MAHATHIR ADMINISTRATION

Leadership and Change in a Multiracial Society

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Chung Kek Yoong

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Dedication

This book is dedicated to my parents,
Swee Peng and Poh Ming and
also to Pooi Chee and Su Ann.

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Preface

The idea for this book was conceived in late July, 1986 as the country geared itself towards its seventh general election since independence, and Malaysians everywhere got caught up in the heat of political electioneering.

The previous four years of the Mahathir Administration had been a particularly momentous period in Malaysian political history. Never before had the actions of a government in office generated so much debate and critical examination over its policies. This book, to a great extent, represents my own personal views — as one belonging to the *Merdeka* generation — of events leading to the elections and of the polls itself. The intention here is not to present an academic look at the Mahathir Administration, but rather to provide a clear and critical account of events so that the readers will have a better understanding of the electoral process; the interplay between events, issues and political outcome.

Some acknowledgements are in order. This book would not have been written if not for the assistance I received from numerous people. In particular, I would like to thank my publisher for releasing the book, Mei Poon for assisting in the research, Karen Lee and Christina Wong for typing the manuscript. I am also grateful to my wife Pooi Chee for her comments, encouragement and unfailing support.

Chung Kek Yoong

September 1986

Abbreviations

Political Parties

Berjasa	Barisan Jamaah Islam Se Malaysia (Malaysian Islamic Assembly Front)
Berjaya	Bersatu Rakyat Jelata Sabah (Sabah United People's Party)
DAP	Democratic Action Party
DMIP	Democratic Malaysian Indian Party
Gerakan	Gerakan Rakyat Malaysia (Malaysian People's Movement)
Hamim	Hisbul Muslimin
IMP	Independence of Malaya Party
MCA	Malaysian Chinese Association
MIC	Malaysian Indian Congress
Nasma	Parti Nasionalis Malaysia (Nationalist Party)
PAS	Parti Islam Se Malaysia
PBBS	Parti Pesaka Bumiputera Bersatu (Sarawak Bumiputera Indigenous Party)
PBDS	Parti Bangsa Dayak Sarawak (Sabah Dayak People's Party)
PBS	Parti Bersatu Sabah (Sabah United Party)
PNB	Permodalan Nasional Berhad
PPP	People's Progressive Party
PRSM	Parti Sosialis Rakyat Malaysia (Malaysian People's Socialist Party)
SDP	Socialist Democratic Party
SNAP	Sarawak National Party

SUPP	Sarawak United People's Party
UMNO	United Malays National Organization
USNO	United Sabah National Organization

Others

ABIM	Angkatan Belia Islam Malaysia (Malaysian Islamic Youth Organization)
Aliran	Aliran Kesedaran Negara
ASN	Amanah Saham Nasional (National Unit Trust)
BBMB	Bank Bumiputra Malaysia Berhad
BMF	Bank Bumiputra Finance (Hong Kong)
CCC	Chinese Consultative Committee
CRC	Civil Rights Committee
Cuepacs	Congress of Union of Employees in the Public and Civil Service
EON	Edaran Otomobil Nasional (National Car Distributors)
Hicom	Heavy Industries Corporation
ICA	Industrial Co-ordination Act
ISA	Internal Security Act
MAS	Malaysian Airline System
MTUC	Malaysian Trades Union Congress
NEP	New Economic Policy
RTM	Radio Televisyen Malaysia

About the Author

Chung Kek Yoong is a writer on politics and current affairs. He was educated in the Anglo-Chinese School, Ipoh and later at the Victoria University of Wellington, New Zealand, where he obtained a degree in Political Science. He worked as a reporter with the national daily, *The Star*, in Kuala Lumpur in 1982 and was formerly President of the Malaysian Students' Association in Wellington. The author is currently doing research on the media and politics in Malaysia.

Mahathir takes over as President of UMNO from Tun Hussein Onn, 26 June 1981.

Introduction

Malaysia's multiracial society and unique system of inter-communal political co-operation has long been of great interest to political scientists. Indeed, changes in the nation's foreign and domestic policies since Datuk Seri Dr Mahathir Mohamad came to power in 1981 have gained the attention of political observers in many parts of the world.

The 1986 General Election, for example, was by far, the most heated and crucial contest for political power in fifteen years. Not since 1969 has the contest for seats been so intense, the opposition so shrill in its criticisms and condemnation of the government, and the ruling coalition so at risk of losing the backing of a significant proportion of the people.

As in 1969, the people in Malaysia in 1986 were particularly concerned with the future. There was a heightened sense of insecurity — social as well as economic uneasiness. Economic recession had set in. The tin industry, for many years, the symbol of the nation's economic strength (together with rubber) had collapsed, throwing thousands of mine workers out of their jobs and threatening the very existence of many mining towns. Commodity prices had remained depressed for two years running. With oil prices remaining low, Malaysia could no longer rely on using revenue from the oil and petroleum sector to spend its way out of economic trouble.

Job losses have also been clearly evident in the years leading to the polls in 1986. This was particularly evident in the electronics and construction industries. The public sector was no longer the generous employer that it once was

when it held the twin role of servicing the administration as well as providing jobs for the rural youths who drifted in to the cities from the kampungs. Business activities and investments have also declined and with it all, came the feeling that the opportunities to work, to do business, to have access to education, and to make good in life had been seriously undermined. The recession brought about an increase in intra-elite rivalry as business elites and their political backers jostled for a bigger share of the seemingly shrinking economic pie.

There was also a heightened sense of social insecurity. In the rural areas, particularly in the East Coast and in the northern states, a new Islamic consciousness and assertiveness has emerged. As in 1969, religion and culture again became important political issues. The kampung folks became caught up in the debate between the opposition PAS and UMNO, the traditional champions of the Malays, over a wide range of issues. These included the establishment of an Islamic state, the infusion of Islamic values in schools and in the administration, and the issue of co-operation or non-cooperation with people of other religions. In short, PAS had set off a challenge to the traditional order by offering the normally conservative rural voter its own brand of Islamization. Among the majority of the non-Malays, there was increasing uneasiness over what they perceived as the Islamization of Malaysia. The Malay and UMNO-dominated government had remained ambiguous on this issue. On one hand, Islamization was to be one of its strategies to counter PAS allegations that the government lacked strong Islamic credentials. On the other hand, it tried to reassure non-Muslims that an Islamic state was not a viable proposition in Malaysia.

Racial polarization was also a much publicized issue. The opposition had accused the government of contributing to racial polarization, through its implementation of the New Economic Policy (NEP), its policy on university admission, business licences and contracts, the "One Language One

Culture" policy and even over matters like control over television programming. Datuk Musa Hitam, as Deputy Prime Minister, had himself conceded that racial polarization was a serious problem, but there was little agreement as to how to deal with it.

On the political front, there was also no shortage of issues with which the opposition could try to pin down the government in the hope of eroding the government's electoral support. The disclosure of the loss of $2.5 billion in bad loans in the Bank Bumiputra Finance (BMF) affair, charges of "money politics" and economic mismanagement, and accusations regarding the private business dealings of some leading politicians closely connected with the political leadership, gave the Mahathir Administration a crisis-prone image. In an apparent climax to the administration's series of political misfortunes, Musa Hitam stunned the nation when he announced his resignation from the government in March 1986. With Musa's resignation, the Mahathir government was faced with a double challenge: one from the combined opposition forces, the other from Musa.

Yet against all odds, the Barisan Nasional government was returned to power for another five-year term with a comfortable majority of 148 seats, a wider margin than the two-thirds majority which it had sought in the polls on 3 August. Although it was never in danger of losing its overall majority, some political analysts had geared themselves to seeing the government lose its two-thirds majority. If the elections were fought solely on the issue of Mahathir's political style and leadership, it would appear that Mahathir had emerged unscathed. It was the opposition parties themselves as a whole which had been rejected by the majority of the voters. At his first press conference after the polls, Mahathir remarked that it was the opposition who had miscalculated the mood of the people and that Malaysians were generally supportive of the government. Hence, he said, there was no need to change the direction of government policies.

But in terms of total votes obtained, the Barisan National's share of the votes decreased. The Barisan took 148 out of the total 177 parliamentary seats and managed to retain control of all the state assemblies. Closer scrutiny of the margin in some states, however, revealed that the Barisan Nasional had a far closer battle than the results showed. For instance, in Kelantan, the Barisan managed to secure only 52 per cent of the total votes, yet captured all but one of the parliamentary seats.

In the urban areas, its junior coalition partners — the MCA and the Gerakan — suffered heavy losses in the fight for parliamentary seats. Although the Barisan Nasional was able to retain control of the Penang State Assembly, the opposition DAP made in-roads into the island state and also scored major victories over the MCA in Perak and the Federal Territory. The DAP appeared to have won a decisive victory over the Barisan in the battle for non-Malay votes.

The results are thus open to different interpretations. There is little doubt that 1986 was an important political milestone in Malaysia's political history. On one hand, the rural and predominantly Malay voters appeared to have rejected the PAS' radical alternative form of government and hence, the Malay vote can be taken as a vote for moderation and retention of the political status quo. The predominantly non-Malay urban electorate, on the other hand, has turned solidly against the Barisan Nasional in apparent protest against the Barisan's policies. There is the fear that racial polarization is about to increase.

This book is a modest attempt to explain how Malaysians reacted to the five-year rule of the Mahathir Administration in 1986. No understanding of the Malaysian political system would be complete without an examination of some of the Barisan Nasional's policies. Therefore it provides a critical analysis of the first Mahathir Administration and its policies and achievements. Some of the more controversial issues and effects of the Administration's policies are discussed in Chapters 2 and 3. The government's perceiv-

ed mishandling of certain important issues such as the BMF affair and the constitutional crisis certainly eroded its credibility to some extent.

Chapter 4 discusses Musa's resignation from the Cabinet and its effects on UMNO. The 1986 elections are discussed in Chapter 5: the campaign and election strategies of the main parties, and the battle for the voter's heart and mind. The results and the implications are set out in Chapter 6. Lastly, I have attempted to include an assessment of what is likely to follow next now that the elections are over and the government can "get on with the business of running the country" to quote Mahathir. Although the opposition's bid for power through the ballot box has for the time being ended, the Mahathir government remains open to new challenges. How well it can cope with these challenges will chart Malaysia's course into the nineties.

Chapter 1

The Mahathir Administration

Mahathir Mohamad was sworn in as Malaysia's fourth Prime Minister on 16 July 1981. The swearing-in was a crowning achievement for one of Malaysia's most remarkable and controversial politicians. Mahathir was no ordinary politician. He made his mark in the late sixties as a strong, vocal supporter of Malay rights and came to be quickly regarded in political circles as an "ultra", or racial extremist, in Malaysian political parlance. Mahathir became a household name in the aftermath of the 1969 race riots when he was in the forefront of an attempt by the so-called UMNO "Young Turks" to pressure and oust Tunku Abdul Rahman as Prime Minister. Shortly after, he was expelled from UMNO for his open criticism of the Tunku's leadership.

Mahathir spent three years in the political wilderness, during which time he became author to what is regarded as Malaysia's most controversial book — the *Malay Dilemma*. In it he recorded his views on the problems facing the Malays; in particular their exclusion from the business sector and his prescription on how to deal with those problems. In the *Malay Dilemma*, Mahathir laid down his thoughts on the plight of the Malays, and discussed issues like inbreeding and hereditary factors which had "retarded" the development of the Malays. He castigated the Alliance government for its failure to protect the Malays from "Chinese economic domination", and defended strongly the preservation of Malay special privileges. He also elaborated on the role and communal nature of UMNO and its partners in the Alliance. The authorities promptly responded to the publication by banning it.

Mahathir Mohamad — Malaysia's fourth Prime Minister.

The political tide turned full circle in 1981 when UMNO picked Mahathir to head the government. While the foreign media made great play about his "extremist" image, Malaysians had already had a taste of Mahathir as a national leader. Rehabilitated and taken back into UMNO's fold in 1972 by Tun Razak (who had by then taken over from the Tunku), Mahathir soon enjoyed a meteoric rise in UMNO and government ranks. By 1976, he was already Deputy Prime Minister to Tun Hussein Onn, having held the Education and Trade and Industry portfolios previously.

Only days before the swearing-in, delegates at the UMNO General Assembly chose Musa Hitam, then Minister of Education, to be Mahathir's deputy. Musa Hitam had an equally chequered career. As a promising young Assistant Minister in 1969, he had joined in the move calling for the Tunku's removal from office and had quickly earned an "ultra" label. Musa was also expelled from the party by the Supreme Council, after having been accused by the Tunku of having "doubtful loyalty to the government". In 1973, he made a comeback when he was appointed Deputy Trade and Industry Minister by Tun Razak. Five years later he took over the influential Education portfolio and was elected one of UMNO's Vice-Presidents. The Education portfolio was a virtual stepping stone for those destined for the nation's top leadership post.

In terms of education and outlook, both Mahathir and Musa Hitam differed greatly from their predecessors. Unlike Tun Hussein Onn, Tun Abdul Razak and the Tunku who were all educated in England, both Musa and Mahathir were educated in Singapore and had little ties with the traditional Malay elite. Both leaders can be said to represent the new breed of UMNO leaders — well-educated, outspoken and bold in their political thinking, each with an unblemished record as defender of Malay nationalism. Not surprisingly, the passing of the political leadership to the 2Ms (as they were soon called) led many political commentators to remark that Malaysia was about to enter a new political era.

Musa Hitam.

Early Days of the Administration

The 2M administration assumed power in 1981 with a great deal of reformist zeal. Right from the start it sought to distinguish itself from all previous administrations by establishing dynamism as the hallmark of the administration. While the Hussein Onn administration showed itself to be cautious, guarded and at times indecisive, the 2M administration proceeded at a furious pace.

In the initial months, both the new Prime Minister and his deputy pressed hard to project a liberal image. Barely after a month in office, Musa Hitam announced over Malaysian television that the government would be releasing a total of 21 political detainees to mark the 25th anniversary of *Merdeka*. The gesture was particularly welcomed by those who felt that the previous administration had given less than adequate respect for human rights. Datuk Harun, the former Menteri Besar of Selangor who was serving sentence in jail on corruption, was also pardoned.

The administration also set out to create a more efficient system of administration. Civil servants were warned to shape up, be more service-oriented and punctual. A clock-in system was implemented for all civil servants. The orders also went out that all civil servants, Prime Minister included, were to wear name tags so as to make them more accountable to the public. Both measures had a more symbolic than practical value. Also highly symbolic in terms of the government's commitment to efficiency, were the orders to close down a number of loss-making state development corporations. In announcing the measures, Musa Hitam pointed out that in future, government corporations would pay particular emphasis to higher performance and greater productivity.

In line with its "liberal" image, the government announced a relaxation of the visa restrictions of foreign wives, making it easier for them to remain in the country. The 2M administration also gave an assurance that it would be more tolerant of press criticism, provided the criticisms were constructive.

More significant in the early days was the re-ordering of priorities in foreign policy. In September 1981, Mahathir declared bluntly that he will not attend the forthcoming Commonwealth Head of State Meeting as he had "other better things to do". The relationship with Britain also underwent a transformation. Angered by the British government's decision to raise the fees of overseas students in the UK, Mahathir announced a "Buy British Last" policy. The government would only buy British products and services if no other choices were available. Resentment against Britain over various policies had been simmering for years. The policy, no doubt, was prompted partly by British attempts to stall Permodalan Nasional's bid to take over Guthrie. Permodalan Nasional was one of the many bumiputera-controlled corporations with substantial government ownership entrusted with the task of helping bumiputeras gain a 30 per cent share of the nation's corporate equity by 1990 in line with the NEP.

The 2Ms — after the 1982 landslide victory.

Towards the end of 1981, Mahathir announced an even more radical and far-reaching departure from Malaysia's traditional policy. He called on the nation to "Look East" and emulate the achievements of Japan and South Korea. Overnight, Malaysians who have never had a close cultural or political affinity with either country were asked to adopt the Japanese and Korean economic models.

Popular Support

The action-orientated government of Mahathir stirred the imagination of the nation. The 2M administration showed itself to have greater flair and decisiveness in bringing about new policies than all its predecessors. The blunt-talking Mahathir was able to project the image of a hard-working, pragmatic and "no nonsense" leader, complemented by a liberal and moderate Musa Hitam as his deputy.

The government's "Look East" policy was certainly well-received by the private sector. Like many bureaucracies, the Malaysian bureaucracy was not noted for efficiency and service. In any encounter with administrators, long delays invariably occurred. In the past, it was not uncommon for a citizen to queue for hours to have his passport application processed or his identification card or driving licence issued. Applications for business licences and other permits invariably sat unprocessed for weeks. The 2M administration promised to streamline the public service and subject civil servants to greater scrutiny and accountability.

In a memorandum to senior government officials, Mahathir explained that the "Look East" policy meant "emulating the rapidly developing countries of the East in an effort to develop Malaysia. Matters deserving attention were diligence and discipline in work, loyalty to the nation and to the enterprise or business where one is employed, the priority of group over individual interests and emphasis on productivity". Under the government's "Look East" policy, greater technical assistance from Japan and South Korea would be sought. The government drew up plans for

hundreds of students to be sent to Japan and South Korea for training. Malaysians were asked to emulate the Japanese work ethic.

The 2M government also set up ambitious plans to develop a Malaysian version of the Japanese sogososha to compete with multi-national companies overseas. As evidence of the government's new-thinking, the project for the multi-million dollar Penang bridge was awarded to Hyundai, a major Korean company. Awards for the Dayabumi and UMNO Headquarters projects were given to Japanese construction companies.

The multi-million dollar Penang bridge

Closely related to the "Look East" policy was the enunciation of the "Malaysia Incorporated" concept. Malaysia would be regarded as one big, happy family. There was to be close co-operation and support between the government and private companies. House unions — modelled along the lines of those in Japan were to replace the Malaysian traditional union structure. There was to be greater emphasis on cultivating a Malaysian work ethic. Mahathir explained:

> Ethics are very important, values are very important. If you say something then your word must carry weight. In fact you should work to a stage where you can borrow money merely because you say you are going to pay it back. If you can reach that stage, it will be fantastic. But if you have a situation where a worker will not deliver what he promises and does what he likes, then there can be no real planning. If you can't plan, it means, of course, that your delivery is not going to be good, your quality is not going to be good, your promises do not hold water.

He went on to add that:

> A worker must arrive on time, work on time, be prepared to do good quality work, must not cheat in order to get the job finished quickly and must be meticulous. He [the worker] must also feel that he is not just working for himself but that he is contributing to the well-being of the community and nation of which he is part.

Few Malaysians disagreed with those ideals. The 2M administration rapidly gained popular support because it was able to identify key issues and put a finger on those areas long considered sacred cows.

The 2M administration also announced its decision to privatize many of the corporations and businesses under control of the government; some of which are being operated at heavy losses. Plans were soon made to privatize the construction and maintenance of highways, introduce private television broadcasting, parcelling out port operations to private companies and eventually privatizing MAS, the national airline. There was to be more joint-ventures between government-backed bumiputera firms and Japanese companies. The privatization policy was a major departure from

the policies of previous administrations. The public sector in Malaysia had expanded rapidly in the 1970s in an effort to restructure the economy in line with the goals of the NEP. Public enterprises were created in all sectors to compete with private and essentially non-Malay businesses. The government's privatization programme was thus seen by many as a tacit admission that the public sector had been inefficient and marked generally by poor performance.

The 2M administration also worked hard to establish its Islamic credentials. Mahathir announced plans to set up an Islamic university and an Islamic bank. The Islamic university would be an international university where leading Islamic scholars the world over would be invited to give lectures and teach. The Islamic bank, in the words of Mahathir, would be an investment bank: "it is not going to hurt anybody but it will certainly satisfy a group of Muslims who feel that it is wrong for them to accept interest," he said.

His biggest coup, however, came in March 1982, when he surprised every political observer in the country by announcing that ABIM leader and opposition spokesman, Anwar Ibrahim, would be an UMNO candidate in the April election. Anwar at that time, was the leading Islamic opponent of the government, having first gained prominence as a student leader in 1974 when he led peasants in Baling to demonstrate against rural poverty and falling commodity prices in Kedah. Anwar was detained briefly under the Internal Security Act but, upon release, had continued to speak out against the government. In 1981, he had spearheaded the campaign by leading opposition and public interest groups against the proposed Societies (Amendment) Act. PAS had been hoping that Anwar would eventually move from ABIM to PAS, but Mahathir put an end to all that.

The government decided to call for an early election in 1982 primarily to test the nation's support for the 2M administration. The new administration was as yet untested and was uncertain as to whether the people's enthusiasm towards it would be translated into votes.

Anwar Ibrahim.

In April 1982, the 2M administration won the endorsement which it sought. In the elections, the Barisan Nasional was returned with a landslide majority throughout Malaysia. Campaigning under a slogan of *Bersih,Cekapdan Amanah* (Clean, Efficient and Trustworthy), the Barisan took 132 out of the 154 parliamentary seats and 280 out of the 311 state seats throughout Malaysia. Rival PAS which had campaigned strongly on the need for the creation of an Islamic state and "Malay and Islamic sovereignty" was soundly beaten, as was the Chinese-based DAP.

Looking East: Industrialization and Privatization

The 1982 elections was a personal triumph for Mahathir. The results seemed to indicate widespread support and acceptance of Mahathir's attempt to shake-up the bureaucracy, crackdown on corruption and to move the nation towards industrialization through the imposition of a more dynamic leadership. Mahathir's early policy initiatives had a unifying effect on the people. A new consensus appeared to have emerged and the country seemed set on a new and exciting course towards greater economic growth and development.

The year following the elections was in many ways a honeymoon period for the 2M administration, with the massive support of the people behind it, the government could get on with the implementation of its policies. Mahathir had set his sights early on a heavy industrialization programme, the development of the national car, and the encouragement of greater Japanese investment in Malaysia. The heavy industrialization programme would be based on the development of a steel, cement, pulp and paper, petrochemicals and a domestic car industry. The objective behind the move to create a heavy industrial base was to transform Malaysia from being a resource-based country subject to the vagaries of fluctuating commodity prices, to membership among the newly industrialized countries (NICs) of Hong Kong, Taiwan and South Korea. The move was also designed to lessen Malaysia's dependence on agriculture and

mineral resources.

For industrialization to work, Mahathir recognized that there would have to be a radical transformation of the country's workforce. New work ethics would have to be evolved, with new management methods, skill training, technological innovation and the establishment of a wide range of businesses and business conglomerates. Mahathir was confident that Malaysia could learn all these from the East — Japan and South Korea.

Mahathir's basic strategy is to develop heavy industry projects around different parts of the country. This would be complemented by the setting up of new industrial zones in East Malaysia and in places like Labuan and Bintulu. Mahathir's vision of the newly industrialized Malaysia involved marketing most of the country's products locally. This, in turn, meant that Malaysia's population base would have to be enlarged. This was the rationale behind the controversial decision to increase Malaysia's population to 70 million by the year 2100.

The heavy industrialization programme would also tie in with the objectives of the NEP. Distribution and marketing contracts for the products of the new industries would be given to bumiputera companies. For instance, the distribution of the Proton Saga — jointly produced by Hicom (Heavy Industries Corporation) and Mitsubishi — was given to the newly formed bumiputera company, EON. In a bid to expand its exports overseas, the government called for the establishment of Malaysian sogososhas, aggressive giant conglomerates which had the full weight of government backing behind them. Several companies were picked to perform this role: Pernas, Sime Darby and the newly formed Malaysian Overseas Investment Corporation (MOIC).

The move towards heavy industries demanded vast capital expenditure and foreign borrowings. In order to reduce government spending, one of Mahathir's policies was to privatize many public sector activities. Plans were set to privatize television broadcasting, transport, health,

Mahathir at the launching of the Proton Saga, Malaysia's national car, 1 Sept 1985.

education and telecommunications.

The "Look East" policy brought Japan and South Korea closer to Malaysia. Japanese and South Korean companies came to dominate the construction industry. Japanese investment in the country also increased and Japanese banks became an important source of government finance. Mahathir himself sent his daughter to a university in Japan.

Mahathir's "Look East" and industrialization policy, however, did not go unchallenged. The relevance of the Japanese experience and whether it would apply in the Malaysian cultural context was widely questioned by the country's leading academics and bodies like Aliran, a political reform movement. The government's "think-big" projects also came under fire. Plans had been made to develop various heavy industry projects with Japanese partners. Among these were a sponge iron and steel-billet plant, a multi-million dollar cement plant, auto-body stamping plant for the national car project, and a pulp and paper project. There were doubts among various quarters as to whether these projects would prove viable in the long run. Many of the investments were in projects which were already experiencing surplus capacity in the world market. Questions were also raised about Malaysia's ability to pay for the projects, as they required massive funds from overseas, thus contributing to Malaysia's already spiralling debt burden. Critics were also quick to point out that with the government's emphasis on quick completion, "turn-key" projects would do little to help Malaysia gain new technology, as no transfer of technology would be involved in such projects.

Chapter 2

A Controversial Government

As the government's implementation of policies gained momentum and permeated every segment of Malaysian society, the 2M administration also ran into political difficulties. The attempt to set up house unions — along Japanese lines — drew strong criticisms from the MTUC. The country's unions viewed this development with concern as they regarded house unions as little more than an extension of management control in the work place. The unions were worried that house unions would eventually destroy what little was left of independent trade unionism. Public sector unions like Cuepacs were also not enthusiastic over Mahathir's privatization programme, as its members stood to lose their pensions and other benefits if their departments were privatized. Working for the private sector would not guarantee them job security either.

Local contractors and builders were upset at the increasing domination of Japanese and Korean firms in the construction and building industry. Malaysian builders discovered that they could not compete against the well-established and experienced Japanese and South Korean companies.

But by and large, these issues did not pose much difficulty for the administration. Three particular developments which emerged in 1983, however, did have a significant impact on the 2M administration. The first major development was the so-called constitutional crisis. Mahathir's attempt to trim the powers of the royalty was strongly opposed by the rulers. The country was thrown into its gravest political crisis since May 13, 1969. The crisis paralysed the administration's ability to run the country effectively

Sultan Ahmad Shah as the seventh Yang'di-Pertuan Agong whose term of office expired in 1984.

and threatened to split the Malay community. In the midst of all this, the Bank Bumiputra Finance (BMF) affair surfaced. This financial scandal undermined the public's confidence not only in the country's banking and financial system but also the government's record of a "clean, efficient and trustworthy" administration. Accusations of government involvement in the BMF affair continued throughout the government's term of office. Doubts were raised as to its ability to deal with corruption. The third crucial development was the country's slide towards recession. By the end of 1983, it was becoming apparent that an economic downturn was underway, creating serious difficulties for the government to switch the country to a heavy industrial base.

Constitutional Crisis: UMNO's Battle Royal

In late July 1983, Mahathir announced that the constitution would be amended. The amendments were necessary to allow for an increase in parliamentary and state seats and to streamline the administration of justice. The proposed amendments would set up a Supreme Court in place of the Federal Court. The constitutional bill was put to the public as a package and given a first reading in parliament on 1 August. The very next day, it was hastily tabled for the second reading.

The government was rather vague about the bill. In a statement to the press on 1 August, Mahathir gave the impression that the amendments were strictly a matter of administrative procedure "consequential and aimed at exploring and dispelling doubts to do with certain provisions". What those "certain provisions" referred to, was not revealed. Prior to this, the Prime Minister's office had issued instructions to the press not to report the matter. Malaysians were thus simply not informed of the implications of this fundamental change in the constitution.

The "certain provisions" which the government had sought to do away with were hidden under clauses 12, 20

and 21 of the bill. Clause 12 sought to amend Article 66(5) of the Constitution which stated that a bill shall become law on receiving the royal assent after it has passed both Houses of Parliament. The amendment provided that: "if for any reason whatsoever, the Bill is not assented to within 15 days of the Bill being presented to the Yang di-Pertuan Agong, he shall be deemed to have assented to the Bill and the Bill shall accordingly become law".

Clause 21 required that the state constitutions be amended to reflect the Federal Constitution. Clause 20, was equally significant. It sought to amend Article 150 of the Constitution by giving power to the Prime Minister — and not the Yang di-Pertuan Agong to declare a state of emergency.

The potentially controversial bill was passed almost without public notice after three days of debate, opposed only by the DAP. This development went unnoticed until October that year, when the crisis broke into the open. This occurred when Parliament convened in October to begin the budget session. The speaker revealed that eight bills passed in the previous session had been approved by the Senate but Royal Assent had not been received. The next day, in reply to a supplementary question raised by the parliamentary opposition leader Lim Kit Siang, the Prime Minister declared "I am not aware that there is a constitutional crisis".

By then, it had become increasingly difficult for the government to keep a lid on things. The DAP referred to the constitutional crisis in the October issue of its publication, the *Rocket*. Prior to this, the former Information Minister, Datuk Senu Abdul Rahman had sent an open letter critical of the amendment to all UMNO divisions. This was picked up by the foreign press.

Open criticism of the amendment gained ground on 7 November, when former Prime Minister, Tunku Abdul Rahman, brought the issue into the open in *The Star*. The Tunku declared that "a crisis has arisen in which the people, particularly the Malays, are torn between their loyalty to the Rulers and to UMNO". Criticizing the amendments,

Senu Abdul Rahman.

the Tunku warned that "those who are opposed to constitutional monarchy and favour a republic will welcome the move and those in support of constitutional monarchy will oppose it". He added that the amendment may make it easier for those who want to set up a republic to take power.

Mahathir's attempt to push through the amendments received a major set-back when the Conference of Rulers which met on 12 — 13 October decided against the amendments. This led Mahathir to take the issue directly to the people. The Prime Minister held rallies throughout Peninsular Malaysia to explain his position, to drum up support and called on people to defend "parliamentary democracy". Rallies were held at Alor Setar, Perak and Negeri Sembilan, Batu Pahat, Klang and Melaka. The rallies were spearheaded by the so-called Magnificent Seven — younger ministers who were anxious to cut their teeth with Mahathir. They included Datuk Rais Yatim, Datuk Sanusi Junid, Datuk Seri Adib

Tunku Abdul Rahman Putra.

Adam and Anwar Ibrahim. Within the ruling coalition, UMNO youth warned the Rulers against over-stepping their powers. But the MCA and Gerakan were generally muted in their support of the amendments leaving it entirely up to UMNO to take on the Rulers.

At the height of the dispute, tension within the states rose. Counter-rallies were organized in Kuala Terengganu and Kelantan. In Johore, the Sultan was apparently displeased with the 2Ms and was reported to have called for the removal of the 2Ms' photographs from all state government offices. The Malaysian flag normally hoisted alongside the Johore state flag was also removed from government buildings. Behind the scenes, active negotiations with the Sultans took place.

It was not until mid-December 1983 that Mahathir finally conceded that his government was faced with a political difficulty as a result of the proposed constitutional changes. Speaking in Parliament, Mahathir admitted that the Constitutional (Amendment) Bill had not yet received the royal assent because the Rulers objected to some sections of the legislation.

Soon a compromise was worked out. Article 150 of the Constitution would be restored to what it had been before, that is, the Prime Minister will not be the sole arbiter as to when a state of emergency could be declared. The amended version of the legislation allowed the Yang di-Pertuan Agong to express disagreement with a bill after which it could be sent back to Parliament for debate. If the bill was then carried with a two-thirds majority or more, it would be presented to the King for a second time and would automatically become law after 30 days. The new bill was presented to a special session of Parliament and was signed by the Deputy King, Sultan Tuanku Jaafar of Negeri Sembilan, on 15 December.

The new legislation thus, ironically gives the King powers which he did not have prior to the 1983 amendments. The King is now provided with the expressed power

Sultan of Johore — the eighth Yang di-Pertuan Agong of Malaysia.

to return to parliament bills passed by both Houses with recommendations for any changes he sees fit. It can thus be argued that Malaysia no longer has a true constitutional monarchy. The new legislation also allows the King to delay legislation for 60 days — contrary to the intention of the government when it first introduced the amendments.

Mahathir's tussle with the Rulers was primarily motivated by the fear that future rulers might not be prepared to bow to the political masters of the day. When the constitutional amendments were pushed through Parliament, Malaysia was faced with the prospect of a new king who would be extremely strong-willed and independently-minded. As Sultan Ahmad Shah's term of office would expire in 1984, the throne would pass either to the Sultan Mahmood of Johore or the Sultan Idris Shah of Perak. Both were fiercely independent-minded and did not always follow conventions. For instance, the Sultan of Johore had opposed the appointment of Othman Saat as Johore's Menteri Besar. Othman Saat was later forced to vacate his office as a result of royal opposition. Both the Sultan of Perak and Johore had clashed with the government over fasting dates in June. The latter had withdrawn his state from the National Islamic Religious Affairs Council, a body set up by the Conference of Rulers to advise on religious laws and customs.

The constitutional crisis caused confusion and division between large segments of the Malay population. The rulers are looked upon as the upholders of Malay culture and religion. They represent tradition and continuity. UMNO, on the other hand, wielded actual political power and was regarded as the protector of Malay political dominance. The Malays were thus forced to choose between loyalty to their Sultans and loyalty to UMNO. The crisis undermined Mahathir's position in government as Mahathir was criticized both by the Sultans and UMNO members for his handling of the crisis.

The crisis also exposed a darker side of the 2M administration for, despite all the talk about a liberal, tolerant

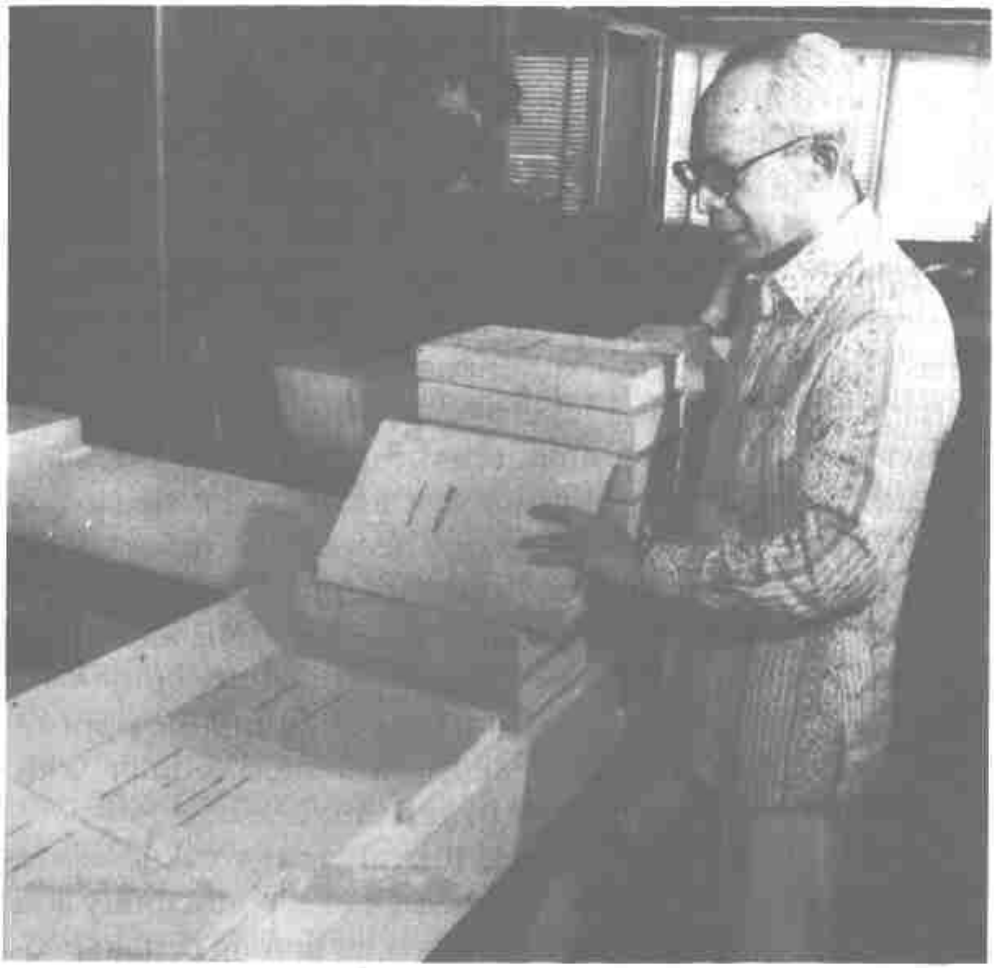
and open society, the government had little hesitation in clamping down on the press and stopping the local media from reporting the significance of the crisis. *Watan*, the Malay bi-weekly ceased operation temporarily following its reporting of the crisis and the Hong Kong-based *Far Eastern Economic Review* had its distribution delayed and disrupted.

The BMF Scandal

During Mahathir's four-year term of office, the constitutional crisis was over-shadowed only by the Bank Bumiputra Finance (BMF) scandal which involved the loss of an estimated $2.5 billion in bad loans to the Hong Kong-based Carrian group of companies: Carrian Investments, Eda Holdings and Kevin Hsu. The massive losses were uncovered following investigation into the collapse of the Hong Kong property market in late 1982. A report in the *Asian Wall Street Journal* on 10 November 1982 gave details on BMF involvement with Carrian. This was denied by BMF Chairman Dr Nawawi Mat Awin.

The government's initial response to the disclosure in late 1982 was to deny that anything was amiss and that things were under control. Finance Minister Tengku Razaleigh told the press in February that the Bank Bumiputra Board was looking into the matter and that Bank Negara would be kept informed of the developments. He claimed that the loans were "nothing more than a normal business problem". Repeated attempts by the DAP to get the government to take action on the matter failed.

In July 1982, Jalil Ibrahim, a senior Bank Bumiputra auditor seconded to BMF to investigate the matter, was murdered and his body was found in a banana plantation in the New Territories. Jalil's murder led to the arrest of George Tan and his appearance in the Hong Kong High Court in October on fraud charges. At the court hearing, it was revealed that Carrian Investment Holdings owed BMF about M$1.7 billion. BMF had also given loans to Carrian-related



Committee of Enquiry Chairman, Ahmad Noordin, examining the final report of the BMF scandal, 8 December 1985.

companies, Kevin Hsu and Eda Holdings. Together these loans exceeded $2 billion — massive enough to wipe out Bank Bumiputra's capital and reserves of M$1.2 billion.

The government was forced to respond. At a press conference on 11 October, Mahathir revealed that a former Chairman and four senior officials of BMF had been given "consultancy fees" amounting to HK$3.3 million dollars from Carrian. He described that action as a "betrayal of trust" and a "heinous crime" but claimed that no action could be taken: "what they did was morally wrong although legally,

it was within the law, we cannot take them to court".

Next day, Tan Sri Kamarul Ariffin who was Executive Chairman of BBMB until March 1982, made a spirited defence of his position. He told reporters that Mahathir's remarks were "the unkindest cut of all". Kamarul asserted that owing to the size of the loans, Bank Negara must have known and approved of BMF loans. "Bank Bumiputra Malaysia is no ordinary bank. Because of its ties with the government, it has characteristics that other banks don't possess. No important decisions are taken without the agreement or knowledge of the government or the central bank," he said. Kamarul went on to point out that loans of the size given to Carrian would "ordinarily require ministerial acquiescence".

Despite calls from many quarters for a White Paper or a Royal Commission of Inquiry into the BMF affair, the government was determined not to let matters come to a head. Unrelenting pressure from the public and the opposition led the government to set up a limited inquiry with restricted powers and terms of reference.

The BMF scandal exposed the inherent weaknesses in the country's financial system: the lack of accountability and control, and the lack of ethical behaviour among certain people in positions of power. The scandal also highlighted the failure of Bank Negara to discharge its role effectively, that is to supervise, check and monitor the activities of the banks. The scandal undoubtedly has damaged Malaysia's financial standing abroad and has affected the country's creditworthiness. Politically more damaging to the Mahathir Administration was the damage caused to bumiputera interests. BBMB's majority shareholder is Permodalan Nasional. At the height of the disclosures Permodalan Nasional injected $600 million into BBMB shareholders fund boosting its shareholding to 50 per cent in an apparent rescue mission. Permodalan Nasional is the parent body of Amanah Saham Nasional (ASN), the unit fund of 1.3 million Malay small-time investors; this raises the possibility that the interests of the

small investors in ASN have been prejudiced by the PNB move. The heavy losses almost pushed BBMB to the brink of collapse and Petronas had to take over its debts.

The government's failure to act decisively on the issue, its continued denial of any knowledge and its failure to recognize that it was an important public issue, served to confirm public suspicions that there was a cover-up. The attempt to withhold information from the public also cast doubts as to whether the 2M administration could live up to its reputation of providing a "clean, efficient and trustworthy" government.

The BMF affair was especially damaging to the government's credibility. The bank was closely linked to the political leadership, having been set up to help Malays improve their position in keeping with the objectives of the NEP. Kamarul Ariffin, for instance, was an UMNO member of parliament and had been reputed to be groomed to take over as Finance Minister. Other people involved in the scandal, like Lorraine Osman, were well-connected with the political elite.

The government's image was thus given a final blow when the report of the committee was released to the public after a great deal of hesitation. The extent of involvement in the affair will never be known. But what is clear is that there is a widespread belief that corruption has become more rampant. The list of people named in the report read like a who's who in Malaysia.

Economic Recession

While the BMF affair and the constitutional show-down between UMNO and the rulers had all the elements of drama, suspense and tension, the people's attention was detracted from a more critical problem confronting the country — that of an economic downturn and recession. While the constitutional crisis had far-reaching implications to the extent that it affected the political power structure, it was nevertheless perceived by many as essentially a struggle for the

contending loyalties of the Malays. The economic downturn, however, affected almost every individual and business across the country.

The economy had already showed signs of a slow-down when Mahathir came to power back in 1981. It became more pronounced in the two years before the 1986 elections. The country had grown rapidly between 1965 and 1973, and this had enabled Malaysia to become one of Asia's most successful agriculture-based economies. Malaysia's enviable growth rate shot even higher in the mid-seventies when Malaysia became a net exporter of crude oil and petroleum. The current recession is thus the worst experienced in post-*Merdeka* Malaysia.

Much of the problem can be attributed directly to the sharp fall in commodity prices worldwide. Malaysia was hard-hit as palm oil, rubber, tin and cocoa prices tumbled. Demand for timber and wood products fell as the timber industries in neighbouring Indonesia became more competitive. Palm oil — one of the mainstays of the economy — fell from a peak of $1,500 per metric ton to around $450. Crude petroleum, which fetched US$27.50 at its height, also decreased to about US$14.

The two traditional pillars of the economy — tin and rubber — had also lost much of their shine. Malaysian rubber has lost its dominance over the world market as a result of stiff competition and falling prices, although it remains as Malaysia's largest export. Present rubber prices now hover at about $1.80 a kilo. Tin, which accounted for 20 per cent of all exports in 1970, now constitutes 3.2 per cent of exports. Gradual release of the US stockpile, falling demand and price fluctuations led to a collapse of the tin market and the tin industry in 1985. Thousands of workers in the Kinta and Klang valleys were retrenched. This in turn has contributed to a depression in some of the smaller cities and towns in the tin belt.

The outlook was no brighter in the non-agricultural sector. Demand for electronics and other manufactured goods also contracted, putting enormous pressure on the domestic

economy. The recession, in turn, has been worsened by a credit squeeze, high interest rates and sluggish demand for goods and services throughout the region. In the commercial sector, the property market declined as a result of oversupply. This put pressure on the banks as property is a major form of collateral. Almost every major business and company in Malaysia is connected with the property sector in one way or another. The cut in government spending had a dampening effect on the economy. Private sector investments also stagnated as investors remained apprehensive over the Industrial Co-ordination Act and the NEP.

Politically, the recession proved damaging to the 2M administration. In Penang, the closure of several electronic factories resulted in substantial job losses. This, coupled with the lack of investment incentives and the poor business climate, contributed to some erosion of support for the Mahathir government.

The economic downturn meant that the government could no longer proceed with some of its developmental projects. It could no longer distribute patronage and largess as generously as in the past. To some extent, this put some of its rural seats at risk. Without continued development, UMNO was hard-put to compete with PAS for political support.

The effect of the recession was sufficiently damaging for Mahathir to consider suspending the NEP. Given normal circumstances such a move would be considered playing around with a political time-bomb. In an interview with the Australian Broadcasting Corporation in May this year, Mahathir was reported to have said: "the NEP will be held in abeyance, more or less, except in areas where there is growth. At the moment there is no growth, so we have decided not to go ahead with the kind of restructuring we planned for". Mahathir added, "we'll have to concentrate on growth first and then restructuring".

As the recession deepened, the government was forced to re-examine many of its policies in an effort to bring

in more investment. In an about-turn, foreign investors were allowed to set up a 100 per cent foreign-owned companies if the company was geared towards exports.

The government has further held out a review of the controversial Industrial Co-ordination Act. Such measures did not endear the administration to the hearts of bumiputera elite, as they were interpreted as concessions to non-Malays. The recession thus accentuated the rivalries between the various elites in Malaysian society.

Chapter 3

Crisis and Reaction: A Nation Adrift

When the country returned Mahathir to power in the 1982 election with a landslide victory for the Barisan, it was a clear indication that the people favoured a strong dynamic government committed to social and economic changes. There was considerable disenchantment with the opposition which had come about with a realization that the opposition at best could only raise issues with the government but had no power nor the means to influence or alter existing policies. The 2M administration held out the promise of a "clean, efficient and trustworthy government". This was a message which appealed strongly to the electorate and enabled the 2M administration to secure popular support not only from the Malays but also from the other communities. The people seemed unanimous in their support of the Mahathir-Musa leadership.

However by 1986 — the year in which the elections were eventually held — the consensus and popular support for Mahathir appeared to have all but broken down. Deep social cleavages appeared to have set in among various segments of the community. To some extent, such a dramatic turn-around was not totally unexpected. Mahathir's dynamism, his tough "no-nonsense" political style, had raised the hopes and expectations of Malaysians. The Mahathir government was expected to bring in quick results to many diverse problems.

The commitment to change and to get things done exerted tremendous pressure on the 2M administration. But decision-making was highly centralized, with Mahathir personally overseeing many policy initiatives. This had two ef-

The 2M administration — the promise of a "Clean, Efficient and Trustworthy" government.

fects: one, many of the policies were not clearly explained to the bureaucracy and as a result, not properly implemented, and two, because of the highly personalized style of decision-making, Mahathir came to be closely identified with the failures of some of these policies.

In attempting to change the attitudes, direction and basic premises of many accepted policies, the government encountered much more resistance than it had expected and subsequently had to lower its objectives, trim back its policies and work towards reaching a compromise. The Administration also faced various political difficulties. It has often been said that the biggest enemy for a ruling party with a substantial majority comes from within its own ranks. The

success of winning power often gives rise to complacency as factions within the ruling coalition wrangle over ways and means of distributing patronage. UMNO and its political allies, in particular the MCA, became afflicted with this — as various factions within the parties jostle for positions of power. There was also considerable feuding among the parties within the coalition, UMNO against the MCA, the MCA against the Gerakan, and also Gerakan-UMNO conflict.

As the country slid towards recession, the range of options available to the government to help solve its problems came to be severely constrained. The government could not satisfy each and every faction or the demands of every component party in the coalition. Its failure to resolve its political difficulties and to get the economy out of the recession eroded its support and damaged its image as an Administration noted for its decisiveness and resolveness. Mahathir's patchwork solutions to many of its political difficulties gave the people the impression that the government had lost its direction and sense of purpose. The Administration had taken almost seven months to resolve the constitutional crisis, 20 months to sort out the MCA leadership struggle and almost 2½ years before it brought the BMF affair to any semblance of a close.

The government was also under pressure from another quarter — the threat of Islamic fundamentalism. As discussed earlier, the defeat of PAS in the 1982 elections led to a change in PAS leadership. The new leaders in PAS took on a different strategy and embarked on a head-on confrontation with UMNO. It offered the people a return to more traditional values, accused UMNO of being unIslamic and eventually made in-roads into many of UMNO's areas in the northern and east coast states.

Mahathir and UMNO's response to this was to build up its own Islamic credentials. The inculcation of Islamic values into the administration, the development of Islamic institutions and the teaching of Islamic civilization in schools helped deflect criticisms from PAS, but it also alienated a

substantial majority of the non-Muslim communities. At the back of their minds, the nation's minorities held doubts about the administration's commitment to a multiracial and secular society.

Racial Polarization

By far, the most crucial problem confronting Malaysia in the year leading to the polls was that of racial polarization — a deterioration in race relations. This was one problem which successive administrations had failed to deal with. The trend towards greater racial polarization has been exacerbated by controversies involving various government actions.

At the official opening of parliament following the 1982 election, the government announced its plans to implement the so-called "One Language One Culture" policy. The government stated its commitment to the evolution of one citizenry, one language and one culture. This was strongly criticized by the DAP as representing an attack on Chinese- and Tamil-medium schools. "If the Barisan Nasional government is committed to the evolution of 'one citizenry, one language, one culture', 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 Master Plan'," the DAP argued. This was not in any way an argument which was not without grounds. The courts had, prior to this, rejected Chinese educationalists' attempts to establish an independent private university — Merdeka University — which would use Chinese as the medium of instruction.

Other policy pronouncements did not assuage the fears of the non-Malays. The government went on to declare that the National Culture Policy would have on its objective, "cultural assimilation". Again, this was taken to mean that other cultures would have to assimilate with Malay culture. Attempts by various Chinese cultural groups to hold the traditional lion dance in public were rejected by the police. Datuk Seri Adib Adam, who was then Acting Minister of Culture,

explained in Parliament that the Barisan Nasional government rejected the lion dance as part of Malaysian culture as "it was not accepted by all racial groups".

The implementation, by various local councils and municipalities, of signboard regulations which stipulated that Bahasa Malaysia be more prominent than other languages, and also the use of Jawi, added to increase friction between the state and non-Malay communities.

The debate on language and culture continued throughout the term of the Mahathir Administration. In 1984, the Melaka state government's plans to develop Bukit China — one of the world's largest and oldest Chinese cemetary in Malaysia — provoked a heated debate among political and other interest groups. To the state government, Bukit China was sitting on prime valuable land. The Opposition groups accused the government of wanting to destroy the hill which symbolizes Sino-Malay co-operation. According to the story, a Malay Sultan sold the land to the Chinese community in return for marrying the daughter of the reigning Chinese emperor. Both the MCA and the Gerakan (as well as the DAP) opposed the move as did various other groups like the Malaysian Chinese Chamber of Commerce, the Chinese press and environmental groups. Although eventually the state government gave in to opposition demands, the issue sparked off one of the most heated debates on culture witnessed in Malaysia.

Language, culture and education were not only issues which led to a deterioration in race relations between the various communities. Issues like the dumping of nuclear waste in Papan — a predominantly Chinese mining town in Perak, the presence of thousands of illegal Indonesian migrant workers, and even the death sentence passed on ISA detainee Sim Kie Chon, took on racial overtones.

In the case of Papan, the original dump site for the nuclear wastes was purported to be in Parit, a predominantly Malay town, north of Ipoh. Opponents of the government argued that the government was racially motivated when it

shifted the proposed dump site from Parit to Papan. Th presence of thousands of illegal immigrant Indonesians le to fears among non-Malays that they would be outnumbere by Indonesians. Some of the migrants had been given ide tity cards — a status long denied to many Indians an Chinese. The Indonesians were also linked to the growin crime wave. In the case of Sim Kie Chon, the oppositio argued that Mokhtar Hashim, the former Minister of Cultur Youth and Sports found guilty of murder, was given a pa don yet Sim, who was only found in possession of a hand gun, was sent to gallows. This, the critics argued, was co clusive evidence that not everyone was equal before the law

Mokhtar Hashim, the former Minister of Culture, Youth and Sports, who was found guilty of murder

The Mahathir Administration was also identified wit launching the process of Islamization in the country. At th UMNO General Assembly in September 1982, Mahathir ha announced three major projects: the establishment of an In ternational Islamic University and an Islamic Bank. The thir

was the introduction of a compulsory subject of Islamic Civilization for all university students in Malaysia. Non-Malays feared that these moves would fuel the process of Islamization and the creation of an Islamic state.

There were other manifestations in the deteriorating race relations. Commenting on racial polarization in the universities, Aliran reported that "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".

Aliran has attributed this to a number of factors: Firstly, the racial policies related to quotas and scholarships. Entrance to universities are governed by strict racial quotas. Secondly, the feeling among students that race will determine employment prospects and social mobility. Thirdly, a strong attachment to "narrowly-defined communal rights and interests among a significant number of Malays and non-Malays". Aliran also pointed out that "a bigoted interpretation of Islam among some Muslim students has brought about counter-reactions among non-Muslim students. Also it alleged that "certain academicians and administrators" are manipulating the students' ethnic fears and hopes for their own interests.

Aliran warned that: "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 the public and private sectors."

Lim Kit Siang has argued that the apprehensions of non-Muslim Malaysians to the Islamization 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".

Lim Kit Siang, Secretary-General of DAP.

The Islamic Challenge

The Islamic revolution in Iran in the late seventies boosted Islam's prestige and influence throughout the world. Iran became a theocratic state run by a council of *mullahs* or religious teachers. The success of the *mullahs* in bringing about radical political change to one of the most corrupt regimes in the world, gave rise to a new militant Islamic assertiveness. The revolution boosted the hopes of many Muslims throughout the Islamic world and raised the prospect that one day, they too would be able to take control of the state through the power of Islam.

The Iranian revolution also made its presence felt in Malaysia. Among the Malays, a new Islamic consciousness appears to have arisen. The country also experienced an upsurge in Islamic activities and emphasis on Islamic values and culture throughout the Malay-dominated rural areas. The Islamic resurgence led to the creation of numerous Islamic religious groups and *dakwah* (missionary) movements across Peninsular Malaysia. It revitalized the Islamic Malay opposition PAS and gave it a new direction in its bid to secure the political support of Malaysia's Malays.

Following its defeat in the 1982 elections, the leadership of PAS passed from the traditional leaders such as Datuk Asri and Datuk Abu Bakar Umar — who were more in the tradition of Malay-nationalists rather than that of Islamic crusaders — to a group of younger and more radical leaders. Although the party presidency went to party conservative, Haji Yusof Rawa (Malaysia's former Ambassador to Iran), effective control of the party had passed to younger leaders like Haji Hadi Awang from Terengganu. Like the other young PAS leaders, Haji Hadi was educated in Saudi Arabia and Egypt. Haji Hadi, noted for his fiery oratory, preaches regularly to a large congregation at his home village of Kampung Rusila in Terengganu.

The new leadership immediately went about its task of rebuilding its political support by preaching fundamental Islamic values to the Malays. PAS accused the UMNO-led

Haji Yusof Rawa, President of PAS.

government of not doing enough to establish an Islamic state and that UMNO members were *kafirs* or infidels — an extremely serious and emotional charge to be levelled at a fellow Muslim. The *kafir-mengafir* debate had a divisive effect on rural Malay communities as accusations and counter-accusations led to a hardening of positions.

The UMNO-PAS conflict reached new heights in the early eighties as communities caught in between almost invariably had to choose sides. In some kampungs, there were instances of UMNO and PAS supporters refusing to pray together or allowing their children to marry each other. Some even set aside separate burial grounds for their members as the UMNO-PAS rivalry intensified. There were also reports of divorces as supporters of PAS broke with their spouses in the belief that those who associated with UMNO were *kafirs*.

The divisions within the Malay community could not be traced entirely to PAS campaign alone. There were allegations that the government was discriminating against PAS farmers and fishermen in providing development assistance. There were also allegations of UMNO-appointed *imams* (religious teachers) not wanting to preach to those who were PAS supporters.

In August 1984, the government ordered a ban on all public gatherings in Perlis and Kedah. The government claimed that police studies on PAS *ceramahs* had established that the *ceramahs* "threatened public order". PAS was reported to have gone round rural areas calling for a *Sabil* or crusade against UMNO. The ban on *ceramahs* was later extended to Kelantan and Terengganu. The government further claimed that PAS had violent intentions and was prepared to overthrow the government.

The heated debate between UMNO and PAS took another turn for the worse in August when Mahathir challenged PAS to debate the *kafir-mengafir* issue on nationwide television in November. This led to fears among many members of the Malay community that if the debate were

PAS delegates at the General Assembly, 1985.

to proceed, it would divide Malays even further. The proposed television debate was finally called off after leading personalities appealed to the Yang di-Pertuan Agong — as head of religious matters in the country — to call it off.

To back its claims that PAS was a threat to the nation, the day after the cancellation of the television debate, the government tabled a White Paper on Muslim extremism, "The Threat to Muslim Unity and National Security", in Parliament. Prepared by Musa Hitam in his capacity as Home Minister, the document outlined details of various Muslim extremist groups in the country. Several PAS members were alleged to be connected with some of the groups. The White Paper asserted that communists were exploiting the rift in the Muslim community to their advantage. Six groups were listed as having plotted to overthrow the government in

order to establish an Islamic state. The White Paper was clearly aimed at PAS and attempted to link its leaders to Islamic radicals. It was also designed to warn the country's non-Malay communities of PAS' "unholy" intent.

The government kept up its attacks on PAS in the immediate period following the release of the White Paper. In a hard-hitting speech Mahathir called PAS leaders, "snakes with forked tongues" for twisting the "truth" about Islam.

PAS campaign to win back electoral support by pushing for the establishment of an Islamic state put UMNO on the defensive. To stave off the PAS challenge, it had to adopt measures which would give it an Islamic image. Thus, its policies to set up an Islamic university and Islamic bank can be regarded as policies initiated to blunt the thrust of PAS' criticisms. But in accommodating some of PAS' demands, UMNO ran into heavy flak from the non-Malay communities. Also, the Islamic revival, with its emphasis on Islamic cultures, values and morality created a larger rift between the Muslim and non-Muslim communities. The Islamic fundamentalists through their Arabic dress style accentuated the differences between them and the rest of the community.

UMNO's warning against extremism gained greater credence in November 1985 when police clashed with supporters of a village religious leader Ibrahim "Libya" Mahmood in Memali, near Baling in Kedah. The clash left 18 people dead and 29 persons injured. Ibrahim "Libya" was a former PAS' branch official and had contested the elections in 1978 and 1982. Tension in Memali had been steadily building up over the previous months. Ibrahim Libya's supporters complained of repeated police harassment to stop the group from holding its *ceramahs*. The police claimed that Ibrahim Libya and his group had been steadily building up an arms cache. A warrant for his arrest had been issued under the Internal Security Act in September 1984 but Ibrahim had eluded his captors.

In the early morning of 19 November, a police party moved into the village to arrest Ibrahim. The police claimed

that as they moved in, they were ambushed by an angry mob of villagers and Ibrahim's supporters resulting in the bloody clash between police and the villagers. The incident occurred when Mahathir was out of the country. In an address to Parliament explaining the government's course of action, Musa remarked that: "The government will act harshly against those who disrupt public order. Such groups must know that they cannot flout the law". Ibrahim and his followers were labelled criminals by the authorities. In an apparent attempt to justify the police action, a TV screening of the incident based on an edited police video tape was shown on nation-wide TV. Yet the video proved inconclusive and failed to answer the many questions being asked by Malaysians: could the police not have arrested Ibrahim by cutting off his food supplies rather than moved into Ibrahim's compound in such a provocative manner?

The Memali clash did nothing to lower tension between PAS and UMNO. Although PAS initially tried to distance itself from Ibrahim Libya, the dead were given a Muslim warrior's burial in a mass grave at Parit Panjang — a PAS stronghold — 64 km away from Memali. PAS claimed that those who were killed in the clash died a martyr's death. Memali soon became the battle cry of PAS campaigners in the fast approaching elections.

Sabah Power Play

Political tensions were not confined solely to Peninsular Malaysia. While deteriorating race relations between the Malays and non-Malays and the rise of militant Islam gave rise to a sense of drift in the nation, political developments in Sabah seemed to deal a stunning blow to the Mahathir Administration's image as a decisive, fair and firm government.

The Sabah crisis was brought about by an internal split within the then ruling Berjaya government led by Datuk Harris Salleh. In August 1984, Datuk Joseph Pairin Kitingan quit Berjaya, where he was a vice-president and successfully got

Joseph Pairin Kitingan, President of PBS

Harris Salleh, President of Berjaya

himself re-elected in Tambunan as an Independent opposition member. Pairin was the paramount chief of the Kadazans, the largest ethnic group in Sabah. The victory at Tambunan led to the formation of Parti Bersatu Sabah (PBS), a Kadazan-based but theoretically multiracial party, to contest the 1985 Sabah state elections.

The PBS pulled off one of the most surprising victories in a Malaysian election by defeating Berjaya — a member of the Barisan Nasional which had ruled Sabah for the past 10 years. The PBS clinched victory in the state by winning the barest minimum number of seats — 25 out of a total 48 seats. This was boosted to 26 seats when the sole Pasok winning candidate defected to the PBS before all the results were known.

In a surprising turn of events, the leaders of the two losing parties, USNO and Berjaya, entered into a pact in an attempt to pre-empt the PBS from taking office in Sabah. In a pre-dawn "coup" attempt, USNO leader Tun Mustapha Harun attempted to seize power by forcing his way into the governor's residence and, through the threat of force, persuaded the governor Tun Mohamed Adnan Robert to swear him in as Chief Minister. Tun Mustapha's appointment stunned Pairin's supporters. As tension in the state rose, the Federal government was forced to intervene. Musa Hitam appealed to those who had lost to "respect the wishes of the majority in Sabah". Musa disassociated the Barisan from Tun Mustapha's move and warned USNO from taking further action. Pairin was later sworn in as Chief Minister.

The PBS defeat of Berjaya was a tremendous blow to Mahathir's image. Federal politicians had campaigned actively for Berjaya in the state elections and Mahathir himself had risked his image by saying openly that: "we will sink or swim with Berjaya". The quick diffusion of a volatile situation in Sabah immediately following the election boosted Musa's image. Musa's decision to support and respect the electoral results were widely applauded by Malaysians.

Mustapha Harun, President of USNO.

But the PBS victory in 1985 was only to be the beginning of the so-called Sabah crisis. Unable to take power through the ballot box, USNO, with the implicit support of the federal government, mounted a series of legal and political challenges to unseat the PBS government. Tun Mustapha quickly filed a civil suit to invalidate Pairin's appointment of six nominated members to the Assembly. Under the Sabah constitution, the party in power had the right to add six more members to the government bench. In the Sabah State Assembly itself, USNO members — who won 16 out of the 48 seats — staged a dramatic walkout as a challenge by their leader Datuk Yahya Lampong over Pairin's legitimacy as Chief Minister was thrown out of the Assembly. There were also reported attempts that USNO had tried to "buy off" PBS members to defect to USNO. USNO complained loudly that the new administration was discriminating against Muslims in the state.

In the months which followed, USNO continued to destabilize the PBS government. It called for a boycott of the sitting of the State Assembly. USNO later successfully forced a series of 4 by-elections when it succeeded in getting the courts to declare the seats of 4 sitting PBS members vacant. The four had submitted undated letters of resignation when they were with USNO.

The moves to destabilize the Sabah government took on a new dimension in March 1986 when a series of bomb blasts, fires and demonstrations swept across Kota Kinabalu and various parts of the state. The Federal government appeared to do little to calm the situation. Mahathir himself commented that he did not know who the Chief Minister was and did not visit Sabah to get a first hand reading of the worsening situation.

As the law and order situation deteriorated, USNO and Berjaya were both clamouring for emergency rule. At the same time, the Federal government was pressing Pairin to enter into a coalition government with USNO and Berjaya. PBS's application for admission to the Barisan Nasional

was turned down by the government. The Federal government claimed that PBS did not have Muslim support.

Faced with a continuing questioning of its political legitimacy, a law suit challenging the appointment of Pairin as Chief Minister as well as mounting political violence and unrest, Pairin announced the dissolution of the Sabah State Assembly in April 1986 and called for fresh elections. In the polls which followed, the PBS was swept back to power with a landslide victory.

The attempt by USNO and Berjaya, which were closely linked with the Barisan to unseat the Sabah government through a series of legal and political challenges as well as violence, damaged the credibility of the Mahathir Administration. Doubts were raised as to whether the government was really dedicated to democracy.

Joseph Pairin Kitingan signing his letter of appointment as the new Chief Minister of Sabah, 7 April, 1985.

The Mood of the Nation

The effects of the political difficulties confronting the government gave rise to the feeling that the nation was adrift. The Mahathir Administration, by and large, was seen to have failed to resolve many of the political and economic issues effectively. More uncertainty was created as speculation rose over when another election would be held. Originally it was thought that elections would be held once the MCA sorted out its leadership problem. But soon another crisis — this time in Sabah — overtook events. In many respects, Sabah was a test of the country's political maturity and attitude towards democracy.

In the beginning of the episode, it was not entirely certain whether the Federal government would respect the democratic wishes of the people of Sabah and recognize the PBS victory over the government-backed Berjaya and USNO. Further doubts came to the surface as the government stood by and took a "hands-off" approach as USNO stepped up its plans to destabilize the Sabah state government. The Sabah crisis was finally resolved not through the initiative of the Mahathir Administration but through the ballot box when the PBS was forced to go back to the people for a new mandate.

Chapter 4

Musa Resigns

If the nation had been solidly behind Mahathir's Administration in the first three years of office, by 1986 the nation seemed adrift. While Mahathir had sought to establish dynamism as the hallmark of his administration, the implementation of policy was a different matter. Increasingly the government seemed unable to carry public opinion with its stated policies. The 2M leadership adopted a top-down autocratic style of management. Once Mahathir had his mind set on something, orders would go out for the people in the lower rungs to implement it. For instance, the government made a ruling that all civil servants must declare their assets — a policy which had far-reaching implications and was extremely difficult and cumbersome to implement. As reality hit home, the government had to modify the ruling — only civil servants above superscale D would have to declare their assets.

Several other policies also did not appear to have been well thought out — for instance, the controversial decision to aim for a population of 70 million Malaysians by the year 2100. The emphasis on heavy industries, establishment of Malaysian sogososhas, house unions, the Proton Saga and the adoption of Japanese management methods were looked upon by many Malaysians with a great deal of scepticism.

By early 1986, it was becoming apparent that the 2M leadership was growing further apart, rumours had begun to circulate in the capital of a split between Mahathir and Musa Hitam. Both were quick to deny this.

In an interview shortly after taking office as Deputy Prime Minister in 1982, Musa commented that both Mahathir

Musa Hitam shocked the nation when he announced his resignation on 1 March 1986. He claimed that he had lost the loyalty and trust of Mahathir.

and he had gone through the same experience and shared a similar background. "We understand each other's perception and concept of government. On top of that, we basically agree on a number of things that need to be done, but simply could not do so because we did not have the opportunity". While both men shared a common aversion to red tape and had some set ideas on which direction the country should go, their personalities were remarkably different. Mahathir is blunt, stern and believes strongly in discipline — often seemingly intolerant of views which do not accord with his own. "Once I've made up my mind on something, I will want to see it through". Characteristic of Mahathir is best given in an interview to *Malaysian Business* in 1980 when he was still Deputy Prime Minister; Mahathir openly stated:

> I believe in open discussions and solving problems openly. Hiding things, being nice does not take us very far. There is a defect in being nice because one is likely to be taken for granted. And as far as I am concerned, I'm not going to be nice.

One of the leading journalists in the country, K. Das, has described him as "nasty and unpleasant". Perhaps a product of his very strict family upbringing. At press conferences, Mahathir says little and often takes snipes at reporters.

Musa on the other hand, is more affable, ready to listen and is normally prepared to explain and elaborate his own position. Widely travelled in his student days, Musa is more suave and urbane than Mahathir. There is little doubt that with the press, Musa was the more popular of the two. Musa had openly sought to project an image of moderation and tolerance, being prepared to modify his views in the light of changing circumstances. This has led some observers to take the less charitable view that he is shifty and an opportunist.

Roots of the Split

On 1 March 1986, Musa shocked the nation when he announced his resignation from the government. He claimed he had lost the loyalty and trust of Mahathir. Musa had timed his resignation from both the Deputy Prime Minister and UMNO Vice-President's posts to be effective as from 16 March, the day after the UMNO Supreme Council was due to meet.

With the announcement, UMNO was plunged into its gravest internal crisis since Dato' Onn bin Jaafar's decision to leave the party. The capital was abuzz with speculation of what had prompted the split. Musa urged his supporters to remain calm and told them that he would be leaving immediately for his *umrah* followed by a holiday overseas. It has been widely speculated that Mahathir had been displeased with Musa's handling of the Sabah crisis and the Memali

From left: Mahathir Mohamad, Daim Zainuddin and Musa Hitam at the 1986 UMNO General Assembly.

clash. Both events occurred when Mahathir was outside the country and Musa had taken a very high profile.

Mahathir said some observers, had taken this as an attempt by Musa to undermine his position. In particular, he was upset by Musa's handling of events in Sabah. Prior to the elections in 1985, Mahathir had openly thrown in his support for Berjaya. Berjaya's subsequent defeat at the polls was a blow to Mahathir. He had then thrown his support behind USNO, the party which was attempting to unseat the PBS government.

It is also conceivable that the differences between the two men run deeper. Mahathir's world-view is greatly influenced by modernity and all the symbols associated with it — high technology, innovation, heavy investment and "think-big" projects. Musa was far from enthusiastic about these. Musa identifies more strongly with the kampung and has spoken out against "fashionable high prestige projects". If Mahathir is inclined towards "think-big", Musa is more geared towards a "small-is-beautiful" philosophy. His wide travels round the Third World in his student days gave him a greater appreciation of rural life and rural development.

A more plausible reason for the split was due to Musa's growing need to distance himself from the Mahathir Administration which was losing popularity. Mahathir's leadership was fast emerging as the major issue in the coming elections but he had shown no signs of wishing to step down. Musa was also put under increasing pressure. With the appointment of Daim Zainuddin, a close friend and confidant of Mahathir, as Finance Minister, Musa's influence in Cabinet and decision-making declined. It was also becoming apparent that Mahathir was grooming UMNO Youth leader Anwar Ibrahim to replace him. Although in Malaysia, the tradition has been for the Deputy Prime Minister to succeed the Prime Minister in office — Mahathir has been known to be a person who does not follow convention strictly. There was thus a likelihood that Musa might be by-passed for the top leadership job. Mahathir had also developed an informal kitchen

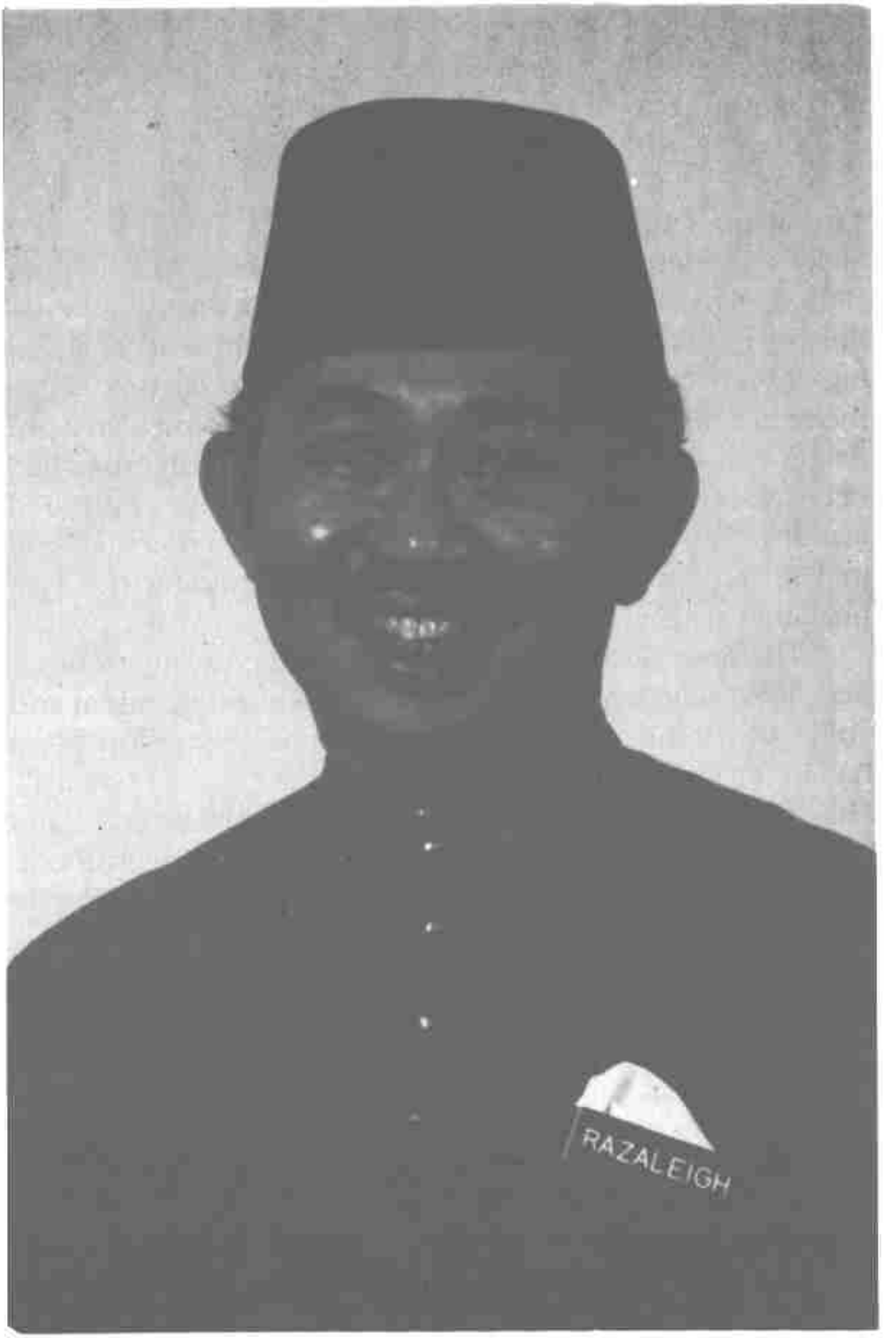
cabinet made up of Daim Zainuddin, Anwar Ibrahim and Sanusi Junid.

Another sore point in the Mahathir-Musa relationship concerned Tengku Razaleigh. In the 1981 UMNO General Assembly, Musa defeated Razaleigh for the Vice-Presidency. Both candidates announced that it would be an all or nothing fight. Razaleigh took the position that if he lost the fight, he would not hold a Cabinet post. But eventually he was retained as Finance Minister despite being beaten by Musa. After his defeat, there was an appeal from some party quarters and also people like the Tunku and Tan Sri Tan Chee Khoon for Razaleigh to remain in the Cabinet. As Finance Minister, Tengku Razaleigh was popular among the Chinese business elite.

Tengku Razaleigh again challenged Musa for the No. 2 position in 1984. Although in the contest for the Vice-Presidency, Mahathir did call on the delegates to vote for "someone who can work with me as a team" — a clear reference to Musa, Tengku Razaleigh was again allowed to remain in Cabinet despite losing for a second time. Razaleigh was shifted from Finance to the Trade and Industry portfolio, still a key position in Cabinet as it exercised considerable influence over the country's business affairs.

There are, of course, others who believe that Musa had genuinely wanted to resign as he was hurt by the lack of trust and confidence in him by Mahathir. His resignation letter which was released to the press certainly seems to show this.

In his letter, Musa expressed his shock and hurt feelings when Mahathir accused him of undermining his position and had described him as being among those who "could not wait to step into his shoes" and were "slandering him as corrupt, a dictator, and among the richest men in the world". Musa said in his letter that he had always considered Mahathir as a brother and felt he had little choice but to resign as Deputy Prime Minister. Musa stated that he had wanted to resign earlier but had been persuaded not to



Tengku Razaleigh Hamzah

do so for the sake of party unity. Musa hoped that his resignation would pave the way for Mahathir to pick someone he could work with to face the next election.

The Musa Challenge

Musa in the meantime kept his vice-presidential post within UMNO. This would enable him to retain considerable influence in the party without being in government. The timing of his resignation was also crucial. It came at a time when the nation had expected the Prime Minister to pick an April date for the elections as both the MCA and Sabah crises had been resolved. His resignation questioned the continued viability of the Mahathir Administration. With a potential split in UMNO, the party's chances of withstanding the PAS onslaught seemed significantly reduced.

The resignation also lent support to a growing group of people who questioned the Prime Minister's judgement and ability to get the nation out of the deepening recession. Musa had in the past spoken out strongly against "money politics". His departure from government tarnished Mahathir's claim to have a "clean, efficient and trustworthy" government. It came out at a time when the people were becoming increasingly disenchanted over the handling of the economy, the BMF affair and various allegations of corruption among top leaders in the country.

Musa's power-base is in Johore. With his departure, party analysts began to wonder how the rift would affect the party machinery in Johore — UMNO's cradle and traditional stronghold. Would Musa now call on his supporters not to back Mahathir's hand-picked candidates at the election? To ensure that his own challenge to Mahathir remained credible, Musa would have to "deliver" Johore with a massive win in the coming elections, yet by doing so, he would unavoidably strengthen Mahathir's hand.

It was apparent that Musa would not be content to lie low. In what can be regarded as his opening salvo and a veiled criticism of Mahathir, Musa told UMNO supporters in

Mahathir Mohamad and Musa Hitam at a press conference after the UMNO Supreme Council meeting at the UMNO headquarters.

Johore Baharu that they should call for a "fresh assessment of the effectiveness of Mahathir's pledge to provide a clean government". He believed that before preparations are made for a fresh election, it is necessary for UMNO members to determine how far "we have fulfilled this promise and that of leadership through example"

As the Barisan's tacticians and analysts went about formulating their campaign strategies, they could not help feeling that they would be facing an uphill battle in the days to come. Not only was the Barisan pitted against a strong opposition, internally the party was undergoing a serious trauma with an intensity which the party had rarely experienced.

Anwar Ibrahim and Musa Hitam.

Chapter 5

Election 1986: Campaign Strategies

The Communal Web

Despite almost 30 years of nationhood and an openly avowed commitment to the ideals of multiracialism by each successive administration, Malaysian politics remain strongly entrenched in a web of communalism. Political parties in Malaysia are organized along ethnic lines and they mobilize support by appealing directly to communal loyalties: loyalty to one's own race, culture and religion. In casting the ballot, the average Malaysian voter, more often than not, is inclined to vote for someone sharing his own skin colour — distasteful as it may seem.

Dr Chandra Muzaffar of Aliran, the political reform group, sums up the situation neatly, "religious and ethnic sentiments play a significant role... such sentiments are stronger than class feelings in explaining voting behaviour". Personalities and ideology are at best secondary in determining political support. While the colonial system had kept the different communities apart as a conscious and deliberate policy to "divide-and-rule", Malaysia's post-colonial governments had done little to bring the different communities closer together. If at all, the different communities seemed to have drifted even further apart with less and less common interests, and shared ideals.

Party politics in Malaysia is largely a matter of mobilizing support from one's own racial group. This is not to say that there has been no attempt to organize electoral support along non-communal lines. Attempts to form political parties which are dependent on multiracial support have failed, and failed rather miserably, in Malaysia. The most

Onn bin Jaafar, the founder of UMNO.

striking example of this is the Independence of Malaya Party (IMP), formed by the country's foremost nationalist, Dato' Onn bin Jaafar — the founder of UMNO.

Not contented with building a party solely dependent on Malay support, Dato' Onn tried to breakaway from the communal strait-jacket and sought support from the country's non-Malays. He created the IMP as a vehicle towards a multiracial approach to secure independence for Malaya. This bold and far-sighted move was stoutly rejected by the Malays and Dato' Onn was cast into the political wilderness by the very same people who had earlier chosen him to be their undisputed leader.

A more recent example is that of the Gerakan Rakyat Malaysia. The Gerakan was formed in 1967 by a group of leading opposition politicians, academicians and unionists to provide a viable multiracial alternative to the communal Alliance. The Gerakan wrested control of the Penang State government from the Alliance in the 1969 elections and emerged as the second largest opposition group in the country after the DAP. But the Gerakan did not remain in opposition for long; after racial riots and declaration of Emergency which followed in 1969 elections, the Gerakan was drawn into the ruling coalition, which by then, had revamped itself into the Barisan Nasional (National Front). Slowly, the Gerakan lost its multiracial image. The communal Barisan Nasional had little room for a multiracial party and the Gerakan could not conceivably articulate the interests of the Malays given UMNO's pre-eminent role in the ruling coalition. In its bid to strengthen the party's organizational base, the Gerakan also took in a lot of MCA supporters and those MCA leaders who had become disenchanted with the MCA. Ex-MCA leaders, like Lim Keng Yaik and Michael Chen soon changed the nature and character of the multiracial Gerakan by bringing their supporters in with them when they joined the party. This was compounded by an exodus of non-Chinese leaders from the party.

Like the Gerakan, the DAP, Malaysia's leading opposition party, can also lay claim to being a multiracial party to the extent that it has a multiracial constitution and its membership is open to people of all races. But the DAP's leadership is predominantly non-Malay and it is wholly dependent on support from the non-Malays in the urban centres. Its attempts in the past to secure support from the Malays have ended in failure. UMNO has been particularly successful in the past in weaning away any up and coming DAP Malay leader.

The only party which can be said to be truly multiracial is the Parti Bersatu Sabah (PBS) — which was formed in 1984 to challenge the ruling Berjaya party in Sabah. More recently, two other parties have also attempted to take a multiracial approach to politics — the Socialist Democratic Party (SDP) and Nasma (Parti Nasionalis Malaysia) — both parties are new and have limited support. The SDP is an offshoot of the DAP having been founded by former DAP Penang Chief Yeap Ghim Guan. Its present leader is Fan Yew Teng, a former DAP MP, and human rights activist. Nasma was formed by a group of civil servants, Malay businessmen and professionals as a multiracial alternative to UMNO. While its membership is open to people of all races, its top party post must be held by a Malay and a Muslim according to its party constitution. It is too soon to tell if their multiracialism will lead them to win support in Parliament in years to come.

Given the communal nature of politics, it is not at all surprising that the electoral and campaign strategies of all the major political parties are designed to appeal to their respective ethnic groups. The racial composition of each particular constituency is carefully studied before each election, and candidates are fielded in accordance with the racial make-up of that particular constituency. Inevitably, this means that a Malay is almost never fielded in a Chinese-majority constituency and vice versa. Despite the increase in the number of parliamentary constituencies to 177 seats, there are only 26 constituencies where the Chinese form a

majority. The Malays are thus over-represented in parliament, while the Chinese, who form 35 per cent of the population, are grossly under-represented. The electoral system thus ensures that the Malays will always have political supremacy in Malaysia's political system.

Conflict with the Barisan

In the 1986 elections, the Barisan Nasional government was clearly on the defensive. It had originally timed the elections for 1985, before the recession deepened. But the plan had to be jettisoned as the government became embroiled in one controversy after another. For a government which had prided itself on being a "clean, efficient and trustworthy" administration, the series of controversies in four years of Mahathir's rule had drained the government's effectiveness. By mid-1986, the government, according to opposition leader Mr Lim Kit Siang, had "lost its moral moorings". The Mahathir Administration was under pressure from two opposing and divergent forces. On one hand, the radical PAS was demanding that the government create a more Islamic society and establish an Islamic state. On the other hand, the non-Malay DAP laced with its liberalism and social-democratic, but at times chauvinistic, ideals were calling for the government to be more responsive to the needs of the nation's minorities. Both parties appeared to be making inroads into the Barisan's power-base.

Within UMNO, party strategies were particularly concerned about the possible loss of Kelantan and maybe even Terengganu to PAS. PAS had controlled Kelantan until 1978 when the state fell to UMNO. This time the pendulum appeared to be swinging against UMNO. Although PAS had been badly mauled in the 1982 elections, the Islamic party appeared to have recovered from its political set-back. PAS *ceramahs* in both Terengganu and Kelantan had drawn thousands of supporters while UMNO's rallies could only draw a crowd of hundreds.

The withdrawal of Berjasa from the ruling coalition

appeared to have made matters worse. Berjasa, which was instrumental in defeating PAS in the 1982 elections, had been particularly incensed by the last-minute admission of rival Hamim into the ruling coalition. Berjasa supporters thus could no longer be expected to support UMNO. Faction-warring had also broken out in Kelantan between Tengku Razaleigh, Kelantan's most famous son, and the Menteri Besar Datuk Mohamed Yaacob. UMNO Kelantan thus appeared demoralized and ill-prepared to fight the elections.

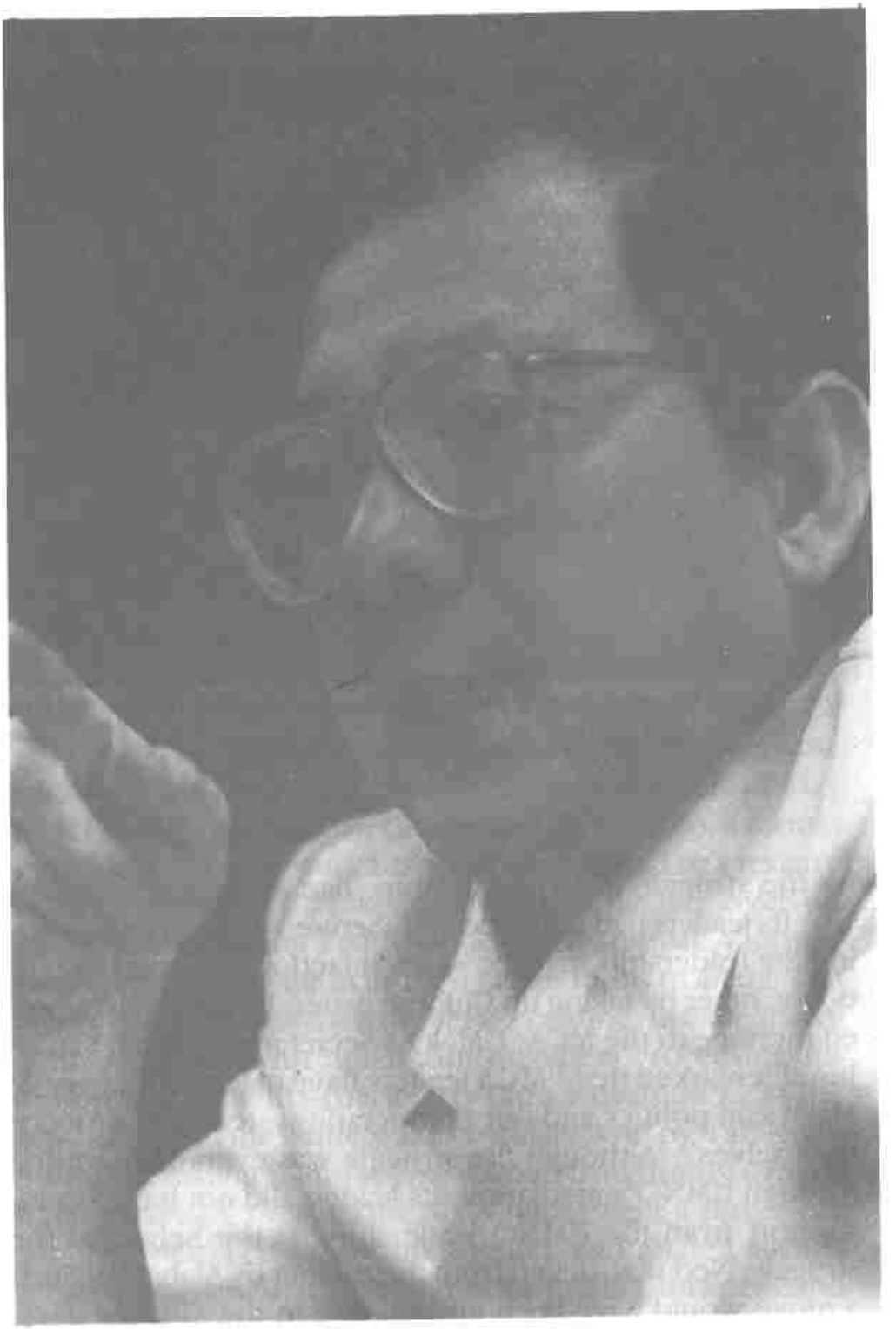
In the cities, the government had already resigned itself to the fact that it would be hard-pressed to retain all the seats won in 1982. MCA analysts in private had already indicated that a loss of 12 to 16 parliamentary seats could not be ruled out. The MCA electoral machinery had been dismembered by two years of internecine warfare between the Neo Yee Pan and Tan Koon Swan factions for control of the party leadership.

The power struggle was precipitated by the surprise resignation of Datuk Lee San Choon as President in May 1983. Prior to this, Lee San Choon had picked Neo, a former physics lecturer as Deputy Leader. As a result of Lee's resignation, Neo moved up as Acting President passing over his many rivals including Tan Koon Swan. As the MCA moved towards its party election in 1984, accusations from the Tan faction grew that Neo had been padding up the party membership list with "phantom members" to ensure his election as President. This led to Tan's expulsion from the party. Although the battle was eventually won by Tan Koon Swan, the ensuing fight for control had irrevocably damaged the party. As a result, the MCA underwent a three-way split. The Neo Yee Pan faction, which had argued against the party's traditional philosophy of linking business and politics, had lost. It was no longer in control of any significant section of the party. Mahathir's men — Mak Hon Kam and Dr Tan Tiong Hong — although nominally still in the party line-up, were suspect and could no longer be relied on in the coming elections. The MCA, seriously weakened

The President of MCA, Lee San Choon and his successor, March, 1983.

by the struggle for its leadership, had an image problem.

Its leaders had not endeared themselves to Mahathir during the leadership struggle — each faction and tried to outdo the other by taking up Chinese issues. In a strongly worded message to the MCA, UMNO's Secretary-General, Sanusi Junid remarked that "MCA leaders have made a mockery of Malaysian politics and our democratic system and a fool of themselves". Although the struggle was eventually settled through UMNO's mediation, its leaders did not have strong support from the UMNO leadership. At the height of the struggle, Neo was sacked from the cabinet by Mahathir. Such a move would have been unthinkable in the Alliance days. The sacking clearly showed the declining influence of the MCA with the Barisan coalition. The bitter struggle caused the party to lose credibility among the Chinese community and seriously undermined its position *vis-a-vis* UMNO.



Tan Koon Swan.

But the MCA's misfortunes did not end with Tan Koon Swan's eventual triumph over Neo Yee Pan. Just when the leadership struggle appeared finally over, the party was plunged into a new crisis as a result of the collapse of the Singapore publicly listed Pan Electric Industries. Tan Koon Swan's political future as leader of the MCA appeared in limbo as he is expected to face charges in Singapore for breaches of the Securities Act in relation to the collapse of Pan Electric. As the elections neared, it became apparent that the MCA would have to fight the elections with its newly elected leader out on bail granted by a Singapore court of law.

The MCA was by no means the only Barisan component party indulging in faction-warring. The Gerakan government in Penang was also faced with a problem of succession. Lim Chong Eu, Chief Minister since 1969, had already announced plans for his retirement. This triggered off a power struggle for the Chief Minister's post in Penang. Unlike the MCA power struggle, the Gerakan's issue of succession had an interesting side to it: UMNO, too, was eyeing the post. Penang is the only state in Malaysia with a non-bumiputera Chief Minister. As a result of this, Penang UMNO has been arguing that the Malays have been neglected by the Penang state government. Furthermore, UMNO could also lay claim to the Chief Minister's post by pointing to its past electoral performance in the state. UMNO had the single largest number of seats in the State Assembly. But given the communal nature of politics and the racial make-up of Penang which favours the non-Malays, it would have been suicidal for UMNO to press its claim too strongly. The installation of a Malay as Chief Minister in Penang would invariably erode Chinese support for the Gerakan and MCA and would play right into the hands of the opposition DAP.

The conflict between the Gerakan and UMNO broke into the open in July, when the Gerakan issued a strongly worded statement threatening to pull out of the coalition unless the party would get its way in the seat allocations in

Chief Minister of Penang, Lim Chong Eu, with Opposition leader, Lim Kit Siang.

the coming elections. The Gerakan claimed that it was being treated as a junior coalition partner. Party President Lim Keng Yaik suggested that: "if we are still given a short deal, we must take care of ourselves." The party also suggested that it contests the coming elections under its own banner instead of using the Barisan's *dacing*. Even the MIC was not spared in the squabbles among the coalition partners. Earlier, the MIC had complained that Indian Malaysians were not getting their "fair share of the civil service cake". MIC President Samy Vellu indirectly criticized the government for not doing more to help the Indian Malaysian community. This caused a great deal of disquiet among UMNO ranks and one of the leaders of UMNO Youth, Tamrin Ghafar, called on Samy Vellu to resign.

Barisan's Strategy: "The People's Champion"

The Barisan Nasional based its campaign strategy mainly on its past record of achievements, offering the elector a choice between stability or chaos. In an open letter to the nation on 26 July 1986 to mark the release of the Barisan manifesto, Mahathir called on the people to "stand firm in supporting the Barisan Nasional for stability and a better future". He claimed that the coalition had a sound track record and had brought peace and stability to the country. Mahathir argued that Malaysia needed a strong government to guarantee peace and stability in the future. A weak government in the words of Mahathir, "will only be playing the politics of survival. It will constantly need to play to the gallery rather than what needs to be done".

In explaining the government's position, Mahathir argued that many of Malaysia's present difficulties were due to the economic recession and that it would be unrealistic to expect the government to be able to cover all the eventualities. He mentioned that the fall in commodity prices, for instance, was not the government's doing. The Prime Minister also argued that it was unfair for the opposition to charge that the government had been oppressive and had not listened to the people. In his open letter, Mahathir asserted that, "the Barisan Nasional government had been very liberal and the opposition had taken full advantage of this. There are now freer reports and comments in our newspapers and magazines, more than at any time in the history of Malaysia". He called on the people to reject the opposition: "Let us gather our strengths in this hour of trial. Let us not experiment with untested ideas. Let us unite for a better future".

The Barisan's 13-point manifesto carried the slogan, *Tradisi Membela Rakyat* and its English version, "The People's Champion". For the Malays, it was a gentle reminder that UMNO had all along been the champion of the Malays. It had after all secured the Malays' political dominance over all other races since *Merdeka*. The manifesto was designed

to enable the ruling coalition to recapture the middle-ground. The Barisan manifesto called on the people to vote for coalition and reject "fanaticism and extremism". The coalition pledged to work towards a "liberal, moderate and tolerant society" — ideals which would appeal to the ordinary man in the street.

The manifesto was also designed for maximum appeal to the Malays. Heavy stress was put on the issue of culture and religion. The Barisan gave an assurance that freedom of worship would continue. It also maintained that the evolution of a Malaysian culture would not be at the expense of the culture of any particular community. On education, the manifesto specifically sought to address growing non-Malay concern over the lack of educational opportunities at higher levels. The Barisan promised to "expand and improve existing opportunities at institutions of learning at every level". The manifesto gave an assurance that Chinese- and Tamil-medium schools will be allowed to continue, without actually going so far as to amend the controversial S. 21(2) of the Education Act which gives the Minister absolute power to convert vernacular schools to national schools. MCA President Tan Koon Swan, however, remained confident that S. 21(2) will eventually be amended. "For the time being, we are satisfied with the guarantee given," he noted.

While "stability" and "moderation" were to be the key words, the Barisan also did not hesitate to give voters the uglier alternative to Barisan rule — chaos. Barisan leaders warned voters over and over again that a vote for the opposition would lead to chaos and other unpleasantness. Addressing UMNO supporters at a rally in Kuala Terengganu, Mahathir warned that "chaos will erupt if PAS comes to power". This was echoed by Musa Hitam in Nibong Tebal: "there will be chaos if the DAP and PAS which espouse extremism, are voted into power". Once again the spectre of another May 13 was being resurrected in the run-up to the elections in August. Everywhere at *ceramahs* and political

gatherings, political leaders — both from the opposition and the ruling coalition — were being asked: would racial violence and political pandemonium hit Malaysia again if the opposition succeeded in their bid to deny the Barisan its two-thirds parliamentary majority? Malaysians, it seems, were once again back into the senseless habit of storing up foodstuffs and other necessities as they anxiously awaited polling day.

UMNO's Enemies

UMNO's campaign strategy was to cast PAS and DAP as extremist parties, which were in cahoots with each other. PAS in particular was singled out by UMNO as being "a party of opportunists who were prepared to sell-out Malay rights". UMNO's attacks were directed at PAS' attempts to form an opposition front with the SDP, Nasma and PSRM. Speaking at a *ceramah* in Kampung Pertama in the Permatang Pauh constituency, former PAS leader and Hamim President, Datuk Haji Asri, accused PAS of "forsaking Islam and selling out the Malays just to win the election". In an especially provocative statement he remarked that PAS was ready to rob Malays of their special rights to win non-Malay votes. Other accusations hurled at PAS included one that PAS leaders were even denying that they are Malays and prefer to call themselves *orang Islam*.

PAS' attempt to win support from the non-Malays came under strong attacks from UMNO. UMNO Youth leader, Anwar Ibrahim, labelled PAS alliance with the CCC as a tie-up between Muslim and Chinese extremists. "The CCC is aimed at opposing the implementation of Bahasa Malaysia and the National Education Policy and its members are actually Chinese extremists who are anti-government," he retorted. He accused PAS of championing the cause of the Chinese, including opposing the National Education Policy, Malay rights and the national language.

To UMNO, the battle with its enemy was one between the forces of liberal progressive Islam, as represented by

UMNO, and fundamentalist Islam dedicated to the creation of a theocratic state as represented by PAS. The UMNO campaign was designed to put the party across to the Malay voter as being the true champion of the Malays. A vote for PAS would threaten Malay unity with a possible loss of Malay political power to the nation's other ethnic groups. This was the message carried over and over again at UMNO's *ceramahs* and in the pro-government media.

While the battle with PAS was being fought, Mahathir's men manoeuvred to isolate supporters loyal to Musa Hitam. A different strategy would have to be applied and the outcome of the hidden battle was no less crucial to Mahathir than the open struggle with PAS. Musa's supporters, like Datuk Najib Tun Razak and Johore Menteri Besar Datuk Ajib Ahmad, would soon find themselves removed from their power-base and shunted to the Federal capital to be kept under the watchful eyes of Mahathir.

Strategy of the "Reformed" MCA

If the Barisan's manifesto appeared defensive, and even humble to some extent, the MCA's very own Political Declaration — The New MCA Way: Towards Justice, Equality and Progress — appeared almost apologetic. It pleaded with the voter to give MCA "another chance". The document explained that the leadership is a new team, in office only six months. The party appeared overly conscious of the fact that it had put to waste its large comfortable margin of 24 parliamentary seats secured in the 1982 elections. The party had made little impact in government and its prestige has fallen to an all-time low as a result of the savage in-fighting which accompanied the surprise resignation of its President, Lee San Choon. The party's standing in the coalition was also at its lowest ebb. UMNO, after all, had threatened to expel MCA from the Barisan if a solution could not be found to the leadership crisis. The political future of its leader Tan Koon Swan was in jeopardy as he faced criminal charges in a Singapore court in connection with the collapse of Pan

Mahathir Mohamad with Tan Koon Swan at the MCA rally, March 1986.

Electric Industries. The two years of suicidal in-fighting had also taken a toll on Multi-Purpose Holdings, the much-heralded investment arm of the MCA. Multi-Purpose was in the red to the tune of $24 million. Its performance had badly affected the 100,000 or so investors of the company — people who would normally support the MCA. The electoral prospects of the MCA thus appeared grim.

The MCA again adopted a campaign strategy similar to that in 1982 — the year when it achieved its greatest electoral triumph. The MCA manifesto urged voters to return a strong MCA so that Chinese influence and representation in government would be stronger. This strategy had worked

exceedingly well in the previous elections and Chinese voters all over Malaysia had then thrown their support behind the MCA. In 1986 more than ever, the MCA would need Chinese support to get it out of its quagmire.

Although Tan Koon Swan had emerged as the new leader of the party after defeating Neo Yee Pan, at the divisional level, the various factions continued to engage in internecine warfare. The approaching elections appeared to give the Tan Koon Swan faction the opportunity to rid the party of supporters belonging to both Neo Yee Pan and Mak Hon Kam factions. As the party rushed to finalize its candidature, it became obvious that there would be no room for a leader belonging to the losing factions. The MCA thus preferred to fight the elections with a list of political unknowns. Dropped from the list were leaders of the two losing factions together with their backers — all in, more than three-quarters of the sitting MCA MPs were no longer in the game.

Rather than focus on the issues, the MCA tried to turn the elections into one of personalities. Individual MPs would have to go into the streets to explain what they had done — the services approach. The MCA, as it turned out, avoided discussing national issues. Speaking at a *ceramah* in Gopeng, Tan Koon Swan told the audience that the "MCA needs a convincing victory... to represent Chinese community effectively in the discussions over the extension of the NEP". He urged voters repeatedly not to vote in anger, for to do so would reduce the Chinese representation in government.

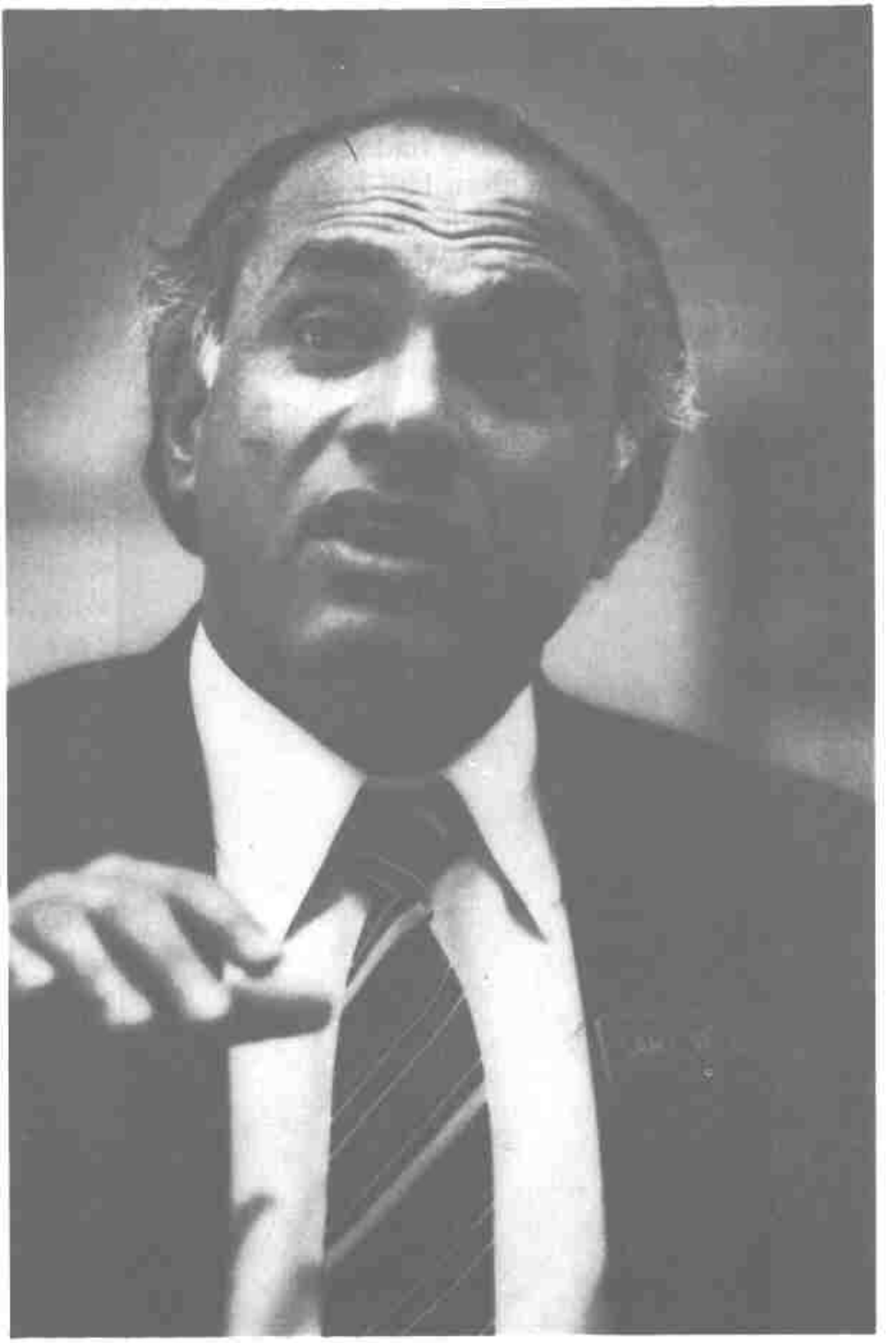
At another level, the MCA tried to set off a split in the opposition DAP by praising the leadership qualities of Lee Lam Thye, Deputy Secretary-General of the DAP, in contrast to the autocratic style of DAP leader Lim Kit Siang. The MCA campaign sought to discredit the DAP by portraying Lim Kit Siang as a power-hungry and ruthless opportunist.

Other Parties in the Coalition

Among the other parties in the Barisan coalition, the Gerakan

faced the most problems. Internally, the party had always been split into different factions. At the national level, the fight for the party leadership had resulted in two factions: one led by current president Lim Keng Yaik and the other by Michael Chen, the defeated presidential candidate. Rumours have been rife that Michael Chen would eventually cross over to the MCA, especially in the wake of the leadership crisis in that party, to lend support to the besieged MCA acting President.

Lim Keng Yaik.



Samy Vellu.

In the Penang State Assembly, the party was hit by internal bickering. There were four contenders to the Chief Minister's post: Koh Tsu Koon, the favourite candidate of the Chinese educationists, Datuk Khor Gark Kim, the Gerakan strongman who has at times acted as Chief Minister in Lim Chong Eu's absence, Datuk Khoo Kay Por, a former State Exco member, and lastly former Deputy Minister of Agriculture, Dr Goh Cheng Teik. Of the four only Datuk Khoo had been selected for a state seat, thus making him the strongest contender for Chief Minister, should Lim Chong Eu not serve his term.

Non-Chinese members of the party were also increasingly disenchanted with the Gerakan. Of the party's 11 candidates for the Penang State Assembly, non-Chinese were allotted a single seat. This reinforced the belief among non-Chinese members that the Gerakan had become a predominantly Chinese party. The party had also, in the past, attempted to work out some form of agreement with the MCA in order to preserve the level of Chinese representation in government.

The MIC, perhaps, can be said to be the only component party not faced with internal dissension. The group which had challenged Samy Vellu's leadership was no longer in the party. They had, in fact, formed the DMIP and had failed to gain entry into the Barisan Nasional.

In the East Malaysian state of Sabah and Sarawak, the coalition partners were not faced with any major threats. Sarawak, especially, was firmly behind the Barisan. Sabah, which had a newly elected PBS government, could be expected to deliver votes to the ruling party in Sabah. However, some people were expected to vote against the PBS in protest against its joining the Barisan Nasional coalition. Still, both Sabah and Sarawak appeared solidly behind the Barisan Nasional.

PAS' Campaign Strategy

The 1986 election was the first major test for the new PAS

Members of the PAS Supreme Council.
From left: Haji Hadi Awang, Hassan Shukri, Haji Yusof Rawa and Fadzhil Noor.

leadership. Following its massive defeat at the hands of UMNO in the 1982 election, the older generation of leaders like Datuk Asri were eased out of the party and a younger more radical group of *ulamas* took over the reins of leadership. As a link between the more radical leaders and the traditional PAS, Haji Yusof Rawa had been put in as party President with the charismatic Haji Hadi Awang as Vice-President.

The new leadership began rebuilding the party almost immediately after their electoral defeat. The new leaders, many of whom were graduates from Islamic institutions in the Middle-East, injected a more radical and activist mood to the party, organizing regular *ceramahs* throughout the east coast states and in the northern states of Kedah and Perak. PAS soon announced the creation of an Islamic state as its political goal and singled out UMNO as its greatest enemy. The party itself was reorganized with the creation of a *Majlis Ulama* alongside the Supreme Council. The *Majlis Ulama* would issue *fatwa* and other matters relating to religion, thus playing a crucial policy role and taking some degree of power from the Supreme Council.

PAS' concept of an Islamic state was never made clear to the people except that it would mean a complete reordering of the country's political, social and economic systems. The country would be run according to Islamic laws administered by an Islamic administration. The party would impose its own standards of morality and social norms on Malaysians. The rights of non-Muslims were to be upheld and respected so long as they were considered "not contrary to Islam".

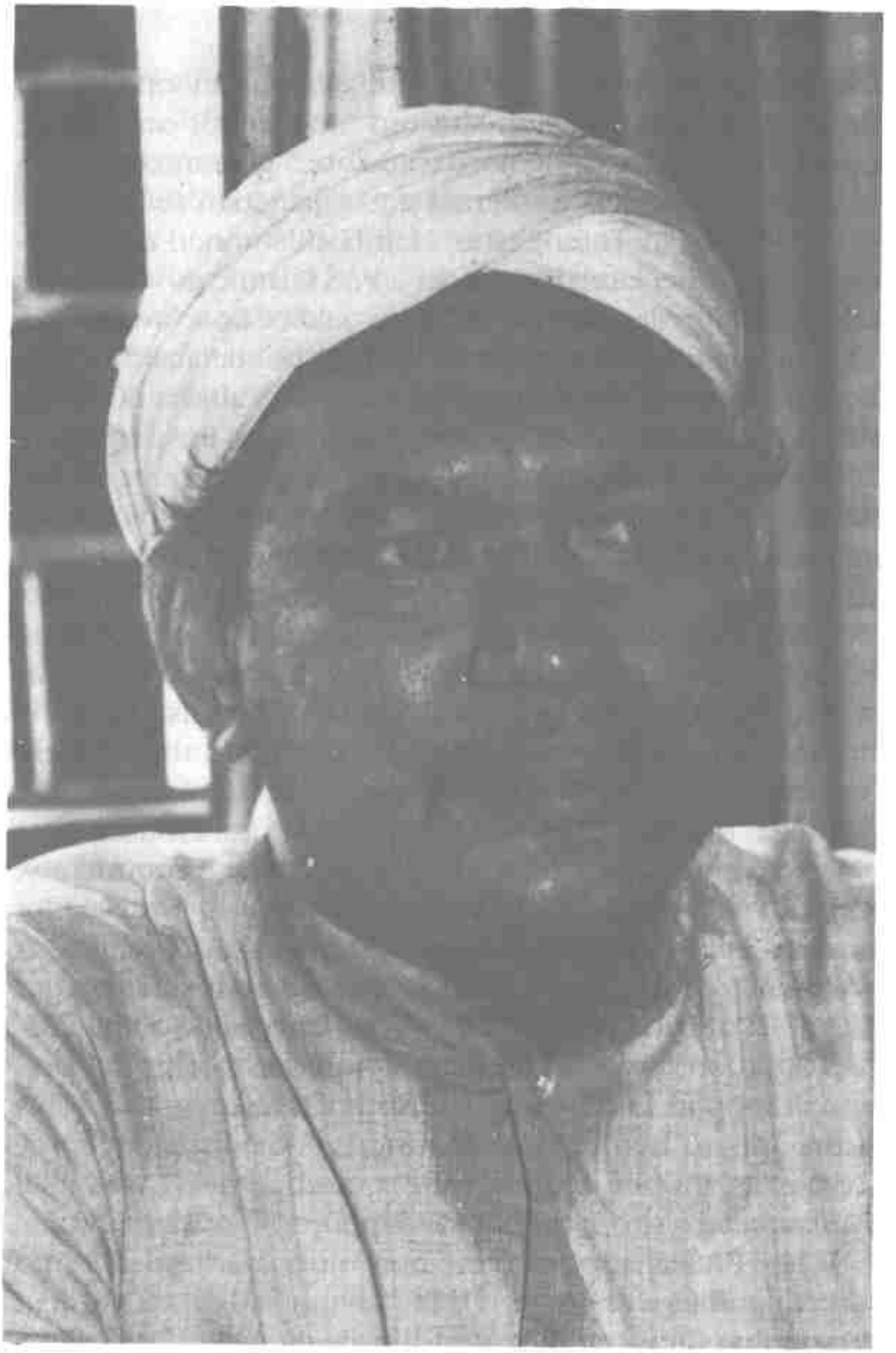
The party soon launched a vitriolic attack on UMNO in the "Malay belt", condemning UMNO members as *kafir* or infidels for working with the non-Muslims. PAS' politicization of Islam throughout the kampungs brought it to a head-on confrontation with UMNO. Kampungs throughout the east coast states came to be split between UMNO supporters and those supporting PAS. Each group would hold its own Friday prayers, conduct its own Islamic classes and fought

for control of mosques and *suraus*. Tension in the east coast states heightened resulting in occasional clashes and confrontations. For instance, at the Padang Terap by-election in 1985, supporters of UMNO and PAS clashed, resulting in the death of one person.

By 1986, PAS had become increasingly confident and sure of its chances of doing well in any electoral contest with UMNO. With this growing confidence also came the feeling and realization that the party was essentially a Malay party — with little hope of becoming an alternative government if it did not have the support of the other communities. PAS had all along adopted an ambivalent attitude towards the non-Malays. There was a deep-seated belief that PAS as an Islamic party should never co-operate with non-Muslims. Tempered with this belief was a simplistic view that the non-Muslims were generally not supportive of the party because of the propaganda put up by the government. There were some in the party who genuinely believed that the non-Muslims would actually prefer PAS to UMNO if their "misconceptions" were corrected.

In 1984, PAS took a bold step to widen its appeal among the non-Malays. It was a policy decision, based very much on pragmatism. In many of the northern constituencies, the Chinese although in a minority were of sufficiently large numbers to become a crucial factor in deciding the outcome in any electoral contest between two Malay parties. If the Chinese could be persuaded to vote for PAS, then UMNO's hold in Kelantan and Kedah could be dented and PAS could possibly pick up a seat or two in Penang, Perak and Selangor.

PAS began openly courting the Chinese by holding special *ceramahs* in Mandarin in the major towns. The programme was spearheaded by two prominent Chinese Muslims in the party, Kamal Noh and Kamal Yan. Discussions with Chinese grassroots leaders led to the establishment of a Chinese Consultative Committee (CCC). According to Yong Su Hian, CCC Perak Vice-Chairman, the task of the CCC was to "act as a bridge between PAS and the



Haji Hadi Awang

Chinese community for the setting up of an opposition front''. PAS assured non-Muslims that under an Islamic government, their rights would be guaranteed. PAS highlighted Islam as a tolerant and egalitarian religion.

Speaking in Terengganu, Haji Hadi stunned the country when he declared that under a PAS Islamic government, the special privileges of the Malays would be done away with. This led to various charges by UMNO politicians that Haji Hadi should be charged with sedition. PAS also announced that if it came to power, there was nothing in the party constitution which said that the Deputy Prime Minister would have to be a Malay. PAS held out the possibility that under its version of an Islamic government, there would be nothing to prevent non-Malays from holding positions of power.

PAS also toyed around with changing its symbol from a white moon against a green background to red — as this would appeal more to non-Malays. The party also took the unprecedented step of holding a *ceramah* in the Chinese Assembly Hall in Kuala Lumpur, the symbol of the Chinese community in the city. These efforts aroused considerable interest and debate within the Chinese community.

PAS' strategy for the coming election was to form an Opposition Front with the other opposition parties. Discussions were entered into with the DAP and other smaller parties like PSRM, SDP, Nasma and Workers' Party. One of the PAS' preconditions was for the parties to issue a joint declaration in support for the establishment of an Islamic state. This was opposed by the DAP, leaving PAS to work out some form of an alliance with only the smaller parties. Eventually PAS agreed to drop the call for support of an Islamic state.

The PAS alliance with the opposition parties led it into direct conflict with its own CCC. Members of the CCC had hoped that they could contest the elections under the PAS banner but the PAS leadership was not in favour of this. According to its party constitution, its candidates would have to be Muslims.

On 26 July, PAS released its election manifesto with the

slogan "United for the Struggle for Justice, Peace and Prosperity". Its manifesto pledged to abolish repressive laws, freedom of speech and the right to criticize in accordance with its Islamic political system. The manifesto also spelt out the rights of non-Muslims under PAS' system of government. Non-Muslims would have the same rights as Muslims under the *syarak* and will be allowed to practise their beliefs and family laws according to their respective religions.

PAS' strategy did not only cause UMNO considerable unease. The DAP, similarly, was afraid that the CCC would draw votes away from the DAP, making it harder for the DAP to win the marginal seats. But this proved unfoumded, for despite the DAP's rejection of the PAS' initiated opposition front, both parties were able to reach an electoral understanding in several states whereby each party would play the role of a "spoiler" to draw votes away from the Barisan.

DAP's Campaign Strategy

Like the PAS, the DAP appeared to have consolidated and strengthened its position after the 1982 Barisan landslide. For once in the party's history, internal feuding was rarely evident. As the party barely survived the 1982 elections, members have closed ranks and thus the divisiveness and personality clashes which had characterized the party throughout its existence seem on the decline.

A string of electoral victories over the MCA in by-elections have also boosted DAP's standing and confidence. The party had been able to recapture the Seremban parliamentary seat following the shock resignation of the MCA President Lee San Choon. In Ipoh, it successfully wrested the Kepayang state seat from the MCA.

For the 1986 elections, the DAP set its sights on capturing Penang from the Gerakan as well as recapturing the traditional opposition stronghold in the Klang and Kinta valleys from the Barisan. Both the Gerakan and the MCA had not performed particularly well since the last election. In contrast to this, the DAP proved particularly effective in airing

The "poster war" during the 1986 election.

a wide range of political issues — the BMF affair, Papan and Bukit China, economic mismanagement and the alleged corruption in the government. The DAP had taken an exceptionally high profile and vociferous role as the leading opposition in Parliament.

The DAP called on the electorate to deny the Barisan its two-thirds majority in Parliament. It campaigned under the slogan "Enough is enough". The party argued that much of the abuses and mismanagement of the country stemmed in part from the Barisan's huge majority. The Barisan had been able to use its strength in Parliament to push through constitutional amendments and other legislation resulting in an erosion of individual rights.

The DAP poster calling on the electorate to deny the Barisan its two-thirds majority in Parliament.

By itself, the party had little hope of denying the Barisan its two-thirds majority. At best, it could only hope to win 30 seats out of the 177 seats in the new Parliament. Although PAS had approached DAP to form a united opposition front, the DAP rejected the idea. The PAS alliance would include

four smaller parties which were in direct competition with the DAP for the non-Malay votes. By entering into an alliance with PAS and these parties, the DAP would have to give some of its constituencies to the other parties to contest. Also, PAS was not prepared to compromise its position on the establishment of an Islamic state. On this basis, the DAP rejected the opposition front. It came out openly against the establishment of an Islamic state and criticized PAS and the smaller parties for their stand. The DAP asserted that a multiracial country like Malaysia would never accept the creation of an Islamic state as this would make non-Muslims second-class citizens.

For tactical reasons, the DAP focused its attention on Penang. DAP leader Lim Kit Siang contested a seat in the Penang State Assembly. DAP stalwarts like Peter Paul Dason also moved to Penang. DAP's assessment was that with the impending retirement of Lim Chong Eu, Penang Gerakan would not be able to hold together for long. The DAP had been in opposition since 1967 without being able to prove to voters once and for all that it could be a viable alternative to the Barisan. If the DAP was to continue to have an impact on politics it would need to take power at least in one state to show voters that the party was capable of governing. The move to Penang would bring the DAP a step closer to this objective. Such a move, however, was fraught with difficulty. Penang had remained a Gerakan stronghold for almost 20 years and the electorate had shown that it did not always take willingly to "outsiders".

The party organization in Perak had also been rebuilt following the departure of Lim Cho Hock. Under Lau Dak Kee, the party had been able to gain support from a good cross-section of the Chinese population in the state. The collapse of the tin industry and the recession had affected Perak badly, the DAP was thus in a strong position to recapture much of Kinta valley from the MCA. Several factors were also in the DAP's favour. The government's decision to locate the nuclear waste dump at Papan had angered many residents

in the Ipoh-Lahat area. The anti-establishment feeling had been reinforced by the action to remove squatters in the Kampung Pisang and Kampung Bercham areas.

In the East Malaysian states of Sabah and Sarawak, the DAP had also become more established and better known. Both Kuching and Kota Kinabalu were held by the DAP. In Sabah, the party could be expected to win more votes as a result of its strong support for PBS during the Sabah crisis. The Chinese in both states had become dissatisfied with the increasing politicking within the two state governments and were visibly concerned with growing Islamization and Federal interference.

Strategies of the Fringe Opposition

Of the various minor opposition parties, the SDP was the most ambitious. The party had grown under Fan Yew Teng and had tried hard to establish a presence in Perak. It had campaigned actively against the government on issues like Papan, Bukit China and the BMF affair. To a great extent, it was perceived by many people as an alternative to the DAP. From the beginning, the SDP had gone out to take on a more multiracial image than the DAP but the party suffered from a shortage of good organizers. In anticipation of the elections in 1986, the SDP expanded rapidly and was able to draw in a disparate group of politicians from the other parties. It succeeded in getting Yeoh Poh San, the MP for Petaling, and also Ahmad Nor, the ex-President of Cuepacs, to join its ranks.

Another newly formed party which had high hopes in the elections was Nasma. Originally the party was to be an alliance between the unions, middle-class liberals and other groups dissatisfied with the ruling party. Nasma projected a multiracial image and was one of the few parties to campaign on a multiracial platform. However, the party was soon wrecked by in-fighting between supporters of the interim president Puan Zainab and those of Raja Nasron, the former UMNO MP. This led to the resignation of Puan Zainab

from the party. The party concentrated its strength mainly in Selangor and the Federal Territory.

The more established socialist party, PSRM, had decided to concentrate only in Johore where it has a strong following. The party had performed creditably at the last elections in Johore and had continued to maintain a high profile among the lower income groups and working classes in the state.

Chapter 6

The Barisan Win

The electioneering in 1986 was the shortest in Malaysia's electoral history. With only nine days to campaign in Peninsular Malaysia and eight days in East Malaysia, most of the political parties were fully stretched. The short campaign period had not been without its tense moments. In Ipoh, DAP supporters had broken up a Chinese educationists' meeting in a school hall as emotions flared. There were other intermittent scrapes and angry verbal confrontations elsewhere. Only hours before the close of the campaign period, police in Terengganu had averted an ugly clash between PAS and UMNO supporters at the Felda estate in Bukit Bading. There, UMNO supporters in the estate had barricaded the kampung to prevent PAS supporters and Haji Hadi from holding a *ceramah*. Thousands of PAS supporters chanting *Allahu Akhbar, Allahu Akhbar, Allahu Akhbar!* had gathered menacingly, intent on tearing down the human barrier.

An uneasy calm fell across the country on polling day. Despite persistent rumours of impending unrest and riots in Kuala Lumpur, Malaysians turned out in force to exercise their voting rights. The voting proceeded smoothly throughout the country. RTM and the private-run TV3 began their election broadcast in the late evening. As Malaysians sat glued to their TV in the comfort of their homes, there was little to suggest that the elections would result in a surprisingly large win for the ruling coalition.

Early results certainly gave no inkling of the magnitude of the Barisan victory. The first results to be announced were from Sabah. In Sabah as well as Sarawak, the contest was

only for the parliamentary seats as the term of office for both the state assemblies had not expired. The early results pointed to a swing against the Barisan. The Barisan candidates were being returned but with smaller majorities. Within the first two hours on Monday morning, the DAP had managed to win four out of the five parliamentary seats it had contested in Sabah: Tanjung Aru, Bandar Kuching, Tawau and Sandakan. The Barisan lost another seat when its candidate for Marudi, Datu Amir Kahar — one of Tun Mustapha's two sons who were contesting in Sabah — lost to an independent Joe Ojihi Supiring.

As the results continued to filter in, another independent Abdul Ghani Mat Jair took the Labuan seat from the Deputy Federal Territory Minister Ahmad Shah Tembakau. The results indicated increasing doubts by the people of Labuan over the Harris Salleh state government's decision to cede the island to the Federal government. Ahmad Shah had contested in Labuan as an independent after he was dropped from the Barisan line-up.

The gains by the opposition were, however, quickly contradicted by early results from Sarawak. The Barisan candidates appeared to have little difficulty in Sarawak in retaining their seats. The opposition experienced an unexpected defeat when the sitting opposition DAP MP for Sibu, Ling Sie Ming lost narrowly to the Barisan.

Early results from Peninsular Malaysia showed the Barisan heading towards a close fight with PAS in Kelantan. PAS had taken two of the first four state seats to be declared. Elsewhere, the Barisan appeared set to be heading for a comfortable win in Johore, Melaka and Perlis. But results from Perak were mixed. As expected, the DAP put up a strong performance in the Kinta valley tin-belt, taking state seats like Falim, Lahat, Dermawan, Tasek and Sungai Pari from the Barisan. The MCA had made considerable in-roads into the opposition stronghold in the Kinta valley in the last elections. Now the voters had swung the other way. By three o'clock in the morning, the DAP had already won 11

parliamentary seats across the nation — two more than it had held before the dissolution of parliament.

As the counting picked up and the results began to pour in, a clearer picture emerged: PAS appeared in trouble. One state after another — Johore, then Kelantan, followed by Terengganu — fell to the Barisan. As the ruling coalition raced ahead, PAS found itself inexplicably with only one parliamentary seat and a handful of state seats in Kelantan.

By six in the morning, the election was all but over; the Barisan had been convincingly returned to power with a two-thirds majority in Parliament and control of all the 11 state assemblies. The highly-rated PAS was all but swept aside by the ruling party in the battle for control of the country. It survived only in its traditional stronghold in Pengkalan Chepa. All its key leaders lost: PAS President Haji Yusof Rawa was decisively beaten in Tasik Gelugor, PAS Secretary-General Hassan Shukri in Batu, Ustaz Haji Hadi Awang lost out narrowly in Marang, and party Vice-President Haji Nakhaie Ahmad in Jerai. PAS Youth leader Haji Mustafa Ali also failed in his bid to win a seat in Kuala Terengganu.

At 6.30 in the morning, a beaming but tired Dr Mahathir, stepped onto an elevated platform in UMNO party headquarters in the Putra World Trade Centre to address the press. He announced that there will not be any major changes in policies. "Our efforts to run the country were disturbed by some who were out to create issues out of our policies. People were affected by such rumours and became concerned with our policies..., with the Barisan's win in the election, we can continue with these policies," he said.

"The election results show that we have the right policies," he added. The government would not change its policies to suit only certain people. In Mahathir's view, "the opposition parties had obviously miscalculated — the results show that people treasure the stability that the Barisan has brought to the country."

Abdul Ghafar Baba

Barisan's Performance

The Barisan victory was bigger than what its most ardent and optimistic supporters would have expected. Overall, the Barisan captured 148 out of 177 parliamentary seats in the Dewan Rakyat. Its performance in the state elections was equally impressive, winning a total of 299 seats out of 351. Its share of the popular vote, however, fell from a little over 60 per cent in the 1982 elections to 57.4 per cent.

UMNO had by far the most impressive win among the Barisan component parties. It won 83 parliamentary seats — losing only one. In the battle for the state assemblies, it contested 241 seats, and surprisingly came away with 228 seats. Its strong performance throughout the peninsula clearly showed that its following among the Malays remains undiminished.

Mahathir himself was returned by a comfortable 15,298 vote margin in Kubang Pasu. UMNO Vice-President and Deputy Prime Minister, Encik Ghafar Baba was returned in the parliamentary seat of Jasin. Not to be outdone, Musa Hitam took a massive 30,633-vote majority over his rival in Kota Tinggi. In Kelantan, Tengku Razaleigh won convincingly in Gua Musang, while UMNO Youth leader Anwar Ibrahim had little difficulty defeating his PAS rival in the Penang constituency of Permatang Pauh. All UMNO ministers were returned to office in the election.

Of the other parties in the ruling coalition, only the MIC came close to matching UMNO's unenviable record. The MIC won all its six parliamentary seats as well as 12 out of 13 state seats which it had been allotted. An elated MIC President Datuk Samy Vellu described his party's performance as a "resounding victory". Samy Vellu himself had an easy win in the Sungai Siput constituency.

But the Chinese-based MCA suffered one of its most humiliating defeats ever. The party managed to pull through in 17 parliamentary seats — half the number it contested. In the state election, the party was badly mauled by the DAP. At the state-level elections, it managed to win only 44 state

seats despite contesting 70. The MCA's share of the votes was drastically cut. With the heavy defeat, it could no longer lay claim to being the party with the most support of Chinese Malaysians.

Party President Tan Koon Swan, who won the Gopeng seat, described the MCA's performance as a "temporary setback". Tan Koon Swan himself was not even certain he could win Gopeng. The Chinese in Gopeng had appeared lukewarm about his decision to stand. But heavy campaigning in the last few days apparently paid off The poor performance was not unexpected. The MCA, he said, had anticipated an uphill battle. "The anti-establishment feeling was particularly strong in all urban areas where the MCA seats are concentrated," he added. Dr Kok Wee Kiat who won the Selandar parliamentary seat felt that the MCA was used "as a punching bag by the Chinese community to vent their frustration against the government". But the defeat clearly showed that the MCA had been perceived as being not particularly effective in representing and articulating the issues of concern to Chinese Malaysians.

Although party leaders like Datuk Ling Liong Sik and Datuk Lee Kim Sai were returned in the elections, MCA Youth leader and Deputy Trade and Industry Minister, Datuk Kee Yong Wee, failed in his second bid to take the Sungai Besi seat. Early predictions were that Kee Yong Wee would emerge as the winner as he was well known in the community. The MCA had also set up a service centre in Sungai Besi to cater to the needs of the constituents. Datuk Kee had vast resources and the local media backing at his disposal. He was beaten by DAP newcomer Tan Kok Wai — a protege of popular Kuala Lumpur MP Lee Lam Thye.

The MCA was swept aside in the battle for the Klang valley — losing five out of six parliamentary seats. Its sole victory was in Klang where Ng Cheng Kiat narrowly defeated the DAP candidate Wee Choo Keong in a four-cornered fight. In the Kinta valley, it lost four out of the five seats it contested in the election. Its sole victory was Tan Koon Swan's

MCA Youth Chief, Kee Yong Wee, and his supporters, expressing their support for the Barisan Nasional during the 1986 general election.

Gopeng seat. The MCA's performance in Penang was even more disastrous. It lost seven of its nine state seats and was soundly beaten in all three parliamentary seats. Clearly, the party had lost all influence in Penang.

The party's disastrous electoral results drew some interesting comments from the Chinese press. The *Nanyang Siang Pau* remarked that "the picture that has emerged is that while UMNO remains the unquestioned representative of the Malays, the DAP has now taken over as the represen-

tative of the Chinese". Similar sentiments were shared by the *Shin Min Daily News* which argued that the results showed that the Chinese Malaysians no longer wanted the MCA to be their representative. The commentary added that: "Among the 17 parliamentary seats secured by the MCA, only four were Chinese majority seats, 10 of them had a clear Malay-majority while the remaining three were mixed constituencies". It drew the conclusion that: "even if UMNO or MIC candidates had stood in these 17 seats (contested by the MCA) they would have won as well". It added that,

> ...from this election, it can be seen that the Chinese would rather prefer to have Lim Kit Siang or Lee Lam Thye or even non-Chinese like V. David, Karpal Singh and Peter Dason to stand up for their rights. Under these circumstances, any attempt by the MCA to claim that they represent the Chinese will be ridiculed by the DAP. Even Karpal Singh and P. Patto can tell Tan Koon Swan, Datuk Lee Kim Sai and other MCA leaders aloud that the DAP is more qualified to speak on behalf of the Chinese because they are elected by them.

Clearly with this blow, the MCA will need to try very hard to rebuild its bases of political support.

The MCA was not the only party which lost heavily to the DAP. The Penang-based Gerakan also had its share of defeats. Although the Gerakan managed to retain control of Penang, it lost four parliamentary seats to the DAP and is now left with five seats in Parliament (excluding those seats won outside Penang). In the battle for the Penang state assembly, the Gerakan lost its tenuous majority in the Assembly. Following the 1982 elections, the Gerakan had the most number of seats in Penang — 11 seats as compared to ten held by UMNO and nine by the MCA. Its representation has now fallen to nine — following the loss of two seats to the DAP in the election. UMNO, with 12 seats, can now lay claim to being the strongest party in the Penang State Assembly, thus strengthening its claim for the Chief Minister's post.

Dr Lim Chong Eu's popularity also took a tumble when his majority in Padang Kota was reduced from 6,241 in 1982

to 1,313. Forced to postpone his retirement, in the face of the strong DAP challenge, Dr Lim hardly campaigned in his own constituency. The party's Penang strongman Khor Gark Kim was also defeated — losing the Bukit Bendera parliamentary seat to DAP's Gooi Hock Seng by 6,540 votes. It also lost the Tanjong seat to opposition leader Lim Kit Siang. Party analysts had expected the widely supported Gerakan Youth Chief, Koh Tsu Koon to defeat Lim Kit Siang. The Tanjong seat was one of the most keenly fought seats in the elections. Koh was an enormously popular MP and a local from Penang. Both candidates went for broke. A loss for Lim Kit Siang would mean that Malaysia would lose its long-standing opposition leader. Koh also told the electorate that if he lost the election, he would not accept a seat in the Senate — thus closing the possibility that he may still be able to play a role in national politics in the event that he lost Tanjong. But as events turned out, Koh lost by a wide margin of over 11,000 votes. Penang Gerakan Chief Lee Jong Ki was defeated by the DAP stalwart Peter Dason in Bayan Baru.

Outside Penang, the Gerakan performed better. Party President Lim Keng Yaik won comfortably in the Beruas parliamentary seat in Perak as did Datuk Paul Leong in Taiping. Alex Lee also scored an impressive win in Batu over the DAP and thus helped the Gerakan retained its presence in the Klang valley.

The disastrous consequences which met both the MCA and the Gerakan can in part be attributed to the intense infighting among the various factions in the party. Among Gerakan party members, factionalism was particularly rife in Penang as each faction set its sights on taking over from Lim Chong Eu. This seriously weakened the party machinery and affected its strategy in the battle for the Penang State Assembly. The MCA, on the other hand, never really recovered from its 20-month power struggle for the party leadership. The crisis-hit MCA, clearly, was in no position to take on a unified DAP. The MCA fielded only candidates which supported the Tan Koon Swan faction. Many of the

Lim Kit Siang, Secretary-General of DAP.

better known and stronger leaders were dropped from the MCA line-up.

Among the smaller Barisan component parties, Hamim, lost its only parliamentary seat to the PAS but managed to win two state seats in Kelantan. The Perak-based PPP saw its representation further reduced, winning only one out of the three state seats contested. Its solitary seat was won by party President Paramjit Singh.

In Sabah and Sarawak where only parliamentary elections were held, the Barisan did not fare as well as expected, winning 36 out of 44 parliamentary seats. In Sabah the ruling PBS lost 4 seats to the DAP primarily in the cities while USNO also lost one seat. The PBS' loss can be seen as a reaction against its move to join the ruling Barisan Nasional coalition. In Sarawak, SUPP appeared to be the main loser, winning only four out of seven seats.

Despite the numerous issues raging in the country prior to the elections which had proved particularly damaging and embarrassing for the government, it was never really in any danger of losing its majority. That the Barisan would continue to be in government was a foregone conclusion. It was, however, the size of its victory and its defeat of the rival PAS which confounded many observers. Several factors have been in the Barisan's favour. One, of course, would be the amount of resources which were made available to the ruling coalition. The opposition could not match the Barisan's massive resources and electoral machinery.

The Barisan also set the pace for the elections. With only nine days to do the actual campaigning — going to the people, explaining and defending policies, checking electoral rolls, persuading the electorate to vote for the party, nomination of candidates and finalization of party positions — the ruling coalition clearly had the advantage as it could command access to the media and other channels of communication. Prior to the elections, Mahathir had already given the Barisan a head-start by holding mass rallies throughout the country. Applications for police permits to do the same by

The big "fight" between Koh Tsu Koon and Lim Kit Siang for the Tanjong parliamentary seat as pictured by an artist with a sense of humour

the opposition were rejected as there was still an official ban on mass rallies. Had the opposition been allowed to campaign for a longer period, they could well have been better able to explain their policies and draw in many more votes.

The results clearly point to a lack of viable alternative to Barisan rule. No hotchpotch coalition between PAS and the fringe parties or even with the DAP could conceivably be an alternative to the Barisan. The ideological gulf and sharp personality conflicts between the parties and leaders of the opposition ruled out the possibility that a viable opposition coalition could emerge. Given the lack of a viable

alternative, those voters in search for stability could do no worse than to vote for the Barisan. The Barisan after all had already made it clear that the alternative is all would be chaos. Thus the "fear factor" was an important motivating factor which led some voters to return the Barisan government. The fear of political chaos and unrest should the opposition score a significant victory prompted many to vote for the Barisan.

In most democracies, it is quite clear that voting trends between rural and urban constituencies are seldom the same. The rural electorate are generally more conservative — opting for stability rather than change — and are more preoccupied with bread-and-butter issues.In Malaysia, the development factor is important in rural seats. As long as the government could hold out the promise of some development in the area — the building of roads, a new *surau,* schools, clinics, provision of fertilizers, agricultural marketing facilities — it would be able to retain the support of the rural constituents.

The urban electorate, generally more sophisticated politically, has higher expectations and is more questioning in nature. The MCA and the Gerakan can be seen as victims of the Barisan's political fumbles. Both parties could not put sufficient distance between themselves and the crisis-prone and UMNO-led Barisan. They thus bore the brunt of the voters' displeasure with government policies and the lack of accountability. The rural electorate meanwhile, threatened with a possible loss of political power and thus supremacy, opted for security, thus swinging support behind the traditional Malay party — UMNO.

A Swing to the DAP

For the urban-based DAP, the 1986 elections was its best electoral outing ever. Shortly before polling day, Lim Kit Siang had warned Malaysians that it was their last chance to tell the government their dissatisfaction with its performance and policies. The urban voters seemed to have taken

this message to heart. Its 24-seat win in Parliament gave the party more seats than both the MCA and Gerakan combined. A jubilant Lim Kit Siang told supporters: "Never before have the people been so decisive, despite the very unfair election conditions. The people have had enough of the Barisan."

In terms of absolute votes, the DAP managed to obtain close to 970,000 votes which is 20.8 per cent of total votes cast. The DAP had set its sights on winning 30 parliamentary seats but nevertheless, was more than satisfied with the party's performance. "We could have got over 30 seats if only the campaign had been a little longer," said Tan Seng Giaw, the DAP Vice-President who was returned in Kepong. Throughout the Peninsula, in the urban centres, the DAP had been able to erode the MCA's and Gerakan's electoral support, scoring significant wins over the two parties, particularly in Penang, the Klang and Kinta valleys — areas where the Chinese formed a majority.

In Penang itself — the DAP's frontline state — the DAP captured six parliamentary seats and 10 state seats, thus vindicating its strategic move to Penang. Party strongman Karpal Singh was returned with a larger majority in Jelutong while Lim Kit Siang scored a decisive victory over the Gerakan in the crucial Tanjong constituency. The contest for the marginal Tanjong seat had been labelled a "grudge" fight between Lim Kit Siang and Koh Tsu Koon. Both had an immense following among the Chinese Malaysians. The Chinese educationist groups as well as numerous clan associations threw in their support for the young academic, and the more optimistic supporters even called Tanjong, the DAP's waterloo. The DAP's victory underlines the support which the party has been able to muster by its skilful and effective exploitation of the issues. Lim Kit Siang also took the Kampung Kolam state seat and is thus set to replace Karpal Singh as the state opposition leader. The victory places the party within striking distance of taking control of the state government at the next election.

The party also emerged triumphant in the Federal Territory. Lee Lam Thye, campaigning from a make-shift Orang Asli longhouse, scored a landslide win over his MCA opponent in Bukit Bintang, while newcomer Tan Kok Wai upset the odds by defeating the MCA Youth leader Datuk Kee Yong Wee. The party also retained the Kepong and Seputeh seats. Party veteran and trade unionist V. David made a political comeback and won comfortably in Puchong. The DAP also made a clean sweep in the Kinta valley, taking 13 state seats and 4 parliamentary seats. Ipoh, Batu Gajah, Pasir Pinji and Kampar all fell to the DAP. The party also did well in Negeri Sembilan where party chairman Dr Chen Man Hin took the Seremban seat while Hu Sepang took the Rasah seat. Even more surprising was the DAP's performance in Sabah where it took four parliamentary seats from the PBS.

What has contributed to the resurgence of the DAP? The DAP landslide in the urban centres can be regarded as a clear rejection of the Barisan by the urban and predominantly non-Malay communities. Several commentators interpret this as a sign of the nation's growing racial polarization. For instance, Dr Tan Chee Khoon in *The Star* commented that the "968,009 voters who voted for DAP showed that the trend towards polarization had accelerated of late". In an interview with the Hongkong-based weekly, *Asiaweek*, Lim Kit Siang has also commented that the results show increased polarization and he went on to attribute this to the "increasing concern among the non-Malays over the consequences of Barisan's clearly discriminatory policies". These would be those issues which touch on culture, language and education.

Concern has also been expressed by the nation's non-Malays over the government's economic policies. The non-Malays have continued to voice disapproval over the education policy, in particular S.21 of the Education Act, access to tertiary education, declining standards in schools, the so-called "One language one culture" policy and implementation of the NEP. One of the basic assumption of the NEP

Lee Lam Thye.

had been that equity and wealth would be transferred from an expanding economic pie to boost up their control of the economy. But in the face of a severe recession, there was just not sufficient corporate wealth to be spread round among the country's elite — this has sharpened inter-elite rivalry.

It is perhaps unavoidable in a plural society like Malaysia, that racial sentiments are used as a yardstick to return politicians to office. However, the strong showing by the DAP need not mean that the country is moving towards greater racial polarization. The party's victory may well have been due to its image as being an effective check on the government. One of the party's key campaign strategies has been to campaign on national issues — BMF affair, the EPF-Makuwasa fiasco, allegations of corrupt practices in government — issues which have little or no racial overtones but nevertheless were of great importance to the relatively more sophisticated and better-educated urban voter. This was certainly the view shared by Dr Kua Kia Soong of the MCA-controlled Chinese Resource Centre. Dr Kua stressed that the "voting trend did not show that the Chinese were racialists or chauvinistic but that they stood up and paid attention to the issues of national concern".

The DAP has also been able to project itself as an uncompromising defender of non-Malay interests in rejecting an opposition front with the PAS — unlike the SDP, PSRM and Nasma. As the results have shown, its distancing of itself from Islamic fundamentalists has paid off. The DAP had argued strongly that the people of Malaysia, in particular the non-Muslims, would never accept the creation of an Islamic state. The non-Muslims were thus able to identify strongly with the DAP.

The DAP' success in part can also be attributed to the dismal preparation on the part of the MCA and Gerakan. Both parties could not shake off their factionalism and divisive tendencies. In short, many people voted against the MCA and Gerakan rather than for the DAP, hence the so-called

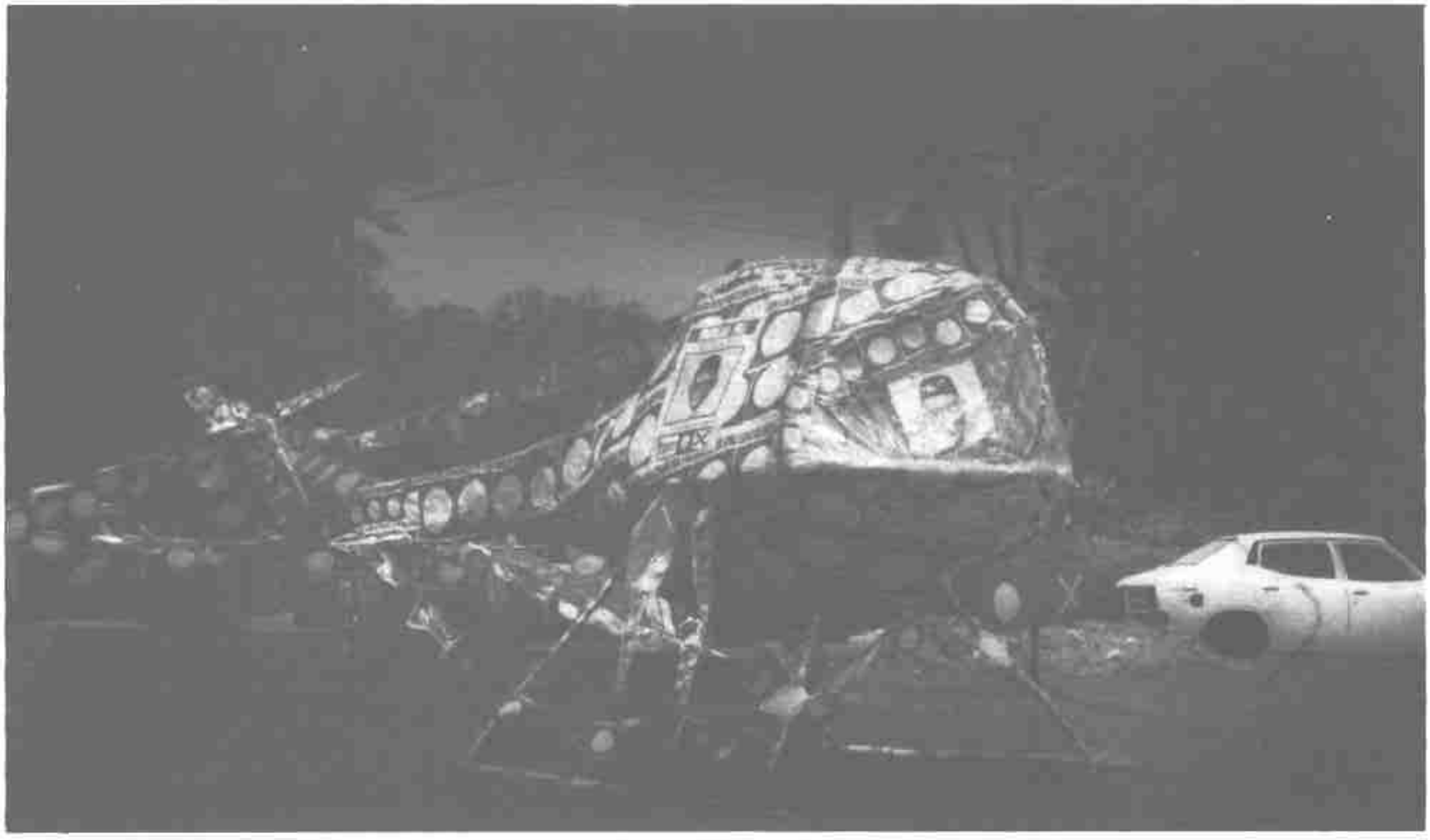
"anti-establishment" wave. The MCA was no longer a credible party when the elections were called. Its leadership had been irreparably damaged by the 20-month fight between Neo Yee Pan and Tan Koon Swan. The party had lost considerable esteem when it was threatened with expulsion from UMNO during its leadership crisis. Mahathir's support for the Mak Hon Kam-Tan Tiong Hong faction and the appointment of Ghafar Baba to mediate between the various factions had a particularly telling effect on its members — the MCA, it seemed, could no longer conduct its own affairs and had to look to UMNO to resolve its difficulties.

Eclipse of the Moon — the PAS Debacle

For the PAS, the 1986 elections had all the makings of a great electoral triumph. The party had campaigned almost from day one after it lost the 1982 election, holding *ceramahs*, religious sessions and study groups almost daily in the northern and east coast states. The people's response to these gatherings had been enthusiastic and supportive. PAS' cassettes containing the latest speeches by its leaders could be found in practically every kampung in Kelantan and Terengganu.

In the run-up to the elections, thousands and even tens of thousands, had gathered at *ceramahs* to hear PAS leaders attack the UMNO government — its unIslamic policies, its co-operation with non-Muslims, its purported moral weaknesses and alleged corruption. PAS posters with the white moon against a green background, banners and flags had outnumbered the UMNO's white and blue *dacing* almost throughout the states.

PAS' enthusiasm has been fuelled by a number of factors; the government had been hit by several crises and was on the defensive, the UMNO's party machinery seemed to be in disarray, and a renewed interest in Islam and Islamic values was very much in evidence. Added to all this was the economic recession. Thousands of Malay youths had been laid off after working in Singapore construction sites owing



The PAS "helicopter" which was set up during the 1986 general election.

to the economic downturn in the republic and had reluctantly returned home to the east coast states. The recession had sharpened class and other social divisions in the states giving rise to disillusionment and disenchantment with present policies. Having lost power in Kelantan eight years before, PAS seemed on the verge of storming back into power in Kelantan — a state where 93 per cent of its people are Muslims. The party also appeared to have a strong chance to regain control in oil-rich Terengganu — home of Haji Hadi Awang.

But as the results came through in the early hours of 4 August 1986, party leaders were in a state of shock — PAS was headed towards its worst defeat ever. The results were devastating. Not only did PAS fail to capture Kelantan and Terengganu, its representation in Parliament was cut to only one seat. Throughout Malaysia, it managed to win only ten seats in Kelantan, two seats in Terengganu and three seats in Kedah. PAS was defeated in many of its traditional strongholds like Salor, Bachok, Pasir Mas, Rantau Panjang and Kota Setar.

What led to this stunning defeat? "If the constituencies had remained the same as in the previous election, we would have done well," said PAS Vice-President, Haji Nakhaie Ahmad. By redrawing the electoral boundaries, the government had made PAS' task of capturing support more difficult. The party did not have adequate time to reach out to those who had been affected by the boundary change.

A more crucial factor in the PAS defeat was its role in the creation of an opposition front with the four smaller parties (SDP, PSRM, Nasma and the Workers' Party) and its alliance with the CCC. On one hand, PAS claimed to be the "true" Islamic party dedicated to the establishment of an Islamic state in Malaysia. Yet by entering into a coalition with left-wing non-Malay fringe parties and its active wooing of the Chinese votes, it became indistinguishable from UMNO. The party had constantly criticized UMNO for co-operating with the non-Muslims, yet in the elections, PAS adopted a

strategy of wooing the Chinese.

This contradiction in its policy was never clearly explained to its grassroots supporters. Many of its traditional supporters were not prepared to accept such a radical move. PAS has always been a Malay party rather than an Islamic one. The move and identification with Islam only emerged in the late 1970s and early eighties. But by being seen as co-operating with and accommodating towards the interests of the non-Malays, and hence non-Muslims, PAS forfeited part of its traditional following. Its public pronouncement on eliminating Malay special privileges and the role of the non-Muslims in government confused and confounded many party supporters. This provided UMNO with the ammunition to attack PAS.

UMNO leaders claimed PAS was sacrificing Islam for its own political ends. UMNO characterized the opposition front as an "unholy alliance" — one designed to weaken the Malay-dominated government. This theme was happily seized upon by the government-controlled media. PAS was unable to defend its position effectively. Its whole objective of forming an opposition front was to avoid splitting opposition votes so that it could draw support away from the Barisan Nasional. In many Malay-majority constituencies, the Malay voters were equally divided in their loyalty between PAS and UMNO. This means that Chinese votes had in some cases determined the outcome.

The attempt by PAS to create an opposition front ran aground almost from the day it was mooted. The idea of an opposition front perhaps came too late. The long-drawn negotiations and debate over the establishment of an Islamic state, damaged PAS' credibility. The negotiations and bickerings between the opposition parties were played up by the media and added to the confusion of party supporters.

The party's heavy emphasis on moral and religious issues also proved counter-productive. Many supporters became uneasy with PAS' portrayal of the party as "God's Party" and its concern with spiritual values rather than

material needs. Instead of focusing on national issues, the party preferred to focus on issues such as the Memali incident, Kassim Ahmad's book *Hadith: A Re-evaluation*, and Islamic moral values. Its confrontational approach to politics had a divisive effect on traditional kampung life-style.

The party's over-emphasis on morality and strict code of conduct and its call for the establishment of a fundamentalist Islamic legal system pointed to a highly conservative and intolerant party. According to Haji Hadi, pop music and culture were "contrary to Islamic values" and would have no place in PAS' scheme of things. The dominance of the party by the *ulamas* and theologians gave PAS a radical and "extremist" tinge which PAS failed to shrug off.

Such an image did not favour PAS. Kelantan and Terengganu in the eighties were a far cry from the sixties. Rapid development had occurred and the Malays had become less isolated. Economic development — although much of it uneven — touched off new expectations and perceptions. This meant that people were less affected and influenced by promises of spiritual fulfilment and more by bread-and-butter issues which have assumed greater importance. On the surface, PAS stood to gain most by the large number of first-time voters in the two states — the young being less committed to vote for the establishment. But on closer examination, there was precious little in PAS' policies which would appeal to the young, except spiritual advancement.

UMNO was also able to cut away at PAS' electoral support by its skilful manipulation on the fears and insecurity of the Malays. Part of UMNO's campaign strategy was to link PAS with the DAP. This was made easier by the fact that PAS, in fact, had reached some sort of electoral understanding with the DAP in some states so that they would not compete against each other for votes. By co-operating with the DAP to deny the Barisan government its two-thirds majority, UMNO argued that the two opposition parties were collaborating to put an end to Malay supremacy in politics. This, they argued, would come about if the Barisan lost its two-

thirds majority. Some observers commented that UMNO deliberately overplayed PAS' strength in an effort to reduce "anti-establishment" voting.

Lastly, one also needs to look at some internal factors within PAS itself which contributed to its biggest defeat. Organizationally, the PAS' party machinery could not match the Barisan's. PAS suffered from a shortage of funds. Added to this was the poor communication between PAS headquarters in Kuala Lumpur and state offices. This contributed to the confusion between people working at various levels and the PAS commissioners. The PAS commissioners were very much left to their own. Hence, the party issued contradictory statements regarding the rights of non-Muslims in an Islamic state and the CCC's position in the election. PAS also over-extended itself. Instead of concentrating on its strongholds, PAS attempted to win seats from Perlis down to Sabah. For instance, PAS leaders spent two days out of the nine-day campaign in Sabah — where it had virtually no chance of winning.

PAS also relied heavily on the in-fighting within UMNO. UMNO Kelantan had been split following the rivalry between Tengku Razaleigh and the incumbent Chief Minister, Mohamed Yaacob — a Mahathir supporter. However, in the last few days of campaigning, UMNO managed to set aside its differences. Key UMNO leaders were brought into Kelantan to campaign. Mahathir and Ghafar Baba both campaigned in Kelantan, so did Anwar Ibrahim. Factionalism in Kelantan UMNO had cast a question mark over several seats: Tumpat, Pasir Puteh, Kuala Perai, Nilam Puri and Kota Bharu. Active campaigning by key UMNO leaders during the last hours were crucial in swinging the voters back to the UMNO camp. PAS, thinking that its prolonged campaign had already had the desired effect, wound down its campaign in the last few days of the campaign period. PAS was led to believe that a victory was imminent because of dissension within UMNO.

Does the defeat mean that PAS, representing the forces of Islamic fundamentalism, is a spent force in Malaysian

politics? PAS had, after all, lost three electoral battles with the Barisan in a row: 1978, 1982 and 1986. To a great extent, the results must be taken to mean a rejection by the Malays of all that PAS stands for. PAS has also failed to win the support of the non-Malays despite the wide publicity given to the CCC which was set up by PAS. PAS has failed to win widespread support under Asri and its traditional conservative ideals. Now UMNO has swept aside the new PAS — with its heavy stress on Islamic fundamentalism.

"We've lost the battle but not the war," said PAS President, Haji Yusof Rawa. "Our spirit is not dampened by the defeat because the ultimate objective of our struggle is not to win the election, but to struggle for the cause of Islam." These were the same words used by PAS after its 1978 defeat. PAS, like the DAP, cannot afford to remain in the opposition benches forever. Ultimately, the objective of a political party must be to gain control — so that it can govern and give effect to its policies. But this defeat by UMNO is unlikely to see the end of PAS. It will remain an important force which UMNO must reckon with.

Although PAS had its share of seats greatly reduced, its share of total votes went up marginally to 15.6 per cent. One, of course, can argue that it went up because PAS contested in many more constituencies than it did in 1982. But UMNO's victory is much narrower than it seems; in 11 seats, PAS lost by a margin of less than 500 votes. PAS lost another 19 seats by a margin of 1000 votes or less. Thus it is quite conceivable that had it been able to strengthen its party organization, and had it been given more time to explain its radical policies to the public, it would have given UMNO a closer fight and secured a bigger margin of the parliamentary and state seats.

Rejection of the Minor Opposition

Apart from the PSRM, the smaller opposition parties (SDP and Nasma) were soundly beaten in the elections. SDP and Nasma failed to win a single seat. SDP leader and former MP

Fan Yew Teng lost both his deposits in the parliamentary and state seats. Party President Ahmad Nor, who was expected to do well in the Lembah Pantai constituency ended up in third place behind UMNO and DAP. As both parties were formed only a short time before the elections, they did not make an impact on the electorate. Their alliance with PAS, which linked them with the establishment of an Islamic state, led many non-Malay voters to reject the party. The SDP especially was overly ambitious and contested in far too numerous constituencies. Their defeat to some extent is a blow to the multiracial approach to politics. Both SDP and Nasma put up candidates of all races.

Of the smaller parties, PSRM performed the best. Party leader and civil rights activist, Abdul Razak, came close to defeating the Minister of Federal Territory in the Johore Baharu seat. It managed to increase its share of the votes. The PSRM did well in Johore because of the existence of electoral understanding at state level which helped the party to avoid three-cornered fights with the Barisan.

Significance of the Results

The electoral process taken as a whole can be regarded as a collective exercise by the people to confer authority, legitimacy and power on selected individuals. With every election, comes a realignment of political power. This comes about in two ways: firstly within the ruling party itself, and secondly between the ruling party and the opposition.

Within the ruling coalition, UMNO appears to have strengthened its position further *vis-a-vis* the other coalition partners, chiefly the MCA and the Gerakan. UMNO has shown a certain tenacity at the elections and successfully retained the support of a majority of the Malays despite being snarled at by the series of controversial issues, such as the BMF issue, the constitutional crisis and the Memali incident. UMNO increased its representation in parliament from 70 to 83 seats, while that of its coalition partners, MCA and Gerakan were weakened. The MCA, in particular, had its

seats cut from 22 to 14.

If the elections could be judged on an individual basis, then the most notable victory must surely belong to Mahathir. By returning the Barisan to office by such a large majority, Mahathir has strengthened his own position. The challenge from Musa for the time being has been deflected and the wind taken out from the sails of his critics. There is no question that having secured such a decisive victory he would want to stay on as Prime Minister for another five-year term. This would give him the time required to groom Anwar Ibrahim to take over the reigns of power. The Cabinet reshuffle which followed clearly shows this. Anwar was elevated to the Education Minister post, while Musa's supporters were either dropped, given less important posts or else kept in positions where they would do little damage. Datuk Shahrir Abdul Samad the former Minister for the Federal Territory was demoted to the Welfare Services portfolio. Former Johore Menteri Besar and Musa ally, Datuk Ajib Ahmad, was posted to the Prime Minister's office. Datuk Seri Adib Adam, the Minister for Land and Regional Development, was dropped from the Cabinet altogether.

With a reduced representation in Parliament, the influence of the MCA will diminish even further. This could already be seen even when it could command a fairly sizeable number of seats in Parliament. The two non-Malay coalition partners seemed to have little influence or impact on policy. Their defeat will make the Chinese community even less influential than before. The consolation — if any — is that despite having its number of seats in Parliament reduced, the MCA has been able to retain its share of ministerial posts. The question to ask now is whether the MCA has reached the point of no return. An analysis of past elections shows that the fortunes of the MCA fluctuate with each successive election. Optimists would predict that the MCA will spring back in the next election. But the indications are it may not recover quickly from its current political difficulties. With the jailing of its President by the Singapore authorities, ef-

fective power has passed on to Datuk Dr Ling Liong Sik and Datuk Lee Kim Sai (the former MCA Youth leader). Both men do not command quite the same level of support as Tan Koon Swan from the MCA grassroots. Datuk Lee's further disability is that he is not known to be trusted by UMNO. Datuk Lee has been critical of the UMNO leadership and implementation of the NEP in the past, while Dr Ling has limited grassroots support.

Already UMNO and MCA are at loggerheads. The MCA has blamed its defeat on the government's implementation of the NEP. This has drawn a sharp rebuke from various UMNO leaders, including Anwar Ibrahim. But unless the MCA pursues so-called Chinese issues more vigorously, it may not be able to recover from its defeat. On the other hand, to do so may lead to a head-on confrontation with UMNO — and the possibility of further decreasing influence in the government.

The Gerakan shares the same problems as the MCA. Already Gerakan leader Lim Keng Yaik has joined in the criticism of the NEP. Gerakan problems will increase with impending retirement of Lim Chong Eu. Its grip on Penang is already tenuous. Lim Chong Eu's departure might hasten factional in-fighting within the party.

Conflict within the Barisan is likely to increase. This will come about as the MCA and Gerakan set out to rebuild their constituencies. UMNO, with its enlarged representation in Parliament, may feel there is little reason to accommodate the MCA's demands. The critical period will come over the next two years as the debate over the NEP is brought into sharper focus. Already the country's political forces are taking positions in anticipation of the NEP coming to an end.

An enlarged non-Malay opposition coalescing round the DAP is likely to become even more critical of government policies. It is perhaps unfortunate that the 1986 elections left only the non-Malay DAP to provide a check on a predominantly Malay government. This will sharpen racial divisions in the country, particularly so as positions harden

over the continuation of the NEP

It is quite obvious that the government wants the NEP to continue even after 1990, or at least maintain the concept of restructuring the economy to reflect the racial make-up of the country. The question is whether it has the resources to do so. The recession in Malaysia is likely to deepen in the next year or two. Unless the government can free some parts of the economy and bring in added investment, it would be difficult to restructure the economy in line with the objectives of the NEP.

The NEP is as much a statement on economic policy as it is a statement of social policy. It embodies the hopes and aspirations of the ruling Malay elite and is UMNO's bloodline and main link with the Malay electorate. It is thus inconceivable that UMNO would want to alter the major premise of the policy.

Chapter 7

Election Aftermath

No Change in Leadership Style

Speaking at a rally to mark Youth Day and Youth Week following the elections in August 1986, Mahathir made it clear that "the government will not change [its] policies even though there are calls by various groups who consider themselves intellectuals [for the government to do so]". Mahathir defended strongly the Look East policy and blamed critics for the failure of government policies and for slowing down development. "These people are intellectuals but they possess a 'slave mentality' and have failed to contribute positively to the development of the nation," he added.

It is thus unlikely that Malaysians can expect a major change in Mahathir's policies or his leadership style. Yet it is precisely because of his combative and blunt leadership, which has brought about greater social divisions in the country. His inability to take criticisms and to admit to mistakes, it is said, has at times clouded his political judgement. He takes every criticism of his policies as a personal affront and is quick to down play the intensity of public feelings on some of the major issues.

His reaction to press scrutiny and criticism in the foreign press is cited as being indicative of this. At a *Hari Raya* gathering in Pendang (Kedah), Mahathir alleged that "certain reporters working for Jewish-owned foreign publications" were trying to destabilize the country through their "distorted reporting". Mahathir tried to assign critical reports on his policies and political judgement to "Zionists who were dead set against Malaysia because of its support for the Palestinians". The *Asian Wall Street Journal* and the *Far Eastern*

Daim Zainuddin

Economic Review had in the past reported widely on the constitutional crisis and the BMF scandal and this had angered the government. The *Asian Wall Street Journal*, in particular, had drawn the ire of Mahathir for its reporting on Finance Minister Daim Zainuddin's alleged involvement in share dealing in UMBC — one of the country's leading banks — and the apparent conflict of interest which resulted. Although Daim denied all allegations of impropriety, the report nonetheless sparked off a heated debate in Parliament.

The Mahathir government thus appears to have lost much of its "liberal" image. Its response to criticisms has grown sharper, more personal and uncompromising. Rather than answer his critics, Mahathir has a tendency to throw the blame back on them for any shortcomings and failures in government policies. Rebuttals are often tinged with emotionalism. Such a response invariably raises the political temperature and gives rise to speculation as observers are uncertain about the government's stand on a particular issue.

Mahathir's New Cabinet

In announcing his new Cabinet on 12 August 1986, Mahathir stressed that there was to be no radical changes to policies. "We are conservative," he said, "and do not believe that radical changes can solve our problems." The line-up in the new Cabinet reflects the government's desire for continuity. There were altogether four new faces in Cabinet. Datuk Najib Abdul Razak, the former Menteri Besar of Pahang, was named Culture, Youth and Sports Minister. The former Johore Menteri Besar, Datuk Ajib Ahmad, was appointed Minister in the Prime Minister's Department. Both are reputed to be allies of Musa Hitam. The other new ministers are Datuk Dr Lim Keng Yaik from the Gerakan, who assumed the post of Minister for Primary Industries replacing Datuk Paul Leong, and PBS Kasitah Gadam — assigned also to the PM's Department. Apart from Datuk Paul Leong, the other Minister who was dropped was Datuk Seri Adib Adam, the former Land and Regional Development Minister. He was a close

Najib Tun Abdul Razak.

ally of Musa Hitam.

Most ministers retained their portfolios. The most significant change was the replacement of Tengku Ahmad Rithauddeen at the Foreign Ministry by Datuk Rais Yatim. This can be regarded as a promotion for Datuk Rais following his strong support for Mahathir during the constitutional crisis. The MCA lost the Housing and Local Government portfolio. As there is some uncertainty as to who would assume leadership of the MCA as party president [Tan Koon Swan had to face charges in a Singapore court], the Housing and Local Government portfolio went to Deputy Prime Minister Encik Ghafar Baba. The representation of the other Barisan component parties in the Cabinet remained unchanged. UMNO has 14 ministers and 14 deputy ministers in Cabinet. The MCA has three ministers and six deputy ministers while the MIC and the Parti Pesaka Bumiputera Bersatu of Sarawak has a minister and two deputies each. Other minor parties like the Gerakan, PBS, SUPP and PBDS have one minister each.

Two Ministries — the National and Rural Development under Ghafar Baba and Land and Regional Development under Kassim Ahmad — have been expanded with the appointment of an additional Deputy Minister. It would appear that the government is now keen to re-order its priorities from the heavy emphasis given to industrialization to rural development and agriculture. Mahathir has made clear that the government is intent on reducing the country's reliance on commodities. The greater emphasis given to rural development would be a move towards self-sufficiency. Also of significance is the fact that although the MCA's representation in Parliament had been significantly reduced following the elections, its representation in Cabinet has remained the same except for the loss of the Housing and Local Government portfolio. Mahathir made it clear that the portfolio would be kept aside for the MCA and will be assigned to the party once it sorted out its leadership problem.

Mahathir pointed out that the first job of the government would be to tackle the economy which is "one of the

major problems at the moment". The government would also give priority to creating employment and increasing investment. Another matter which was given priority was housing. The government set a target of 80,000 low-cost houses to be built over the next three years. Of these, the most difficult task perhaps would be to attract more investment. Although the election results greatly strengthened the position of the government, investors were still hesitant about putting their capital in the country because of uncertainty over the country's equity rules and the continuing recession.

What Next? Race, Politics and the NEP

In its congratulatory message to Mahathir and the new Cabinet on 12 August 1986, the Malaysian Youth Council Secretary-General Fuad Hassan called on the government to make greater efforts to tackle the problem of racial polarization. Fuad Hassan commented that an unhealthy trend appeared to have emerged from the polls. "The Malays and Indians have been labelled government supporters and the Chinese branded opposition supporters," he said. He added that "efforts to fight polarization should be given first priority in all ministries and implemented through various programmes".

However, any hope that the government and the opposition will take heed of the advice given by the MAYC was dashed as the ensuing political debate following Mahathir's re-election has tended to focus on race. Following its heavy defeat in the elections, the MCA blamed the NEP for its defeat. The MCA argued that the "anti-establishment" wave in the urban centres could be traced to the overzealous implementation of the NEP.

In his keynote address at the Fourth National Economic Conference, MCA Deputy President Datuk Dr Ling Liong Sik called for a review of government policies so that the recession could be overcome. In particular, he cited the need to review the NEP. "There is fear that further economic

Ling Liong Sik.

adjustments to our economy are going to be painful and will certainly affect the progress of certain aspects of the NEP. These adjustments will draw vocal criticisms from some quarters — but they are absolutely necessary and unavoidable," he said. This was regarded by many as a direct criticism of the NEP and its implementation.

In an angry response to MCA's criticism, UMNO Youth leader, Anwar Ibrahim replied that efforts to eradicate poverty regardless of race should not only continue but should be intensified. Anwar pointed out that generally speaking, bumiputeras in the rural areas were much poorer than those in the urban areas and should be looked after. The exchange led to further calls by other Malay groups to punish those who speak out against the NEP. Anwar asserted that the NEP had not reduced the importance of the Chinese community in the country's development. He explained that what the NEP has done was to "give the Malays a little extra without eating into the incomes of the other communities". Deputy Prime Minister Ghafar Baba in a strongly worded statement remarked that critics of the NEP were "enemies" of the state.

Given the emotionalism surrounding any discussion of the NEP, it was thus not unexpected that different groups would continue to press for a debate on the NEP. In Seremban, the DAP Chairman Dr Chen Man Hin called for a reappraisal of the NEP as it had not solved the country's problem of poverty and unemployment. The sum effect of the NEP, according to Dr Chen, was the creation of "a class of super-rich Malays and tycoons while the average Malay was still floundering".

The debate on the NEP took on a new dimension when the up and coming UMNO politician Datuk Abdullah Ahmad addressed a forum in Singapore organized by the Singapore Institute of International Affairs. In his talk on *Issues on Malaysian Politics*, Datuk Abdullah focused entirely on the issue of race and what he perceived as threats to the country's political system. In a carefully rehearsed speech, Datuk Abdullah stated bluntly that: "the political system in Malaysia

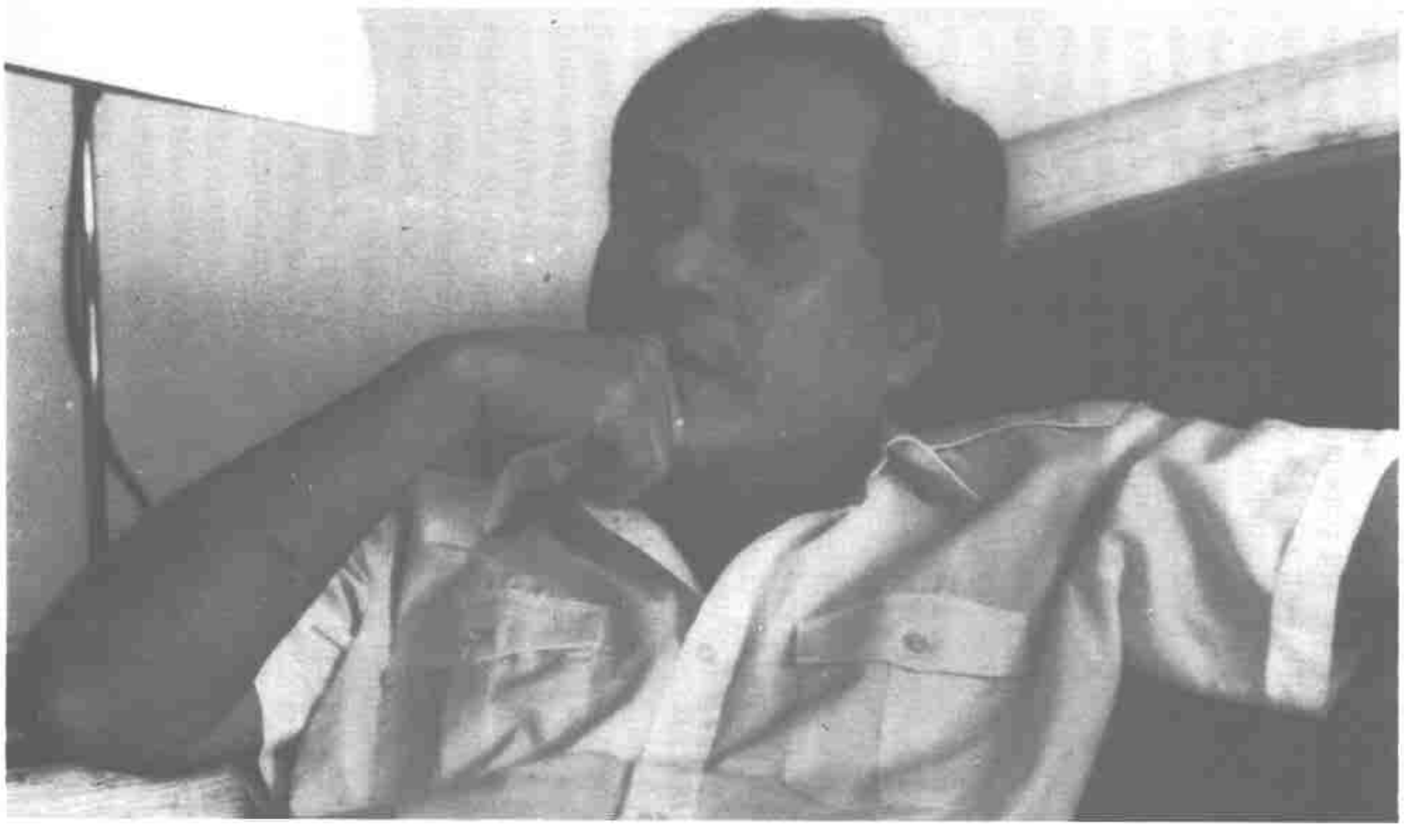
is founded on Malay dominance. That is the premise from which we should start. The Malays must be politically dominant in Malaysia as the Chinese are politically dominant in Singapore. There will not be another Tan Cheng Lock in Malaysia".

He claimed this system of "Malay dominance" was born out of a "sacrosanct social contract which preceded national independence". Moves "to question, to set aside and to violate this contract have threatened the stability of the system. The May 1969 riots arose out of the challenge to the system agreed upon, out of non-fulfilment of the substance of the contract," he said.

Datuk Abdullah warned that "if the Malays are pushed to the wall, they will react. There are no two ways about it: the NEP must continue to sustain Malay dominance in the political system in line with the contract of 1957". Even after 1990, he argued, the NEP must be preserved. He warned against challenging the government to change the NEP, "ours is not a system of discrimination but of Malay preservation". Abdullah remarked that "if the Malays feel further threatened, they might even consider a merger with Indonesia". Abdullah criticized the Chinese parties in the Barisan for not "delivering" in the elections and for using the NEP as a scapegoat for its electoral set-back.

Abdullah's overtly racialist remarks sparked off a heated debate on race and politics throughout the country. The Gerakan described his comments as "racist" and called for his suspension as MP of Kok Lanas, Kelantan. The MCA Youth Wing filed a report with the police, claiming that the speech was seditious. As expected, Abdullah's emotive speech drew the ire of all Chinese political groups in the country. The degree of racial polarization is best reflected in the response to Abdullah's speech. The Malay press and other UMNO politicians applauded his speech, while the Chinese and Tamil press together with the Gerakan, MCA and DAP condemned it.

Mahathir down played the entire issue. He commented



Abdullah Ahmad

that Abdullah was merely expressing his own views — not that of the government. "If we want a free society, free for all, why not allow him to express [his opinion]?"

As 1990 approaches, further debate on the NEP is inevitable. This will probably heighten racial tension as UMNO is likely to perceive any criticism as an attack on the position of the Malays. Already this is becoming more evident. At the 37th UMNO General Assembly in September, Mahathir in his keynote address warned non-Malays not to take Malays for granted as the Malay community's patience is "not unlimited". He added that the Malays wanted harmony, stability and economic growth, "but not at any cost". Mahathir stated that he "still believes in and supports communal co-operation in Malaysia". That speech underscored a hardening of positions between the Malay political leadership and its non-Malay partners and opposition.

Flushed with success from the elections, UMNO leaders throughout the country used the UMNO General Assembly as a forum to reassert Malay nationalism — or chauvinism, as some critics would argue. The main thrust of Mahathir's address was essentially a variation of those issues enunciated in Abdullah's speech. Delegates at the Assembly, with the election victory still fresh at the back of their minds, appeared to have put the rift between Mahathir and Musa behind. Mahathir and Malay nationalism took centre-stage.

Musa did make an attempt to keep alive his challenge for the top leadership post. In his address to the Assembly, he criticized certain policies adopted by the Administration — prestige projects and political arrogance. Musa called for a return to a "kampung-philosphy". His address did not go down well with the delegates. Musa's level of political support within UMNO is perhaps best seen in the fight for the UMNO Youth presidency. Anwar Ibrahim had little difficulty beating Musa's ally, Syed Hamid Albar. For the time being, Musa's standing in UMNO has fallen. Although Musa still maintains the support of many UMNO divisions, Mahathir's hold on the party has strengthened as a result of UMNO's

decisive victory at the polls. Mahathir is thus set to play the leading role in Malaysian politics in the next few years.

Appendices

RESULTS — PARLIAMENTARY SEATS IN THE 1986 GENERAL ELECTION

	Barisan Nasional	*DAP*	*PAS*	*Independent*	*Total*
Federal Territory	3	4	—	—	7
Johore	18	—	—	—	18
Kedah	14	—	—	—	14
Kelantan	12	—	1	—	13
Labuan	—	—	—	1	1
Melaka	4	1	—	—	5
Negeri Sembilan	5	2	—	—	7
Pahang	10	—	—	—	10
Penang	5	6	—	—	11
Perak	19	4	—	—	23
Perlis	2	—	—	—	2
Sabah	15	4	—	—	19
Sarawak	21	1	—	—	22
Selangor	12	2	—	—	24
Terengganu	8	—	—	—	8
	148	24	1	1	177

RESULTS — STATE SEATS IN THE 1986 GENERAL ELECTION

	Barisan Nasional	*DAP*	*PAS*	*Total*
Johore	35	1	—	36
Kedah	25	—	3	28
Kelantan	29	—	10	39
Melaka	17	3	—	20
Negeri Sembilan	24	4	—	28
Pahang	32	1	—	33
Penang	23	10	—	33
Perak	33	13	—	46
Perlis	14	—	—	14
Selangor	37	5	—	42
Terengganu	30	—	2	32
	299	37	15	351

RESULTS — POSITION OF THE PARTIES FOLLOWING THE 1986 GENERAL ELECTION

	No. of Seats Won	
BARISAN NASIONAL	*1986*	*1982*
UMNO	83	70
MCA	17	24
MIC	6	4
Gerakan	5	5
PBS	10	—
USNO	5	—
PPBS	8	8
PBDS	5	—
SNAP	4	9
SUPP	4	4
Berjaya*	—	8
Hamim	1	—
Berjasa	—	—
PPP	—	—
TOTAL	148	132

* Berjaya withdrew from the Barisan in July, 1986.

OPPOSITION		
DAP	24	9
PAS	1	5
SDP	—	—
Nasma	—	—
Independents	4	8
TOTAL	29	22

An Open Letter To The People Of Malaysia (By Datuk Seri Dr Mahathir Mohamad)

My Fellow Malaysians,

We are now going through a difficult period in the history of Malaysia. Like all developing countries, we are faced with a serious recession.

We are not so badly off as others. But our people have got used to such high rates of economic growth that this slowdown worries us. We look for a scapegoat and it is easy to blame the Government.

But let us look carefully at the facts.

The fall in commodity prices is not of our own making. New technology, substitute material, new producers, slack demand and market manipulations by rich countries have depressed the prices of all primary commodities. Against the powerful North, the developing countries can do very little.

Money is not so easy to make now. So, houses, cars and goods are not so readily saleable. Government revenues too have shrunk.

This is the reality today. Malaysians have to face this reality.

The only way we can ride through this recession is to face it calmly, plan our moves carefully and utilize our intrinsic strengths. If we give in to emotions, if we choose the easy way out and wildly accuse each other, we will only compound the damage.

Let me ask you a very simple question: if Malaysia is so bad, why do so many people take risks to smuggle themselves into the country?

It is especially when the going gets tough that we need a steady, experienced and firm hand to deal with the problems we face. We need a strong Government. Already, the corrective measures are showing results.

We have reduced our external borrowings from 4.6 billion ringgit in 1982 to 0.8 billion ringgit in 1985. We have reduced imports so much so that despite sluggish exports our balance of payments is increasingly favourable to us. Our reserves remain high. Jobs are being created.

Government expenditures have been cut from $27,110 million in 1982 down to $24,859 million in 1985. We have deregulated. We have provided better incentives for growth. We have improved the Government machinery, particularly the counter services which involve the public.

There has been an improvement in the performance of our civil service. Civil servants now understand the private sector better. The Government will continue to be guided by the principles of *Bersih, Cekap dan Amanah*. We will also continue with our efforts to create a modern, disciplined and moral society.

If we all pull together, we will get out of this recession stronger, more resilient. Investment, foreign and local, will pick up, creating more jobs and businesses, big and small. In fact, there are already signs of a pick-up.

My fellow Malaysians, can anyone deny that our country today is cleaner and healthier than ever before? The medical, health and educational services have been maintained and improved. Communications are easier and cheaper. The prices of essentials have actually been lowered. Cheap houses have been and will be built. Rural development is progressing. Indeed, the poor have always been helped. The rich are helped only where their economic activities will create jobs and generate faster growth.

We have a sound track record. We have peace and stability in this country that is the envy of many others.

The industrial base of the country is being broadened and strengthened. At the same time the agricultural sector,

where the poor are concentrated, continues to receive special attention. Our people enjoy a high standard of living.

We have every reason to be optimistic about the future. We will not be totally dependent on commodities. We will also manufacture for export. Already, in a good year, 1984, our manufacturers earned $12,201 million or 32 per cent of our total export earnings. God willing, with the dedication of our workers and managers, we will improve all round.

You have no doubt heard the argument that the Government is too strong, that it should not be given a two-thirds majority.

As you know, we have ruled with a two-thirds majority since Independence. Where in the developing world are there cases of countries which have done better than us?

Our opponents want Malaysia to have a weak Government. If they were the Government, would they want a weak Government?

Multiracial Malaysia needs a strong Government to move ahead, to guarantee stability. A weak Government will only be playing the politics of survival. It will constantly need to play to the gallery rather than to do what needs to be done. A weak Government will not bring us out of the present recession.

We have seen this happen in many countries. As politicians try to outmanoeuvre each other, the country suffers. Our children deserve a better future.

Look at the countries with weak Governments. Have they prospered? Isn't there civil strife, instability, even chaos and civil war? Even developed countries fail when the Governments are weak.

As you know, we have been very liberal. The opposition has taken full advantage of this. Yet they say we are oppressive.

If today we hear numerous baseless accusations against the Government and its leaders, it is because we are not oppressive.

There are, now, freer reports and comments in our

newspapers and magazines, more than at any time in the history of Malaysia. Often, these are without foundation and only seek to sow confusion and doubt. This is the price of democracy. The Government's only weapon is truth and positive action.

My fellow Malaysians, let us gather our strengths in this hour of trial. Let us not experiment with untested ideas. Let us unite for a better future.

Faced with problems, however threatening, the Barisan Nasional does not resort to extremism. It decides by consultation. It abhors emotions. It draws up plans than bring concrete benefits and implements them. It believes in results, not rhetoric.

It listens to the people. It balances the demands of the different races, the regions and states, the rich and the poor, the urban and the rural.

Our basic philosophies are sound. If we have not achieved complete success, it is because like all nations and all Governments, we cannot see all eventualities, we do not have unlimited resources and we have not perfected our implementation techniques.

You have my assurance that we will take corrective measures wherever they are needed. You can count on that. We are a responsive Government.

With your mandate, God willing, we will overcome. We will succeed.

I thank you for the support you have given us in the past. I now call upon you and upon all Malaysians to stand firm in supporting the Barisan Nasional once more for stability and a better future for everyone.

Dr Mahathir bin Mohamad
President
Barisan Nasional.

Barisan Nasional Manifesto 1986

Peace And Stability

Since the tragedy of May 1969, Malaysia as a nation has enjoyed peace and stability. Our peace and our stability should never be taken for granted. They have to be built brick by brick, stone by stone, with patience, by men of goodwill and moderation, common sense and pragmatism.

Fanaticism and extremism are alien to Malaysia's way of life and go against the teachings of Islam and the other faiths practised by Malaysians. They are the enemies of Malaysia. We, in the Barisan, believe that being the only party that is totally opposed to fanaticism and extremism of any sort; we are the only force that can guarantee the peace and stability of Malaysia.

We pledge to fight fanaticism and extremism and to do our utmost to ensure that peace and stability will continue in the years ahead.

Poverty

We take pride in the fact — which none can deny us — that over the years and under the care of the Barisan Nasional, this country has taken great steps forward in eradicating poverty.

We do not hide the fact that we are far from fully satisfied with what has been accomplished so far. The collapse in commodity prices has been a most serious set-back. Much more needs to be done to eradicate poverty. Much more will be done. In this country every Malaysian must have a place in the sun.

We pledge to the rural poor of Malaysia that in the com-

ng years, through the second rural development revolution hat has now been launched, we will invest massive resources o create the conditions that will allow the poor to lift hemselves from the pit of poverty. The New Villages, assistance for the urban poor, in the estates, and land development schemes throughout Malaysia will be part and parcel of this war against poverty. Malaysia will advance dramatically in its national mission to eradicate poverty regardless of race.

Education

Education is rightly a matter of serious concern to every parent. All parents rightly want to see that their children are given a place in the education system.

We, in the Barisan Nasional, give you these pledges. We will expand and improve the existing opportunities and the nstitutions of learning at every level. We will examine new avenues for reducing the burden of parents who want to give the best education they possibly can to their children. We give you the additional undertaking that we will continue to respect the choice of each individual parent in determining the type of school he wants for his child.

Chinese- and Tamil-medium schools will continue to exist in their present character. We give an absolute guarantee that there will be no change.

Culture

We believe very deeply in the evolution of a Malaysian culture. This does not mean the eradication or erosion of the ethnic culture of any particular community. All men must have the right to choose their own religion. Culture, like religion, cannot be imposed from without. It must come from the heart and from sincere practice.

We will continue to adhere to the undeniable facts and realities that we have outlined above. Just as there is freedom of religion, there must be freedom of culture.

Employment

Today, unemployment has become a serious problem. We believe it is not only an economic problem but also a social problem. It is an offence to the dignity of man. This is why we have launched a determined programme to increase employment opportunities. We will leave no stone unturned.

We give the people of Malaysia the undertaking that we will push hard and work diligently to grapple with the serious problem of unemployment. No foreign worker will be allowed to hold a job that must go to a Malaysian worker. All illegal immigrants will be deported.

Social Justice

The New Economic Policy is intended to ensure social justice for all Malaysians. It has achieved substantial success. In the years to 1990, we will fine-tune the Economic Policy, giving due emphasis to growth and the redressal of poverty and inequalities.

As for what comes after 1990, let there be no mistake. The fight against poverty will continue to be fought. The state cannot simply stand aside and watch the perpetuation of social injustice.

The enterprising must, of course, be allowed to profit fully from the fruits of their enterprise. They must be fully encouraged to flourish. At the same time, the weak must be made strong. The backward must be advanced. The disadvantaged must be helped. We will correct imbalances wherever they occur.

Anything less will not pass the test of morality that whatever is worked out for the post-1990 era will be worked out only after the fullest consultation of all segments of society. The post-1990 National Programme of Social Justice will be the outcome of the widest national consensus.

A Democratic Society

Malaysia is one of the few countries of the developing world which was born a democracy, which voluntarily returned

to democracy and which has kept democracy.

We will ensure that democracy in Malaysia will not mean the tyranny of the majority. Malaysian democracy gives all the ethnic communities a say in government. All who wish it are brought in. None are kept out. It ensures that decisions are made on the basis of the power of persuasion and not the persuasion of power.

We will protect Malaysia. We will protect, foster and develop Malaysian democracy. We will guarantee the freedom of the people.

A Liberal, Moderate And Tolerant Society

Malaysian society is today under the attack of religious and racial bigots who wish to impose their thoughts and their ways on others. There are authoritarian forces which wish to regiment, regulate and strangulate society and the freedom of the people.

The record and the beliefs of the Barisan Nasional are perfectly clear. We believe in a liberal and tolerant society where the people shall be free to act according to their conscience, to their needs and their aspirations. In the economic area, there shall be free enterprise. In the political and social spheres there shall be free expression.

A Religious Awakening

Throughout the length and breadth of this country there has arisen a religious awakening. There has been a greater turn to religion, to deep religious values and to greater adherence to religious practices. We, in the Barisan, welcome this.

Freedom of worship is guaranteed. We would like to see an even greater religious awakening in Malaysia.

What we deplore is any attempt to exploit religion and to inflame religious passions to turn man against man — in the name of noble aims, but in the pursuit of the base objective of gaining political power.

We will continue to foster the religious awakening, to foster Islam, while guaranteeing the freedom of other

religions. At the very same time, we shall continue to fight those extremists whose only interest is to exploit religion for their own political ends.

Housing

The need for a roof over every Malaysian head is basic. We in Barisan believe that we must go beyond the basic.

This is why we have launched a special programme to build nearly a quarter of a million low-cost houses over the next three years.

National Pride And Foreign Policy

Malaysia is a small nation living in a difficult world. There are many who believe that the proper place for such a small nation in a difficult world is for it to be a nation on its knees. If history judges that we are wrong in fighting for Malaysia to have self-respect and to command the respect of other nations, so be it.

We will seek to be a friend of all nations which respect the dignity of man. The hallowed principles of the Charter of the United Nations must be made real. We will not yield our independence and we will not stop standing up for the rights of other nations and other peoples who wish to be independent, to overthrow oppression, and to breathe the air of freedom.

Balanced Development

There are many at home and abroad who believe that this small nation of Malaysia should forever remain hewers of wood and drawers of water. There are many who are defeatists, who believe that we cannot enter the international marketplace and compete with the rest of the world. There are many who believe we have no future in manufacturing and must remain merely producers of raw materials.

Despite the set-backs of the past and many more set-backs which we will suffer in the future, let none misjudge Malaysia's determination to enter the twenty-first century

as a modern economy, strong in the production of commodities but strong also as an industrialized nation.

Without in any way neglecting our agriculture and where justified, we will go into heavy industry even as we widen the depth and the breadth of our light industries. We will develop the large corporation. At the same time, we will foster utmost vigour the development of medium-sized enterprises and the flowering of small-scale industries.

National Unity

There are a great many objectives which the Barisan Nasional will pursue with single-minded purpose in the years ahead. Of them all, none is as crucial as the strengthening of national unity. Upon national unity will depend all that we achieve or hope to achieve in the years ahead.

Only the Barisan Nasional, firmly committed to the concept of a clean, efficient and trustworthy government, is a national broad-based political party composed of all the people of Malaysia. Only the Barisan is a socio-political movement founded on moderation and consensus. Only the Barisan can truly act to build the national unity without which all achievements are meaningless.

Mahathir Mohamad at the launching of the Barisan Manifesto urging the people to vote in a more than two-thirds majority.

MCA Manifesto — The New MCA Way

Preamble: Our Beliefs

• WE believe that the future of a nation is determined by the reaction of its people to the challenges ahead. The survival of the Malaysian nation depends on how we meet the challenges posed by political, social and economic forces.

The progress and prosperity of Malaysia depend on not one but all communities working in harmony, tolerance, goodwill and understanding to promote national unity, peace and stability.

Therefore, we, Malaysian Chinese must perceive and interpret correctly the challenges before us. We must act boldly in unison in our struggle to ensure that we have a rightful place and a meaningful role in the Malaysian nation.

• WE believe that Malaysian Chinese must overcome self-destructive tendencies of negative thinking towards political fragmentation and disunity.

This negative thinking has led some to believe that Malaysian Chinese have no political power. This is a fallacy. So long as we have the right to vote, we have political power. But this power must have direction and purpose.

• WE believe that Malaysian Chinese must consolidate their political strength so as to create one united, cohesive, dynamic political force and direct this political force into a united Malaysian nation in which every citizen, regardless of race or creed has a fair share of the rights and responsibilities in the Malaysian nation.

• WE believe that the reformed MCA, revitalized with a new democratic constitution and a visionary proactive approach is the most appropriate political force of the

Malaysian Chinese as we move towards and beyond 1990.

The political unity of Malaysian Chinese will help us exert a strong influence over the economic directions of Malaysia beyond 1990. MCA will be able to influence the outcome of strategic decisions for the post-1990 scenario by working in partnership in the Barisan Nasional.

• WE believe that the new MCA is the most effective political force to bring about JUSTICE, EQUALITY AND PROGRESS for all Malaysians in general and for the Chinese community in particular, through a meaningful participation in the Barisan Nasional Government.

• WE therefore pledge to uphold the following principles and commitments.

MCA's Commitments

To uphold the legitimate rights and interests of all Malaysian Chinese and in furtherance of the objective to improve and upgrade the MCA as an effective political vehicle.

WE HEREBY DECLARE:

• WE are committed to an open, accountable, democratic and liberal party which can attract the best people to effectively represent the interests of the community.

• WE are committed to a responsive leadership collectively responsible and accountable to the Malaysian Chinese community.

• WE are committed to play a more proactive role in Government and to provide effective representation in Government for the Chinese community.

• WE are committed to Chinese unity as a basis for national unity, for Malaysian Chinese must be united in order to make an effective contribution to the Malaysian nation.

• WE are committed to a naturally-evolved Malaysian culture acceptable to all Malaysians.

• WE are committed to safeguarding Chinese education and towards this end, the MCA declares that we will sink or swim with Chinese primary schools.

• WE are committed to ensure that there will be more

opportunities for Malaysian Chinese in tertiary and vocational education.

• WE are committed to upholding the legitimate rights and interests of workers.

• WE are committed to eradicate poverty and to the re-development of new villages, in which one-third of Malaysian Chinese inhabit.

• WE are committed to a more liberal economy where free enterprise can flourish through fewer controls and greater de-regulation.

MCA's Plan Of Action

A revitalized MCA oriented to the aspirations of the people can achieve positive results for the people. We must continue to ensure that we are an honest, efficient, dynamic and accountable party, fully believing that what the people want is what we want.

Recognizing this, the revitalized MCA has A PLAN OF ACTION through a dual-prong approach to bring JUSTICE, EQUALITY and PROGRESS to all.

Firstly, we shall initiate policy adjustments from within the Government and seek to remove "irritants" which are of concern to the Chinese community.

We shall seek through our proactive approach greater attention to the problems of the Chinese community and to work for positive solutions within the Barisan Nasional Government and within the context of a multiracial nation.

We are pleased that within a short span of only six months, the new MCA leadership has demonstrated a credible track record in resolving some outstanding issues of concern to the Chinese, some of which have troubled the Chinese for 25 years:

i. Government's commitment to amend Section 21(2) of the Education Act 1961.
ii. More liberal practice of lion dances.
iii. Approvals for new Chinese primary schools.
iv. Extension of land tenure in new villages.

v. Resolution of the Bukit China issue.
vi. Resolution of the signboards issue.
vii. Increased intake of Chinese language teachers.
viii. Recognition of Tunku Abdul Rahman College qualifications.
ix. Resolution of problems in Pupils-Own-Language classes.
x. Exemption of quit rents for Chinese schools.

More importantly, our new Cabinet Ministers have also through their proactive approach helped to accelerate the process of de-regulation and economic liberalization, helped to resolve the civil servants' wage crisis, initiated steps to put a stop to Indonesian illegal immigrants, initiated a special housing programme to accelerate economic recovery and launched a new programme for development of new villages.

The MCA will continue to work within the Government to improve the general well-being of the Chinese community in particular and all Malaysians in general. We shall strive to protect the welfare and security of our people.

Secondly, the new MCA will adopt a self-help programme.

The new MCA leadership has initiated the following new projects.

New Village Development Centre (NVDC)

The new MCA leadership has established a New Village Development Centre staffed by many professionals, as a self-help programme to catalyse the re-development of the 452 new villages in the country.

The NVDC will complement Government's efforts towards the re-development of the new villages. It will mobilize the private sector to undertake development programmes in the new villages so that these villages can be developed and modernized into self-sustaining townships.

The NVDC is structured into five specialist committees for the major tasks ahead. It has a Land Committee which will carry out a land survey of new villages to assist the

residents to obtain land titles.

It has a Planning Committee which assists in drawing up layout plans for re-development of new villages.

It also has a Socio-Economic Research Committee, an Allocation Monitoring Committee and an Implementation Committee. All these committees are staffed by professionals, comprising surveyors, architects, engineers, planners, economists, and sociologists.

Institute Of Strategic Analysis And Policy Research (INSAP)

INSAP has been established to develop long-ranged strategies and viable plans for the Malaysian Chinese community. It will also carry out indepth analyses and policy research for the MCA so that the MCA leadership will be better equipped with relevant data to present their case in Government.

This will allow the MCA to play a more proactive and meaningful role in formulating and initiating government policies and programmes.

An important priority of INSAP is the preparation of a new 20-year perspective plan for the Chinese community in particular, which will provide long-term plans and sectoral objectives for the Chinese community in all strategic economic sectors. The Chinese Master Plan will set out the goals and vision of the Chinese community.

National Participation Unit (NPU)

Another concrete project of the new MCA leadership is the establishment of the NPU which will be responsible for monitoring the implementation of government policies.

The NPU will strive for fair and open opportunities for all Malaysians to participate in all sectors of national life and towards this end, will promote inter-ethnic economic co-operation.

The NPU will also monitor the performance of MCA's elected representatives to ensure that they perform their duties and obligations well.

Network Of Public Service Centres

A Network of Public Service Centres throughout the whole country has been set up to help the poor and needy, the disadvantaged, the hawkers and squatters who may be in need of positive help and assistance.

These Service Centres manned by full-time personnel and local MCA leaders represent the party's commitment to help the people in need of positive assistance. They will function as a bridge between the poor and needy with the government bureaucracy.

The Network of Service Centres has placed as a top priority the citizenship problem. They will assist those Chinese who have not yet obtained citizenship to do so, wherever possible. A special task force on citizenship has been established.

Workers' And Farmers' Affairs Centre

The new MCA leadership has also set up a Workers' and Farmers' Affairs Centre to study the problems of workers, farmers and fishermen and to provide service to these poorer people.

The centre will also provide constructive recommendations to safeguard and promote their legitimate rights and enhance their standard of living. Towards this end, a research study is currently underway.

Development Of Tunku Abdul Rahman College

The Tunku Abdul Rahman College stands as MCA's proud heritage to the education of thousands of young Malaysians. It is a manifestation of the party's commitment to provide more educational opportunities.

The new MCA leadership, through the College Council, has worked to obtain approval for the expansion and development of the college. A school of excellence is being planned.

A new Chinese studies programme will be introduced.

Approval has also been obtained for official government recognition of the college diplomas and certificates.

We believe that our dual-prong approach of working actively within the Government and through our programmes of self-reliance, the MCA will be in the best position to effectively represent and serve the Chinese community.

We have a Plan of Action, a strategy, a vision of the future. More importantly, we have in a short period established a track record, working towards JUSTICE, EQUALITY AND PROGRESS.

MCA's Fundamental Stance

WHEREAS we believe that the unity of all Malaysians is necessary for the well-being, peace, stability and progress of Malaysia:

- WE believe that the inalienable rights and fundamental liberties of every Malaysian are sacrosanct and that they transcend all races and all classes.
- WE believe that the MCA must continue to work within the Barisan Nasional Government to effectively represent the Chinese community, to influence the outcome of government decisions and to help determine the shape of future government policies and directions beyond 1990.
- AND we further believe that as there is no viable alternative to the Barisan Nasional at this point in time, our role as a partner in the Barisan must reflect the hopes and aspirations of Malaysian Chinese in every way, and we must be committed to uphold and protect their interests without fear or favour. We will provide the Chinese with strong and effective political representation.

NOW THEREFORE WE PLEDGE to uphold our basic political positions:

1. The MCA will strive for justice, equality and progress for all Malaysians irrespective of race, within a fair, liberal and just society.

2. The MCA will seek a system of meritocracy in the provision of opportunities, be it in education, business or

the civil service.

3. The MCA will provide the Chinese community with a strong voice to articulate the communities' demands and aspirations and will also speak out against social injustices and policies which are discriminatory and detrimental to the Chinese community.

4. The MCA will work together with all Chinese groups, including community and social associations in furtherance of our common objectives and will welcome constructive criticisms and feedback.

5. The MCA will reject all forms of chauvinisms and fanaticism and will promote a national multiracial identity for Malaysia and Malaysians.

6. The MCA will foster an open relationship with the people and promote participatory democracy and uphold the principle of public accountability.

7. The MCA will strive to obtain citizenship for all Chinese applicants with legitimate grounds.

8. The MCA will ensure that employment, investment and business opportunities are open to all Malaysians who must have equal rights to participate in the economic development of the country.

9. The MCA will strive to obtain land for the poor and the landless particularly those in the kampungs and new villages so that they will have an adequate stake in the country.

10. The MCA will strive for an honest, efficient and racially-balanced civil service both in government departments and statutory bodies so that all sectors of the public service and all levels of public administration will reflect the multiracial character of our Malaysian nation.

Conclusion

The new MCA leadership was born out of the Democratic Reformation Movement. It is a collective leadership which has restored democracy to the MCA.

It has shown that democratic change is finally possible

within the MCA system. The new leadership has given a new sense of direction to the MCA, a new vision to the Chinese community.

We believe that there is still unfinished business. We ask for your continued support to allow us to continue with the tasks ahead.

We are a new team, in office only six months. We need time. We ask you to give us another chance. We pledge to provide effective representation in line with our philosophy, approach and fundamental stands.

SDP Manifesto

The SDP is the better choice because its principles, policies, practices and personnel will ensure a "Stable, Democratic and Prosperous" Malaysia.

The SDP is a true and genuine multiracial political party, with members in every State from all walks of life. SDP leaders have demonstrated again and again their ability to get things done with courage, wisdom and fair play. Leaders of the SDP include professionals such as lawyers, doctors, accountants, scientists, economists, with proven abilities in their respective fields of specialities. They are men and women of knowledge and ability, able to guide and lead our country out of the troubles created by the Mahathir government.

They are men and women of integrity with the firm belief in Malaysianism — that all problems facing our country must be considered in Malaysian terms.

Stability

SDP subscribes to the fact that the foundation of our prosperity are racial harmony and stability in our country. There can only be stability if there is trust, mutual confidence and friendship among all Malaysians. What our country has witnessed time and time again is the sense of alienation of groups of races, resulting from unfair policies or unfair implementation of policies. As a party with leaders and members representing all the races under a single roof, the racial problems created by the Barisan Nasional can and will be avoided by the SDP.

Poverty

SDP will wage a sustained campaign against poverty based on the concept of basic needs. Assistance in the form of education and subsidies will be carried out to the benefit of all poor Malaysians both in the rural and urban areas. Income Tax relief for the lower income groups will also be increased.

New Economic Policy

It has been established that the NEP has not benefited the poor. What it has achieved is the creation of a small core of super-rich Malays, Chinese and Indians. SDP will draw up anti-poverty policies to help the poor of all ethnic groups.

Defence

The safeguarding of our nation is not the sole responsibility of the armed forces, but of all Malaysians. SDP will introduce national service among all our citizens who can be mobilized to defend our nation.

Privatization

The guiding principle is whether by privatizing, Malaysians will enjoy better services and amenities at cheaper costs. SDP is against all forms of privatization that are merely the transfer of ownership from the government to a few individuals so that they can become super rich.

SOCSO And EPF

SDP will review the amount to be compensated to injured workers. The current rate is an insult to our workers.

SOCSO and EPF will be merged into a single organization, to be managed jointly by the government, employers' organizations and trade unions. The rate of contribution will be substantially increased. The Investment Panel will include workers' representatives.

High Cost Of Living

One of our nation's biggest enemies is the rising cost of living. This has effectively reduced the spending power of the wage earners. SDP will reduce the prices of staples such as rice, vegetables, fish and meat so that all Malaysians can live a healthy life.

Business

As business provides jobs for Malaysians, a business promotion unit will be set up to help in business development.

Education

SDP is for the equitable distribution of university and college places in the country, and also the setting up of more universities and colleges including an open university system to cater for the increasing number of our young people who wish to obtain a tertiary education at much cheaper costs.

SDP believes that all Malaysians have the right to mother tongue education, as enshrined in our Constitution. Hence there is no need for the continued existence of Section 21(2) of the Education Act 1961 which gives the Minister of Education the right to convert Chinese or Tamil schools into national schools.

SDP will recognize degrees from Middle-Eastern, Indian, Taiwan and Nanyang Universities.

SDP will launch an emergency programme for training teachers at all levels to solve the present acute shortage of 18,000 trained and qualified teachers in our schools. Sixth Form colleges will be established.

The 3-M system in our primary schools will be thoroughly reviewed.

Housing

SDP will launch a massive public housing programme for the poor, the homeless and the low and middle income groups in the country. SDP will endeavour to build low-cost houses which will cost not more than $15,000/- per unit.

A land and housing bank will be set up.

Religion

As provided for in the Constitution, Islam is the official religion of our country, but all Malaysians have the right to practise their faith and their beliefs. No one should be persecuted or forced to give up his religion. We honour the freedom of worship.

Subsidies

The Mahathir government has withdrawn virtually all subsidies to farmers and fishermen; at a time when our poor farmers and fishermen need help, the Mahathir government choose to make their plight worse.

SDP will reinstate and increase subsidies to farmers and fishermen so that they will be able to enjoy a decent standard of living.

Culture

SDP honours the freedom of our citizens to their cultural practices. We will abolish the need for permits for cultural practices such as the lion dance, Indian dance, Malay kompang, etc. TV and all public performances will reflect the variety and richness of our way of life.

Social Welfare

The disadvantaged, the underprivileged, the neglected old and displaced, will be properly cared and provided for. More and better facilities will be built for them.

Sports

SDP recognizes the roles played by our sportsmen and sportswomen. Schemes such as scholarships, better job opportunities and medical compensation will be considered.

Environment

SDP believes that a healthy and natural environment is

necessary in maintaining the health and continued survival of our flora and fauna. A concerted environmental protection programme will be implemented. SDP will abandon the proposal to dump nuclear waste behind Bukit Merah New Village in Perak, and close down the Asian Rare Earth factory, SDP will drop the Bakun Dam project.

SDP will close down all factories involved in nuclear energy research and nuclear waste production.

Science And Technology

The progress and advancement of our nation depend to a large extent on research and development. As research and development can be too expensive for private industries to undertake, special units in the universities will be set up for such purpose.

Land Use

Better use of land will be made. Disused ponds, waste lands will be leased out for cultivation. Cost of land for low-cost housing will be drastically reduced. SDP will initiate land and agrarian reforms so that genuine peasants have enough land. SDP will also encourage the proper growth of the co-operative movement.

A Fair Electoral System

SDP will introduce a fair and equitable electoral based on the principles of Proportional Representation so that the vote of one Malaysian is equal to that of other Malaysians.

Fight Against Corruption

All personalities of public life including the Prime Minister, shall be required to declare their assets. SDP will set up a fully independent Anti-Corruption Commission to be headed by a High Court Judge.

SDP will set up Royal Commissions of inquiry to probe the M$2.5 billion BMF scandal and the M$1.2 billion ESSO case scandal.

Freedom Of Movement

All Malaysians will be given their fundamental human right to travel to any part of Malaysia as well as to all countries throughout the world, with the exception of South Africa and Israel.

Development Of Kampungs And New Villages

SDP will emphasize on *in situ* socio-economic development of kampungs, new villages and estate settlements. The development allocations of kampungs and new villages shall be increased by at least 100-fold from its present miserable allocations.

A Fair Deal For Women

Despite all the promises, equality for Malaysian women is still merely token. SDP will introduce policies, measures and legislation to bring about genuine social, economic, legal and structural equality for women.

Ombudsmen

To help ordinary citizens fight bureaucratic and administrative abuses and excesses, SDP will set up a complete Ombudsmen (Parliamentary Commissioner) system which is independent of the government. This Ombudsmen system will particularly investigate into the grievances of the ordinary Malaysians with regard to consumer affairs, administrative delays or injustice and media abuses.

Human Rights Commission

To promote and protect the fundamental human rights of Malaysians, a Human Rights Commission shall be set up. It will have the power to investigate into complaints of human rights abuses and violations and will also have the right to adjudicate on human rights disputes between the government and citizens.

National Hawkers' Policy
SDP will provide the funds, expertise, land and other facilities to help hawkers and small traders earn their living peacefully and without harassment by local authorities. SDP will introduce a progressive National Hawkers' policy as a guideline on this matter, aided by a National Hawkers' Advisory Council which will include hawkers' representatives themselves.

Restoration Of Local Elections
Local authorities elections to City, Municipal, Town, Local and Village councils will be restored so as to encourage the development of grassroots democracy.

Freeing The Media
SDP will set about to free the Press, TV and Radio to ensure a free flow of information, ideas and knowledge. This will go along way towards the progressive intellectual, political and cultural development of our people and country.

Democracy
SDP will abolish the Internal Security Act, the Sedition Act, Printing Presses and Publication Act, the Official Secrets Act, the Universities and University Colleges Act and other repressive and restrictive laws. In place of the Official Secrets Act, SDP will introduce a Freedom of Information Act.

Foreign Policy
SDP is for an independent and progressive foreign policy, bringing Malaysia closer to the Non-Aligned Movement and the Third World countries. SDP will do its utmost for world peace.

Look East Policy
SDP will scrap this wasteful policy which discriminates Malaysians in favour of the Japanese and South Korean capitalists. The SDP is guided by its concept of MALAYSIANISM — the practice of looking at all problems from a

Malaysian perspective and not a racial angle as is currently practised by the Barisan Nasional. The road to national unity and integrity can never be arrived at if we continue to look at things from a racial perspective. That is why after nearly 30 years of independence, we are still faced with the problems of racial polarization the dissatisfaction among the races over the distribution of opportunities and wealth brought about by the constant infighting and backbiting among members of the Barisan Nasional. We must put a stop to all this if we are to be a Malaysian people. The time to put a stop to this is NOW.

Glossary

Allahu Akhbar!	—	*Allah* the Great!
Bersih, Cekap dan Amanah	—	Clean, Efficient and Trustworthy
ceramah	—	a talk
dacing	—	a pan or scale and a weight
dakwah	—	missionary
fatwa	—	a final answer or legal ruling given by a Muslim judge
Hari Raya	—	festival
imam	—	religious teacher
Majlis Ulama	—	a council of theologian (especially in Islamic matters)
Mullah	—	religious teacher
orang Islam	—	a Muslim
sabil	—	crusade
surau	—	a mosque; small Muslim chapel or place of worship
syarak	—	law based on the teachings of Islam
ulama	—	theologian (especially in Islamic matters)
umrah	—	visit a holy place as part of a pilgrimage

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