointed to the Select Committee because he is more acceptable to the ruling parties. If this was the basis of the appointment, then it was not bona fide, but made mala fide with the intention of creating divisions and splits in DAP ranks.

Probably, there are those who want to see the DAP split up and riven with internal divisions in the way that UMNO, MCA, Gerakan had been riven with internal divisions, and this is their way of trying to achieve their objective.

This is very sad, for it shows that there are people who would want to play politics even on a matter as serious as the drugs menace in Malaysia.

I call on the Government leadership to respect parliamentary conventions and norms and to consult the DAP Parliamentary leadership on appointments of DAP MPs to Parliamentary committees or delegations. If in future, this parliamentary convention is not observed, then much as we want to contribute to Parliamentary deliberations, we will have no choice but to reject such appointments.

To demonstrate our grave concern about the drugs menace, and our co-operative rather than confrontationist attitude, we will go along with the Select Committee appointments this time. I hope the

ruling parties will observe in future the basic parliamentary courtesies and decencies vis-a-vis party to party to enable Parliamentary work to be carried out smoothly.

Retrenchment of Workers and The Labour Minister

'How can the 50,000 retrenched workers, and the tens of thousands who would be retrenched in the coming months, expect real help from the Ministry of Labour when the Minister of Labour himself, Datuk Mak Hon Kam, had been under the threat of 'political retrenchment' for the last 22 months, and is even now not sure for how many days more he would stay on as Minister of Labour?'

The biggest problem facing workers today is the spectre of retrenchment, and this is also the biggest failure of the Labour Ministry.

On the 22nd October 1985, the Deputy Minister of Labour, Datuk Zakaria Abdul Rahman, told the House that 7,831 workers were retrenched from various industries between 1982 and July this year.

This ridiculous figure was received with aghast, disbelief and consternation by the trade union movement and the workers, for it showed that the Labour Ministry was not only trying to minimise the gravity of the problem of retrenchment, but is not serious and sensitive to the hardships that mass retrenchments is causing to the lives of the workers.

By most estimates, the conservative figure of retrenchments for the period mentioned by Datuk Zakaria would be in excess of 50,000 workers retrenched, with the electronics industry with more than

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Speech on the estimates for the Ministry of Labour on November 29, 1985

10,000 retrenchments; about 16,000 rubber estate workers being retrenched; over 8,000 in the textile industry; over 7,000 workers in the tin mining industry (not to mention the 5,000 workers who lost their jobs with the closure of tin mines since the collapse of the tin market on 24th October); over 6,000 retrenchments in the construction industry and over 4,000 in the timber industry.

The trade unions and workers had bitterly complained that the Ministry of Labour had shown no serious concern about their plight, apart from empty Ministerial pronouncements.

In a way, how can the 50,000 retrenched workers, and the tens of thousands who would be retrenched in the coming months, expect real help from the Ministry of Labour when the Minister of Labour himself, Datuk Mak Hon Kam, had been under the threat of 'political retrenchment' for the last 22 months, and is even now not sure for how many days more he would stay on as Minister of Labour?

CABINET COMMITTEE

The MCA power struggle is a real tragedy for the workers, who are the real casualties as it rendered the Minister of Labour unable to provide the leadership and direction sorely needed at a time when the workers are facing a crisis of retrenchments. Instead, Datuk Mak was too busy trying to save his own political skin. Things would not have been so bad if the leaders of the other contending MCA factions had the concern of the workers at heart, and put pressure on the Labour Ministry to discharge its duty to the workers. But then, they are the spokesmen of high finance, business and monied interest, and have no concern for the workers — and had probably themselves been retrenching workers!

The DAP calls on the Prime Minister to set up a Cabinet Committee on retrenchments to give the problem the seriousness it warrants, especially in the light of more massive retrenchments to come, the return of some 80,000 expatriate Malaysian workers from Singapore and other foreign countries, and the presence of some 800,000 to a million illegal foreign nationals, in particular the illegal Indonesian immigrants.

Many employers have been taking advantage of the economic recession to retrench older workers who draw higher salaries, ignoring the 'last in, first out' principle in retrenchments.

The Cabinet Committee on Retrenchments should put a stop to unfair labour practices of unscrupulous industries which are using the economic recession to cut labour costs, in disregard of their responsibilities to the welfare of the workers who had in the past brought in great profit gains for the employers.

The Cabinet Committee on Retrenchment, through labour regulations, should draw up new guidelines to minimise the abuses and hardships of mass retrenchments, as

(i) Requiring three-month early warning notice before retrenchment notice is served on a worker;
(ii) To find alternative jobs for the workers, in co-operation with the Ministry of Labour;
(iii) Spread the period of termination over a longer period; and
(iv) Fix criteria for selecting workers for retrenchment with staff representatives or the trade union concerned.

CONTRACT LABOUR

I am indeed shocked that during question time in the current Parliamentary meeting, the Deputy Labour Minister, Datuk William Lye, said there were no abuses or exploitation of the contract labour system. It makes me wonder whether he understands the labour conditions in the country at all!

Only in September, the Timber Employees' Union delegates' conference called on the government to abolish the contract system of hiring timber workers. As the Union Secretary-General, Mihat Sulaiman, rightly pointed out, contract labourers did not enjoy the benefits provided under the Employment Act, as they do not have contracts of service. As a result, they are not entitled to sick leave, annual leave, public holidays and maternity leave. They are also not covered by Socso nor do the employees contribute to the EPF on their behalf. They are also dismissed whenever the employer chooses without any termination benefits.

I had in this House in the seventies spoken many times on the evils and abuses of the contract labour system. As a result, in 1976, the Employment Act was amended to confer power on the Minister to prohibit by order the employment of contract labour in any occupation in any agricultural or industrial undertaking, construction work,

statutory body, local government authority, trade, business or place of work. When such an order is made by the Minister, all persons specified in the order would become employers and employees for the purposes of the Employment Ordinance and other written laws.

Unfortunately, although the evils and abuses of the contract labour system had not been mitigated, especially in estate and construction sites, the Labour Minister had never issued a single order to protect the contract workers from exploitation of the system. And now the Deputy Labour Minister has the temerity to stand up in this House to declare that there are no abuses and exploitation of the contract labour system. He is clearly not fit to be a Deputy Labour Minister.

I want to draw his attention as well as the Labour Ministry to the gross abuse of contract workers at the Batu Arang Division of Sungai Tinggi Estate in Rawang, which is owned by Socfin. The strike by 142 workers at the estate has entered into its 60th day, since October 1, 1985.

The 142 workers had been working on the estate for years, some as far back as 1961. In 1966, when the estate was ready for tapping, the workers were made contract workers to three contractors, Cyril Chin, an MCA JP; C.C.Liong and P. Ramasamy, another MIC stalwart. And for 19 years, these estate workers had been treated as contract workers — and this must rank as a record where contract workers lasted 19 years, when the system is meant to deal with seasonal or specific jobs.

The workers went on strike on October 1 to protest against management and contractor abuses and their long-standing grievances.

The workers do not have housing allowance, no overtime pay, no distance allowance, complain that they are cheated on the computation of poundage to calculate the wages; that they are cheated on scrap rubber; receive no maternity allowance; no medical facilities; EPF contributions of workers are not remitted to EPF; no Socso coverage; removal of creche facilities without notice, and a whole host of complaints about unfair management practices.

I am shocked to receive complaints that when the local NUPW representatives complained to the Rawang Labour Office about the management practices, they were told to report to the NUPW head

office; and when workers themselves went to the Rawang Labour Office, they were scolded by the labour officers.

If the Ministry of Labour is not prepared or unable to help the contract labourers at Batu Arang Division at Sungei Tinggi Estate, Rawang, and act as if they are representatives of the management, the Ministry of Labour should then change its name to Ministry for Employers.

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