

Economic Defence Ordinance

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Bill No: 7/1963

Read the first time: 28th November 1963

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Expenditure of Public Money

Economic Defence Ordinance

Bill No. 7/1963

Read the first time on 28th November 1963.

An Ordinance to provide for monetary assistance to employees in certain businesses adversely affected by the severance of trade relations between Malaysia and Indonesia and for matters connected therewith.

Be it enacted by the Yang di-Pertuan Negara with the advice and consent of the Legislative Assembly of Singapore, as follows: —

Short title and commencement

1. This Ordinance may be cited as the Economic Defence Ordinance, 1963, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Ordinance unless the context otherwise requires —

“contractor” means any person who contracts with an employer to carry out the whole or any part of any work undertaken by the employer in the course of, or for the purpose of, the employer’s trade or business and who is affected by the provisions of section 5 of this Ordinance;

“employee” means a person who has entered into an agreement, either written or oral, express or implied, to work for an employer or a contractor and who is affected by the provisions of section 5 of this Ordinance;

“employer” means any person affected by the provisions of section 5 of this Ordinance, who carries on or is engaged in the business of shipping between Singapore and Indonesia or in the business of rubber processing or in any business connected with sago, rattan, coffee, coconut oil or pepper or in any other business which may, from time to time, be declared by the Minister, by notification in the *Gazette*, to be a business for the purposes of this Ordinance;

“full employment” means employment at total monthly wages which are not less than the wages received by an employee from his employer or contractor immediately prior to the adverse effect on the business of the employer or contractor consequent solely on the severance of trade relations between Malaysia and Indonesia;

“partial employment” means —

- (a) in the case of an employee employed at a monthly rate, employment at reduced monthly wages;
- (b) in the case of an employee employed at a daily rate, employment at a reduced daily rate or for a reduced period during the month; and
- (c) in the case of an employee employed at a piece rate, employment at reduced work or at a reduced rate,

so that the employee’s total wages per month are less than the wages received by him from his employer or contractor immediately prior to the adverse effect on the business of the employer or contractor consequent solely on the severance of trade relations between Malaysia and Indonesia;

“the Fund” means the Economic Defence Fund established under section 4 of this Ordinance;

“wages” means the remuneration in money due to an employee, whether such remuneration is agreed to be paid monthly, weekly, daily or otherwise, and includes any allowance in money paid to an employee in respect of accommodation or food, or where food is supplied to an employee, the cost of such food to be reckoned at one dollar per day.

Appointment of officers

3.—(1) The Minister may appoint an officer to be styled the “Director of Economic Defence” (hereinafter in this Ordinance referred to as the “Director”), and may appoint such numbers of Assistant Directors as he may think fit.

(2) The Director shall have superintendence of all matters relating to this Ordinance, subject to the direction and control of the Minister.

(3) The Assistant Directors may perform all the duties imposed and exercise all the powers conferred on the Director by this Ordinance.

(4) All appointments made under this section shall be published in the *Gazette*.

Establishment of the Economic Defence Fund

4.—(1) For the purposes of this Ordinance, there shall be established a fund to be called the “Economic Defence Fund” into which shall be paid all sums required to be paid under the provisions of sections 7 and 8 of this Ordinance, and out of which shall be met all payments required to be paid under this Ordinance.

(2) The Fund shall be administered and controlled by the Director.

Termination of service prohibited for six months

5.—(1) No employer or contractor shall, by reason of any adverse effect on his business consequent solely on the severance of trade relations between Malaysia and Indonesia, terminate the services of an employee for a period of six months from a date to be determined by the Director as provided in this section.

(2) If the Director is satisfied, from information received from an employer, contractor or any other source, that for the reason set out in subsection (1) of this section, any employer or contractor is unable to provide full employment or is able to provide only partial employment to any of his employees, the Director may, after making such inquiries as he may deem necessary, determine the date from which the employer or contractor is unable to provide full employment or is able to provide only partial employment (hereinafter in this Ordinance referred to as the “relevant date”) and shall

advise the employer or contractor in writing of the relevant date and of his obligations under this Ordinance.

(3) Nothing in subsection (2) of this section shall be construed as absolving an employer or contractor from notifying the Director in writing, in such form as the Director may require, that he is unable to provide full employment or is able to provide only partial employment to any of his employees.

(4) The decision of the Director as to the relevant date shall be final and binding and shall not be called in question in any court.

Liability to contribute to the Fund

6. From the relevant date, every employer shall, in respect of every employee employed by him or by his contractor, become liable to contribute to the Fund and shall continue to be liable for a period of six months from the relevant date.

Employer's contributions

7.—(1) The employer shall pay into the Fund each month, for a period of six months from the relevant date, in respect of every employee of his or of his contractor, who is —

- (a) not provided with full employment during the month, a sum equal to one-third of the monthly wages such employee would have earned had he been fully employed, the quantum of such monthly wages to be determined by the Director as the Director thinks fit;
- (b) provided only with partial employment during the month, a sum equal to one-third of the wages such employee would have earned during the period he is not employed, the quantum of such wages to be determined by the Director as the Director thinks fit.

(2) Such sum shall, in the first instance, be paid into the Fund within seven days of the relevant date, and thereafter within seven days of the end of each month until the obligation of the employer under subsection (1) of this section is discharged. With every such payment, the employer shall furnish such particulars relating to the employee as the Director may require.

(3) The decision of the Director as to the quantum of wages under the provisions of subsection (1) of this section shall be final and binding and shall not be called in question in any court.

Government's contributions

8. The Government shall contribute to the Fund each month an amount equal to the sum paid by the employer under subsection (1) of section 7 of this Ordinance.