5 MEN & IDEAS

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PREFACE

Building a National Identity and forging National Unity is a challenge facing many newly independent nations, more so multi-racial and multi-religious societies like Malaysia. At the time of independence in 1957, the racial composition of the nation was almost equally balanced between Malays and non-Malays, although the non-Malay share has declined to under 35% presently. After 46 years of independence the issue of National Unity and National Identity remains paramount, if not even more relevant than ever, with racial polarization in institutions of higher learning remaining a significant issue. Some have even argued that racial polarization has widened with the growing Islamisation and creeping extremism in Malaysian society.

With a significant proportion of Malaysians below 30 years of age, many of the younger cohorts will have forgotten about the "Merdeka Pact" or the Social Contract that was agreed upon as the basis of our National Independence. Some of our younger Malaysians – born after May 1969 may not remember the ugly days of May 13, 1969 and its aftermath and the ensuing Second Social Contract that was agreed upon that resulted in the New Economic Policy 1970-1990 and the formulation of the Rukunegara.

The Asian Strategy & Leadership Institute (ASLI) in our 10th Anniversary Year has adopted as our Mission – the Development of a Better Society. Forging a National Identity and building a better nation out of our diversity is a subject that we care deeply about. This has led ASLI to hold a National Convention on National Unity which had the personal interest of YAB Dato' Seri Abdullah Ahmad Badawi when he was Deputy Prime Minister of Malaysia. ASLI has also undertaken some research studies on National Unity.

This book *Five Men and Five Ideas: Building National Identity* is supported by ASLI because it attempts to trace our efforts at nation building and building a national identity. This book provides a concise yet in-depth analysis of the major contributions of five key leaders who have played key roles in the founding and building of the Malayan and later Malaysian nation. We believe that this book will be a useful guide to younger Malaysians to evaluate the roles and contributions of these five men and the central ideas they espoused that laid the foundations for what Malaysia is today: Dato' Onn Ja'afar, Tunku Abdul Rahman Putra Al-Haj, Tun Abdul Razak, Tun

Hussein Onn and Tun Dr Mahathir Mohamad. The building blocks laid down by these five statesmen provided a basis for the new Prime Minister Dato' Seri Abdullah Ahmad Badawi to build on, and to take Malaysia to even greater heights in the 21st Century. This book, I believe, can be a meaningful contribution to the study of Malaysian history and the process of nation-building. Useful lessons can be learnt from these five men and their ideas, particularly their roles and contribution in building a National Identity.

Having personally known and worked with three of the men featured in this outstanding work, I can add some personal observations of these fine statesmen of Malaysia. I first met Tunku Abdul Rahman Putra Al-Haj when I joined the Board of Directors of Star Publications in late 1985 of which the late Tunku was then the Chairman. I had the privilege of serving Tun Dr Mahathir in my work in ASLI, particularly in several international forums we organised overseas for the then Prime Minister. And I had the pleasure of working with our 5th Prime Minister Dato' Seri Abdullah Ahmad Badawi when both of us started in politics way back in 1978 in the Federal Territory when "Pak Lah" was appointed Parliamentary Secretary of the then Federal Territory and I held my first political appointment in the Federal Territory MCA State Liaison Committee. I also worked closely with Dato' Seri Abdullah in the first National Economic Consultative Council (MAPEN I) from 1989-1991.

It is evident to me that all three of them have a profound and deep commitment to National Unity. The Tunku, being the fine gentleman that he had always been, was a veritable source of knowledge. Yet he was never afraid to speak the truth or be candid and critical if necessary. At times he was personally distressed by trends in the country and when I left the Star Board in September 1990, a few months before his death, the Tunku wrote me a personal note expressing his concerns over rising politicking in the country, which the Tunku felt could undermine the nation's unity.

Tun Dr Mahathir was a man I deeply admire for his energy, innovative ideas and his vision. I remember attending Kem Bina Negara when Tun Dr Mahathir spoke about his deep-felt views on maintaining unity. He had everyone in the camp carry an egg for a few days in our pockets. At the end of the camp he told us the meaning of the egg – the need to tread carefully - our unity is as fragile as the egg. "If we don't break the egg, the chances of our living together are far greater", said Tun Dr Mahathir who went on to emphasise the need for Malaysians to be sensitive to other races in building the nation and in developing our National Identity. Tun Dr Mahathir has demonstrated that in the international arena Malaysia can punch above its weight.

My experience with Dato' Seri Abdullah in MAPEN I is marked by his openness, his ability to accept divergent and opposing views and his calm and patient manner in overcoming open confrontations and in reconciling differences. That he is a gifted conciliator was clear to all of us in MAPEN I. He is truly an excellent mediator who is a good listener and a strong believer in a multi-racial Malaysia. His ability to reach out and forge a consensus enabled MAPEN I to come up with an agreed report on the sort of Post-1990 National Economic Policies to adopt. Dato' Seri Abdullah can further strengthen our National Unity by his humility, compassion and willingness to compromise. His actions during his first week in office — an Address to Parliament, breaking fast with Judges and meeting with civil servants signal his commitment to upholding the 3 key institutions in Malaysia: the Legislature, Judiciary and Civil Service. To some these actions may be mere symbolism but to me, they send pretty powerful messages of the new man's strong commitment to the key institutions of governance — the pillars of our National Identity — the rule of law, supremacy of Parliament over the executive and the integrity of the public service. I am confident that Dato' Seri Abdullah will lead Malaysia forward in the 21st Century with his focus on the 4E's — Ethics, Efficiency in public service delivery, Education and Economic sustainability.

ASLI would like to acknowledge the contribution of the corporate sponsors whose support has made this book possible: Berjaya Group, Bolton Berhad, Jasa Kita, Jawala Corporation, Kuala Lumpur Kepong, Kuok Brothers, Lembaga Tabung Angkatan Tentera (LTAT), Magnum Corporation, Malayan United Industries, Permodalan Nasional Berhad (PNB), Resorts World, Talam Corporation, Tenaga Nasional Berhad (TNB) and Yayasan Albukhary. The author of this book, Mr. Hng Hung Yong, should be commended for his efforts in researching and presenting the contributions of the five men in a concise, readable yet analytical and thought-provoking manner. Acknowledgements should also be given to our co-publisher Pelanduk Publications — its Managing Director, Dato' Ng Tieh Chuan, and his editors. Finally, we wish to acknowledge the ASLI team for their invaluable support.

Dato' Dr Michael Yeoh
Chief Executive Officer
Asian Strategy & Leadership Institute

INTRODUCTION

The idea of this book grew out of a concern that the nation's headlong rush towards economic progress is blinding it to the fact that this is being achieved at a high social cost. Racial polarization has reached unprecedented levels, especially among the young. One generation of citizens has grown up conscious of the fact that their place in society depends to a large extent on whether they are Malay or non-Malay, bumiputra or non-bumiputra. Given that three-fifths of the population is thirty years old and below, this is a problem of immense proportion with far-reaching consequences.

Almost half a century after Merdeka, the problem of race continues to dominate society. This time, however, the blame cannot be completely attributable to history. Much of it has been of the nation's own doing. Instead of building common ground, many policies have had the effect of accentuating differences and alienating the races from each other.

The education system reflects very well what is happening. It is a victim as well as a perpetrator of a system that separates and divides. Every year, thousands of parents of different races enroll their children in schools, hoping they will emerge from it with a sense of shared purpose and common identity. Instead, their children end up being more conscious of how different they are from each other. At the apex of the education system is the university. Our universities are now not known for the quality of education they provide, but as showcases of some of the worst manifestations of racial polarization in our midst. They have failed to fulfil their first and basic function, which is citizenship building.

Racial polarization is now so commonplace that many of its victims have become numb to its fundamental lack of righteousness and have accepted it as an inherent feature of Malaysian society. Some policymakers now also view it as an inevitable and unavoidable outcome of development and the restructuring of society. These conclusions should worry because they reflect a growing disillusionment with the promise of a single nationhood. They also reveal a poverty of thought and an absence of resolution about what can be done to address the problem.

Quite clearly, there is a need to re-capture the idealism of a Bangsa Malaysia, and make possible a promise that has lost direction and drive. The allegiance of young Malaysians in particular must be won over to the ideals of a nationhood founded on shared values and a common identity.

But what is the promise of the Bangsa Malaysia?

History has established some parameters for the definition of this identity. This book explores the ideas of five leaders - Dato' Onn Ja'afar (1946-1951), Tunku Abdul Rahman (1951-1970), Tun Abdul Razak (1970-1976), Tun Hussein Onn (1976-1981) and Tun Dr Mahathir Mohamad (1981-2003) – who have helped to define the basic architecture of the nation's identity.

Part I explains the dynamic and contested nature of the process of identity building. Part II provides the historical context in which this process has been taking place. It examines in particular how a Malay world was transformed into a plural society, and what political and socioeconomic conditions were like at the commencement of the nation building process in 1946.

Part III is entitled "Five Men and Five Ideas" and is the seminal portion of this book It explores five defining ideas, one associated with each of the five architects who have helmed the nation or nation-to-be, and examines how these ideas have contributed to the building of a national identity. Each leader responded differently to the challenges of his time. Collectively, their representations constitute a corpus of identity assertions that can help to provide some answers to questions like "Who is a Malaysian?" or "What is a Malaysian?"

Writing for this book was completed one month after Dato' Seri Abdullah Ahmad Badawi became Prime Minister. Part IV is a brief exploration of what nation building priorities under his leadership are likely to be.

There are, of course, no final answers as to what form national identity will eventually take. Identity building is essentially a process of synthesising the memories, symbols, myths, heritage and culture of a people. The Malaysian experiment is a particularly difficult one, given the multiracial, multicultural and multi-religious character of its population. Many nations with a less complex mix of people and cultures have taken much longer to develop a national character. In this sense, the nation's identity is still very much a work in progress, and it will be a while before it acquires a coherence and distinctiveness that can be associated with 'Malaysian-ness'.

This study has also been instructive in one other aspect. The five leaders examined here were concerned not only with the nature or content of national identity, but also

with how this identity will be constructed. Their careers demonstrate a constant attempt to keep faith with the virtues of moderation, accommodation, tolerance and consensus in the management of race relations. It is an ethos that should continue to guide the search for a national identity.

Readers will note that the book focuses on events in Peninsular Malaysia and omits consideration of the situation in Sabah and Sarawak. Identity building in these two states is subject to a number of variables that are not prevalent in the peninsula and deserve separate consideration. But by and large, the lessons gleaned from the experience of nation building in the peninsula are also instructive for these two states.

This book is an interpretative work. It is, in a sense, a study of the problems of leadership in a difficult setting, of trying to understand how five men have tried to manage the historical circumstances they found themselves in to build a nation. The focus in each case was narrowed down to an examination of one idea associated with the nation building work of each of these leaders. This approach obviously has its limitations, and it is not suggested here that this analysis is an exhaustive study of the contribution of these five leaders to the building of a national identity. But taken together, the five initiatives do reflect a logic and a continuity that explains the phases of identity building the nation has undergone. It is this sweep of history that the book focuses on to try to learn lessons from the past to guide the future.

I have relied extensively on primary research work done by others in the preparation of this book. I like to acknowledge my debt to all of them. I also like to thank the co-publishers of this book, the Asian Strategy and Leadership Institute and Pelanduk Publications, for facilitating its publication. Responsibility for its contents is entirely mine. On a more personal note, I like to dedicate this book to my wife Susan, and to Ming, Caroline, Yao and Su Yi.

Hng Hung Yong
Kuala Lumpur
November 2003

Chapter 1
The Enigma of National Identity

Malaysia Boleh: An Answer and a Question

2003 was an exceptional year for Malaysia. It stared with some uncertainty as to how the economy would fare in the aftermath of 9/11, and what impact the widening war against terrorism would have on it. But compared to other countries in the region, Malaysia was doing quite well. As the months went by, the economy stayed resilient, the government was seen to be very much in charge, and confidence increased. The nation soon got caught up in an infectious celebration of 'Malaysia Boleh-ism'. Merdeka was celebrated with exceptional exuberance in August, and as the year wore on, the feel good factor climbed higher. Mahathir finally said goodbye, Badawi took over, and Malaysians probably never felt as confident about the future.

The mood towards the end of the year had been fuelled by the fortuitous coming together of a number of happenings: encouraging economic news, attention generated by the hosting of a major Islamic conference, goodwill associated with recognition of Mahathir's legacy, and knowledge that change at the top was taking place smoothly and surely. It was a grand celebration of nationhood, of being Malaysian.

But what exactly did all this mean? Did it reflect mere relief that the nation has survived difficult times? Or was it driven by a more innate feeling of common cause and shared destiny?

The question became more poignant when a local radio station, caught up in the euphoria of Malaysia Boleh-ism, invited its listeners to nominate a person whom they thought deserved to be named "Malaysian of the Year". But it was a challenge that simply begged the question: What does Malaysian-ness mean? Is it a real or an imagined identity?

This is the question this book tries to explore. "Who is a Malaysian?" and "What is a Malaysian?" are variations of the "Who am I?" and "What am I?" themes that individuals ask of themselves. The answers are of more than academic interest because knowing who you are and what you are helps you to know your place in society, and how you relate to others in it.

Constructions of Identity

Identity groups together people of similar attributes. Cultural identity links people who have common cultural characteristics. Attributes like race, language and religion help to distinguish one identity from another. The Japanese, for example, are a racially homogenous group. They speak a common language and have a common ethnic origin. So their identity as a people is quite distinct. In a similar manner, and to varying degrees of exclusiveness and purity, the French, the Germans, the Chinese, the Italians, the Egyptians and others can all be said to have their own identities.

But culturally "pure" societies are a rarity these days. The movement of people across boundaries and territories through the centuries has diluted many 'original' identities. Malays, for example, come from a common stock spread across Southeast Asia. Most are Muslims. But because of historical influences that have taken place over time, there are many Malays in the Philippines and Indonesia today who are not Muslims. Likewise, many overseas Chinese share a common cultural heritage with the Chinese in China, but their "Chinese-ness" has been transformed over the years through interaction with locals in many parts of the world. The Peranakans of Malaysia, for instance, who are ethnically Chinese but in many respects Malay in their lifestyle, are but one example of how core identities can be transformed.

These qualifications aside, the fact remains that cultural attributes are the major determinants of a people's identity. In countries where a single large ethnic group overwhelmingly dominates society, such as in Japan or France, the impact of minority groups is minimal, and the dominant identity of the country remains unchallenged. Despite the presence of small minorities, Japan is still overwhelmingly 'Japanese', and France remains very 'French'. In each case, the clarity of the dominant identity of the group is very distinct.

In multi-ethnic states such as Malaysia, however, the situation is quite different. Although one race, in this case, the Malay race, is numerically larger than the others, the other races are significant minorities in their own right. No particular race thus overwhelmingly dominates the scene. In fact, in plural societies, cultural differences are heightened by the close juxtaposition of the races.

The Evolution of National Identity

Group identities generally are easy to understand as they bring together people who share a common belief or are engaged in a similar occupation. Muslims from

different corners of the globe are identified as Muslims because they share a common faith. People who travel into space are all known as spacemen, even if they may be referred to as cosmonauts, astronauts and taikonauts on earth.

How is 'national identity' different from these kinds of group identities?

The explanation must begin was an understanding of the difference between states (*negara*) and nations *(bangsa)*. States are formal organisations around which the world is structured. They have geographical boundaries, governments and administrative systems for laws, finance, and other functions. Statehood is thus a *political* creation. It is concerned primarily with how a society is organised, not what are the values or ideology of its people.

Nationhood, on the other hand, is a *cultural* concept. A nation can be described as a community of people who have a common historical memory, who reflect common values in their daily lives, and who believe in a common, shared destiny. Nationhood, therefore, is about beliefs, identity and character. It is not about structures and organisations.

States, thus, have geographical or spatial boundaries. But nations do not necessarily have them. The Kurds, for example, are located in a geographical region spread over northern Iraq, Eastern Turkey and Western Iran, but consider themselves a nation. Similarly, the Tamils in Sri Lanka identify more closely with the Tamils on the Indian mainland than with other Sri Lankans on the island. They are motivated by a political consciousness they identify as Tamil nationhood, which is distinct from Sri Lankan nationhood. In both these cases, nationhood is a real identity. To the extent that they have not been fully realised, they may also be described as imagined identities.

These two examples show that while it is possible to have states that are not nations, it is also possible to have nations that are not states, as is the case with the Kurds and Sri Lankan Tamils.

States, however, can acquire the characteristics of nations over time. Although they may have different cultural and ethnic origins, the people in a state will come to share in the course of time many common memories and experiences. They may develop feelings of common purpose and identity. When this process reaches a certain level of maturity, a collective "national consciousness" may emerge. The community can then be said to form a nation.

When the boundaries of a state and nation are congruent, the resulting entity is known as a *nation-state*. This conflation of state and nation completes the

integration of form and substance. The people who identify themselves as a nation then live within the territorial boundary of a state. They subscribe to a common system of laws, they participate in a single economic system, they share common rights and duties as citizens, and they aspire to common goals and objectives. These characteristics, taken as a whole, reflect an identity that is unique and peculiar to that nation-state. We call that its national identity.

Clarity in National Identity

National identity is most coherent and distinct in situations where the population originates from a single cultural or ethnic group. An example is Japan, where the native stock is overwhelmingly of a single, common origin. The national identity of the Japanese is thus very distinct.

However, not many nation-states are able to project identities with such clarity because they have in their midst a number of minority groups. So although the original ethnic or cultural group may continue to dominate because they are numerically larger, this dominance is now diluted by the presence of sizeable minorities.

France, Germany and Great Britain are examples of such nations. They are 'old' countries with deep cultural roots, but while the culture and values of their 'original' communities remain central to their identities, their core identities have been diluted to some extent by migrant flows from Eastern Europe and Africa in recent times.

Lower down the scale of clarity in national identity are nation-states that have a more plural population, that is, those with significantly larger ethnic and religious minorities. In such states, each minority group constitutes a substantial presence. Some may even aspire for autonomy, as has been the case with the French-speaking population of Quebec in Canada. As a result, Canada does not project a single, dominant, national identity. It is a bit French and a bit English, depending on which part of the country one is in.

Right at the bottom of our national identity scale are countries that are not true nations at all, but mere agglomerations of territories strung together in many cases by a departing colonial power. These countries may have a national flag, a formal constitution, and perhaps even membership of the United Nations. But there is little else to qualify them as nations. Ethnically, culturally and politically, their people do not share any common history or aspirations. They are best referred to simply as states, not as nations or nation-states.

Malaysian Identity: Contested Terrain

Where along this scale of nationhood formation is Malaysia? Forty-seven years after Merdeka, how coherent is the concept of a Malaysian identity? How deep are its roots?

As explained earlier, identity creation is the result of a contest between competing identities. In the Malaysian case, the competing identities are those of race, culture and religion. The Malays form a majority of the population, but only just. There are also large numbers of Malaysians of Chinese and Indian origin, as well as representatives of other indigenous groups. All compete to maintain their presence and separate identities in the nation.

The formation of national identity, therefore, takes place in a dynamic environment. It is the product of the interaction of all these elements. The question that concerns us, firstly, is whether an overarching national identity transcending race and culture has emerged from this mix after nearly half a century of nation-building, and secondly, how strong is its hold?

The simple answer to the first question is a 'yes'. Malaysian-ness is a real identity, not an imagined one. It manifests itself in very tangible terms. Malaysian students overseas readily identify themselves as Malaysians, not as Malays, Chinese or Ibans. Malaysian badminton players competing abroad are well supported by Malaysians residing or studying overseas. These are genuine and spontaneous expressions of association with an identity we can call 'Malaysian'.

The second question is more difficult to answer. How strong is this feeling of Malaysian-ness? To what extent does it dominate the competing pulls of race, religion and culture?

To help answer this question, let us consider the situation in two scenarios involving Malaysian students: one in an overseas environment and the other in a local university.

When a Malaysian student arrives on campus in a university overseas, his first contacts are likely to be other Malaysians. If there are quite a number of them around, they may form a loose association to promote fellowship among themselves. But our new student very soon finds out that there actually are a number of other organisations catering for the interests of Malaysian students. There may be an association catering exclusively for Malay students, for example. And similar ones, too, for students from, say, Kelantan, Trengganu, Sabah, Sarawak, and so on. Other groups with common interests, such as alumni of Islamic colleges

or of Chinese schools, may have also formed their own association. There may also be a number of political clubs for supporters of political parties like Umno and Pas.

In this scenario, competing identities are at work. There is, on the one hand, the appeal of the larger, overarching Malaysian identity. But there are also the more particularistic appeals of race, religion, even of political affiliation. The impact of these contests for allegiance may not be significant in this overseas environment. But transport this scenario to a home environment, and the impact of this contest become more obvious.

Consider the situation in our second scenario, the campus of a local university. One would expect a university to be an environment where the highest ideals of 'one nation and one people' will be manifested. But our university campuses are now well known for being highly polarized along ethnic lines. They have become showcases of some of the worst expressions of racial polarization in our midst. It is a sad comment on the state of these institutions of higher learning that however successful they may be in passing out thousands of graduates every year, they have failed to fulfil their first and basic function, which is citizenship building.

We asked, earlier, how strong and how prevalent is the identification with a common nationhood. Obviously not very strong in our university campuses, where there is an almost total collapse of commitment to the building of an overarching Malaysian nationhood. But it is not only on university campuses where there is a lack of common ground about what this nationhood means, or how it should be achieved. Let us examine another arena – the definition of national culture – where these questions are being contested.

The Search for Common Ground: Defining National Culture

National culture helps to define national identity. If there is no agreement about what national culture is, it will be difficult to have agreement on the identity of a national character.

The major ethnic groups in the country represent three strong, primary cultures. All have historical linkages to the peninsula that go far back into history. All claim to contribute to the cultural heritage of the nation. What, then, constitutes national culture? Is it a hotchpotch of what exists? Or do some elements of this heritage have a better claim than others to qualify as the 'definitive' culture of the nation?

The official position is that national culture has to be based on Malay culture because it is the culture of the indigenous people who comprise a sizeable portion of the population. So even though non-Malays comprise a significant minority, their cultures are immigrant cultures, and therefore cannot be part of the definitive culture of the land.

This official position recognises, however, that the immigrant cultures have had a long and significant presence in the country, and therefore, it is open to accepting 'suitable' elements from these cultures as part of national culture. What these 'suitable' elements are have not been defined. So, to all intents and purposes, the national culture of the country today is Malay culture.

Most non-Malays do not contest this view. Neither do they feel diminished by it. Acceptance of Malay culture as the core component of national culture has not prevented them from practicing their own cultures. This freedom to live and practise one's culture remains one of the outstanding features of Malaysia's plural society, and is an example of how contending identities in multicultural societies can accommodate one other.

There are, however, many non-Malays who disagree with this definition of national culture. To them, national culture is 'public' culture, i.e., that which exists, that which has the allegiance of the people, indigenous as well as migrant. Culture is what people practice, what they believe in. It is not what is mandated or deemed to be politically correct. One cannot legislate for culture, or define it by fiat.

Here, then, are two competing perspectives of what Malaysian-ness means in cultural terms. One is the official and politically correct view. The other is the view of some citizens. These differences manifest themselves in many ways. We examine *two case studies* here, both concerning language and education, to illustrate the impact such different views on national culture can have.

In Defence of a 'Strict' Interpretation of National Culture: "Opposition to the use of English in Schools"

Early in 2003, the government announced a major change in education policy. Science and Mathematics in government schools are to be taught in English and not in the national language. The programme will commence in 2004 in the first year of primary school, and phased into other grades in subsequent years.

The government's reason for this move was simple. Competency in English among school leavers has plummeted and youths entering the job market today can barely communicate in the language. The government took the view that if Malaysians wanted to compete in a rapidly modernising globalised market, basic competency in English was essential.

The move caused considerable disquiet in the Malay community. Many feared that students who had no prior exposure to the English language, especially those in rural areas, would lose out. Others expressed concern that there weren't enough science and mathematics teachers competent to teach in English.

The most trenchant criticism, however, came from some culture nationalists who wanted the Government to adhere more strictly to the objectives of the national culture policy, which was to promote the use of the national language. For them, language is the principal arbiter of national culture, and substituting the Malay language in favour of English did not make sense. After the long and difficult struggle to ensure the pre-eminence of the Malay language, they could not understand why the government was now reversing gear. Was there no other way to promote the study of English? Or was the government suggesting that the Malay language is not good enough for the study of technical subjects?

In Defence of a 'Flexible' Interpretation of National Culture: "Opposition to Vision Schools"

While some Malays want a "strict" interpretation of the policy on national culture, some Chinese are arguing for a more "flexible" or accommodative interpretation. The attitude of many Chinese educationists towards the government's "Vision School" project is indicative of how wide the gulf is between these two schools of thought.

The Vision School project was conceived in 2001 as a response to growing racial polarization in schools and colleges. One cause was the flow-on effect of the affirmative action programmes of the New Economic Policy. While these opened up new opportunities for Malays, it at the same time generated feelings of discrimination among non-Malays, especially members of the younger generation, who felt that through no fault of their own, they were being treated unequally. Growing religiosity in the Muslim

community in recent decades has also reduced interaction between Malays and non-Malays.

The government's Vision School project was conceived to address this growing polarization. It envisaged the construction of primary school campuses with grounds large enough to accommodate at least two types of schools: national schools, where the population is largely Malay, and vernacular schools, where the population is largely non-Malay. Students from both schools would share playgrounds, canteens, school halls and laboratories. The expectation was that this would encourage mixing among the races and promote a single nationhood.

Despite these laudatory intentions, the project failed to receive the support of many Chinese educationists. They suspected the government's motives, and believed that by getting Chinese schools to interface with national schools, the government was laying the groundwork for a case to do away with Chinese schools in the longer term. This, despite the fact that the government had given its assurance that it had no such intention. Hence, the argument of the Chinese educationists that current interpretations of education policy should remain and that Chinese schools should not be compelled to participate in this project.

The Search for Common Ground: "Rainbow Solutions"

The government says opposition to both these initiatives is misconceived. Neither Malays nor non-Malays are being asked to give up or forego any right or privilege that they already have. Improving competency in the English language does not mean reducing competency in the Malay language, and increasing interaction among students of different races will not make anyone less Chinese or Malay.

The lesson here clearly seems to be that building common ground between the races requires moving beyond zero-sum thinking, beyond assuming that the sum total of rights and benefits is fixed and static, and that one party's loss is another party's gain.

In 2003, the Ministry of Tourism launched an international media campaign to attract tourists to Malaysia. The "Malaysia, Truly Asia" campaign zeroed in on the nation's multi-cultural heritage as its unique selling point, and its advertisements carried visuals that depict the colourful and vibrant cultural activities of various ethnic groups in the country.

This marketing strategy differed considerably from those of competing tourist destinations nearby. Thailand and Indonesia, for example, focused on the powerful imagery of their respective indigenous cultures to attract tourists. But the Malaysian strategy was the exact opposite. The focus was on its diversity of cultures, not on the distinctiveness of its native culture.

What does this say about interpretations of national identity? The national culture purist may argue that what the national tourist agency has done is a gross misrepresentation of national identity, especially to the outside world. The right thing to do would be to focus on the nation's native culture, which is what Thailand and Indonesia have done.

The counter argument, however, would be that this marketing campaign has nothing to do with politics or culture, but everything to do with trying to earn the tourist dollar. From a marketing standpoint, what distinguishes Malaysia from its neighbours is its diversity, its rainbow character. Accepting this fact does not in any way diminish the integrity of the nation's native culture.

Quite clearly, the search for common ground and for a common identity should not be sacrificed at the altar of cultural puritanism or to meet the demands of any one culture. To be sure, the culture of each ethnic group has its own role in society and they should not be evaluated against each other. But more importantly, they should not be evaluated against the need for a common ethos that transcends the separate identities of these cultures. The need to build common ground has its own justification, and that justification is nation-building, which is the cultivation of those shared values, attitudes and institutions that bind a people together.

Nation-building, therefore, can be regarded as a process of identity formation, of the creation of a national consciousness out of shared historical, social and cultural experiences. The purpose of this book is to examine how the leaders of the country engaged in this process over the last fifty years. To understand what they did and how they did it, we must first understand the environment in which this experiment has been taking place. We must begin with history.

Chapter 2
The Emergence of the Malay World

Early History

There is consensus among scholars that human settlement in the Malay Archipelago was the result of more than one wave of migration that began in the landmass that is today's China. This outward movement travelled in two directions. One was southwards across land through Indochina into the Malay Peninsula. The other travelled eastwards across the seas to the Polynesian islands before proceeding in a south easterly direction towards Southeast Asia.

Reconstruction of the early history of human settlement in the Malay Peninsula has relied largely on the limited range of archaeological findings that are available. In caves and rock shelters, researchers have found tools and other artefacts that indicate that a Mesolithic culture inhabited the peninsula for several thousand years until probably around 2000 B.C. This era was followed by a period where the settlers became adept at the use of bronze and iron for tools and other implements.

Where people settled, they did so initially in river estuaries and along the coast. There they fished and engaged in a basic agricultural existence and learned to trade with one another. Island to island travel was common, and over the centuries, the archipelago came to be populated by a people who shared a more or less common ethnographic heritage. These are the 'natives' of the region, the people we now broadly identify as of Malay stock.

This Malay world stretched across a vast expanse of land and sea, and traces of it has been found as far as the Polynesian islands in the east and along the coast of Africa in the west. But its core territory encompassed the geographical region now identified as Indonesia, Malaysia and the Philippines.

Across the vast expanse of the archipelago, pockets of early Malay communities developed. And like most early societies elsewhere, these were pagan communities whose livelihood were governed by the bounties offered by the land they lived on, subject to the vagaries of weather and disease, As the more powerful among them extended their influence over others, a few emerged as small 'kingdoms' in their respective localities, holding sway until they in turn were either taken over by some stronger community, or simply withered away as a result of internal strife or some natural calamity.

It is a striking feature of this early historical period that none of these communities emerged to dominate the region militarily, or indirectly through the development of a strong indigenous culture. Indeed, the nascent Malay world was largely a recipient rather than a generator of culture. And, as we shall see, its subsequent development was influenced more by indigenous reaction to overseas contact rather than the other way round.

The Hindu Influence

The geography of the region explains why and how. The Malay Archipelago lies between two older and more enduring civilisations, that of the Chinese in the east and the Indians in the west. Chinese explorers began sailing to the archipelago very early in the first millennium, mainly to trade. Indian contact with the region began at least as early, but was more extensive and eventually left a larger cultural and political impact on the region.

The Indians began coming to the archipelago mainly because they were sailing to China to trade, selling pepper and cotton there and obtaining silks, porcelain and precious objects in return. This accounted for the growth of Indian influence in Cambodia, Java, Sumatra and the peninsula.

For several centuries, Indian influence in the peninsula was felt largely along the north eastern coast, in the area now known as southeast Thailand, Kelantan and Trengganu. This influence emanated from the powerful Indianised states which had developed in Indochina (including the Khmer empire which built Angkor Wat). The most well known of these states was *Langkasuka*, believed to have been founded in the second century. The empire extended as far south as present-day Kedah and is believed to have lasted over a thousand years.

The west coast of the peninsula was for the most part subservient to the Indianised power centres that developed in Sumatra. The most famous of these was the Buddhist empire of Srivijaya, which came to power in the seventh century and had its capital near where Palembang is today.

Srivijaya represented a highly sophisticated civilisation that built the complex of temples known as Borobudur on the island of Bali. It was largely a maritime power, controlling the movement of shipping and trade through the Straits of Sunda and the Straits of Malacca. Scholars believe that it was during the period of Srivijaya rule, some time between 1200 and 1350, that a settlement on the island of Temasek, now Singapore, was founded.

The centuries of Indianised influence in Southeast Asia left a deep impact on the political and social structure of the evolving Malay world. Under Hindu influence, the typical chief in feudal Malay society became a *Raja*, a hereditary ruler. His enthronement involved an elaborate Hindu-based ceremony, significant elements of which continue to be followed right up to the present time. Likewise, the marriage ceremony of a Malay man and woman today continues to be based very much on a Hindu-inspired ritual. The Malay vocabulary, too, came to imbibe Sanskirt words such as *shurga* (heaven), *neraka* (hell), *agama* (religion) and *bendahara* (army commander). The Indian impact on art and craft was also extensive, and can be identified in the motifs adorning many works of art today.

Although the Hindu influence on the Malay world was extensive, most scholars are of the view that it did not overwhelm the basic social and political structure of indigenous Malay society. The Hindu impact was received largely as a cultural overlay, and early Malay society maintained its feudalistic structure based on hierarchies such as those between ruler, commoner and slave.

By the eleventh century, the Srivijaya empire was in decay, and there emerged a new centre of power, the Hindu *Majapahit* empire, this time based in Java. By the mid-fourteenth century, this new empire had conquered Palembang and Temasek, and claimed suzerainty over much of Sumatra, the Rhio islands, south Borneo, the Malay Peninsula, the Celebes and the Moluccas.

Further north, at about the same time, Thai kingdoms were in resurgence, and by the fourteenth century, had successfully defeated the Burmese and the Indianised state of Kambuja. By about 1400, the neck of the peninsula represented the fault line that divided the two major competing influences in southeast Asia at that time: the Theravada Buddhist Thai kingdoms in the north and the Hindu-based Malay-Javanese order in the south.

The Founding of Malacca and the Arrival of Islam

Archaeological findings in Java and Indochina suggest that Islam first arrived in Southeast Asia in the eleventh century, brought to the region by traders from India and the Arab world. But it was only around the thirteenth century that Islam's presence in the region became more pronounced. Religious teachers and Sufi missionary groups followed Muslim traders to the region, and with time, Pasai in north Sumatra, and later Aceh, became centres of Islam.

On the opposite side of the Straits of Malacca, the spread of Islam through the Malay Peninsula was linked closely to the founding and expansion of the Malacca Sultanate (1402-1511).

Towards the later part of the fourteenth century, a rebellion against the Hindu Majapahit Empire broke out in Sumatra. The rebellion was put down, but legend has it that one of its leaders, Parameswara, fled and sought refugee in Temasek. There he tried to seize power from a local leader, but lost, and fled to the west coast of the peninsula. He ended his journey at the village of Malacca around the year 1400. There he built up a following and soon became leader of the settlement.

Malacca's independence at this juncture was not assured. To its north lay an ambitious Buddhist Thai Kingdom whose reach stretched to the northern states of the peninsula. To its south was the Hindu Kingdom of Majapahit, still extant, although facing rebellion from emerging Muslim states. Parameswara needed allies to protect him from both kingdoms.

It was his good fortune that at about the same time, the Ming Court of China began a series of maritime adventures to the archipelago and beyond. In 1403, the Emperor of China sent a representative to Malacca, and in return, Parameswara sent envoys to China in 1405 and 1407, receiving Imperial recognition. China's attempt to establish a loose suzerainty over the region was reinforced by frequent visits of Chinese naval fleets. The most notable of these was that led by Admiral Zheng He, a Muslim, in 1409, and this prompted Parameswara himself to visit China in 1411 and again in 1419, paying tribute to the Emperor and seeking protection from the Thais.

These developments assisted the growth of the new kingdom of Malacca and eventually took it beyond the reach of the weakening Majapahits in the south and the Thai empire in the north.

Parameswara, a Hindu, sealed the direction of Malacca's future development when in 1414 he married the daughter of the Muslim Sultan of Pasai, became a Muslim himself, and changed his name to Megat Iskander Shah. Malacca became an Islamic state from then on, and from there, the religion spread rapidly to other parts of the peninsula, ousting Hindu and Buddhist influences that had preceded it.

In the north, the Thais had established a firm kingdom based on Buddhism and appeared unshakable. But in island Southeast Asia, as the Majapahit Empire gave way, trade and politics were pursued this time under the flag of Islam. It was not long before Islam became the main religion in the archipelago, a conversion process that was achieved at an unusually rapid pace.

Malacca: The First Malay Nation

Malacca's most significant contribution to the history of the peninsula is its role as the centre from which Islam expanded to the rest of the archipelago. While north Sumatra remained the Islamic centre of learning during the religion's early history in Southeast Asia, it was from Malacca that the religion diffused to other parts of the archipelago. It spread fastest where the local royal court adopted it. The founder of the Malacca dynasty was the progenitor of a royal patrilineage whose members came to rule Pahang, Perak and Johor.[1] This explains to a large extent how Islam spread so rapidly from Malacca to its neighbouring Malay states.

As Islam increased its influence in the region, Malacca prospered as a port, attracting traders from China, India, the Persian Gulf and farther west. Although many languages were spoken, it was Malay that was most widely used, enabling both locals and visitors to communicate.

As Malacca prospered, its rulers sought to expand outwards. Soon, the rest of the peninsula, the Rhio islands as well as the Sumatran states facing the Straits of Malacca were compelled to defer to Malacca's supremacy.

When Megat Iskander Shah died in 1424, he was succeeded by his son who reverted to Hinduism, and then by his grandson. The continuation of a Hindu regime did not go down well with the Muslim community. The third ruler was overthrown and replaced by a Muslim, Sultan Muzaffar Shah, in 1445.

Muzaffar Shah was succeeded in 1459 by Sultan Mansur Shah who was responsible for Malacca's major expansion into other parts of the peninsula. Sultan Alauddin in turn succeeded him in 1477, and when he died, Sultan Mahmud, the Sultanate's last ruler, became ruler in 1488.

For the greater part of the fifteenth century, the Malacca Sultanate reigned supreme in the peninsula and along the Sumatra coast facing the straits. Its prosperity was based on its entrepot trade. Traders from the region as well as those travelling eastwards to China and the Spice Islands, or westwards to the Persian Gulf and Europe, all found Malacca a convenient port of call.

The harbour itself enjoyed a good reputation and provided safe anchorage in all kinds of weather. The pattern of monsoons and trade winds enabled traders from East and West to meet one another in Malacca. Ships making use of the northeast

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[1] Khoo Kay Kim, *Malay Society – Transformation and Democratisation*, Kuala Lumpur: Pelanduk Publications, 1991, p. 16.

monsoon, for example, would stay in Malacca until the winds moving in the opposite direction appeared later in the year to help take them back. During their stay, they would barter their goods for those brought by traders from other parts of the world. Thus Malacca served as a warehousing and distribution depot, enabling merchandise to be stored for part of the year for sale to customers arriving later. For good reason, therefore, the market in Malacca became a well-frequented bazaar to hundreds of merchants from East and West. Intra-continental trade far exceeded inter-continental trade, and it was Asian rather than European trade that explains the growth of Malacca.

Malacca's prosperity, however, attracted attention. Its success lay in its strategic position, and whoever controlled it controlled the major trade route between East and West. Towards the end of the fifteenth century, Portugal emerged as the most formidable European maritime power in the region. In 1511, Portuguese naval ships attacked Malacca and conquered it.

Malacca's fall, however, did not extinguish the Malacca Sultanate. The Sultan fled to Johor and from there he ruled the rest of his empire, which included most of Johor itself and some territories across the Straits of Malacca in Sumatra. But with time, prospects for restoring the original Sultanate in Malacca faded away. The Portuguese successfully defended Malacca against attempts to drive them out.

Thus ended the era of the original Malacca Sultanate, justifiably described as The First Malay Nation, an era described by one historian as "a glorious page in Malayan history where for once the peninsula was independent, and its capital was a world city, propagating Islam throughout the Archipelago".[2]

The Acehnese Century

Even before the Portuguese intervention of 1511, other ports and settlements on both sides of the Straits of Malacca were emerging as focal points for trade between east and west. One of these was Aceh in north Sumatra. By the early sixteenth century, Aceh had grown in prosperity and strength and had extended its control down the Sumatran coast. This brought it into conflict with the Johor empire (the former Malacca Sultanate), which had influence in southern Sumatra, as well as with the Portuguese who were trading in the region.

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[2] K.G. Tregonning, *A History of Modern Malaya*, Singapore: Eastern University Press, 1964, p. 44.

Fighting went on for many decades, and Acehnese power finally triumphed. Johor succumbed in 1613, Pahang in 1617, Kedah in 1619, and Perak in 1620. The Acehnese soon controlled virtually the whole peninsula, except Malacca. There, the Portuguese continued to maintain a defensive position, holding on to a port that was declining in commercial and political importance.

For many decades, Dutch forces had been prowling the Straits of Malacca seeking to control a port of call, and had many skirmishes with the Portuguese in Malacca. In 1641, after a confrontation, the Portuguese surrendered the settlement to the Dutch. But like the Portuguese, the Dutch could do little to assert their control over the trading routes, given the limited resources they had so far away from home.

By and large, there was no significant change in the relationship between the contending powers in the second half of the seventeenth century in the region. The relatively peaceful period allowed for greater movement of people across land and water. Large numbers of the Minangkabau people of West Sumatra, for example, crossed over to the peninsula and settled in the land just beyond the hinterland of Malacca. Years later, portions of the mini-states they formed coalesced to form the state of Negeri Sembilan.

By the early eighteenth century, however, Acehnese power was on the wane and the Aceh Sultanate was embroiled in infighting. This facilitated the emergence of a new power in the region, that of the Bugis.

The Bugis Conquest

The eighteenth century was the Bugis century of conquest of island Southeast Asia. The Bugis of Sulawesi were agricultural people who forsook the land for more adventurous pursuits across the seas. They were famous for their maritime skills and adventurous spirit, and also for their ability to control territories by infiltrating or assimilating into existing political structures instead of overthrowing heads of state. In Kedah, Perak, Pahang and Johor, they achieved complete control by becoming the power behind the throne. Only in Selangor did a Bugis become Sultan.

The first Bugis conquest in the peninsula was in Johor. A Bugis leader joined forces with a deposed Sultan to restore the latter to power in 1722, and became the power behind the throne. In Selangor, Bugis elements joined local Malays to overthrow a Minangkabau-supported chief. Following squabbling among the Malays, the Bugis appointed one of their own in 1745 to become the first Sultan of Selangor. In 1770, the Sultan of Perak also succumbed to Bugis influence when he accepted an

alliance with Bugis-controlled Selangor. It was not much later also before Bugis-led forces conquered Kedah.

In the peninsula, only Dutch-controlled Malacca survived the Bugis onslaught. But the inability to achieve control of this port did not matter much to the Bugis. They based themselves in the Rhio islands, where the capital of the Rhio-Johor empire was located. Rhio flourished, and with time, came to achieve a commercial and political importance far surpassing that of Malacca.

The Dutch tried many times to restrict the role played by Rhio, afraid that its success may affect Dutch authority in Java and the Moluccas which were the centres of their spice trade. In 1784, the Dutch mounted a major attack on Rhio and managed to oust the Bugis. The Dutch later withdrew and Bugis forces returned, but 1784 marked the beginning of the decline of the Bugis Rhio-Johor empire.

The Malay World Remains Extant

The coming and going of Bugis influence in the region represented one more cycle in the rise and fall of various indigenous power centres that had emerged in the Malay world through the centuries. The Portuguese, and later the Dutch, were mere interlopers in this drama, and their intervention was confined to the town of Malacca and areas immediately adjacent to it. Beyond Malacca, in the peninsula and in the rest of the archipelago, the Malay world remained relatively undisturbed by European influences.

Traditional historiography associates the rise and fall of the Malay world with that of the Malacca Sultanate, that is, from its founding in 1402 to its conquest by the Portuguese in 1511. It is submitted that this is a restrictive and narrow interpretation of the reach of the Malay world during that era. For nearly a hundred years, Malacca represented a high point of Malay civilisation. But the conquest of Malacca by the Europeans did not destroy the Malacca Sultanate. Its centre shifted southwards to Johor, and the influence and power of the old Malacca empire continued to extend to the other states in the peninsular and to the east coast of Sumatra.

It would be wrong also to regard the period of Acehnese and Bugis rule as that by non-Malays. Ethnographically, the Bugis and Acehnese originated from parts of the archipelago that were integral to the Malay world. Their contribution to the genealogy of many Malay families in the peninsula, royalty included, and to the numerous myths, customs, ceremonies and ritual that are part of Malay culture today, is also widely acknowledged.

As the 18th century drew to a close, therefore, it can be said that the dominant presence of the Malay world in the region, save for the territory around Malacca, had continued largely uninterrupted. It was only in the 19th century, however, that the situation began to change. And change came in the form of ambitious, arrogant white men from the West.

Chapter 3

The British Intervene: "To Save The Malays From Themselves"

The Colonising Instinct

Colonialism is an ideology of aggrandisement. Its natural impetus is to influence, control, dominate and exploit. Historically, the colonisation of territory has been motivated by two forces. One is based on some so-called 'higher' principle, usually ideological or religious, such as to "to promote democracy" or "to save souls". The other is driven by an acquisitive instinct, which means greed. The British colonial adventure in Southeast Asia is of this second category.

Prelude to Intervention: The European Owners Establish Spheres of Influence

As the 18th century drew to a close, the nations of Europe were embarking on an expansionist phase overseas. In the Far East, their priority was to protect their trade routes and ensure access to their overseas territories. Commercial rivalry between the Dutch and the British, in particular, was on the rise. Both wanted to find and control safe harbours for their vessels, and territories where they could exercise greater control over the export of tin and the production of spices and other agricultural products.

In 1824, the Dutch and British governments agreed to define and separate their respective spheres of interest in Southeast Asia. The Dutch withdrew from the peninsula, ceding Malacca to the British. In exchange, the British withdrew from Sumatra, giving up their port of Bencoolen on its west coast. In between was the Straits of Malacca. Both sides undertook not to impede free passage or the growth of mercantile trade in the Straits.

The Dutch also recognised Singapore as British, and the British in turn undertook not to establish any new settlement south of the equator. The old empire of Johor-Rhio was split into two. The peninsula portion (Johor and Pahang) stayed under British influence, and the Sumatran portion centred around Lingga came under the Dutch.

The British Secure Strategic Footholds: The Straits Settlements

British policy in the Far East in the 18th and 19th centuries was focused on India, the jewel in its crown. But the British also wanted to ensure they had access to China and the Spice Islands in the archipelago to trade. The Straits of Malacca, thus, had strategic value. So the British went in search for a base for trading and military purposes.

In 1786, Francis Light, a merchant acting on behalf of the British Government, concluded a treaty with the Sultan of Kedah under which Penang was ceded to the British. In 1800, a strip of land opposite the island on the mainland, now known as Seberang Prai, was also ceded to the British.[1]

To complete its control over the Straits of Malacca, the British then looked for a base at its southern end, targeting the Rhio Islands. But the Dutch were already there. Looking for an alternative site, a British party led by Stamford Raffles landed at Temasek (Singapore). The island appeared to be under the leadership of a Bugis chief, although it was nominally under the jurisdiction of the Sultan of Johor. The British negotiated with both and concluded a treaty in 1819 that brought the island under British protection and regulation.

It may be recalled that under the 1824 Anglo-Dutch Treaty, the Dutch had accepted British jurisdiction over Singapore and had ceded Malacca to Britain. This meant that the British now had unimpeded access through the Straits of Malacca and control over trade out of Singapore, Malacca and Penang. These three British dependencies came to be known as the **Straits Settlements** and collectively became a British colony in 1867.

Singapore's importance as a trading centre to the British government grew with time. Commercial traffic from Borneo contributed to Singapore's entrepot trade, especially after Sarawak, Brunei and North Borneo became a British protectorate in 1888. In China, the Treaty of Nanking in 1842 ceded Hong Kong island to the British and allowed foreigners to reside and trade in Shanghai, Canton and other coastal territories. These developments also facilitated the movement of goods and people to Singapore and beyond.

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[1] With this gesture, the Sultan of Kedah had expected the British to protect him from a resurgent and threatening Siamese empire in the north. This protection never materialized. In 1821, Siamese forces overwhelmed Kedah and destroyed its capital. The Sultan fled to Penang where he died. His son was allowed to return to Alor Star only after pledging loyalty to Siam.

In the West, construction of the Suez Canal was completed in 1869. It reduced the travelling distance between London and Singapore by two-thirds to 8,000 miles. In the second half of the 19th century, steam was also replacing sail, and this reduced travel time from Singapore to London to 15 days from 40, benefiting the big British steamships most as they handled much of the growing trade in people and goods.

Singapore's emergence as the economic centre of Southeast Asia was spurred on by liberal policies the British adopted in the management of the territory. Tariffs at the port were minimal, there was no tax on earnings, and the import of labour was unrestricted. Traders, merchants and others in search of fortune and work continued to arrive from India and the Arab states.

By 1870, the main objective of British policy in the Malay Archipelago had been achieved. Control over Singapore, Penang and Malacca ensured safe and unimpeded passage through the Straits of Malacca. There was no need to control territory in the Malay states because all the produce the British wanted — cloves, pepper, gambier, nutmegs, and more importantly in later years, tin — could be obtained from local suppliers.

Capitalism: Driving Colonial Policy

But it was not long before the decision to intervene directly in the Malay states was made. In Europe, the years following the Industrial Revolution (app. 1760-1840) saw Britain dominate commerce and manufacturing. The British navy was in undisputed command of the trade route to the Far East, and its ships ensured that the home country was adequately supplied with raw materials from all over the world.

In the second half of the 19th century, other European countries were also industrialising rapidly. Germany and France in particular were emerging as formidable European powers and wanted to safeguard their interests in the Far East too. For the British, therefore, the need to have a physical presence in the Malay states to consolidate their dominance over the Malacca Straits became increasingly important.

Direct British economic interests in the peninsula had also grown. British merchants had developed profitable business links with many locals, and these were becoming increasingly important to English international trade. World demand for tin also grew steadily in the 19th century in response to the needs of the tin canning industry.

The supply of tin, however, was subject to uncertainties. In Perak and Selangor, the tin mines were owned and worked by the Chinese who then sold the ore to British merchant houses. This trade, however, however, was constantly being disrupted by civil disturbances, including rioting and fighting among Chinese mine workers that often involved their Malay patrons The inability of the Malay rulers to restore civil order was paralleled by incessant feuding among the native chiefs and in the ruling households. Both Chinese and British merchants had complained to the British authorities about the lack of peace and order.

The British government soon arrived at a decision to act to "promote the restoration of peace and order and secure the protection of trade and commerce with the Malay states", and "to appoint a British Officer to reside in any of the states" if this was deemed necessary to achieve this objective.

The British decision to intervene in the affairs of the Malay states was entirely self-serving, but the British sought to justify it on 'moral' grounds. Sir Andrew Clarke, a Governor of the Straits Settlements, wrote in 1893 that it was incumbent on the colonising power "to rescue these fertile and productive countries from the ruin which must befall them if the present disorders continue unchecked".[2] Indeed, according to Sir Frank Swettenham, who later became Governor of the Straits Settlements and High Commissioner of the Federated Malay States, the British had to act "to save the Malays from themselves".[3]

Phase I of British Intervention: Four Frontline States Succumb

The British takeover of the Malay states was undertaken in two phases.

In Perak, tin had been discovered in Larut district in 1848, and the new industry attracted many Chinese entrepreneurs and workers. By the 1850s, there were nearly 5,000 Chinese miners in the district. The Chinese community existed beyond the purview of the Malay rulers and fended for itself. Most mineworkers joined secret societies for protection and social support, a practice that was common in China. Fighting between members of rival secret societies occurred frequently, and this affected business and community life.

The Malays were not prone to so much violence, but neither were they more disciplined or united as a community. Feuding continued endlessly in ruling

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[2] Frank Swettenham, *British Malaya*, London: George Allen & Unwin, 1948, p. 174. First published in 1906.

[3] Swettenham, p. 174.

households and among native chiefs over matters of political succession and the distribution of power. In 1871, when the Sultan of Perak died, there were three claimants to the throne. No obvious successor emerged, and the resulting uncertainty underscored the inability of the ruling authority to impose peace and order.

This state of affairs gave the British the excuse to intervene directly in the affairs of the state. The Governor of the Straits Settlements called for a meeting with the leading Malay chiefs and representatives of the warring Chinese factions. They met on the island of Pangkor in 1874. The Chinese agreed to cease fighting and submit to British mediation. The Malay chiefs agreed to two decisions. The first was to recognise one from among them, Abdullah, as Sultan. The second and, historically, the more significant concession extracted from the Malay chiefs, was acceptance of the appointment of a British official, called the Resident, "whose advice must be asked and acted upon on all questions other than those touching Malay religion and custom."

The Pangkor Treaty signed by the Malay chiefs with the British is the defining episode that facilitated British entry into the Malay states and sealed their fate as colonies. It is unlikely that the Malay chiefs understood fully the implications of the undertakings they gave to the British. Neither did they appear to be in a position to oppose the British proposals, given the disunity that prevailed among them. But the British gambit, to insert a British official into the political and administrative structure of the state, became the key to the colonisation of the Malay states.

The institution of the British 'Resident' is an exceptional British creation. In theory, the role of the Resident is merely to advice the Sultan, who will then decide how to deal with that advice. In practice, however, the Resident usually had his way. He could choose to ignore the Sultan's wishes, or proceed to do as he wished since he controlled the key institutions of the state, such as the police, the land office and the revenue collecting agencies, all of which were headed by British officials.

The Sultan was not in a position to oppose the decisions of the Resident either militarily or through the levers of government. He also depended on the British Resident to ensure that he continued to receive the allowances and privileges accorded to a formal head of state.

The British Residency system has thus been described as a system of "indirect" rule. Rule by the Sultan was direct, but it was ineffective, whereas rule by the Resident was indirect, but effective. There was no doubt that "the supremacy of the

British Resident was unquestioned, and that for all normal purposes, it was the Resident who ruled and not the Sultan."[4]

If indirect rule was unpalatable to the Malay rulers, it had at least one redeeming feature. It preserved the fiction that the Sultan remained the supreme ruler, the fountain of all laws and edicts, the final arbiter on all matters of state. The *rakyat* lived with the assumption that their *Raja* still ruled the land, and that the white man did his bidding, even though the Resident was the real power behind the throne and governed the state in the name of the Sultan. It was a native psychology the colonial master understood and exploited.

This system of indirect rule was soon extended to three other states. Following 'negotiations' with the British, the rulers of Selangor and Sungei Ujong (later to join other districts to form Negeri Sembilan) accepted the appointment of Residents in 1874. The Sultan of Pahang followed in 1887.

The British enhanced the fiction of governing through the Ruler by creating State Councils to deal with legislative and other issues. These Councils comprised the Sultan, the Resident, the Assistant Resident, senior Malay chiefs, and in Perak and Selangor, representatives of the Chinese community. The Sultans formally presided over meetings, but the Residents dictated proceedings. Englishmen were in control of all key posts in the civil service, with locals occupying the lower ranks. "Genuine Malay participation was restricted: in the case of the Sultan by the obligation to accept 'advice', in that of the others by their dependence on official appointments and allowances ... and (because of) unfamiliarity with most of the administrative, fiscal and judicial principles and issues involved."[5]

By 1887, the first phase of the British forward movement strategy, which was to bring the four states most important to Britain economically under its control, was completed. In 1896, Perak, Selangor, Pahang and Negeri Sembilan were combined administratively under a Resident-General and came to be known as the Federated Malay States (FMS).

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[4] Rupert Emerson, *Malaysia – A Study in Direct and Indirect Rule*, Kuala Lumpur: University of Malaya Press, 1964, p. 124. First published in 1937.

[5] W.R. Roff, *The Origins of Malay Nationalism*, Kuala Lumpur: University of Malaya Press, 1967, p. 18.

Phase II of British Intervention: Five More States are Snared

The second phase of British intervention in the peninsula focused on the northern states and Johor.

Throughout the 19th century, Kelantan, Trengganu and Kedah lay within the Siamese sphere of influence. Towards the end of the century, however, as the British sought to consolidate their hold over the peninsula, they were concerned about possible threats from the north. There was speculation that growing cooperation between Siam and a resurgent Germany may lead to a new foreign presence in the Isthmus of Kra, threatening the northern Malay states.

Following negotiations with the Siamese, an Anglo-Siamese Treaty was signed in 1909. Siam gave up suzerainty over Kelantan, Trengganu, Kedah and Perlis (which the Siamese had carved out of Kedah) to the British. The British took over the administration of the four states in stages. By 1919, British Advisers were in place in all four states. In 1914, the Sultan of Johor also consented to the appointment of an Advisor. These five states became known as the Un-Federated Malay States (UFMS).

In practice, there was no significant difference between the role and powers of the Residents of the FMS and the Advisers of the UFMS. While sovereignty lay with the rulers, real power was in the hands of the respective Residents and Advisers.

British Policy: Divide and Rule

Thus, to all intents and purposes, by the end of the first decade of the 20th century, all of what is now known as Peninsular Malaysia and Singapore was in British hands, and administered under three separate arrangements:

- The Straits Settlements (Penang, Malacca and Singapore) as a Crown Colony;
- The Federated Malay States (Perak, Selangor, Pahang and Negeri Sembilan) as a single protected territory; and
- The Unfederated Malay States (Kedah, Perlis, Kelantan, Trengganu and Johor) as five separate protected states.

This political structure was maintained right up to the outbreak of World War Two in 1941.

Geographically and economically, all these territories were one unit, but no attempt was made by the British to administer them as a single administrative unit.

The Straits Settlements had their own civil service, with Englishmen heading the departments, and local non-Europeans, mostly Chinese and Eurasians, filling the lower echelons. In the Federated Malay States, the civil service came to be known as the Malayan Civil Service. Again, British officers occupied all the senior positions, a few Malays were admitted into the second echelon Malay Administrative Service, and the Chinese and Indians were barred completely from it. The structure in the Unfederated Malay States was not significantly different.

On the legislative front, in the Federated Malay States, State Councils, with the Ruler presiding, were responsible for the passing of all rules and regulations. This, of course, was a legislative fiction, since real power was in the hands of the British Resident. In 1909, the British established a Federal Council to deal with all legislative, administrative and financial matters in the FMS. It consisted of the High Commissioner, the Resident General, the Rulers and Residents of the four states, and four unofficial members. Again, the fiction of bringing the Ruler and a few Malay representatives into the machinery of government was maintained, but executive powers remained completely in the hands of British officials.

On the education front, the British made little attempt to develop a system of education that promoted mixing among the races or the development of a common political consciousness. The government financed Malay schools and education was free for Malays. But it ignored the needs of non-Malays. The Chinese had to build and finance their own schools. And when a grant-in-aid scheme for schools was introduced, the British discriminated heavily in favour of government-aided schools and against Chinese schools. In 1938, for example, the government's grant-in-aid to government and government-aided schools amounted to $65.42 per pupil, but only $6.74 and $7.47 per pupil for Chinese schools in the FMS and Straits Settlements respectively.[6]

A small number of Government schools that taught in English were also established. They were supplemented by a few mission schools that catered mostly to non-Malays. But by and large, English education did not attract the bulk of the Malays or non-Malays.

As for Tamil schools, the government again refused to take responsibility for their development, passing this burden on to the immigrant's employers. Estates

[6] Tan Liok Ee, *The Politics of Chinese Education in Malaya, 1945-1961*, Kuala Lumpur: Penerbit Fajar Bakti, 1997, p. 23.

employing a certain number of Tamil workers were required to maintain a school and give free education to the children of these workers.[7]

"The result of these policies was the development of a dualistic system of education in which a small elite was brought together in the English schools while the masses were separated in schools teaching in vernacular languages. The encapsulation of the majority of Malay, Chinese, and Indian children in separate schools sowed the 'seeds of separation' by socialising the younger generation into different linguistic and cultural traditions. This system of multiple language schools mirrored and exacerbated the characteristics of a plural society in which different ethnic groups lived economically differentiated, politically compartmentalised, and culturally distinct lives."[8]

Capitalism's Triumph: The British Dominate the Rubber and Tin Industries

With political control of the states secure, the British proceeded to maximise the productive value of the colony to the home country. Development of roads and ports were designed to facilitate the extraction of tin, and later, the planting and processing of rubber. In 1884, Taiping, the centre of the tin mining district of Larut, was joined by rail to Port Weld. Mining in tin rich Kinta Valley began in the 1880s, and in 1885, Ipoh was joined to Teluk Anson (now Teluk Intan). For the same reason, Kuala Lumpur was linked to the coast at Port Swettenham (now Port Kelang) in 1890.

Traditionally, tin was mined and exported almost entirely by the Chinese, using their own capital and labour. With time, however, British capital and management assumed a larger role in the industry, and introduced the use of dredges. In 1913, three-quarters of the total tin mining output of 51,600 tons was from Chinese mines. By 1937, production had increased to 77,000 tons, but two-thirds of this was from mines owned by the British. "In just over twenty-five years, tin mining was transformed from a predominantly Chinese to a predominantly Western industry."[9]

Rubber planting was introduced into the peninsula in the last few years of the 19th century. By the early 20th century, the motorcar industry in the West was coming into its own and the demand for rubber was increasing. The First World

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[7] Victor Purcell, *The Chinese in Malaya*, Kuala Lumpur: Oxford University Press, 1967, p. 224. First published in 1948.

[8] Tan, p. 19.

[9] Tregonning, p. 190.

War also helped to increase demand for rubber. Total exports rose from 23,720 tons in 1913 to 106,453 in 1919, representing 38% and 67% respectively of the value of all Malayan exports.[10]

Unlike the tin industry, rubber planting was from the beginning driven largely by Western capital. A number of companies with their headquarters in London were formed to plant the crop in the peninsula on a large scale. Chinese entrepreneurs soon caught on, and joined Malay smallholders to grow the crop on smallholdings. But British companies clearly dominated the industry. In the Federated Malay States, where most rubber plantations were located, official statistics showed that in 1931, the British (and other Westerners) owned 84% of estates of 100 acres and over, while Chinese and Indians owned 12.5% and 2.3% respectively.[11]

Rubber was critical to British imperial interests. To finance its participation in the First World War, the British had borrowed heavily overseas, principally from the United States. The United States was already the world's biggest buyer of rubber at that time. So British control of Malayan rubber exports was crucial. It became the biggest single dollar earner for the repayment of Britain's First World War loans.[12]

The years from 1910 to 1913 were boom years, but thereafter, the price of rubber fluctuated considerably. Prices fell drastically between 1920 and 1922, and the government imposed production restrictions. These restrictions affected smallholders, mostly Malays and some Chinese, to a disproportionate extent. In 1934, smallholders accounted for 217,000 tons or 45% of total rubber production, while the estates contributed 260,000 tons or 55%. By 1938, smallholder tonnage had been reduced to a mere 113,000 tons (31%) while that of the estates remained at a high of 246,000 tons (69%). "These figures indicate a story of favouritism to the large European-owned estates, of inequitable treatment between smallholder and estate, and of a burden of restriction that fell clearly on the indigenous grower".[13]

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[10] Mohamed Amin and Malcolm Caldwell, *Malaya – The Making of a Neo-Colony*, London: Spokesman Books, 1977, p. 38.
[11] Purcell, p. 284.
[12] Mohamed Amin, p. 42.
[13] Tregonning, pp. 203-206.

Chapter 4
The Malay Condition under Colonialism

How did Malay society respond to British rule?

It is important to remember that the British colonised the Malay Peninsula not by military conquest, but through the agency of the Malay monarchy. The Malay rulers were both the conduit as well as the instrument for British rule, and it is appropriate that our inquiry starts with an examination of the role of the monarchy in this process.

Feudalism and the Malay Monarchy

At the time of British intervention, the typical indigenous political system of the Malay states had the ruler, or *Raja*, at the apex of the ruling class, supported by a number of territorial chiefs who, in turn had minor chiefs and village heads below them. An elaborate system of titles and ritual developed to differentiate the relative status and positions of members of this class.

Below this tier was a subject class whose relationship to the ruling class was one of submission and subordination. This relationship was sanctified and legitimised by *daulat*, a traditional Malay concept of rulership that accords honour, dignity and sanctity to the ruler, and extracts loyalty and obeisance from the ruled. Ritual and ceremonial practices developed to define and emphasise these differences. Even if the ruler exercised only a limited amount of real power, these practices were important in that they served to legitimise the distinction between the ruling class and the common folk.

Sociologist William Roff explained the relationship between ruler and ruled as follows:

> "The subordinate position of the rakyat was held in question by neither side, nor was the right of members of the ruling class to receive on demand a wide range of goods and services in return for protection and the perpetuation of general welfare. The Malay peasant commonly held rights to his land only in terms of occupation and use; though in practice this conferred reasonable security of tenure, these rights were revocable at will by chief or ruler. Accumulation of property, where it occurred, was prone

> to be visited by envious expropriation on the part of the Raja, and indebtedness frequently led to the form of personal servitude known as debt-bondage."[1]

The ruling class consisted largely of relatives of the ruler as well as those from families who could claim a customary right to various offices. It was a natural tendency for the ruler to "bestow on his relatives positions befitting their rank and to assign certain responsibilities to them which would provide them with a means to derive personal incomes".[2] And "by virtue of the high social status which they enjoyed as immediate relatives of the *Raja*, members of royalty were able to extract for themselves positions which allowed them control of political power as well as rich economic resources".[3]

Status conferred privilege which in turn translated into political and economic power. Control of districts that were rich in economic resources, or of administrative arrangements from which monopolies, concessions and other forms of taxes or produce could be obtained, were important for this reason. Status, privilege and patronage thus combined to benefit members of the ruling class and perpetuate the separation between the rulers and the ruled.

The Monarchy: Conduit for British Intervention

When the British decided to intervene in the Malay states, their singular objective was to secure political and administrative control at minimal cost. It did not take them long to find out that their lowest-cost strategy was not the destruction of the Malay monarchy, but its preservation and use as the very instrument for control of the peninsula.

Indirect rule was a clever device for this purpose. It maintained the fiction of the sovereignty of the Sultan, while effective power lay in the hands of the British. A new political vocabulary was used to explain this arrangement. The Sultans were being "advised", not ruled; their states were being "protected", not colonised.

To maintain this fiction, the British also made sure that appropriate respect and courtesy were extended to the rulers, and that form and ceremony associated with the royal traditions of each ruler were scrupulously observed. Most important of all,

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1 Roff, p. 10.
2 Khoo, p. 36.
3 Khoo, p. 42.

the British made sure that the rulers and their chiefs received generous incomes and benefits.

This fiction provided the façade of Malay rule that the British wanted. Behind it, they set up a completely new administrative structure that was wholly British — from the Governor down to the Residents, Advisers and officers who headed the various departments in the government — to run the state. Power was centralised in each state under this administrative apparatus, and the authority of the ruler as well as that of his chiefs was strictly curtailed.

Could the Malay rulers have resisted the British? Not likely, because militarily, they did not have the means. Did they try? The historical record is largely silent on this. A number of chiefs in Perak and Pahang are reported to have attempted to rebel, but these were minor in scale and easily put down by the British.

Some historians have argued that one reason the rulers did not oppose the British was because they lacked popular support. The main concern of the ruling class was its own survival and the protection of its vested interests, not that of ordinary Malays. Indeed, historian Shaharuddin Maaruf has asserted that "whenever it suited their political ambition or economic interest, the rulers were quick to enter into alliances and treaties with various Western powers".[4]

He cites the following examples to illustrate his argument.

- When Malacca fell, Raja Abdullah, a Malay prince, rushed to Malacca to enter into an alliance with the Portuguese, hoping to be installed as the ruler of the Malacca Empire since he was a descendant of the Malacca royal dynasty. He was instead captured and taken to Goa.
- In 1819, the Temenggong of Johor and Tengku Hussain ceded the island of Singapore to the English because the latter undertook to install Tengku Hussain, instead of his brother, as the Sultan of Rhio-Johor, when their father Sultan Mahmud died.
- In 1874, when a succession dispute arose in Perak between three rival claimants, one of them, Raja Abdullah, offered to place the state under the British flag if they would intervene and install him as Sultan, which the British did upon the signing of the Pangkor Treaty.

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[4] Shaharuddin Maaruf, *Malay Ideas on Development – From Feudal Lord to Capitalist*, Singapore: Times Books International, 1988, p. 42.

The ultimate example of British influence over affairs of the monarchy is the colonial role in the founding of today's Johor's ruling household. It may be recalled that in 1819, the British were able to seize control of Singapore island because of the assistance of Tengku Hussain, whom they later helped to became Sultan of Johor. However, when Hussain died in 1835, the British ignored the debt they owed to him by refusing to recognise his son, Ali, as the new Sultan. Instead, they recognised Ibrahim, the son of the former Temenggong, as the next sovereign ruler of Johor.[5]

"The British Adviser Ruled, and the Malay Ruler Advised"

Under the provisions of the Treaty of Pangkor, the collection and control of revenue, and the general administration of the state, were to be regulated by the Ruler under the advice of the Resident. But the Sultan had no administrative machinery through which he could act to implement the 'advice' of the Resident.

This gave the colonial authority the opportunity to "first create the government to be advised."[6] So the British proceeded to establish a network of departments as the instrument of their rule. The elite Malayan Civil Service, responsible for both the formation and execution of public policy, was staffed completely by British.

As a palliative to this hijacking of executive power from the Malay rulers, the British set up State Councils in each of the Federated Malay States where the rulers and selected chiefs could be consulted on matters of administration. These Councils also assumed legislative and executive functions and became the principal vehicle of British authority in the states. But, as noted earlier, real power lay in the hands of the British Resident, and the Councils were used essentially to rubber stamp decisions already made.

The equivalent institution at the level of the FMS was the Federal Council. It consisted of the High Commissioner, the Resident General, the Rulers, the Residents of the four states, and four Unofficial members. British representation overwhelmingly outnumbered the Malays. The Malay representatives had neither the background nor experience to participate effectively in the deliberations of the Council. They were also hardly in a position to speak freely and independently since they depended on the British for their monthly allowances. So the arrangement

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[5] Emerson, p. 96.

[6] J.M. Gullick, *Malaysia*, London: Ernest Benn, 1969, p. 53, quoting Hugh Low, Resident of Perak.

maintained the fiction of Malay participation in the legislative body while effective control remained in British hands.

To enhance administrative control, the British also found that it made practical sense to involve Malays in some of the tasks of the bureaucracy. While the Malayan Civil Service remained the preserve of white men, a lesser scheme, the Malay Administrative Service, was set up for the Malays, and members of the ruling class and from well established families were recruited for this service.

But this was hardly a scheme of any real consequence for the long-term future of the Malays. The Malay officers worked under British MCS officers, they were posted usually to rural areas, and most of their work was of a routine clerical nature rather than administrative. Within these confines, promotion favoured those who knew some English, and this was one reason a number of Malays were sent to government-sponsored English schools.

British Attitude Towards Malay Education: "To Make the Son of a Fisherman a More Intelligent Fisherman!"

But the British had fixed ideas about what kind of education the typical Malay should have. Four years of elementary education, emphasising mainly the three Rs, was deemed sufficient, for this would qualify them to serve as clerks and junior officers in government departments working under English officers.

Between 1900 and 1920, Malay vernacular schools in the FMS increased in number from 168 to 400, and enrolment from 6,000 to 20,319. In the whole of British Malaya (excluding Singapore), there were approximately 46,000 pupils attending 757 Malay schools.[7] "The typical Malay vernacular school was a village elementary school, housed in simple and often makeshift quarters, with few skilled teachers and little equipment."[8] The standard of instruction was low, and the dropout rate was high.

A small number of graduates from these schools were sent to train to become teachers. A few Malays, mostly from aristocratic and well-connected families, were selected to attend government English language schools in the towns. Other than that, there were no other educational opportunities for advancement for the typical Malay student. No Malay secondary schools existed.

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[7] Roff, p. 128.
[8] Roff, p. 129.

With time, a growing realisation emerged among Malays that higher education would enable them to compete in the emerging plural society. Already, Indians and Chinese were taking up clerical and technical jobs, and it was obvious that proficiency in English was necessary to enable the Malay to advance.

But the British were not prepared to provide the Malays with more education for fear that it may disrupt peasant society. A British High Commissioner, L.N. Guillemard, noted that while educational facilities should be provided to the Malays to enable them "to assume their proper place in the administration and commercial enterprise of the country," the ultimate aim of Malay education was to preserve the character of the Malays as essentially a rural and agricultural people, "to breed a vigorous and self-respecting agricultural peasantry...It will not only be a disaster to, but a violation of the whole spirit and traditions of the Malay race if the result of our vernacular education is to lure the whole of its youth from the kampong to the town."[9]

W.G. Maxwell, Chief Secretary to the Government of the FMS, put it more succinctly. He said: "The aim of the Government is not to turn out a few well-educated youths, nor a number of less well-educated boys; rather it is to improve the bulk of the people, and to make the son of a fisherman or peasant a more intelligent fisherman or peasant than his father had been, and a man whose education will enable him to understand how his lot in life fits in with the scheme of life around him."[10]

Well-known Malay scholar, R.O. Winstedt, who was Assistant Director of Education of the Straits Settlements and the FMS, recommended in 1917 that Malay education should have a "rural bias". "For the mass of the peasantry, what was important was to reduce the number of years spent in receiving education and to give vernacular instruction a strong manual and agricultural bias."[11] He recommended basket weaving and handicraft making as subjects to be emphasised in the curriculum to instil the idea of the dignity of labour.[12]

Winstedt's recommendations became the foundation of policy which determined the course of Malay vernacular education for nearly a quarter of a century. Roff wrote that Winstedt "did more to circumscribe Malay educational progress, and to ensure that the Malay peasant did not get ideas above his station, than anyone else before or

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[9] Federal Council Proceedings, 1920, p. B65.
[10] Annual Report of the Federated Malay States 1920, p. 13.
[11] Roff, p. 140.
[12] Roff, p. 139.

since ... Nothing in his 1917 report strikes one more than the absence of ... any concern at all beyond the practical aims of British colonial rule."[13]

Concern that the school system would produce too many 'unemployable' Malays was expressed by, among others, one A.N. Kenion, an Unofficial member of the Federal Council, who warned against creating an educated class of malcontents who might challenge colonial authority. He said: "The great object of education is to train a person to make a living ... You can teach Malays so that they do not lose their skill and craft in fishing and jungle work. Teach them the dignity of labour, so that they do not all become *keranis* (clerks) and I am sure you will not have the trouble which has arisen in India through over-education."[14]

In 1912, it was reported that of the 2,900 boys who passed out of Perak's vernacular schools ten years earlier, only one found employment as a clerk. Commenting on this with approval, the Resident, E.W. Birch, said: "It is very satisfactory to know that this system does not over-educate the boys...who almost all followed the avocations of their parents or relations, chiefly in agricultural pursuits."[15]

Quite clearly, therefore, official policy concerning Malay education aspired mainly "to produce future peasants who could read, write, count and who were well adjusted or adapted to their lot of living in the traditional economy."[16] Genuine intellectual development and the cultivation of a critical mind were not part of the British agenda for the Malays.

The Malay Economy: Remained Outside the Modern Sector

It has been pointed that in the political sphere, the British felt it necessary to maintain a façade of Malay rule, or, at least, Malay participation in government. But they felt no such necessity in the economic sector, no need to disguise the fact that the Malays were, for the most part, uninvolved in the new economy. "The result has been that the Malay has been economically dispossessed in his own country... He plays neither a creative nor a servile role in the new economy which has supplanted his own as the dominant and dynamic force in the country."[17]

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[13] Roff, p. 25.
[14] Federal Council proceedings, 1915, p. B66
[15] Shaharuddin Maaruf, p. 55.
[16] Emerson, p. 185.
[17] Emerson, p. 184.

Most Malays lived in the rural areas and their traditional economic occupation was subsistence farming. In the British scheme of things, the role assigned to the Malays in the economy was to grow food, while the British and the immigrant Chinese concentrated on the twin pillars of the modern economy, rubber and tin.

The Malays were not encouraged to go into rubber planting. Those who did could do so only in smallholdings as they did not have the ability to borrow money to buy land and invest in the business. The British, on the other hand, and to a lesser extent, the Chinese, were able to raise the capital to invest in rubber planting on a massive scale. In the process, many smallholdings were absorbed by big companies formed to engage in this business.

The statistics reveal the diminishing extent of Malay participation in the rubber industry. In 1933, the total area under rubber was estimated at 1,517,740 acres. Smallholders, predominantly Malays, accounted for some 566,000 acres, or 37%, of this total, with the remaining 952,000 acres concentrated in estates of 100 acres or over. Since each smallholding is no more than 100 acres in size, a relatively large number of Malays were classified as owners, but their individual impact pales into insignificance.

The following table indicates the low level of ownership by Malays in the rubber industry:

Number of Rubber Estates Owned — by Race[18]
1933

Acreage	European		Malay		Chinese		Indian		No. of estates
	Number	%	Number	%	Number	%	Number	%	
100-1,000	357	45.7	23	2.8	287	36.5	118	15.0	785
1,000 plus	296	96.1	0	0	12	3.9	0	0	308
	59.5%		2.2%		27.4%		10.9%		100%

Malays also comprised an insignificant part of the rubber labour force. In 1931, only 7,373 Malays lived on rubber estates compared with 37,863 Chinese and 203,076 Indians.[19]

[18] Emerson, p. 185.
[19] Emerson, p. 185.

Colonial policy was decidedly biased towards supporting the larger plantations. "Generous assistance was given to foreign planters in order to attract their investments to the Malay states. They were given the choicest of lands at nominal rates and with the minimum of restrictions. This was accompanied by a liberal labour policy to ensure labour supply with the government subsidising the immigration of Indian labourers into the country. The plantation economy was given institutional backing like scientific research solely geared to their requirements and problems."[20] And when the rubber industry plunged into difficulty in the post-war period because of oversupply, production restrictions were imposed, with a disproportionate portion of the burden falling on smallholders (See Chapter 3).

As for the tin industry, the Malays had virtually no participation in it. In 1900, 90% of tin output was from mines owned and worked on by Chinese. By 1929, mines owned by Europeans were responsible for 61% of output.[21]

The Malays concentrated largely on rice cultivation as their basic economic activity. But the development of the tin and rubber industries was often disruptive of the peasant economy, "as they competed for the same land in the same area. Mining caused silting of peasant lands, and polluted the waterways. It diverted water supplies from peasant holdings into mining areas. As a result, many peasants had to give up their lands and were forced to sell out."[22]

Not surprisingly, there was concern, too, that Malays would succumb to the lure of high rubber prices and sell off their land to European and Chinese entrepreneurs. In 1913, the colonial government introduced a Malay Reservation policy that set aside specific areas of land (mostly rice lands) for exclusive Malay ownership, and prevented these lands from being mortgaged or leased to non-Malays.

A few years later, more legislation was enacted to empower the government to prohibit the cultivation of crops other than rice on Malay-held land, and to prevent the alienation of any state land that was suitable for the cultivation of rice.

With these laws, the colonial government had intended to keep the Malay on the land and, as far as possible, employed in cultivating his traditional staple.[23] Although a good number of Malays evaded the provisions and sold off their land or used it as security to borrow money to go into activities such as rubber planting, by

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[20] Shaharuddin Maaruf, p. 52.
[21] Malcolm Caldwell in Mohamed Amin & Malcolm Caldwell, p. 42.
[22] Shaharuddin Maaruf, p. 52.
[23] Roff, p. 123.

and large, the aim of these enactments were achieved, "and the Malay peasant remained firmly embedded in rural village society."[24]

This success was double-edged, however. While it prevented serious disruption to village life by enabling the rural Malay to continue engaging in his traditional means of earning a livelihood, it also discouraged the Malay from thinking along competitive business lines and evaluate alternative uses for his assets.

Roff puts it more subtly when he says that policies such as these served "to reduce the impact and rate of socioeconomic change at the village level and substantially to prevent any serious disorganisation of rural Malay life. At the same time, they acted to isolate the Malay from economic and social stimuli which might, with other forms of guidance and help, have done more to assist peasant society toward a gradual evolution of social structure and new patterns of living more in keeping with the demands of the modern world."[25]

The Pro-Malay Policies of the British: Benign Concern or *Realpolitik*?

Most studies of British rule in the peninsula offer the view that despite all their faults, the British were generally sympathetic to the problems of the Malays and pursued policies designed specifically to help them. This they attribute partly to the way the country was colonised. The British did not have to invade the country; they were 'invited' by the rulers to intervene in the states. This was an unusual route to colonising a country, and, it is said, the British felt they owed a debt to the Malay rulers for this 'courtesy'.

This debt was 'discharged' by the British who took special care of the interests of the rulers. The Malay States were allowed to retain their sovereign status. They did not become colonies, only protectorates. The white man did not tell the natives what to do, he merely offered advice. Pomp and ceremony were observed to uphold the esteem and dignity of the rulers. And an elaborate system of consultation with the rulers and involving them in decision-making was crafted to ensure that the *rakyat* continued to believe that their *raja* still ruled.

The British viewed the Malays as a 'lazy' and indolent people[26] who lacked initiative, endurance and enterprise, and felt obliged to protect them from the more aggressive and hardworking Chinese. Jobs in the administrative service were thus

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[24] Roff, p. 124.
[25] Roff, p. 124.
[26] Roff, p. 25.

reserved for them, free education was provided, places in schools and training institute were kept for them, all privileges not granted to non-Malays.

But the Malays were allowed to fill only the ranks of the Malay Administrative Service, not the higher-level Malayan Civil Service, which was staffed completely by white men. And if at all the Malay employee gained experience in administration, it was "not in the art of self-government, but in the European methods of administering a subject people."[27] And as far as Malay education was concerned, we have noted earlier that the willingness of the British to provide the Malays with a proper education was non-existent.

More than a tinge of hypocrisy thus surrounded the pro-Malay initiatives of the British. They played the Malay card by highlighting the threat posed by the economically more aggressive Chinese. But it was the British who facilitated the entry of Chinese and Indian migrant workers. The British also were by far the largest exploiters of the land, and were responsible for creating the conditions which left the Malays out of the modern economy.

Were the British prepared to extend a helping hand to any enterprising Malay who wanted to 'raise himself in the economic scale as the Chinese have done"? In Emerson's view, such a native "can count on very little, if any, official support in his fight against the terrific odds of an almost complete lack of capital and the inevitable opposition of large and deeply entrenched vested interests with huge capital resources behind them."[28]

Many studies of British colonial rule in Malaya have also alluded to the fact that there were indeed a number of British civil servants who had developed a sincere affection for the Malays, and considered themselves "guardians of the native interest". There is no reason to disbelief this assertion. But neither does it contradict the well-documented position that in the overall scheme of things, as far as the British colonial is concerned, "the best native is the one who unquestioningly accepts his inferior destiny and looks upwards to his wiser master with soft and submissive eyes."[29]

This should not surprise, for it is not in the nature of colonising powers to provide for the advancement of the locals. Behind the veneer of pro-Malay policies, the British actually viewed the local native with quiet contempt.

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[27] Emerson, p. 497, citing Ralph Bunche, 1934.
[28] Emerson, p. 486.
[29] Emerson, p. 354.

Mass Migration from China and India

One consequence of British colonial rule was the importation of foreign labour from India and southern China to meet the manpower needs of the plantation and mining industries. This was undertaken on a massive scale and revolutionised the demographics of the peninsula. In many states, non-Malays came to outnumber Malays. How this came about is the subject of the next chapter.

Chapter 5

The Creation of Plural Society

For centuries, the Malay Peninsula was peopled by a largely Malay population. Early in the 20th century, however, the demographics of the territory changed dramatically. A massive influx of workers from China and India took place and in just 20 years, from 1911 to 1931, non-Malays came to outnumber Malays.

How did a largely mono-ethnic society become transformed into a plural society?

Early Migration Patterns: Influence of Trade and Religion

Historically, migration within Southeast Asia was not an uncommon phenomenon and had been going on from the earliest of times. It was not a particularly disruptive phenomenon either because it involved people essentially of the same racial stock who shared broad similarities in language and culture. In the 19th century, for example, the Bugis from the Moluccas and the Minangkabaus from Sumatra crossed land and water in substantial numbers to settle in the Malay Peninsula. Indeed, this genre of migration continues even today among people living in territories touched by the waters of the Sulu Sea and the Straits of Malacca.

The archipelago has also been the recipient of peoples from outside the region. Historians record the presence of Arab and Indian traders from as early the 11th century. These visits became more frequent in the centuries that followed. As noted earlier, the most significant outcome of this development was the adoption of Islam by a majority of the population. Today, nearly 85% (170 million) of the Indonesian population, 30% (40 million) of the Filipino population, and virtually all the Malays in Malaysia (11 million) are followers of Islam.

Traders from China are also known to have visited the archipelago from as early as the 12th century. Between 1405 and 1433, Chinese fleets commanded by Admiral Zheng He sailed to Southeast Asia, visiting Malacca on his way, crossed the Indian Ocean and reached the Persian Gulf and the east coast of Africa. During the first two decades of the 15th century, nearly seventy Chinese missions visited Southeast Asian rulers, and in return, many of these rulers, including Malacca's Iskandar Shah, visited China to pay tribute.

Over the years, small numbers of Chinese stayed behind in trading centres like Malacca, Palembang, Rhio, Trengganu, Patani, Bangkok, Manila, Brunei, and Banten

and Batavia in Java, to act as traders or miners or planters. Such was the extent of Chinese settlement in the archipelago up to the 1850s.

New Migration Patterns: In Search of Work and Fortune

Over the last one hundred and fifty years, however, human migration in the southern half of Southeast Asia took a different turn, this time with Chinese and, to a lesser extent, Indians, coming to the archipelago in search of work and fortune.

This movement of people differed from earlier migrations in four ways. First, it involved unusually large numbers of people. Second, it took place over a relatively short period of time. Third, it introduced a substantial non-Islamic and non-Malay presence into the region. And fourth, it was facilitated by the colonial powers in the region.

Even in global terms, this wave of human settlement was quite unprecedented. Its impact on the political and socio-economic life of countries like Malaysia, Indonesia and the Philippines, has been far-reaching. The most visible and enduring outcome of this migration movement has been the creation of a substantial Chinese presence in each of these territories.

In the decades before British intervention in the peninsula, the Chinese had already existed in pockets in different parts of the land. They had come initially as traders, but later were involved in agriculture (planting pepper, gambier, and later, rubber) and mining (gold in the early days, and later, tin). In the 19th century, tin mining was almost a wholly Chinese undertaking and the British relied on Chinese merchant capital and Chinese labourers to keep them supplied.

The pattern of Chinese migration to the *nanyang* (lands in the south seas) changed significantly from about the 1850s onwards. One study[1] reported that between 1801 and 1850, some 200,000 Chinese travelled to Southeast Asia. But between 1851 and 1875, some 350,000 left for the Malay Peninsula and another 250,000 for the East Indies (now Indonesia). Between 1876 and 1900, these numbers totalled 360,000 and 320,000 respectively, and between 1901 and 1925, they were estimated to be 125,000 and 300,000.

The reasons for this emigration were mainly economic. China's burgeoning population was taxing its ability to feed its own people. Famine, floods and continuing civil strife in south China also forced many to look overseas to seek a

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[1] *Encyclopaedia of the Overseas Chinese*, Singapore, 1998, p. 62, Lynn Pan (Ed.).

better livelihood. Stories of work opportunities and fortunes to be made brought back from the *nanyang* added to the allure of Southeast Asia. So the Chinese came in their thousands.

The British did little to discourage this inflow from southern Chinese ports. In fact, when it was proposed early in the 20th century that Malay migrants be recruited from the Dutch East Indies (now Indonesia) to work in the mines and plantations instead of workers from China and India, the Resident-General ruled that it was preferable to obtain foreign (i.e., non-Malay) labour to work for foreign planters and miners.[2]

The Chinese migrant presence was viewed as an asset because of the economic wealth they generated for the British by working in the tin mines and through their trading activities. "The rapid growth of the Chinese population of Southeast Asia in modern times is directly linked with the expansion of Western rule and economic enterprise."[3]

Chinese arrivals in the peninsula as a whole increased dramatically after the Federated Malay States was formed (1896), and grew in tandem with the development of the rubber industry. Between 1895 and 1927, six million Chinese, mostly male workers, arrived. This flow continued almost relentlessly up to the end of the first quarter of the 20th century before the Depression and official controls forced it to taper off.

Singapore was a convenient entry point and many arrivals then moved on to their work locations in the peninsula. Not all who arrived stayed, however. Most migrants were sojourners, staying temporarily in their workplace and returning home when they had accumulated sufficient savings. During the boom year of 1927, some 435,700 Chinese came to Malaya as against 303,500 who left, while during the Depression, the tide was reversed, with 304,600 leaving in 1931 as compared with 191,700 who arrived. Overall, the majority of migrants returned sooner or later to China or India. But over time, the number who stayed behind was substantial.

Indian migration to the peninsular was undertaken on a more organised basis. The vast majority was brought in for specific labour purposes and was returned to India, usually within two or three years. Recruitment in the home country was supervised, and the migrant was sent to work on plantations or in the public works

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[2] Emerson, p. 501.

[3] Tregonning, p. 161, quoting Brian Harrison, *Southeast Asia*, p. 202.

or railway services under western management. The government also set up an Indian Immigration Committee to help regulate the recruitment, deployment and repatriation of Indian labour.

Although the number of Indian workers who came to the peninsula was substantial, it was not as many as that of the Chinese. One source estimated Indian migration at 20,000 per annum from 1880-1900, at 48,000 from 1901-10, and at 90,000 in the ensuing decade.[4] Unskilled Indian labour migration ended in 1938.

The Malays Get Outnumbered

The impact of these developments on the demographics of the land is reflected in the following statistics.

Singapore's population in 1833 totalled about 20,000 and 40% of these were Chinese. By 1873, the population had increased to nearly 100,000, with the Chinese making up some 60% of it. The 1931 population census recorded a population of 421,821, with the Chinese making up 74% of the total. Singapore's role as an entrepot hub and entry point into the peninsula contributed to the sinicisation of the territory.

The spillover effect in Johor was inevitable. Singapore's growing population had to be fed and cultivable land on the island was becoming scarce. Many Chinese moved to Johor to plant vegetables and other crops. They also obtained approval from the Johor rulers to open up land in the interior to cultivate pepper and gambier, which were in demand overseas.

These developments had a far-reaching impact on the state. Johor's population in 1833 was estimated at 33,000. By 1893, this had grown to 300,000, and 210,000 or 70% of this was Chinese. Johor, a Malay state, now had a population with a Chinese majority.

The primary destinations of the Chinese immigrant workers were the states that were engaged in tin mining and rubber planting, namely Perak, Selangor and Negeri Sembilan. Meanwhile, Indian workers were brought in by the British to work on building roads and railways, as well as to work in plantations.

The rapid build-of of the non-Malay population in the peninsula meant that by 1921, the Malays had become a minority group. This occurred despite the fact that a significant number of Malay migrants were entering the peninsula from Sumatra

[4] Gullick, p. 77, citing Ginsberg and Roberts, *Malaya*, p. 318.

and Java even as Chinese and Indians workers arrived. In Selangor, for example, one-quarter of the Malay population of 1931 had been born outside Malaya.[5]

Population Trend Analysis — By Race[6]
Malaya and Singapore
1835-1947

Year	Malays		Chinese		Indians		Others		Total
	('000)	%	('000)	%	('000)	%	('000)	%	
1835-40	323	85.9	29	7.7	16	4.2	8	2.2	376
1884-91	896	63.9	412	29.4	74	5.3	19	1.4	1,401
1921	1,623	48.9	1,172	35.2	472	14.2	60	1.8	3,327
1931	1,930	44.4	1,704	39.2	622	14.3	91	2.1	4,348
1947	2,544	43.5	2,615	44.7	600	10.2	91	1.6	5,849

The 1931 Census data show that non-Malays outnumbered Malays in Perak, Selangor, Negeri Sembilan, Johor, Penang and Singapore. Malays were in a majority only marginally in Malacca, while the northern and east coast states remained predominantly Malay.

Completely free migration into Malaya was allowed until 1929. No direct migration from China into the Federated Malay States was allowed after that, while migration via the Straits Settlements was severely restricted by monthly quotas.[7]

These measures, however, did not change the basic population profile pattern that had taken shape by the end of the thirties. The Malays (45%) were no longer a majority group. The Chinese (39.0%) and Indians (14%) became large minorities. They resisted assimilation, and lived fairly independently as separate communities. In the space of about 20 years, a mono-ethnic society was transformed into a plural society.

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5 Gullick, p. 74.
6 Gullick, p. 280, based on Census Reports and Monthly Statistical Bulletins.
7 Purcell, p. 289.

Population Distribution — By Race and State[8]
1931 Population Census

Territory	Malays		Chinese		Indians	
	('000)	%age	('000)	%age	('000)	%age
Singapore	71,177	12.5	421,821	74.3	51,019	9.0
Penang	118,832	33.1	176,518	49.0	58,020	16.1
Malacca	95,307	51.0	65,179	34.9	23,238	12.4
Straits Settlements — Total	**285,316**	**25.6**	**663,518**	**59.6**	**132,277**	**11.9**
Perak	272,546	35.6	325,527	42.5	159,152	20.8
Selangor	122,868	23.1	241,351	45.3	155,924	29.2
Negeri Sembilan	87,195	37.3	92,371	39.5	50,100	21.4
Pahang	111,122	61.7	52,291	29.0	14,820	8.2
Federated Malay States — Total	**593,731**	**34.7**	**711,540**	**41.5**	**379,996**	**22.2**
Johor	234,422	46.4	215,076	41.1	51,038	10.1
Kedah	286,262	66.6	78,415	18.2	50,824	12.0
Perlis	39,831	80.0	6,500	13.2	966	2.0
Kelantan	330,774	91.2	17,612	4.0	6,752	1.9
Trengganu	164,564	91.5	13,254	7.4	1,371	0.8
Unfederated Malay States — Total	**1,055,853**	**69.2**	**330,857**	**21.7**	**110,951**	**7.3**
Brunei	26,972	89.5	2,683	8.9	377	1.3
Unlocated	149	10.0	794	53.1	408	27.3
Malaya	**1,962,021**	**44.7**	**1,709,392**	**39.0**	**624,009**	**14.3**

Chinese Society: Parallel but separate development

For all practical purposes, the Chinese governed themselves under the nominal jurisdiction of the Malay chiefs. They were subject to a minimum of interference from the British authorities, who were content to let them engage in economic

[8] Emerson, p.22.

activities to whatever extent they wanted provided they observed the law and did not interfere in political matters. The British set up a special government agency called the Chinese Protectorate to deal with Chinese affairs and this was its main contact point with the community.

The Chinese, on their part, were content to let the formal powers of government remain in the hands of others, provided they were allowed to manage their own affairs. They established their own schools, observed their own customary laws, and a network of guilds, associations and secret societies provided organised support in the community.

As noted earlier, Chinese ownership in the tin mining and rubber industries was substantial, although not as large as that of the British. The tin mines were worked on mostly by Chinese, but in the rubber plantations, their presence was less significant. Those who settled in Malaya became shopkeepers, petty traders and artisans, trading and living among the Malays, but at the same time separately from them because of differences in language, culture and religion.

Most Chinese migrants were either illiterate or had only the basic rudiment of formal education when they arrived in the peninsula. But they brought with them the belief that education was the essential link to their cultural heritage and the means to secure a better life. So wherever they settled, and however small a community they constituted, one of the first things they did was to set up schools.

In the peninsula, Chinese schools were first established in the early 1800s, and it has been reported that by 1884, there were 52 Chinese schools in Penang, 51 in Singapore and 12 in Malacca[9] As the Chinese population grew, especially during the first two decades of the 20th century, and as the number of local-born Chinese increased, the demand for school places grew accordingly.

The colonial authorities were indifferent to the educational requirements of children of immigrants. They were not prepared to shoulder the cost of education for non-Malays, and made no real attempts to bring the evolving Chinese education system into the mainstream of development. So Chinese education was left very much to the initiative and resources of the Chinese community itself.

The commitment of the Chinese community to mother tongue education is well known and need not be elaborated on here. The establishment of Chinese schools

[9] Tan, p. 8.

represented a community self-help programme of unprecedented proportion, and has continued up to the present time.

Initially, these schools taught in the dialects, but switched to using Mandarin in the twenties. Most of them offered six years of primary education. Where secondary education was available, this consisted of three years each of Junior Middle and Senior Middle schooling. Most of the teachers were from China, and the textbooks they used were also imported from China. Not surprisingly, the cultural and political orientation of the schools was towards China.

By 1938, Chinese primary schools were the largest component of the education system of Malaya. At a total of 996 schools, there were more Chinese schools, catering for more students and employing more teachers than the Malay, English, or Tamil schools.[10]

Primary Schools in Malaya — 1938[11]
Pupils & Teachers

Medium	No. of Schools	Pupils	Teachers
Malay	788	56,904	2,810
English	271	41,917	2,350
Chinese	996	86,147	3,556
Tamil	607	26,271	864

Many Chinese school students and teachers were involved in activities related to political developments in China. Some became supporters of the Kuomintang Party while others supported the Chinese Communist Party. The British were concerned about these developments and increased political surveillance over the schools. Some schools were shut down for anti-government activities and a number of teachers were repatriated to China. That apart, the colonial government essentially maintained a hands-off policy and did not assist the schools to produce young Chinese who had a more Malayan outlook.

[10] Tan, p. 25.
[11] Tan, p. 26.

It may be recalled that most Chinese migrants were male workers, and many who wanted to start a family had to look for wives in China. But the British realised there was need to have a more balanced sex ratio in the community. When it imposed immigration restrictions from 1930 onwards, female migrants were exempted. The ratio of female to male migrants improved after that, and with time, the number of local-born Chinese also increased.

Percentage of Females and Local-born — 1911 to 1957[12]
Chinese and Indian
Malaya (including Singapore)

Year	Chinese		Indians	
	Female per 1,000 males	% (both sexes) born in Malaysia	Females per 1,000 males	% (both sexes) born in Malaysia
1911	247	n.a.	308	n.a.
1921	384	22	405	12
1931	436	31	482	21
1947	833	62	637	50
1957	937	75	692	62

While most Chinese migrants thought of themselves as members of a transient community, there were some who had a longer association with the peninsula and did not intend to return to China. In the Straits Settlements in particular, and also in some of the larger towns in the Malay states, a number of Chinese families had lived for a number of generations and to all intents and purposes they identified themselves as locals.

But the British treated them as aliens, and no different from the rest of the Chinese community. While they were prepared to extend to Malay migrants from the archipelago the benefits and status of Malays born in the Malay States, they were not prepared to do the same for the Chinese who had stayed in the peninsula for generations.

[12] Gullick, p. 79.

The migration into the peninsula of large numbers of Malays from other parts of the archipelago was not considered a disruptive affair because the migrants shared a common language and culture with the peninsular Malays, and therefore, were treated as locals. In contrast, local-born and foreign-born Chinese and Indians were treated as aliens, since "local birth was not an infallible index of intention to settle in Malaya."[13]

Institutionalisation of Plural Society

By the end of the thirties, therefore, colonial rule presided over a society whose outstanding feature was its structural cleavage based on ethnic alignments. An indigenous ethnic group, the Malays, made up 45% of the population. Living in the same territory, but to all intents and purposes, quite separately from each other, were the Chinese and Indians, who made up 39% and 14% of the population respectively. Each ethnic group had its own language, religion and culture. The Malays were the dominant group, but they did not constitute a majority. The Chinese and Indians were minority groups, but were substantial minorities. A more perfect example of a plural society would be hard to find.

[13] Gullick, p. 79.

Chapter 6

To Build A Nation: Conditions at the Starting Block

On the eve of the Second World War, the political and socio-economic situation in the peninsula can hardly be said to be ideal for nation-building. There were a number of reasons for this.

Regionalism: The Pull of State Identity

The indigenous Malay political system was based on a state system whose traditions and culture had not changed much over time. Each state was a sovereign legal entity that jealously guarded its independence and identity. Even though they were colonised, the semblance of independent sovereignty of every state was maintained.

This was the state of affairs the British encountered when they intervened in the Malay states, they made no attempt to diminish the identity of each state or try to integrate them into a unitary political establishment. To all intents and purposes, state regionalism continued to be a basic feature of the political landscape of Malaya on the eve of World War Two.

Malay Nationalism: Nascent, but Largely Absent

In the early years of the 20th century, a nascent nationalist consciousness began to emerge among small groups of Malay intellectuals and religious and community leaders. Identification provided by a common religion was an early starting point, and when they became more conscious of the full extent of British ambitions in the peninsula, these Malays became critical of British economic and immigration policies.

Many of them were also influenced by the wave of anti-colonialist sentiment that swept across the world in the twenties and thirties. Some even found inspiration in the thought that the Malays of the peninsula and the Dutch East Indies may one day be able to unite into a larger *Melayu Raya* that would extend to cover the whole archipelago.

A major rallying point for the Malay community was frustration and anger over the migration of large numbers of Chinese and Indian workers into the country. Many considered it a growing threat to their dominant political status in the country.

But none of these nationalist stirrings achieved sufficient coherence or had adequate organisational support to provide the foundation for any kind of mass movement striving for independence. The *rakyat* generally continued to give their support and loyalty to the Rulers who remain coddled by British generosity. The nationalists were few and were not able to agree on a common stand to oppose the British. On the eve of World War Two, they remained disparate groups, unable to articulate and propagate a comprehensive Malay agenda for self-rule or independence.

The Major Fault Line: Migrant versus Non-migrant

The most significant fault line that had developed in the peninsula in the decades preceding World War Two was the division between the Malays and the non-Malays. Out of a population of 4,295,422, the Malays comprised 45% of the total, the Chinese 39.0%, and the Indians and members of other ethnic origins 14%.

As noted earlier, long before British intervention in the region, the peninsular had attracted Chinese workers and fortune seekers. But the inflow increased dramatically under colonial rule as the British sought to meet the demand for tin and rubber in the industrialising west. It remains an enigma why local Malay labour was not used more extensively in the tin mines and rubber plantations. Some scholars attribute this to the distinct preference of the Malays to stick to their traditional agricultural pursuits of rice and vegetable cultivation. Others say the British had deliberately aimed to create an ethnic division of labour, with Malays in the padi fields, Chinese in the mines and shops, and Indians on the plantations. Be that as it may, a clear division in the distribution of labour had emerged in the economy, with the Malays engaged largely in rural pursuits, and the Chinese in the towns.

Equity ownership in the modern sectors of the economy also revealed a clear division between the British and Asians, and among the latter, between the Malays and the non-Malays. Although the Chinese pioneered the tin industry, the British became the biggest tin mine owners in the country. British firms also owned the largest and most successful rubber plantations. The Chinese were not able to mobilise as much capital to compete against them. Malay ownership of plantation land was the least of all, almost insignificant in relative terms, and their participation was mostly as smallholders. In the tin mining industry, the Malays were, to all intents and purposes, completely absent.

This pattern of employment, business ownership and general economic activity confirm that as early as the 1930s, the identification of race with economic function had already taken form. The British apart, the division was clearly between the Malays in the traditional and rural sector, and the non-Malays, mainly Chinese, in the modern and urban sector.

Politically, the orientation of the Chinese and Malay communities could not be more different. Most Chinese considered themselves temporary migrants, or sojourners, and hoped to return to their homeland once they had accumulated sufficient savings or wealth. Many were influenced by political developments in China, where the struggle was against the Japanese and Europeans. Some became supporters of the Kuomintang Party while others gave their support to the Chinese Communist Party. In other words, the political struggle of the Chinese in Malaya was an extension of the struggle in China. It had nothing to do with seeking self-government or independence in Malaya.

Although with time increasing numbers of immigrants were local born and a trend towards permanent settlement was emerging, the idea of a Malayan citizenship was not in the contemplation of most Chinese and Indian immigrants. This is not to deny the fact that there were some Chinese who identified themselves as "Malayan Chinese" and were committed to making the peninsula their homeland. They had settled in the peninsula earlier and had played a significant role in the economic development of the land. But the British did not try to popularise the idea of a Malayan citizenship for them.

As pointed out earlier, by and large, the British left the Chinese community largely alone, adopting a policy of minimal interference. Nominally, the Chinese were under the authority of the Malay rulers, but in practice, they took care of their own affairs. To all intents and purposes, therefore, the Malays and non-Malays lived together in the same society, but as separate communities.

British Policy: Divide and Rule

In Chapter 3, we noted how British policy kept the country divided at two levels. Politically, it kept the Malays divided from the non-Malays. Administratively, it pursued a policy of supporting and enhancing state identities through the maintenance of a separate civil service, judiciary, police and financial system for each entity.

A copious amount of historical writing has been devoted to examining a number of 'attempts' made by the colonial government in the thirties and forties to "centralise" some of these administrative functions and make them more efficient. These attempts generally came to naught, and it is submitted that the colonial government was not really serious about wanting to reform the administrative service. They British did themselves no disservice by leaving the states separate and disunited. It kept the states happy; it provided employment for British expatriates; and it certainly made it easier to plan for the introduction of the Malayan Union proposal when World War Two ended (see Chapter 7).

The divide and rule policy of the colonial government, therefore, kept the Rulers happy, discouraged engagement between the Malays and the non-Malays, and ensured that there was no concerted attempt to promote self-rule. There was nothing benign about colonial rule. Its purpose was specific: to exploit the resources of the land for the benefit of the colonising nation.

British Domination of the Economy

British domination of the Malayan economy was comprehensive. British companies held massive stakes in the rubber and tin industries, far larger than those of local investors. The profits they made were largely remitted to the home country, not reinvested in the peninsula. And with their control of import and export trading arrangements, the British ensured that the Malayan economy was a strong supporter of sterling's role in international trade.

To Build a Nation: Conditions at the Starting Block

On the eve of World War Two, it can thus be said that conditions for the building of a new nation were far from ideal. The locals were divided. They had not demonstrated any ability to take on the colonial government. The British dominated the economy and controlled the levers of power. Basically they did whatever they wanted, that is, until the Japanese arrived and changed the rules of the game.

Chapter 7

Onn Ja'afar: Recovery of the Malay Identity

World War Two: The British Plan to Annex the Malay States

On December 8, 1941, Japan bombed the American fleet in Pearl Harbour, announcing its entry into the Pacific War. A day before, on December 7, Japanese planes had bombed Kota Bharu, signalling the beginning of its assault on the Malay Peninsula. Within two weeks, Japanese troops had steamrolled through the peninsula to Johor Bahru. On February 15, British forces in Singapore surrendered to the Japanese.

The war opened a new chapter in the history of Southeast Asia. It shattered the myth that the white man could not be defeated militarily. And it set in motion a train of events that led to the political reconstruction of the region in ways its pre-war colonial governments did not anticipate.

In Indonesia, before the war ended, the Japanese had given the go ahead to Indonesian nationalists to organise themselves for independence and to pre-empt the return of the Dutch authorities. In the peninsula, however, the same was not to be. Nationalism was in its infancy, and those forces that were keen to pursue self-rule were divided and did not have the support to mount any serious opposition against the British.

The British, on their part, had their own plan for post-war British Malaya. The plan was hatched as early as 1943 in the bowels of the War Office in London. Working on the assumption that the Japanese would be defeated ultimately, the British planned that on their return to the peninsula, they would consolidate their presence in Southeast Asia by amalgamating all the nine sovereign Malay states, together with Penang and Malacca, into a *unitary* state. Singapore would be excluded from the new political entity and the new nation would be ruled over by a British Governor.

The British Return: With the Malayan Union Proposals

The Japanese surrendered in August 1945. British forces returned to the peninsula the following month and the colonial government proceeded immediately to obtain the approval of the Sultans for what came to be known as the Malayan Union proposal.

The main features of the Malayan Union proposal were as follows:

- The formation of a new political entity to be called the Malayan Union, consisting of the nine Malay states, Penang and Malacca.
- Singapore would be excluded from this entity.
- A British Governor would administer the two colonies, the Malayan Union and Singapore.
- A common citizenship would be created for all races.

These proposals had far reaching implications for the Malays especially. It amounted to an annexation of the Malay States. It would do away with the fiction that the Malay states were independent and sovereign entities where the Sultans were being advised by the British. Under the Malayan Union, the Malay states would be ruled directly by a British Governor. All laws would require the assent of the Governor, not that of the Rulers. The separate civil services, police forces and judicial systems of the states would all be amalgamated.

The other big change proposed by the Malayan Union concerned citizenship. Before the Second World War, there was no such thing as a common Malayan citizenship because a Malayan state did not exist. Those born in the Straits Settlements were British subjects. In the Malay states, Malays were natural subjects of the Sultans. Locally born Chinese were also subjects of the Sultan, but this did not confer on them any right or privilege. They did not acquire Malayan nationality either because there was no such thing. They remained nationals of China.

The Malayan Union proposal introduced the concept of a common citizenship for everyone based on the principle of *jus soli*, i.e., that every person born in the country would automatically become a citizen by operation of law. In addition, any person above 18 years old who had resided in the Malayan Union or Singapore for at least 10 out of the preceding 15 years would qualify to become citizens. Based on these guidelines, 83% of the Chinese, and 75% of the Indians were eligible to become citizens.[1] This would effectively mean that the number of non-Malays who could become citizens would virtually match the number of Malays who were citizens.

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[1] Ratnam, p. 75.

Acceptance of the concept of a common citizenship would also mean that Malays and non-Malays would be treated equally. This would eliminate all consideration for a "special position" for the Malays.

In short, it can be said that "the Malayan Union scheme represented a complete abandonment of the pre-war policy of recognising Malaya as a Malay country."[2] It would result in a drastic erosion of Malay dignity and identity, and the Malays would end up in a position worse than that before the war.

Sultans Say 'Yes' to MacMichael: *Rakyat* Feel Betrayed!

The British Government appointed Sir Harold MacMichael to seek the formal agreement of the Sultans for the Malayan Union proposals. He arrived in the peninsula on October 11, 1945 and proceeded immediately to meet the Sultans. In just two months, between October 20 and December 21, he managed to obtain the formal consent of all nine Rulers.

This was a major triumph for the British. But for the Malay *rakyat*, this was an unmitigated disaster. How could, and how did, the Sultans come to submit, and submit so quickly, to MacMichael's entreaties?

The historical record on this subject is incomplete. There is no doubt that the British coerced the Sultans in many ways, including threatening to replace them by exposing their alleged collaboration with the Japanese during the war years. It has also been reported that the British deceived some of the Rulers by not conveying to them the full import of the Malayan Union proposals. A number of Sultans were reported to have complained later that they were not given the opportunity to seek proper advice.

Be that as it may, the fact remains that none of the Rulers stood their ground and said 'No' to the British.

The British did their best to keep away from the public the fact that the Sultans had, one by one, agreed to the Malayan Union proposals. It was only after all the Sultans had signed that details of the proposals were made public for the first time, on January 22, 1946. The British were confident by then that they were on their way to proclaiming the formation of the Malayan Union on April 1, 1946. But they misread the depth of Malay misgiving about their plans.

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[2] Ratnam, p. 104.

Onn Ja'afar: Rebel with a Cause

Malay opposition to the Malayan Union was led by Dato' Onn Ja'afar. Onn was born in 1895 into a well-known Johor family that had an outstanding record of service to the state. His father was the first Menteri Besar of Johor, three of his elder brothers also became Menteris Besar between the wars, while Onn himself was appointed to the same position in 1947.

During his early years, Onn was closely associated with the Johor royal household. When his father was Menteri Besar, he was adopted by the Sultan and spent much time in the Istana with the Sultan's children. His sister Dara later became the third wife of Sultan Ibrahim.

Onn studied Malay in the local vernacular school. In 1904, he accompanied the Sultan's children to England where they attended preparatory school. There, he, too, received a typical English education and on his return in 1910, he is reported to have said: "I found myself more English than Malay."[3] He spent the next two years at the Malay College, Kuala Kangsar, and mastered the Jawi script.

In 1911, Onn began his career in the Johor Civil Service as a clerk, rising to become an officer who served in various departments. He came to be known as a person of strong and stubborn character, and often criticised the British. He was also critical of the Sultan, and for this, he was dismissed from government service for a short period in 1920. But Onn was an irrepressible character and spoke his mind. In 1927, the Sultan reached the end of his tether and expelled him from the state. Onn was then 32 years old.

Onn moved to Singapore. He rented a wooden house built on stilts at a beach in the fishing village of Siglap. He could not find a job in the midst of the Depression, and did odd jobs, helping his wife Halimah to sell cakes, songket, sarongs, batek and brasswares to make ends meet. In 1928, his brother Abdullah Ja'afar, Johor's third Menteri Besar, was also sacked by the Sultan and stripped off his titles for offending the Ruler. Dara, Abdullah's sister and former wife of the Sultan, was also expelled from the state. They all ended up in Singapore.

Onn, however, had two attributes which helped to shape his subsequent career. He was an astute observer of the political and social scene, and he could write fluently in both English and Malay. He began to involve himself in Malay issues and

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[3] J.V. Morais, *Hussein Onn – A Tryst with Destiny*, Singapore: Times Books International, 1981, p. 2.

in 1929, he helped to found *Warta Malaya*, a weekly Jawi tabloid, becoming its first editor. The paper became the voice of the Malays, and Onn its spokesman. He produced a stream of articles lamenting the poor state of the community, and called on the Malays to unite to help themselves. He was particularly critical of the British for denying the Malays proper education, for neglecting the Malay rural economy, and for facilitating the flow of migrants from China and India.

Onn Ja'afar, 43 years old in 1938, as a Johor State Councillor. He had been pardoned three years earlier by the Sultan of Johor for criticising royalty.

In 1935, the Sultan of Johor pardoned Onn. He returned to Johor and was involved once again in state affairs. He was made an Unofficial member of the State Legislative Council and in 1939 he became Private Secretary to the Tunku Mahkota. By this time, Onn was already well known as an advocate and campaigner for the Malay cause. During the war years, Onn continued to serve in the Johor administration under the Japanese. When the Japanese surrendered in August 1945, Onn was District Officer of Batu Pahat.

Fightback: Onn Leads Opposition to the Malayan Union

At the end of 1945, when news filtered out that the British had obtained the endorsement of the Sultans for the Malayan Union proposals, a shocked Malay community began to protest. As the weeks went by, the protests became more vocal and organised.

In Batu Pahat, Onn, who was still the District Officer, met with local community leaders to discuss plans to oppose the British proposal. On January 12, 1946, the Kuala Lumpur-based newspaper, *Majlis*, called on Onn to lead the Malays to oppose the Malayan Union. On January 23, Onn wrote to the *Utusan Melayu*, calling on representatives of Malay organisations to meet to formulate a united stand against the British, and to form a nationwide organisation to be called the United Malays Organisation (UMO) to spearhead the Malay political struggle. On February 10, 1946, some 15,000 Malays led by Onn staged a demonstration in Batu Pahat to oppose the British proposal. Similar mass protests were also held in other parts of the country.

In response to Onn's call, a historic meeting of representatives from forty-one Malay organisations took place in Kuala Lumpur from March 1 to 3, 1946. Onn was elected Chairman of the Kongress, and in his address, he called on the Malays to unite to defend the dignity of their race and to oppose the Malayan Union. The British Government was heavily criticised throughout the three-day meeting. The Kongress rejected suggestions to oppose the Malayan Union by force, but decided to convey to the British the Malay opposition to the plan, demanding its immediate withdrawal.

In another historic decision, the meeting also resolved to form a new, nationwide political party to represent all Malays, naming it Pertubuhan Kebangsaan Melayu Bersatu (PEKEMBAR), or, in English, the United Malays National Organisation (UMNO). The formation of Umno was a watershed development. Previous attempts

to set up a nationwide, mass-based Malay political party had failed in the face of opposition from state and community organisations. The campaign against the Malayan Union, however, galvanised support across the board, overcoming regional and parochial sensitivities. The formation of Umno represented the crystallisation of Malay nationalism in a form that could be translated into a political programme.

Rakyat Demand that Rulers Oppose the Malayan Union Proposal

The British chose to ignore the views of the Congress. When it became clear the colonial government was going to proclaim the Malayan Union on April 1, 1946, Onn called for an emergency meeting of the Congress. It met on March 30 and 31 and resolved that:

- The Sultans be asked to boycott the proclamation of Edward Gent as Governor of the Malayan Union scheduled for the next day, April 1, 1946. The boycott extended to all other ceremonies and functions of the Malayan Union government.
- Malays who had been selected to be members of the Malayan Union Advisory Council to reject their appointments.
- Malays to wear white headbands on their songkoks for seven days as a sign of protest and mourning.

The Sultans of the nine states had gathered at the Station Hotel in Kuala Lumpur to prepare to attend the inauguration of the Malayan Union. On March 31, Onn called on the Sultans and conveyed to them the decisions of the Congress. He appealed to the Sultans to join the Congress to oppose the Malayan Union. He stressed that the Malay *rakyat* was united in their opposition to the Malayan Union proposal, and "warned the Sultans that they would be disowned by the people if they insisted on recognising the Union."[4] Indeed, this was the first time that any ordinary Malay had publicly put the Sultans on notice that their positions may become untenable if they acted against the wishes of the *rakyat*.[5]

The Rulers finally agreed not to attend Gent's inauguration.

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4 Ratnam, p. 145.

5 Ramlah Adam, *Dato Onn Ja'afar – Pengasas Kemerdekaan*, Kuala Lumpur: Dewan Bahasa dan Pustaka, 1993, p. 93.

According to one scholar, however, the matter did not end there. "The next morning, April 1 and the day of the inauguration, Onn visited Their Highnesses once more to find them in ceremonial dress and ready to welcome the Governor. After much argument, Dato' Onn finally dissuaded the Sultans from attending the ceremony and propelled them onto the balcony of the Station Hotel. Bewildered and tearful, the Sultans acknowledged the loyal cheers of a crowd which had assembled below."[6]

This boycott, however, was not sufficient to force the British to abandon their plans. The Malayan Union was duly proclaimed on April 1. State governments were abolished. Steps were taken to amalgamate the judicial service, police force and civil service of the various states. Assets of the states and Straits Settlements were transferred to the Malayan Union Government. The Governor now ruled with the assistance of a Malayan Union Advisory Council.

But this new political structure was not to last long. Malay opposition to the new set up gathered momentum. On May 11, the Congress met in Johor Bahru and reconstituted itself as Umno, with Onn elected unanimously as its first President. The political initiative had now shifted from the Sultans to representatives of the *rakyat*, and Umno became the vehicle for this struggle.

The Sultans soon realised they had underestimated the depth of Malay opposition to the Malayan Union. Soon, their own positions changed and they began to make known their opposition to the British plan. In May, the Rulers sent a delegation to London to convey their changed views to the Colonial Office. A British parliamentary fact-finding team toured the states in May and June to assess public opinion on the subject.

By the end of June, the British finally concluded that Malay opposition to the Malayan Union was universal, and that it had to be replaced. The Government met with the Sultans and Umno to discuss the structure of a new political entity to replace the Malayan Union. A tripartite Working Committee was set up to draft a new constitution. Agreement in principle on its basic provisions was reached in late 1946. Umno endorsed the proposals in January 1947, and by mid-1947, the proposal for the formation of a new entity, the Federation of Malaya, to replace the Malayan Union, had reached final form and was published for public discussion.

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[6] A.J. Stockwell, *British Policy and Malay Politics during the Malayan Union Experiment, 1942-1948*, p. 71, Kuala Lumpur: JMBRAS Monograph No. 8, 1979.

From the very beginning, non-Malay attitudes towards the Malayan Union contrasted sharply with that of the Malays. Most non-Malays supported the British proposal. They were attracted in particular by the liberal provisions relating to citizenship, but they were opposed to the separation of Singapore from the Malayan Union. In October 1946, their leaders formed a Council of Joint Action (CJA) to protest their exclusion from the discussions the British had with Umno and the Sultans. The CJA was expanded into the All Malayan Council of Joint Action (AMCJA) in August 1947.

On January 21, 1948, the Malay Rulers and the British government signed the Federation of Malaya Agreement. The new Federation came into being on February 1, 1948, consisting of the nine Malay states, Penang and Malacca, replacing the unitary state of the Malayan Union.

Recovery of the Malay Identity

"The net result of the new Constitution was the restoration of Malaya as a primarily Malay country."[7] The Sultans regained the powers and jurisdiction they enjoyed before the war, and the individuality of each state was recognised.

Singapore was excluded from the Federation. This served the strategic and commercial interests of the British. It also reduced the proportion of Chinese in the population of the new Federation, a move which the Malays were comfortable with.

The citizenship rules of the Federation gave Malays automatic Federal citizenship. Indonesian Malays born in the Federation were also eligible for automatic citizenship, but not locally born Chinese and Indians. Non-Malays had to apply to become citizens. Those born in the country had to prove residence in eight out of the 12 preceding years, while those born outside, 15 out of 20 years.

Based on these provisions, it was estimated that as at June 30, 1953, some 4,139,000 persons had become citizens by operation of law. Of this, 2,727,000 (65.9%) were Malays, 1,157,000 (27.0%) Chinese, 220,000 Indians and Pakistanis (5.3%), and 33,000 (0.8%) in the category of 'Others'.[8]

The special position of the Malays in the country was also recognised in the Constitution of the Federation. It may be recalled that when the British first colonised the country, they did not treat the Malays with any special favour. It was

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7 Ratnam, p. 54.
8 Ratnam, p. 92.

only when non-Malays arrived and settled in significant numbers that the question of treating the Malays differently from the immigrant population arose. While the British found that they needed the non-Malays for economic reasons, they felt obliged at the same time to assure the Sultans that the influx of non-Malays would not affect their positions or that of their subjects. So the British crafted a policy of recognising and preserving Malay special rights and excluding non-Malays from the political life of the country.

The Federation of Malaya Agreement of 1948 recognised the "special position" of the Malays, specifically by imposing employment quotas for Malays in the civil service, and by providing them with scholarships and opportunities for education and training.

The Federation Constitution also recognised the need to safeguard "the legitimate interests of the other communities." This recognition that non-Malays had "legitimate interests" in the country, together with the opening up of citizenship to non-Malays, introduced a new phase in political thinking. Much of Malaya's subsequent political history has revolved round efforts to define and to strike a proper balance between "the special position of the Malays" and "the legitimate interests of the other communities".[9]

National Identity and Onn's Legacy

Onn can lay claim to be the first true national leader of the Malays. He was a man of complex character, and has been variously described as very firm and principled in his views, but stubborn, temperamental, arrogant and cerebral, and yet capable of great emotion at times. He was a match for the British who found him difficult to control. Onn had a love-hate relationship with the Malay Rulers. He grew up a member of the establishment, was favoured for a time by the Johor royal household, but after many run-ins with royalty both before and after the anti-Malayan Union struggles, he confessed to feeling that feudalism's hold on the ruling class had yet to be shaken off.

Onn's greatest achievement was to unite the Malays and lead them to defeat the Malayan Union proposal. The defeat restored the status quo ante for the Malays, returning to them the rights and status they enjoyed before the war, and affirming once again that this was very much the land of the Malays, and that whatever the

[9] Ratnam, pp. 104-105.

future political character of the nation, it had to take cognisance of the essential Malay-ness of the territory and its people.

Onn's role in Malayan political history after the defeat of the Malayan Union has been a complex one. In the first stage of his career, he was a champion of Malay rights, and in 1946 he succeeded in forcing the British to roll back the Malayan Union proposal. The second stage of his career began when he left Umno in 1951 after the party refused his request to restructure itself and become a multi-racial party. Onn then founded the multi-racial Independence of Malaya Party (IMP) to pursue his dream of a multi-racial approach to national politics. His dream was shattered when the IMP failed to make headway in local elections.

In 1954, Onn began the third stage of his political career when he founded his third political party, Party Negara. The IMP had failed to make headway because it was "too" multiracial in its approach. Party Negara now chose to do the exact opposite by adopting a conservative, pro-Malay agenda that was commonly associated with the policies of PAS. With this move, the mercurial Onn had come almost one full circle in his political career. Party Negara, like the IMP, also failed to do well at the polls. When Onn died in 1962, Party Negara had virtually disappeared from the political landscape.

Chapter 8

The Tunku: Acceptance of Plural Society

The Post-1948 Agenda

In 1945, the challenge confronting the Malays was the need to assert their claim to the land. In 1948, the challenge was to decide how to live with others already on the land. Plural society was a reality that had to be confronted.

It was within the contemplation of the Federation of Malaya Agreement that at some point in the future, the country would become self-governing and ultimately independent. But in 1948, such a prospect seemed distant, given the absence of a political movement dedicated to achieving independence, and the lack of unity between Malays and non-Malays in particular.

Malays versus Non-Malays: Two Contrasting Worldviews

The Malays and the non-Malays represented contrasting worldviews that argued against cooperation and integration. On each side of this divide, there was also further division, separating the more extreme views of each community from the more moderate.

The Malay Perspective

The more extreme among the Malays were of the view that the country belonged to the Malays, and that non-Malays were mere guests in it. Non-Malays should therefore be grateful for the opportunities they have received instead of being jealous of the special rights and privileges accorded to the Malays. In the view of these ethnic nationalists, their 'special rights' are actually 'natural rights', and should in fact be increased.

Malays of a more moderate persuasion, however, were willing to accept that Malay special rights are not absolute rights, and are relevant only in the context of inequality. They accept that equal rights with non-Malays is an acceptable ultimate goal, but feel that special privileges are needed until the community is able to compete with non-Malays on an equal basis. Thus

they see the special position of the Malays more as a form of temporary protection than as an assertion of superior claims.[1]

So, while the first category of Malays thought largely in terms of building a Malay nation, seeking unity primarily within the Malay community itself, the second category of Malays was prepared to think in terms of building a Malayan nation, and for this purpose, was prepared to work with non-Malays.

The Non-Malay Perspective

Among non-Malays, there were those who argued that as a matter of principle, all citizens, regardless of ethnic origin, should be treated equally, and the granting of special privileges to any section of society is inconsistent with the ethos and values of a modern, democratic state. They point out that the majority of non-Malays were local-born and had contributed to the development of the nation. Most considered Malaya their home, and believed they had earned the right to be treated equally.

Some non-Malays, however, accepted the need for Malays to be given special privileges on a temporary basis to enable them to compete with the other races. In any case, they say, the Malays cannot be asked to give up what they have enjoyed in the past under the Sultans and the British.

This dichotomy between Malays and non-Malays represented the biggest obstacle to nation formation in 1948. Building common ground between them, and marshalling them into a united front to campaign for independence, was the biggest political challenge of the post-war period.

Onn Takes the Initiative: But Umno Resists

The main political parties representing the Malays and the non-Malays in the immediate post-1948 period were Umno and the MCA. Umno was the bigger and more influential of the two, and it took the initiative to explore possibilities for cooperation with the MCA.

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[1] Ratnam, p.112. This analysis of Malay and non-Malay perspectives is based largely on Ratnam's work.

In December 1948, Onn hosted a dinner for Tan Cheng Lock, the MCA leader, and a number of other Chinese community leaders. It was an unusual event, for between 1946 and 1948, Onn had led the Malays to oppose the Malayan Union, while Tan had led the non-Malays to support the Malayan Union and later to oppose the Federation of Malaya Agreement of 1948. But Onn realised that to achieve self-government, the non-Malays had to be brought into the political process. The Chinese community played a key role in the economy and its cooperation was necessary for political stability.

Furthermore, in July that year, the Communist Party of Malaya (CPM), whose membership was mostly Chinese, had launched a guerrilla-style campaign against the Government, and both the British and Malay leaders believed that the Chinese may be dissuaded from supporting the CPM if it can be shown that they had a meaningful future in their adopted homeland.

The dinner led to further discussions between Onn and Tan. Together with their colleagues, they soon constituted themselves as a Communities Liaison Committee (CLC) to promote a multiracial approach to self-government. This move marked a crucial step in the conversion of Onn's political perspective from 'Malay' to 'Malayan'. Onn was convinced that the British would be prepared to seriously consider granting self-government to the locals if the Malays and non-Malays could demonstrate in some concrete way that they could work together.

On May 28, 1949, Onn made a daring move. He proposed to the Umno General Assembly that non-Malays be allowed to become associate members. This, he explained, would allow Umno to represent all races and strengthen its hand in dealing with the British.

Umno members were surprised by Onn's move, fearing that it might dilute the Malay character of Umno. But in deference to his leadership and personal standing, few demurred, and Onn managed to carry the day.

Soon after, the CLC took the next big step to try to get more non-Malays engaged in the political process. It called for the adoption of the principle of *jus soli* for all Asians born in the peninsula. Citizenship based on this principle had long been resisted by the Malays for fear that it would open the floodgates to non-Malay participation in politics.

Onn backed the CLC move, and was strongly criticised by Umno members for it. The proposal was extensively debated in the party and at the Umno General Assembly on May 20, 1950. It was obvious party sentiment was strongly against

him. The Malays had looked upon him as a protector, and did not expect him to become a protagonist for a non-Malay cause.

On June 11, Onn resigned as Umno President, disappointed that Umno was not prepared to take a great leap forward to represent all the races. He departed with a reminder to the Malays that the politics of 1950 was different from that of 1946, and that the slogan "*Tanah Melayu untuk Melayu*" (Malaya for the Malays) had to be changed to "*Tanah Melayu untuk semua rakyat berbilang kaum*" (Malaya for all Malayans).[2]

Onn's decision shocked Umno and the Malay community. There were widespread calls for him to withdraw his resignation. Onn insisted that Umno must demonstrate leadership by trying to de-communalise Malayan politics, and said he would continue to lead only if Umno accepted his point of view.

Umno went through a soul-searching phase. Finally, a chastened party re-elected Onn party President August 27, 1950. On his part, Onn accepted a watered down version of the CLC's *jus soli* citizenship proposal. (The Government adopted these proposals in 1952 and as a result, about 72% of the population, including a million Chinese, became citizens by operation of law, with more qualifying in the course of time.[3]).

But Onn was relentless in his attempt to de-communalise Umno. On November 20, 1950, he proposed that Umno accept non-Malays as ordinary members, and that the party re-name itself the United Malayan National Organisation. Onn was convinced that the 1.7 million Chinese in the country would not be a threat to 2.5 million Malays. He believed that Umno's willingness to become a truly multi-racial organisation would be welcomed by the British and would accelerate the pace towards self-government.[4]

Once more, Umno members received Onn's proposal with a mixture shock and disdain. The proposal was discussed extensively in the party, and finally reached the party's Annual Meeting on August 26 and 27, 1951 for decision. This time the party's mood was unmistakable. Onn was trying to push Umno's boundaries back farther that it was prepared to go. The party was not going to change to suit him.

Onn's departure now was inevitable. He declined to be nominated for office. On August 28, he resigned from Umno. He had genuinely believed that the party's

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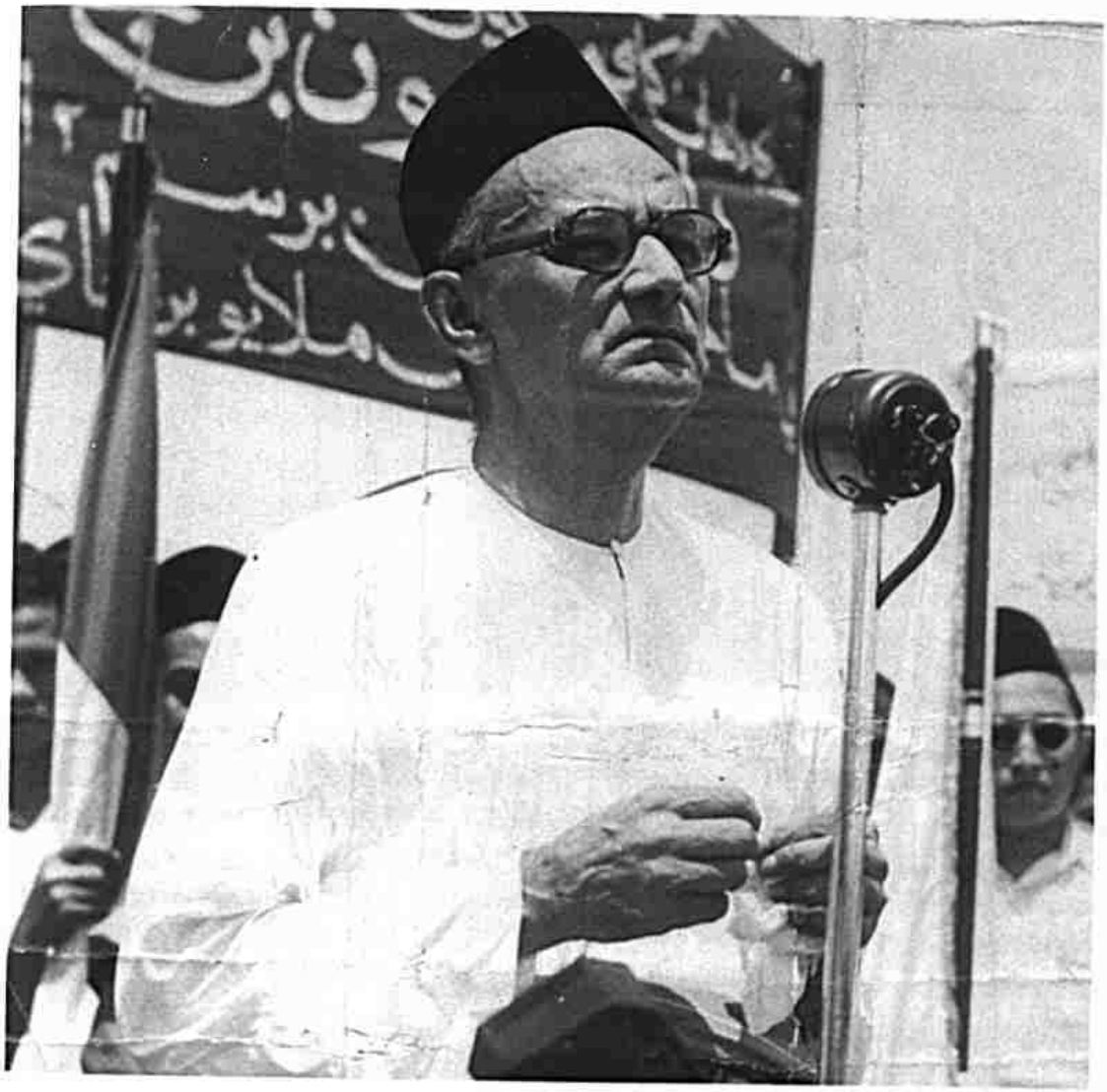
[2] Ramlah Adam, p. 196.
[3] Ramlah Adam, pp. 202-203.
[4] Ramlah Adam, pp. 204-205.

pursuit of the Malay Agenda would not be compromised by a multi-racial membership. On the contrary, he believed that it would strengthen Umno's hand in dealing with the British. But neither Umno nor the Malays were ready for such a dramatic change. This time, Onn had tried to cross a bridge too far, and in an almost relentless way, his take-it-or-leave-it attitude had led him down a political cul-de-sac from which there was no return.



Dato' Onn, addressing 4,000 Umno members on July 28, 1950, who had marched to his house in Johor Bahru to ask him to return to lead the party. Onn had resigned as Umno President on June 11 when the party refused to accept his proposal to extend Malayan citizenship to non-Malays born in the peninsula.

On September 16, Onn launched a new political party, the multiracial Independence of Malay Party (IMP), to continue his crusade for a country which would extend equal rights and equal privileges to all its people.

Dato' Onn's last speech to Umno at the party's General Assembly on August 27, 1951. He resigned from Umno the next day following the party's refusal to accept his proposal to admit non-Malays as members. Tunku Abdul Rahman, on Onn's left, became Umno's next President. In the far left is a young Hussein Onn, the first head of Umno's youth wing.

The Tunku Takes Over: He Consolidates his Mandate

Tunku Abdul Rahman succeeded Onn as Umno President on August 27, 1951. A prince from Kedah, the Tunku was at that time serving as an officer in the legal service. He had studied law in England, and on returning, he had joined the administrative service.

Onn and the Tunku could not be more different as leaders. If Onn was mercurial and somewhat unpredictable, the Tunku was warm, affable, and a natural leader. The Tunku disliked extremes and his leadership style was focused on trying to broaden middle ground rather than seek progress at the cutting edge.

The Tunku had two priorities in office. One was to press for self-determination. The second was to establish a political vehicle with multiracial representation to campaign for independence.

Soon after becoming President, the Tunku, together with his Deputy President, Abdul Razak Hussein, met Onn and his senior colleagues, and invited the IMP to work with Umno to fight for independence. Onn declined the invitation, preferring to go his own way. Thereafter, the battle lines between Umno and the IMP became clear. Despite Onn's past association with his erstwhile colleagues, he and his party were now regarded as posing the biggest challenge to Umno.

Tunku's Formula: Making the Exercise of Power a Shared Responsibility

The Tunku now began to look for a multi-racial vehicle to campaign for independence. Umno would take the lead in this campaign, but the non-Malays had to be brought into the picture to present a multi-racial front to the British.

Initially, the MCA did not appear to be a natural partner of Umno. It was led largely by businessmen and community elders, and had neither a comprehensive political programme nor proven grassroots support. Some of its leaders had also joined Onn to form the IMP.

But the need to secure Malay/Non-Malaya political cooperation was urgent, especially since local council elections were going to be held in 1952. To prepare the country for self-rule, the British had agreed to have elections at the lowest administrative level before moving to state and federal levels.

The Municipal Council elections of February 1952 in Kuala Lumpur provided an opportunity for political parties to test popular support. Onn's IMP was keen to prove that its "non-communal" approach to politics could unite the country. It had sought the co-operation of the MCA in the election, but its overtures were rejected. Both Umno and the MCA considered the IMP their main threat, and were keen to prove that Onn's formula for mobilising popular support was ineffective.

In Kuala Lumpur itself, and apparently unknown to their national leaders, local Umno and MCA officials had agreed to informally support each other in the elections. This marriage of convenience was a reaction to the threat posed by the IMP.

By prior arrangement, Umno candidates contested in predominantly Malay wards while MCA candidates contested in constituencies that had a Chinese majority.

When the results came in, this arrangement turned out to have been a tactical triumph. The Umno-MCA alliance won nine seats (Umno three out of five, and MCA all six seats contested), the IMP two and an Independent candidate one.

This informal arrangement between Umno and MCA was repeated at six other local council elections in major towns in the following months. Liaison committees between Umno and MCA branches were set up throughout the peninsula. In the event, during 1952 and 1953, the Umno-MCA alliance won 94 out of 124 seats contested in various elections.

The Tunku and leaders of the two parties realised the benefit of this ad hoc arrangement, and moved to formally establish the Alliance party in March 1953 to contest future elections.

The Tunku now had what he was looking for: a political vehicle representing Malay and non-Malays which had a nationwide infrastructure and widespread grassroots support. This was his alternative to the Onn formula. Unlike the IMP whose membership and structure was non-communal, the structure of the Alliance party was inter-communal. The mono-ethnic structure of Umno and MCA enabled them to maintain the coherence and self-confidence they needed to allow their leaders to rise above communal considerations to seek common ground. The voting pattern at the polls had shown that communal politics was unavoidable, and in the circumstances, the Alliance formula represented a realistic and practical approach to mobilising political support in a plural society.

The IMP's challenge to Umno and the MCA diminished soon after its defeat in Kuala Lumpur. Most of its Chinese members left the party to support the MCA. The Malayan Indian Congress also quit the IMP and joined the Alliance in early 1954.This erosion of support for the IMP meant that the Alliance soon became the voice of mainstream, moderate political opinion in the country.

Onn was not prepared to accept defeat, however. He dissolved the IMP in 1953, and the following year, he founded another political party, Party Negara. The party's structure was non-communal, like that of the former IMP. But it increasingly espoused a Malay agenda. "The party embraced the doctrine once renounced by Onn, that Malaya is in essence a Malay country and that non-Malays should be given rights as Malayans only in so far as they are willing to become part of a *Malay* Malaya. By this line of attack, Party Negara not only hoped to win the support of the

predominantly Malay electorate, but it also hoped to bring about a rupture within the Alliance over communal issues."[5] Party Negara directed its strongest criticisms against Umno, accusing the party of betraying the interests of the Malays by participating in an alliance with the MCA.

Popular support for the Alliance Party and Party Negara was put to the test in elections in five states (Johor, Trengganu, Perlis, Penang and Negeri Sembilan) in October 1954. With surprising ease, the Alliance won all the 46 seats it contested. Party Negara fielded 28 candidates, but failed to win a single seat. Onn himself failed to get elected in his home state of Johor.

Testing the Formula: The 1955 General Election

After recording good results in state and municipal elections, the Alliance Party faced the 1955 general election with confidence. This was the final lap in the phased-in election calendar to determine who would form a government for home rule. The main opposition parties arrayed against the Alliance were Party Negara and the Pan-Malayan Islamic Party

When Onn left Umno in August 1951, his departure was followed by that of *Persatuan Alim Ulama Umno* (Umno Association of Islamic Religious Scholars).[6] A month later, the association converted itself into a political party known as Parti Islam Se-Malaya, or the Pan-Malayan Islamic Party (PMIP). The party is referred to in more recent times by the acronym PAS.

The PMIP represented the most extreme wing of Malay communal ideology. It dedicated itself to establishing a theocratic Islamic state. The party was unabashedly pro-Malay, exploiting the fears of poor Malays and blaming the immigrant races for the poverty of the Malays. It condemned Umno for co-operating with non-Malays, saying that this was anti-Islam. The party essentially sought to establish Malaya as a Malay country, with increased special rights and privileges for Malays.

This political platform had great appeal, especially in rural areas and in the less developed states along the east coast. With support for Party Negara declining, the PMIP became the largest opposition party in the country, and positioned itself as a clear alternative to Umno.

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[5] Gordon P. Means, *Malaysian Politics*, London: Hodder and Stoughton, 1970, 1976 (2nd edn), pp. 158-159.

[6] The original members of Umno were organisations, not individuals. Membership for individuals was introduced much later.

Dato' Onn, President of Party Negara, on the campaign trail in Kong Kong fishing village, Trengganu. July 23, 1955.

On July 27, 1955, the country went to the polls. The results represented a major triumph for the Tunku and the Alliance. The party won 51 of the 52 seats it contested, polling 79.6% of the votes. Party Negara lost all 30 seats it contested although it won 7.6% of the votes, while the PMIP won only one of the 11 seats it contested, collecting 3.9% of the votes.

Political Party	No. of Seats contested	No. of Seats won	% of Total Votes
Alliance	52	51	79.6
Party Negara	30	0	7.6
PMIP	11	1	3.9

The election result was a major endorsement of the Alliance approach to communal politics, and gave it a massive mandate to pursue its campaign for independence. The 1955 election also signalled the end of Party Negara as a political party of any significance.

The election outcome was particularly gratifying for the Tunku because during the months leading up to the polls, even he was not sure that the Alliance would survive as an entity. Internal bickering along communal lines had threatened to split the coalition. The Tunku himself had been strongly criticised by Umno elements for not pursuing a more aggressive Malay agenda within the coalition. They wanted a firm commitment to adopt Malay as the national language, and a more concrete programme to preserve and promote Malay special rights.

Umno members were also dissatisfied with the number of seats the party was allocated for the election. The Alliance National Council had originally allocated 40 of the 52 seats to be contested to Umno, 12 to MCA and none to the MIC. Umno members argued that the party should be given more seats because Malay voters comprised 84% of the electorate of 1,280,000 voters, the Chinese 11% and Indians only 3%. (Note: Many non-Malays were citizens but about 75% of them could not vote because they were below 21 years old.) It was also pointed out by Umno members that Malay voters were in a majority in all but two constituencies and therefore the more Malays the party fielded, the greater its chances of victory.

MCA leaders, on the other hand, were criticised by the Chinese for being too submissive to Umno. They were under pressure to demand Alliance endorsement for all locally born non-Malays to be granted citizenship according to the principle of *jus soli*. There were also demands for Chinese to be accepted as an official language, and for Chinese schools to be accorded a position equal to that of Malay schools.

In the event, the Alliance manifesto for the election recognised the special position of the Malays, and undertook to promote Malay as the national language and make Malay a compulsory subject in all government schools. It also pledged to preserve the schools, language and culture of the other races, and to promote an education policy that would be "acceptable to the people of Malaya". The party decided that questions relating to citizenship would be referred to an independent commission to be set up after the elections.

On the question of allocation of seats, the Tunku spoke out strongly against those who were leaning towards a "Malays only" policy, arguing that in a plural society, it

was necessary for Malays and non-Malays to share power and responsibilities. A special Umno general assembly was called to debate this issue on June 4, 1955. It met for seven hours, and the Tunku threatened to resign if the Assembly continued to insist that at least 90% of the Alliance candidates for the elections should be Malays. Only then did the Tunku receive a unanimous vote of confidence from the Assembly.[7] With this dramatic gesture of magnanimity to non-Malays, the Tunku laid down a core principle of the Alliance formula for the management of race relations: that Malays and non-Malays must collectively share power and responsibility.

At the polls, the Alliance finally fielded 35 Umno candidates, 15 candidates from the MCA and two from the MIC. In contrast, the "non-communal" Party Negara nominated only one Chinese but no Indian candidate for the 30 seats it contested. Significantly, the voting showed that a large number of Malay voters were prepared to rise above communal considerations and cast their vote for non-Malay candidates. In the 14 Malay-dominated constituencies where non-Malay Alliance candidates contested against Malay candidates from other parties, the Alliance candidates won 205,004 votes while only 39,929 votes went to the 20 non-Alliance candidates.

With this victory, the Umno-MCA-MIC combination confirmed that the political vehicle to support a system of popular government was in place. The Tunku was able to proceed to final negotiations for independence with the British.

The Tunku's Most Formidable Challenge: Negotiating the Inter-Ethnic Merdeka Compact

In December 1955, the Tunku, now Chief Minister of the Federation, fulfilled his election promise to meet leaders of the Communist-led guerrilla movement to try to end the eight-year old confrontation known as the 'Emergency'. Talks were held in the town of Baling, Kedah, with leaders of the Malayan Communist Party (MCP). But the two sides could not reach agreement. The leaders of the MCP were not prepared to lay down their arms unconditionally, and the Tunku was not prepared to grant recognition to the MCP and freedom for its members to pursue their party's aims in the open.

In January and February 1956, representatives of the Rulers and the Alliance Party met with British officials in London to discuss final proposals for self-government and independence. A Commonwealth Constitutional Commission (the

[7] *Sunday Times*, June 5, 1955.

Reid Commission) arrived in Malaya in June to receive proposals from interested parties and to make recommendations.

The period from mid-1956 to mid-1957 was the most difficult in the short history of the Alliance. It was a time of much hard bargaining and delicate compromises between the component parties as each sought to further the interests of the communities they represented. The understandings that were arrived at formed the basis of the Merdeka Compact whose principles were ultimately incorporated into the 1957 Constitution.

The three component parties of the Alliance agreed to submit only one set of proposals to the Reid Commission. The following is a summary of the Alliance position on the key issues of citizenship, the special rights of the Malays, religion, and language and education.

- *Citizenship*

  Non-Malays had long pressed for acceptance of the principle of *jus soli*, but Malays have been concerned that this could mean that the immigrant population would eventually outnumber the indigenous peoples. In the event, Umno accepted the principle of *jus soli*, not retrospectively, but only for those born on or after August 31, 1957. Other non-residents could become citizens if they fulfilled the requirements of residence (five to eight years, depending on place of residence) and were proficient in basic Malay.

  The implication of this agreement was that the proportion of non-Malay citizens in the total population would rise significantly with time. Umno agreed to these provisions on the understanding that the non-Malays would, in turn, accept the provisions relating to the special position of the Malays.

- *Special Position of the Malays*

  It had long been British policy to recognise the granting of certain privileges to the Malays on the grounds that they were the indigenous people of the land and needed political and economic protection. These privileges related primarily to (a) the reservation of land solely for Malay use; (b) the reservation of positions for Malays in the public service; (c) the granting of licences and permits for certain businesses; and (d) the granting of scholarships for education and training purposes.

Umno's colleagues in the Alliance accepted that the Malays needed protection to compete with the other races in the economic sector. The Reid Commission had recommended that the granting of these special privileges be reviewed within 15 years of independence to determine if they were still required. This recommendation was not accepted by the Alliance following objections by Umno.

- *Religion*

  This was not a contentious issue. Islam was accepted as the official religion and the practice of having each Sultan as head of the Muslim religion in his own state was retained. It was also agreed that every person had a right to profess or practice any religion other than Islam, except that the propagation of any religious doctrine or belief among Muslims may be controlled or restricted by the state.

- *Language and Education*

  The most difficult issues the Alliance parties had to deal with concerned language and education. In September 1955, one month after the Alliance Government took office, a Committee was appointed under the chairmanship of the Minister for Education, Abdul Razak bin Hussein, to recommend:

  > *"a national system of education acceptable to the people of the Federation as a whole which will satisfy their needs and promote their cultural, social, economic and political development as a nation, having regard to the intention to make Malay the national language of the country while preserving and sustaining the growth of the language and culture of other communities living in the country."*

  All members of the Committee came from the component parties of the Alliance, so its Report represented the outcome of the bargain and compromises made between the component parties. The Razak Report was published in May 1957 and its recommendations adopted in the Education Ordinance of March 1957.

In 1956, the Malay school system was the most poorly developed compared to the government-sponsored English language school system and the Chinese school system developed independently by the Chinese community. School buildings were dilapidated and the quality of teaching was poor. Education was provided only up to primary school level. In 1956, not a single Malay secondary school existed.

When the Razak Committee invited submissions from the public, many Malays wanted the government to rectify what they considered was a historical wrong. There were calls for the development of a national education system where Malay would be the sole medium of instruction. It was argued that Chinese and Tamil schools should be permitted to exist only as private and unaided institutions.

Non-Malay submissions to the Razak Committee, on the other hand, emphasised the need to permit the use of the mother tongue as the language of instruction in schools, and to accept vernacular primary and secondary school education as part of the national education system. This, it was argued, would be consistent with the right of non-Malays to preserve and sustain their cultures.

These arguments in their various permutations were contested long and hard within the Alliance. Outside it, opposing views were ventilated aggressively, especially by Malay and Chinese school teachers and their supporters.

Finally, under the Tunku's guiding hand, a compromise solution was arrived at. *First*, the Alliance agreed that Malay would be made the national language and used as the medium of instruction in all national schools. This would help in the development of a common identity and a common nationality. English was accepted as a second official language for ten years.

Second, the Alliance affirmed its support for the continuation of mother tongue education in primary schools, provided Malay was offered as a compulsory subject of study. It rejected suggestions to abolish Chinese and Tamil primary schools.

Third, the Alliance also resisted attempts to prevent Mandarin from being used as a medium of instruction in Chinese secondary schools. But in a move to ensure that the teaching of Malay would be continued in these schools, the Alliance agreed that the language of examination for the Lower

Certificate of Education (Form 3) and Malayan Certificate of Education (Form 5) examinations in secondary schools would be conducted in Malay.

Seeking Endorsement for the Merdeka Compact

As stated earlier, the Alliance proposals, which were ultimately incorporated into the Merdeka Constitution, were the result of much bargaining and soul searching among the component parties. It has been described as representing "the greatest measure of agreement and compromise" that was possible in the circumstances.

After reaching agreement, the leaders of the component parties returned to their respective parties to seek their endorsements.

Addressing the 11th General Assembly of Umno on March 28, 1957, the Tunku said:

"Although Umno is the biggest Malay party, our position is different from (other) parties because our responsibilities are not only for the Malays but also for other races living in this country. We believe that Malaya will achieve independence only through constitutional means and by cooperating with other races. Since we have sworn not to create any bloodshed, we should be considerate in our demands for the honour of our race and without neglecting the rights of other races. We have to work together with a spirit of goodwill and friendship with the other races who have lived here and become loyal citizens of this country.

The most important subjects discussed and agreed upon by (Umno, MCA and the MIC) concern the official religion and the national language of the Federation, citizenship, the special position and privileges of the Malays and the position of the Malay Rulers...The agreement between Umno, MCA and MIC on these subjects is very important because it contains meanings that are very deep. We were pleased because all parties unanimously agreed upon the subjects discussed in the agreement. We considered this a big victory for Umno in its efforts to work together with its partners in the Alliance Party."

The Tunku commented specifically on the issue of Malay special rights and privileges. The Alliance submission to the Reid Commission had recommended retention of these rights, but the Reid Commission's final report had proposed that these privileges be reviewed within 15 years with a view to reducing and ultimately

doing away with them. The Alliance had rejected the Reid recommendation, and the Tunku felt obliged to reassure the Malays that this was the case:

> *"Another problem that keeps the Malays worried is the issue of the special rights of the Malays. This is because some people from other races are also demanding for equal treatment. If only they would look around them, they would find that all the big businesses, mines and estates, are in the hands of non-Malays with the Malays having no share or rights whatsoever in them. The Malays' only chance of keeping our identity in this country is to insist on the retention of our inherent rights guaranteed by the Federation of Malaya Agreement and by the treaties made between the British Government and the Malay Rulers.*
>
> *Under the changes visualised under the new Constitution, we are prepared within reason to share those rights with others who owe loyalty to this country. I must ask non-Malays to be fair and considerate and not make unreasonable demands, for it is well to remember that no natives of any country in the world have given away so much as the Malays have done. No natives have been as friendly to immigrant peoples as we have been. Nobody need have any fear as to their future well-being in an independent Malaya."*[8]

In his address to the MCA General Committee on May 2, 1957, the MCA President, Tan Cheng Lock, also referred to the Reid Commission's recommendation that a time limit to be placed on the granting of Malay special privileges. He said:

> *"We must look at those sections of the Reid Commission's recommendations which are more than what we have asked for in the full knowledge that greed can blind us to the realities and to the just claims of others. Unless we bear this clearly in mind, we are in danger of sacrificing fundamentals for gains of little consequence ... It will be tragic if this unity (of the Alliance Party) should now be marred by greed because the Reid Commission has recommended more than what we have asked for.*
>
> *Unified solidly in its objective to get independence for this country, the Alliance achieved the greatest measure of agreement in its constitutional*

[8] Translation from Zuraidi Ishak, *The Rhetoric of Racial Harmony*, Ohio University, 1991.

proposals. We in the MCA should, therefore, defend these unanimous proposals to the bitter end."

The MIC President, V.T. Sambanthan, was no less fervent in his defence of the Alliance position. Addressing the 11th Annual Conference of the MIC on July 12, 1957, he emphasised the interdependent nature of race relations in the emerging nation:

"The racial composition of the country is such that no community has an overall majority. In a way, all are minorities. This situation is at once the strength as well as the weakness of the nation. It tends to strengthen because it causes each race to lean on the others for support and bring about interdependence. But its weakness lies in the fear complex that such a situation can arouse.

Sambanthan stressed that in the circumstances, it was essential that the races see beyond their individual interests and reach out for the collective good.

Challenge to the Merdeka Compact: The Tunku Resigns as PM to Defend the Moderate Centre

As mentioned earlier, the Alliance recommendations were incorporated into the Merdeka Constitution. The real test of its acceptability was to be at the first polls held after Merdeka Day. This was scheduled for August 1959.

The Tunku was aware that the gains of the pre-Merdeka negotiations had not yet been consolidated. The controversies it instigated had not quietened down, and were in fact being actively exploited by the PMIP, Party Negara and a number of newly-formed parties. These included the Socialist Front (a union of the Labour Party and Party Rakyat) and the Peoples' Progressive Party (PPP), whose strongholds were in the urban areas of Penang and Ipoh respectively.

The early indications of the trend of electoral support for the Alliance were not favourable. Local council election results in 1957 and 1958 showed that support for the coalition government was eroding, especially in the urban centres of Ipoh, Penang, Seremban and Malacca.

The Alliance itself was suffering from internal stress, and discipline among Umno and MCA members was fraying. Many who disagreed with the compromises

of the Merdeka Compact were transferring their support to the more communalistic positions espoused by the opposition parties.

The Tunku was troubled by what was happening around him. The Opposition was chipping away at the hard-won gains of the Merdeka Compact, casting doubt on its fairness, and exploiting the fears and suspicions of the electorate. The Tunku felt he had to address the problem quickly for fear that it may otherwise lead to uncontrollable chaos. He had the option of taking pre-emptive emergency action, using emergency laws, to remove from the scene those who were exploiting communalistic sentiments. But he chose to meet the problem head-on at the hustings.

On April 16, 1959, the Tunku resigned as Prime Minister, handing the reins of government to his deputy, Abdul Razak Hussein, to devote himself full time to the task of defending the Merdeka Compact and the politics of moderation at the coming polls.

In May, racial riots broke out on the island of Pangkor in Perak. A minor misunderstanding between Malays and Chinese at village level had fed on pent-up suspicion between the communities and threatened to spill over to the mainland. Fortunately, the conflict was contained, but it had been well publicised and was expected to have an impact on state elections due the following month.

The results of these state elections confirmed the Tunku's fears that the Alliance's hold on the centre was not entirely secure. In Penang, the Alliance won only 17 out of 24 seats, with the remaining going to the Socialist Front. In Perak, the PPP won 8 out of the 39 seats contested, most of them in Ipoh, with the remaining 31 going to the Alliance.

But the biggest jolt to the Alliance came in rural Kelantan and Trengganu, where the PMIP and Party Negara were strongest, and had campaigned openly along communal and religious lines. In Kelantan, the PMIP swept 28 of the 30 seats it contested, with the Alliance wining the remaining two. In Trengganu, the PMIP captured 13 out of 24 seats and were able to form the state government. The Alliance had won just seven seats and Party Negara four seats.

Elsewhere, in the other seven states, the Alliance had held its ground, capturing 150 out of the 164 seats contested. Overall, the Alliance had captured 207 of the 282 seats contested nationwide, but only 55% of the votes. And it had lost the states of Kelantan and Trengganu to the PMIP.

It was a worrying result for the Tunku. Would the Alliance be able to defend the centre in the coming parliamentary election?

The 1959 Parliamentary Election: The Tunku's Definitive Battle

On August 18, 1959, the country's first post-Merdeka parliamentary election was held. A hundred and four seats were contested. Many citizens who were below 21 years old at the last general election in 1955 could now vote. The racial composition of voters now more accurately reflected that of the general population.

Differences within the Alliance re-surfaced when it came to choosing candidates for the elections. Many in Umno attributed the party's defeat in Kelantan and Trengganu to public perceptions that Umno was appeasing the non-Malays at the expense of the Malays. They also said Umno would fare better if it did not have to 'carry' the MCA and MIC, and was free to adopt a more communal posture in its campaign.

The Tunku strongly opposed this line of thinking, saying that "although the candidates from the MCA and the MIC would for some years be a burden to Umno in any election campaign, the Malays owed them their support, first because they had lost that of their own communities mainly through backing the multi-racial coalition; and also because the British would not have granted independence so quickly or so easily without the assurance, which the coalition provided, that there would be a sharing of power among the three main racial groups."[9]

The Tunku once again managed to get Umno to accept his argument. But his case was not helped by an MCA demand to contest more seats. The leaders of the Alliance had informally agreed to allocate 74 seats to Umno, 28 to the MCA and 2 to the MIC. But the MCA argued that the number of seats it got should, at least, be proportionate to the number of Chinese voters on the electoral rolls.

Out of an electorate of 2,144,000, Malays comprised 56.8% of the voters, Chinese 35.6% and Indians 7.4%. In 1955, Malay voters were a majority in 50 out of 52 constituencies. This time, they were the largest ethnic group in 66 out of 104 constituencies.

The Umno-MCA dispute heightened when the MCA President, Lim Chong Eu, wrote to the Tunku asking for the MCA to be allocated 40 seats in the election,

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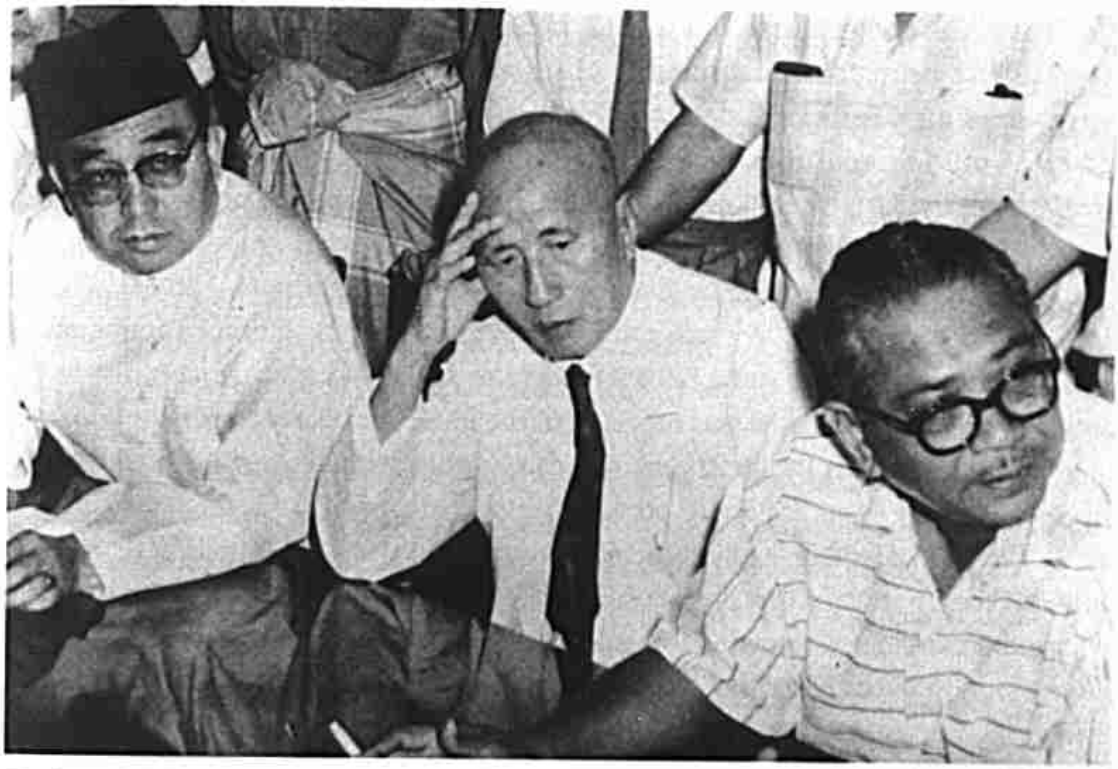
[9] William Shaw, *Tun Razak – His Life and Times*, Kuala Lumpur: Longman Malaysia, 1976, pp. 120-121.

saying that this was necessary to allay fears that if the Malays ended up with more than two-thirds of the seats in Parliament, they could unilaterally change the Constitution to the detriment of non-Malays.

Lim's confidential letter to the Tunku was followed immediately by the release of a press statement from the MCA publicity office which said the party expected to be given at least 35 seats, and will contest the elections on its own if it did not.



Tunku Abdul Rahman (right), President of Umno and head of the UMNO-MCA-MIC Alliance, together with Dato' Abdul Razak Hussein (left), Deputy President of Umno, and Tun Tan Cheng Lock, former President of MCA, July 10, 1959. The Tunku announced his rejection of MCA's demand for more seats in the upcoming parliamentary election. This led to the resignation of MCA's President, Dr Lim Chong Eu, and 30 other senior party members.

The Tunku was aghast at the MCA action. He stood firm and replied to the MCA President in decisive terms:

> *"Your action in presenting me with an ultimatum (which is the only deduction I can make of your action) at this late hour is really a stab in the back to me, and has given me a feeling of great disappointment in my friends, the present*

leaders of the MCA. It is obvious that your intention is to break from the Alliance and it offers me and others no room for discussion...

I, therefore, see that our Alliance National Meeting fixed with your group for this evening will serve no useful purpose. Undeterred, we will fight the elections as the Alliance with MIC and those members of the MCA who do not support your stand." [10].

The MCA backed down. On July 12, Lim met the Tunku and agreed to abide by the Tunku's decision on the number of seats to be allocated to the MCA and the selection of the party's candidates for the election. Following this climb down, some 30 MCA officials, mostly those who had pushed for a face-off with Umno, resigned from the party. Lim himself resigned as MCA President, and his position was taken over by Cheah Toon Lock from Kedah.

In the event, Umno gave up five seats to its coalition partners, 3 to MCA and 2 to MIC. Thus, out of 104 seats contested by the Alliance, Umno nominated 69 candidates (66.4%), MCA 31 (29.8%), and the MIC 4 (3.8%). In contrast, not a single non-Malay candidate was included in the PMIP and Party Negara line-up.

The Alliance won the 1959 election with a comfortable victory, although not as overwhelmingly as in 1955. Its popular support dropped from 79.6% to 51.5%, while the parties which had espoused a more communal line, the PMIP and the PPP, picked up more votes. Non-communal voting was evident in 11 constituencies where the candidates returned did not belong to the community that formed the largest section of the electorate.[11]

Political Party	No. of Seats contested	No. of Seats won	% of Total Votes
Alliance	104	74	51.5
PMIP	58	13	21.2
Socialist Front	38	8	13.0
PPP	19	4	6.4
Party Negara	10	1	2.2

On August 21, 1957, a triumphant and relieved Tunku resumed his Prime Ministership.

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[10] *Straits Times*, July 11, 1959.
[11] Ratnam, p. 205.

National Identity and the Tunku's Legacy

The Tunku is popularly known as *Bapa Kemerdekaan*, or 'Father of Independence' for his role in securing independence for the nation. To be sure, the Tunku made Independence a reality. But it was Onn who had first compelled the British to recognise that self-government, ultimately, was inevitable. By the time the Tunku took over the leadership of Umno, there was already an air of acceptance that self-government and independence were realistic goals. History post-1948 has been very much a matter of working to convert this expectation into reality.

The Tunku's greatest achievement lay not in what he managed to get out of the British, but in the crafting of a formula to manage race relations that made independence and subsequent nation-building possible.

The Tunku's Independence formula had two limbs. The first was the identification of a suitable vehicle to win independence and to form the government. History will acknowledge that it was not the Tunku who conceived of the idea of the Alliance. But it was he who recognised its potential from early on, and nurtured the fledgling coalition until it acquired the strength and the authority to lead the country to independence.

The role of the Alliance in the battle for Merdeka differed significantly from that of Umno in 1946-48. Onn's battle was fought on behalf of the Malays. The Tunku, however, had to carry both Malays and non-Malays with him. He had to deal not only with an external challenge, the British, but also an internal one, the management of the Malay/Non-Malay divide.

The second limb of Tunku's formula was the establishment of proper ground rules for the management of race relations. The Tunku stressed the reality of interdependence among the races. He argued that the races stood to do better together than each on their own. From this flowed his idea for the collective sharing of power and responsibility, and the Tunku strove to manifest this in the structure and work culture of the Alliance. Many times he had to do battle with critics, both Malays as well as non-Malays, who questioned the logic and practicality of his ideas. Each time the Tunku prevailed, he institutionalised a bit more the reality of this interdependence among the races.

Acceptance of this interdependence meant acceptance of the reality of plural society. The Tunku got the Malays to accept the transition from *Tanah Melayu untuk Melayu* to *Tanah Melayu untuk semua rakyat berbilang kaum*. By doing so, he changed in a very fundamental way the psychology of nation-building especially

among the Malays. Onn had given them the confidence that their identity would not disappear from the face of the earth. The Tunku gave them the confidence that they could accept the reality of plural society and survive just as well.

The Merdeka Compact is the manifestation of this acceptance. It spells out the basic principles that the nation's founding fathers agreed should govern relations between Malays and Non-Malays. It reflects a shared understanding about the means and ends of nationhood, and should be interpreted in the spirit and context in which it was formulated.

Chapter 9

Razak: Economic Equity as a Pre-condition for National Unity

Razak Takes Over from the Tunku

Tun Abdul Razak Hussein's most significant nation-building initiative was the introduction of an affirmative action programme in 1970 to 'restructure' society in favour of the Malays. This is believed to be the largest and most ambitious social engineering programme of its kind in the world, and its introduction marked a radical departure from the socioeconomic policies of the past.

For 18 years, Razak was a loyal deputy to the Tunku. When the Tunku became Umno's President in 1951, he became the Tunku's Deputy. When the Tunku became Prime Minister in 1957, he became Deputy Prime Minister. In 1969, Razak stopped being No. 2. The racial riots of May 13 ended Tunku's reign as Prime Minister and Umno leader. Although the Tunku officially did not leave office until September 22, 1970, he had effectively relinquished power to Razak when the latter was appointed Director of Operations by the Yang Dipertuan Agong on May 14, the day after the riots had first erupted.

May 13 was a symptom, not a cause, In the months that followed, the government sought to develop a plan for national recovery that would also address the root causes of the social unrest. A New Economic Policy (NEP) was formulated, and affirmative action became a public policy instrument to restructure society to create greater equity between the races.

To understand how this came about, we need to go back and examine what happened in the months and weeks leading up to May 13.

The May 13 Riots: Time-out for Laissez Faire Politics

On May 10, 1969, the nation went to the polls. When the results were announced, the Alliance had suffered massive defeats in key areas. On May 13, 1969, Kuala Lumpur descended into chaos. For two days and two nights, the city burned. Political agitators and agent provocateurs roamed the streets, indulging in an orgy of violence, arson and looting. The police could not cope with the breakdown of law and order. The army was called in. A curfew was declared. Finally, after more than 48 hours of madness, order was restored in the Federal Capital.

On May 14, the Yang Dipertuan Agong declared a national state of emergency and Parliament and the Constitution were suspended. Razak was appointed Director of Operations with virtually unlimited executive powers to run the country. He was advised by a National Operations Council (NOC) headed by Tun Dr Ismail bin Dato' Abdul Rahman. Ismail announced to a nation that was still in a state of shock: "Democracy is dead". A new Cabinet was sworn in on May 20 with the Tunku once more as Prime Minister, but to all intents and purposes, all power was in Razak's hands.

Months later, the NOC reported that 178 people had died in the clashes. Most people believed the real figure to be much higher. But it was not just lives and property that were lost. Confidence in the government's ability to handle inter-communal problems had also been shattered. Why?

Conflict Resolution in Plural Society: Uncertain Boundaries of the Alliance Formula

The Alliance formula for the resolution of ethnic conflict was based on an agreement to solve community differences *within* the party. To be effective, each component party had to have a valid claim to represent the views of their respective communities, and secondly, the parties had to agree to subscribe to a culture of discussion and compromise to solve political differences. This was the spirit in which the Merdeka Compact was formulated. It was the spirit in which it had to be implemented.

As a mechanism for conflict resolution, however, the Merdeka Compact had a major limitation. Its boundaries were uncertain. While this uncertainty gave the system some flexibility in problem solving, its lack of precision and finality also provided room for dispute and conflict.

All systems of conflict resolution need, in the final analysis, an authority of last resort to rule on differences. In the Alliance, all three component parties are of equal standing and have an equal vote. This is a fiction, of course, and in practice, Umno is recognised by consensus as first among equals. In deference to the party's senior status, the leader of Umno automatically assumes the leadership of the Alliance.[1]

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[1] In his book "*Political Awakening*" (Pelanduk Publications, 1968, p. 51), the Tunku cites one example of how this convention worked in practice. He wrote: "In mid-1954, I called for a meeting of the Alliance and formed the protem council for Umno-MCA, with 15 representatives from each party. I was elected the first Chairman, after which the leader of the MCA, Tan Cheng Lock, was to take over ... At the end of three months, he refused, and asked me to take over as the permanent Chairman of the Alliance Council."

So the leader of Umno wears two hats: he is head of his own party as well as of the coalition party. In his first role, he is expected to represent the interests of the Malay community. In his other role, he is supposed to represent the interests of all communities. It is, at the end of the day, a responsibility that guarantees the decision-maker will never be free from criticism or blame. As the ultimate arbiter in this system of conflict resolution, he will never be able toe acquire the mantle of being a completely neutral third party.

Challenging the Merdeka Compact: The Opposition Ups the Ante

Throughout the fifties and sixties, the Tunku dominated the political landscape. He was the Father of Independence. He had faced down the Communist threat from the jungle. He had made the formation of Malaysia a reality. And he had dealt with the exit of Singapore with a deft and firm hand. He was, to all races and all classes of people, a highly respected leader.

But time brought changes, and the Tunku was slow to recognise these changes. Newer and younger voices were demanding to be heard. Expectations were rising, and the new participants in politics did not feel obligated to follow the Tunku's style of consultative politics.

Open and brazen challenge to the old style of politics reached a new high when Singapore joined Malaysia in 1963. Singapore's ruling Peoples' Action Party (PAP) thrived on a political style that was direct and confrontational. But it was not a style suited to the Malaysian environment. When the PAP imported its brand of politics into the peninsula, it was seen as being deliberately provocative and abrasive. Tension between the Alliance Government and the PAP increased when the PAP campaigned for a revision of the Merdeka Compact and tried to replace the MCA as Umno's partner in government.

The PAP failed to understand the nuances of political discourse in the peninsula and it misread the depth of Tunku's loyalty to his colleagues in the Alliance. The Malays, in particular, found the PAP's brashness particularly jarring and incompatible with the consensus-seeking style of Malaysian politics. And certainly no one in the Alliance was prepared to entertain any revision to the Merdeka Compact.

The PAP's failure to comprehend the nuances of Malaysian politics was an error of historical proportions. It was a matter of time before Singapore had to exit the political system. And when the PAP departed in 1965, it left behind a political legacy that suggested it was legitimate to challenge the basic understandings of the

Merdeka Compact. The PAP's supporters in Malaysia reconstituted themselves as the Democratic Action Party (DAP) and campaigned for a "Malaysian Malaysia", a political platform that opposed the continuation of Malay special rights, supported the recognition of English, Chinese and Tamil as official languages, and demanded equal treatment for all four streams of education.

The Peoples Progressive Party (PPP), which had strong support among the Chinese and Indians in urban areas in Perak, pursued a political programme that was essentially similar. Together with the newly formed Gerakan Rakyat Malaysia (GRM), these parties appealed to the non-Malay vote, and agreed not to contest each other against the Alliance in the 1969 general election.

On the Malay front, the PMIP continued to pursue a strongly pro-Malay and pro-Islamic line, focusing on the party's traditional strongholds in the east coast and northern states. It directed the bulk of its criticisms against Umno, accusing it of consorting with non-Malay parties and of giving in to non-Malays on issues affecting Malay rights and privileges.

If the Malay masses were to buy into the PMIP's line, the implications would be far-reaching. "The Alliance, and the entire fabric of politics in the country had been built around a strong Umno ... Umno, therefore, could not afford to allow the PMIP to inflict any serious electoral defeats on it and thereby challenge its position as the chief representative and spokesman of the Malay community."[2]

"Matters were complicated by the fact that for the first time in the history of the country, most of the non-Malay parties in the opposition were able to establish an electoral arrangement among themselves. This alarmed the Malays and their leaders in the government as they considered this as an attempt by the non-Malays to 'gang up' against them and pose a serious threat to their special position and political paramountcy."[3]

In the lead up to the general election, therefore, political debate took on an increasingly communalistic tone. The Alliance party defended the Merdeka Compact, while the opposition parties essentially sought to revise it. Racial tension reached a new high, and "the whole exercise assumed the form of a communal showdown. Communalism was rampant and the Malays and non-Malays were

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[2] R.K. Vasil, *Ethnic Politics in Malaysia*, New Delhi: Radiant Publishers, 1980, p. 167.
[3] Vasil, p. 163.

pitted against each other. It was natural that the outcome was seen only in terms of a victory for one and a defeat for the other."[4]

The 1969 General Election: Regression into Communalism

On May 10, 1969, the country went to the polls. The results shocked the Alliance.[5] It won just 66 of the 104 seats parliamentary seats it contested, and with less than half the popular vote (48.4%). At the state level, the party lost Kelantan, Penang and Perak, while in Selangor, it captured only half the seats, creating a potential deadlock situation in the face of a combined opposition.

General Election – 1959, 1964, 1969
Parliamentary Seats

Political Party	Seats Won			Seats Contested			% of Votes Polled		
	1959	1964	1969	1959	1964	1969	1959	1964	1969
UMNO	52	59	51	70	68	67	35.94	38.14	33.67
MCA	19	27	13	31	33	33	14.82	18.68	13.50
MIC	3	3	2	3	3	3	1.02	1.55	1.24
Alliance	74	89	66	104	104	103	51.78	58.37	48.41
DAP	-	1	13	-	11	24	-	2.06	13.73
Gerakan	-	-	8	-	-	14	-	-	8.57
PPP	4	2	4	19	9	6	6.30	3.65	3.87
PMIP	13	9	12	58	52	59	21.27	14.45	23.75
Parti Rakyat	-	-	-	-	-	5	-	-	1.24
Independents	3	-	-	27	8	2	4.76	0.66	0.34
Socialist Front	8	2	-	38	63	-	12.92	16.15	-
UDP	-	1	-	-	27	-	-	4.30	-
Party Negara	1	-	-	9	4	-	2.11	0.36	-
Malayan Party	1	-	-	2	-	-	0.86	-	-
Total	**104**	**104**	**103**	**257**	**278**	**213**	**100.0**	**100.0**	**99.9**

[4] Vasil, p. 175.

[5] The following tables of the 1959, 1964 and 1969 general election results are from Vasil, pp. 172 and 174.

General Election – 1959, 1964, 1969
State Seats

Political Party	Seats Won			Seats Contested			% of Votes Polled		
	1959	1964	1969	1959	1964	1969	1959	1964	1969
UMNO	140	164	133	191	189	187	36.98	37.70	33.50
MCA	59	67	26	78	82	80	16.29	17.39	12.71
MIC	7	10	3	13	11	10	2.25	2.53	1.74
Alliance	206	241	162	282	282	277	55.52	57.62	47.95
DAP	-	-	31	-	15	57	-	0.90	11.76
Gerakan	-	-	26	-	-	37	-	-	8.78
PPP	8	5	12	39	26	16	5.75	4.51	4.79
PMIP	43	25	40	200	158	179	20.80	15.25	22.80
Parti Rakyat	-	-	3	-	-	37	-	-	1.53
Independents	5	-	3	76	39	38	3.61	1.09	2.29
Socialist Front	16	7	-	124	167	-	9.71	16.30	-
UDP	-	4	-	-	64	-	-	3.94	-
Party Negara	4	-	-	96	17	-	4.29	0.39	-
Malayan Party	-	-	-	6	-	-	0.32	-	-
Total	**282**	**282**	**277**	**823**	**768**	**641**	**100.0**	**100.0**	**99.9**

Of the Alliance parties, the MCA suffered the biggest loss. While Umno won 51 of the 67 parliamentary seats it contested, the MCA won only 13 of the 33 parliamentary seats it contested (1964: 27 out of 33), and 26 of 80 state seats (1964: 67 out of 82). The big winners were the parties that had appealed to the non-Malay vote, namely, the DAP, the Gerakan and the PPP. A non-Malay opposition party now controlled the Penang Government for the first time. In Perak and Selangor, the Alliance also failed to secure a majority of the seats. (Three opposition State Assemblymen in Perak and two in Selangor subsequently defected to the Alliance and gave it a working majority.)

The non-Malays viewed the results as an endorsement of their demand for a review of pervious agreements concerning Malay special rights, the national language, and the status of Chinese and Tamil schools. Many Malays, on the other hand, viewed the results as a non-Malay victory that threatened their political dominance of the country.

Two days after the elections, riots broke out in the Federal Capital. The Federal Constitution was suspended, and NOC rule imposed.

Razak's National Recovery Programme: Re-calibrating the Alliance Formula

The imposition of NOC rule gave Razak the executive power to act to put the nation back on an even keel. The maintenance of law and order was an immediate priority, but it was important also for the government to identify and address the deeper, underlying issues that led to the May 13 unrest.

It was obvious to Razak that differences over the Merdeka Compact lay at the source of most of the nation's political problems. Its ambiguities, which at times had proved to be its strength, were now its greatest weakness. Under the Alliance, these ambiguities were to be resolved through a process of negotiation and consultation, with party elders serving as final arbiters if agreement could not be reached. But with the democratisation of political participation, newer and younger members did not feel so constrained by this culture of deference to party elders. This was particularly so in Umno's case, and the Tunku became the focus of much dissatisfaction and criticism from within his own party. Many blamed him for the erosion of Malay political dominance, and they openly sought to change the leadership of the party.

Outside the Alliance, the freedom to indulge in excess was unrestrained. The 1969 election campaign became a free for all, and raised communal tensions to unprecedented levels. Razak's deputy, Ismail, said:

> *"There is no doubt that one of the main causes of the present situation was the irresponsible conduct of some political parties. They have no compunction at all in treading on racial sensitivities to achieve their ends. If this is going to persist, I don't see how democracy can again flourish in this country ... It is not right that innocent lives shall be lost just because some politicians want to achieve their ends ... The Government will do everything to ensure that such disturbances do not break out again. We must guarantee that this sort of thing will not happen again. We cannot afford to take any risk at all."*[6]

[6] *Straits Times*, May 20, 1969.

Tun Abdul Razak with his Deputy, Tun Dr Ismail Abdul Rahman, discussing strategy in the aftermath of May 13.

Razak's recovery programme for the nation had a three-prong strategy:

- *First, Removing the Licence for Excess*
  One of the first decrees Razak introduced removed a number of "sensitive issues" from the realm of public discussion. These related to (a) the status and powers of the Malay Rulers, (b) the special position of the Malays and the citizenship rights of non-Malays, (c) the status of Islam as the official religion, and (c) the status of Malay as the sole official national language.

The move emphasised the "non-negotiable" status of these issues, and removed them from the arena of political debate. The sedition law was amended to make it an offence to question or discuss any of these issues if these discussions produced, or had a "tendency" to produce, ill will or enmity between the races. When NOC rule ended and Parliament reconvened in February 1971, these provisions were 'entrenched' in the Constitution.

- *Second, Broadening the Political Consensus*

Two days after the 1969 election, the MCA announced that it would not join the Cabinet of the new Government. The party did not have much choice. It had been rejected at the polls. This narrowed the government's base of popular support considerably. (In February 1970, the MCA rejoined the Government, but that did not improve matters on the ground. The MCA still had not recovered support at grassroots level).

For Razak, the need to widen this support base became urgent. He decided to ignore the Alliance tradition of restricting representation of each ethnic group to only one political party. In a series of moves undertaken over a period of two years, Razak managed to persuade a host of non-Malay parties to join the Alliance to form a 'Government of National Unity'. His biggest coup came when he got PAS to join the coalition which, by then, was known as the Barisan Nasional (BN), or National Front.

The founding members of the BN were Umno, MCA, MIC, PAS, PPP, Gerakan, the Sarawak United Peoples' Party (SUPP), Parti Pesaka Bumiputra Bersatu (PBB) of Sarawak, and the Sabah Alliance Party. The BN consists of 14 political parties at the time of writing.

The BN was formally registered as a political party in 1974. In many ways, it is similar to the former Alliance. Its candidates contest elections under one flag, each party has one vote in the coalition, and decision-making is by consensus. There is no doubt, however, that Umno is first among equals in the BN, and its leader automatically becomes head of the coalition. The big difference, however, is that while Umno continues to be the sole representative of the Malay community in the BN today (PAS left the coalition at the end of 1977), more than one party now represent the Chinese community.

- ***Third, Filling Out the Merdeka Compact***
  The government had concluded that one of the underlying reasons for the deteriorating state of Malay/Non-Malay relations was the growing disparity between their respective economic positions. The 'trickle-down' approach of the past, which relied on the normal processes of economic growth to improve the economy of the Malays, had failed to arrest this trend. More had to be done for the Malays, but how was Razak going to justify providing assistance to the Malay community that was over and above what the Constitution already provided?

  It may be recalled that the Merdeka Compact had recognised the special position of the Malays in the Constitution, and government policies had given meaning to this provision by reserving employment positions for Malays in the public service, and by the selective awarding of businesses licences and education scholarships to Malays. But the problem remained: the benefits conferred by these privileges were not sufficient to enable the Malays to catch up with the non-Malays economically. In fact, if the status quo remained, the economic gap between the Malays and non-Malays would widen further.

  Razak thus knew he had to take radical measures to help the Malay community. But was he able to do it in a way that was consistent with the spirit of the Merdeka Compact? Razak addressed this problem by incorporating into the Preamble to the Rukunegara (promulgated on August 31, 1970) a declaration that one objective of nation-building must be the creation of "a just society in which the wealth of the nation shall be equitably shared". This was the statement of general principle he used to justify the wealth creation and wealth distribution programmes he was about to launch for the Malays. This was Razak's addendum to the Merdeka Compact.

The Razak Principle: National Unity has an Economic Dimension

As stated earlier, many Malays had viewed the 1969 election results as indicative of a growing threat to Malay political dominance. Razak did not misread the political implications of the vote, but the election told him as much about economics as it did about politics. The critical decision Razak made was to link the absence of national unity to the economic disparity between the races. National unity had an economic component, Razak argued, and any improvement in race relations would

require, in the first instance, at least some equivalence in the economic condition of the participants.

In 1969, on a proportional basis, there were many more poor Malays than Chinese or Indians. Malays generally held low-paying jobs, and very few of them were employed in the modern sectors of the economy. The Malay share of business wealth was abysmally low compared to that of other races.

Malays also generally found it more difficult to get out of the poverty cycle compared to other races. Various reasons have been offered to explain this propensity to be poor and to stay poor, including nearly a century of British 'protection' which kept the Malays out of the modern economy. Over time, the identification of poverty with a specific ethnic community had become a structural feature of the economy. Race became identified with economic status and economic function, and vice versa.

The distinguishing feature of Razak's New Economic Policy (NEP) is that it is not just an economic programme. It is also a programme based on race. It seeks not just to tackle poverty per se, but poverty and 'imbalances' identified with the Malay race.

The Imbalances between the Races

The following tables give an indication of the extent of economic disparity between Malays and non-Malays.[7]

a) Income Imbalance

In 1970, the average monthly income for a Malay household in the peninsula was estimated to be RM179, against RM387 and RM310 for Chinese and Indian households respectively. Malay households accounted for nearly 85% of all households earning below RM100 a month, while the share of Chinese and Indian households in this income range was 9.6% and 4.0%.

In the middle income range of RM400 to RM699, Chinese households predominated with nearly 56% of the total. Malay households constituted over 31% and Indian households about 12% in this income range.

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[7] All data cited in this chapter, unless indicated otherwise, are from the *Mid-Term Review of the Second Malaysia Plan 1971-1975*, Kuala Lumpur: Government Press, 1973.

Monthly Household Income – By Race
Peninsular Malaysia, 1970
(RM)

Income Range	Malay	Chinese	Indian	Other	Total
1-99	84.5	9.6	4.9	1.0	100
100-199	60.8	24.9	14.0	0.3	100
200-399	40.3	46.0	13.5	0.2	100
400-699	31.6	55.7	12.1	0.6	100
700-1,499	23.2	61.4	12.5	2.9	100
1,500-2,999	14.0	62.1	13.6	10.3	100
3,000 and above	12.1	52.0	17.3	18.6	100
% of total households	56.7 %	31.3 %	11.2 %	0.8 %	100 %
Mean household income	178.7	387.4	310.4	950.5	268.7

b) Employment Imbalance

In 1970, Malays accounted for 51% of total employment of about 2.8 million, while the Chinese accounted for 37% and the Indians 11%. This was roughly in line with the racial composition of the population. But when analysed by sector, the nature of the racial imbalance shows up. Malays were predominant in the agricultural sector where output per worker is lowest, while the Chinese dominated the mining, manufacturing and commercial sectors where productivity was two to three times that in the agricultural sector.

Employment imbalances were also reflected in occupational categories. In the professional and managerial group in the manufacturing sector, for example, only 7% were Malays compared to 68% Chinese, 4% Indians and 18% foreigners. The situation in the mining and construction industries was not significantly different.

Employment – By Race & Sector
Peninsular Malaysia, 1970

Sector	Malay %	Chinese %	Indian %	Others %	Total ('000)	% of Total
Agriculture, Forestry, Fisheries	67.6	21.4	10.1	0.9	1,369	49.1
Mining, Quarrying	24.8	66.0	8.4	0.8	85	3.1
Manufacturing	28.9	65.4	5.3	0.4	292	10.5
Construction	21.7	72.1	6.0	0.2	78	2.8
Electricity, Water	48.5	18.0	32.3	1.4	21	0.8
Transport, Communications	42.6	39.6	17.1	0.7	115	4.1
Commerce	23.5	65.3	10.7	0.5	295	10.6
Services	48.5	35.7	14.0	1.8	528	19.0
Total Employment	51.5	36.9	10.7	0.9	2,783	100.0
Total Population	52.7	35.8	10.7	0.8		

c) *Ownership Imbalance*

Ownership and control of wealth or assets is estimated to account for half of total personal income, and its distribution, therefore, has a corresponding impact on the standard of living. In 1970, foreign interests continued to control and own major portions of the economy. They accounted for 61% of the share capital of all limited companies. Their dominance was highest in agriculture (75.3%) and mining (72.4%), and lowest in the transport sector (12%). In comparison, the Chinese accounted for 22.5% of the total, with Malays holding 1.9%, Indians 1% and other locally controller companies the remainder.

Ownership of Share Capital in Limited Companies – By Race & Sector Peninsular Malaysia, 1970

Sector	Malay %	Chinese %	Indian %	Foreign %	Total (RM'000)
Agriculture, Forestry, Fisheries	0.9	22.4	0.1	75.3	1,432,000
Mining, Quarrying	0.7	16.8	0.4	72.4	543,497
Manufacturing	2.5	22.0	0.7	59.6	1,348,245
Construction	2.2	52.8	0.8	24.1	58,419
Transport, Communications	13.3	43.4	2.3	12.0	81,887
Commerce	0.8	30.4	0.7	63.5	605,164
Banking, Insurance	3.3	24.3	0.6	52.2	636,850
Others	2.3	37.8	2.3	31.4	582,516
Total	1.0	22.5	1.0	60.7	5,288,978

The New Economic Policy (NEP): Targets and Caveats

As indicated earlier, the Razak planning team concluded that there were limits to what the Malays could do by themselves to bridge the racial disparities in income levels, employment, and wealth ownership. "The racial disparities were deeply entrenched in the structure and dynamics of the economy ... and had a momentum and logic of their own. They were too serious to be solved indirectly as a residual or as a by-product of a growth policy, however successful otherwise, or through exercises in exhortation and persuasion."[8]

The government had, in the past, tried to address this problem by pursuing a growth policy with the expectation that the Malays will be able to benefit from the "trickle down" effects of an expanding economy. Although this did benefit some Malays, non-Malays benefited considerably more, and statistics showed that the gap between the two had been increasing since Merdeka.

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[8] J. Faaland, J. Parkinson and Rais Saniman, *Growth and Ethnic Inequality*, Utusan Publications and Distributors, 2003, p. 48. First published by C. Hurst, London, 1990.

The New Economic Policy was Razak's answer to the problem. It was launched in 1971, and The Second Malaysia Plan (1971-1975) represented the first phase of its implementation.

The NEP's restructuring objective was very specific: "To correct economic imbalances so as to reduce and eventually eliminate the identification of race with economic function." But this undertaking was accompanied by an important caveat: Restructuring was to be undertaken "in the context of rapid structural change and expansion of the economy so as to ensure that no particular group experiences any loss or feels any sense of deprivation in the process."

It is important to note that restructuring was to be undertaken only in the context of a rapidly expanding economy. The opportunities and wealth to be "redistributed" had to come from the incremental increase in the size of the economic cake. Only then would it be possible for any group to avoid experiencing "any loss or feel any sense of deprivation". This was the minimum undertaking the Government had to offer to non-Malays to get them to accept the NEP. But it was a solemn undertaking that was going to haunt policymakers no end because in practice, the government was going to find it difficult to remain faithful to these undertakings either in spirit on in substance.

Specific restructuring targets under the NEP were spelled out in a planning document called the Outline Perspective Plan (OPP). Under the OPP, within one generation, i.e., by 1990, Malays were targeted to own and operate at least 30% (1970: 1.9%) of the commercial and industrial activities of the country in all sectors. To achieve this, the share of foreigners will be reduced from 61% to 30% over the same period, while that of non-Malays will increase from 37% to 40%.

NEP Restructuring Targets
Share Capital of Limited Companies — 1970 versus 1990
Peninsular Malaysia
(RM '000,000)

	Total 1970	Malays	Non-Malays	Foreigners	Total 1990	Malays	Non-Malays	Foreigners
Total	5,289	102.6	1,978.5	3,207.9	46,821	14,075.5	18,796.5	13,949.0
%		1.9%	37.4%	60.7%		30.1%	40.1%	29.8%

Gross Domestic Product was also targeted to grow by over 7% per year from 1970 to 1990 so that the redistribution targets would be achieved within the context of a rapidly expanding economy.

National Identity and Razak's Legacy

Before May 13, the Merdeka Compact seemed like an entirely acceptable and workable formula for managing plural society in Malaysia. It was well supported by a mechanism for conflict resolution in the form of the Alliance party. The frailty of this arrangement, however, was exposed in the 1969 election, and it was left to Razak to find ways to improve the system

Razak tried not to tinker too much with the principles of balance inherent in the Merdeka Compact. In fact he sought to protect the Compact by isolating and removing from the arena of political contention the 'sensitive' issues that represented its core understandings. He also took pains to strengthen the accompanying mechanism for conflict resolution by transforming the Alliance into the Barisan Nasional to strengthen the support base of the ruling coalition.

Razak's contribution to the Merdeka Compact was to supplement the principle of *balance* inherent in it with the principle of *equivalence*. By this, he meant economic equivalence, not political equivalence. This allowed him to make the proposition that a programme of positive discrimination was both just and legitimate because it was intended to create economic equivalence between Malays and non-Malays in the long run.

This was a difficult and complex argument to make, and Razak sought to burnish the moral legitimacy of his proposal by making two promises: firstly, that restructuring and affirmative action programmes would be undertaken only within the context of an expanding economy, and secondly, that no one would suffer any sense of loss or experience any sense of deprivation in the process. It was an open invitation for history to pass judgement on him on both counts.

Chapter 10

Hussein: Primacy of the Rule of Law

Seven Days of Infamy: A Nation under Siege

On Thursday, February 23, 1978, in the Federal Capital of Kuala Lumpur, a series of events was set in motion that were to test the very foundations of constitutional government in Malaysia.

A highly popular Umno leader, Dato' Harun Idris, who was a former Menteri Besar, party Vice President and head of its Youth wing, had been found guilty of corruption by the courts and was preparing to surrender himself to prison authorities that morning.

At 8.45 a.m., about 200 Umno Youth members descended on Harun's residence in the exclusive, up-market suburb of Taman Duta in Kuala Lumpur, and "confined" him to a room, "preventing" him from leaving his house. An Umno Youth official, Onn Ismail, announced:

> *"We have taken over Dato' Harun's house and we are holding him until negotiations with the Prime Minister come up with satisfactory results."*[1]

Umno Youth had announced its intention to seek a royal pardon for Harun, and Onn said:

> *"As long as the question of a pardon is still being discussed, the Government should not jail Dato' Harun."*

Thus was set in motion a growing confrontation between Umno Youth and the law of the land.

Over the next few days, attempts were made to get Harun to surrender himself to the authorities. Tension rose as Umno Youth members refused to cooperate, and Harun continued to be "confined" to his house. Umno leaders intervened to calm the situation down and persuade Harun to give himself up. Police mounted roadblocks along roads to Harun's house, and paramilitary troops were deployed in

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[1] All quotations in this Chapter are from the *New Straits Times.*

surrounding areas. Royal Malaysian Air Force helicopters hovered overhead to monitor the events that were being played out in this leafy suburb of Kuala Lumpur. The city itself descended into a quietness unknown since the days of May 13. Streets became deserted and shops and offices closed early, all in anticipation of the unknown.

Four tense days passed by and the situation remained unresolved.

On Monday, February 27, the police served an order on Harun requiring him to present himself to the Federal Court the next morning. But Umno Youth members refused to relent, and continued to "confine" Harun to his house.

The Attorney General, Dato' Seri Hamzah Abu Samah, issued the following warning:

> *"If anyone were to take any measures to prevent or hinder the accused person from attending court, he commits a very serious offence of sedition, contempt of court and obstruction of justice. If this offence is being committed by a large number of people, as reported, such that public disorder and disturbances are likely to occur, this indeed amounts to waging a war against the established order, questioning the validity of the Constitution and the law. Therefore, this will amount to a rebellion."*

He added:

> *"I appeal to those involved not to prevent Dato' Harun from attending court tomorrow because the consequences can be very grave. I hope they will have second thoughts and not throw away the achievements this country has attained in the last 20 years of independence."*

The next morning, Tuesday, February 28, the Federal Court convened, but Harun failed to present himself. His counsel told an astonished Court: "His action is not of his own doing, but because of the action taken by Selangor Umno Youth."

Rejecting this explanation, the head of the Federal Court, Tun Mohamed Suffian, said:

> *"The law is quite clear. If a man has been tried and has lost his appeal, the Court has no alternative but to order him to serve his sentence. This cannot be*

changed by anybody or stalled. If he could do so, the Court would be completely useless and criminals and hooligans would take control of the country and nobody would be safe...there will be no law or order."

The Court issued a warrant for Harun's arrest.

Back in Taman Duta, Harun remained "confined" by Umno Youth members in his house. For nearly a week, the police had refrained from taking forcible action to resolve the impasse.

Wednesday, March 1 was the seventh day of the drama that had kept the whole nation hostage. Was the Court order against Harun going to be enforced? If so, how?

Hussein: A Reluctant Leader

Tun Hussein Onn did not plan to become Prime Minister. Neither did he expect that when he became Premier, his biggest challenge would come from within his own party.

Hussein became Malaysia's third Prime Minister on January 15, 1976. The day before, Razak had died of leukaemia in a London clinic, bringing an abrupt end to an illustrious career. One item on Razak's unfinished agenda was a corruption charge the government had brought against Harun, a party stalwart who had ambitions to become Umno President and leader of the country. How Hussein handled this case was to become the defining event of his premiership.

But Hussein did not choose to play this role in the party. In fact, he had not planned to return to active politics after his earlier involvement in Umno in pre-Merdeka days. When Umno was formed in 1946, he was the first head of its youth wing, and when his father, Onn Ja'afar, left Umno in 1951, he, too, left the party. Throughout the period when Tunku Abdul Rahman was party leader, Hussein refrained from any involvement in Umno not least because the Tunku and his father had been on opposing sides of the Malay political divide.

In 1969, in the aftermath of the May 13 riots, when Razak took charge of the government, he asked two persons in particular to return to serve the government 'in the national interest'. One was Dato Dr Ismail Abdul Rahman (later Tun), whom Razak made Home Affairs Minister and the effective Number Two in his administration. The other was Hussein, Razak's brother-in-law, who was in private legal practice. Hussein had rejoined Umno in 1968 on Razak's recommendation. In

1971, Razak made him Minister for Education, a highly sensitive post where he had to overseer the implementation of the national language policy and deal with growing unrest among students in universities and colleges. When Ismail died of a heart attack in August 1973, Razak made Hussein Deputy Prime Minister.

Hussein's career was unlike that of many Malay leaders who entered politics after having served in the government's administrative service. Hussein was an army man, and during the war years, he saw service in India. Later he studied law in London and then went into private legal practice. Like his father, he was regarded as a highly principled man, and honour and integrity defined his approach to public life.

Hussein was not a natural politician. A person of somewhat serious bent, he did not enjoy the campaigning and networking that was the staple of a politician's work. In fact, he was a reluctant politician who was not inclined to get too involved in the rough and tumble of Umno politics to cultivate the grassroots support politicians needed. This led some observers to conclude that Hussein's support among Umno's rank-and-file was not strong as it could be.

Hussein's handling of the Harun affair was the defining episode of his political career. There was tremendous pressure on him to compromise the rule of law and 'save' Umno the pain the case was causing. Many believed Hussein was a weak leader who would buckle under pressure and agree on a 'compromise' solution that would bring an early end to the Harun problem.

There were two main reasons why Hussein's position was thought to be vulnerable. Firstly, he had become party leader suddenly on Razak's death and did not have time to consolidate his position in the party. Unlike other Umno leaders, he had not spent years cultivating grassroots support and this was thought to be his Achilles heel. Secondly, his legitimacy as party leader was also thought to be not quite complete because of the way he came to power. Hussein became Acting President of Umno when Razak died and he was not confirmed in this substantive capacity until 1978, that is, after the Harun saga had ended. Many believed Hussein's hand would have been considerably strengthened if had he chosen to seek a popular mandate much sooner.

But Hussein was to surprise everybody in the months to come.

'Party Within A Party': Inheriting Razak's Problem

Razak had known for sometime that he was dying, and that his time in office would be limited. He had put in place a management team in the bureaucracy that he was confident would maintain the development and affirmative action orientation he had favoured in economic policy.

But Razak had failed to prepare for a smooth political succession. Even before he died, various pressure groups had emerged to stake their claim to be part of the post-1969 leadership of Umno. Many veterans from Tunku's era, for example, felt they were being ignored by Razak who relied on a new crop of leaders to assist him in the party and government.

Harun was both observer as well as participant in this contest between Umno's past and future. Age-wise, he was, like Razak and Hussein, an Umno veteran. But because Umno's Constitution placed no age limit on the leadership position of the party's Youth wing, Harun had cleverly offered himself to be the party's Youth chief, and succeeded in getting himself elected to that position.

Harun thus had the sympathy of the old as well as the support of the young with him. He was ambitious, and had no qualms about exploiting the underlying tension between old Umno and new Umno. Towards this end, he positioned the Youth wing as a pressure group within the larger body politic of Umno, imparting stridency to the articulation of Malay demands, and raising expectations about how the parent body should perform.

As this contest for power slowly unfolded within the party, observers outside viewed these events with trepidation and anxiety, not least because Harun reportedly had been associated with groups whose members had participated in the mayhem of May 13. Harun at the top was not a prospect they looked forward to.

In any case, Razak did not take kindly to the pressure tactics employed by Harun. The idea of a 'party within a party' was highly destabilising and did not conform to party tradition. From Harun's perspective, however, the uncertainty his pressure tactics generated allowed him and Umno Youth to seize the initiative in articulating the party's priorities and future direction.

In August 1975, Harun made a bid for power. As head of Umno Youth, he was also a party Vice-President. But Harun wanted to be elected a substantive Vice-President to position himself to bid for higher office later. In party elections that year, three positions of Vice-President had to be filled. Three nominations had already been submitted to fill these vacancies: Ghafar Baba, Razaleigh Hamzah and

Mahathir Mohamad. Harun decided to throw his hat into the ring and he became the fourth candidate.

It was not thought appropriate for an Umno President to take sides in party elections. But Razak made it obvious to party delegates that he was not in favour of a Harun candidacy. His message did not go unheeded. When the votes were counted, Harun came in a distant fourth.

It became clear then that Harun had positioned himself on the wrong side of Razak. It was suggested to him that he relinquish his party positions and accept appointment as the country's ambassador to the United Nations. He declined.

On November 24, the first slew of corruption charges were filed against Harun. The Umno Supreme Council met on November 30 and asked him to take leave as Menteri Besar of Selangor until legal proceedings against him had been concluded.

On January 14, 1976, Razak died, and Hussein became Prime Minister. Harun terminated his leave and resumed work as Menteri Besar. On March 12, this time under Hussein's watch, a second set of corruption charges was filed against Harun.

Harun: The Corruption Charges

The charges against Harun related to dealings he had with two banks: the Hongkong and Shanghai Banking Corporation, and Bank Kerjasama Rakyat, a government bank that serviced the cooperative movement.

The Hongkong Bank Case

On November 24, 1995, Harun was charged in court for corruptly soliciting RM250,000 from the Hongkong Bank to use his influence as Menteri Besar of Selangor to obtain state approval for the Bank's application to amalgamate and alienate some pieces of land in Kuala Lumpur.

The Bank owned certain lots of land alongside Benteng, a prized site fronting the river in the centre of Kuala Lumpur, and wanted to construct a new development on the site. The Court heard evidence that Harun had met with representatives of the Bank to discuss the matter and that in the course of these discussions, donation of a sum of RM250,000 had been mentioned.

The Bank Rakyat Case

On March 12, 1976, two months after Hussein became Prime Minister, Harun was charged with forging Bank documents, and criminal breach of trust in relation to RM7.9 million worth of shares owned by the Bank. Harun was chairman of Bank Rakyat at the relevant time, and also Menteri Besar of Selangor and President of Umno Youth.

After pleading not guilt, Harun bravely told the Court: "Your Honour, I would sooner die than cheat Bank Rakyat ... Whatever I did was in the interest of the country."

Bank Rakyat began as a co-operative society in 1953 and had, by 1976, about 24,000 members, 70,000 depositors, and assets of about RM250 million. It helped its members, mostly farmers and fishermen, by providing credit facilities at low interest rates.

The case against Harun revolved round events associated with the staging of the world heavyweight boxing championship fight between Muhammad Ali and Joe Bugner on July 1, 1975, in Kuala Lumpur. The main attraction of the event, of course, was Muhammad Ali, world boxing champion and a Muslim, and the staging of the fight was considered a coup for Umno Youth.

In March 1975, Umno Youth under Harun made a decision to seek to stage the Ali-Bugner fight in Kuala Lumpur. To secure the rights to the fight, Umno Youth had to make an advance payment of RM6 million to fight promoters in the United States. Harun, together with the Managing Director and General Manager of Bank Rakyat, pledged shares owned by the Bank to raise the needed funds.

The fight was held in Kuala Lumpur as scheduled. Ali won, Bugner was pummelled, and Umno Youth was congratulated for organising the show. However, gate receipts were insufficient to cover the cost of staging the event, and the fight turned out to be a massive commercial flop for Umno Youth.

In court, Harun was not accused of backing a business deal that failed, but for illegally raising funds to finance the deal: it was alleged he had forged documents, and had illegally pledged shares owned by the Bank.

Harun is Expelled from Umno. Pressure on Hussein Mounts

Outside the court, the political repercussions of the charges unfolded. On March 18, six days after the second set of charges were filed against Harun, the Umno Supreme Council met, with Hussein in the chair. Harun was given an opportunity to explain his actions. At the end of the meeting, the Council issued a statement saying that Harun's activities and actions "not only contravened the spirit of the Supreme Council's decision on November 30, 1975" (he had been told to go on leave until all legal proceedings against him had been concluded), "but would also create disunity in Umno and bring about anxiety and confusion among people which could spark off chaos in the country."

The statement added that having regard to the "security threats" facing the country, and the need "to maintain the spirit of unity and understanding among the people," Harun was advised to resign from all his positions in Umno and the Barisan Nasional, and also as Menteri Besar of Selangor. It added that Harun refused to do so, and the Supreme Council then decided to expel him from the party with immediate effect.

On March 23, an Umno Youth delegation met Hussein for three hours to discuss the Harun issue. The two sides had different views about the outcome of that meeting. A statement from the Prime Minister's Department said Umno Youth had unanimously backed Hussein's leadership and had endorsed the Supreme Council's decision to expel Harun. Umno Youth vehemently denied the substance of that statement, saying it was issued by "irresponsible officers" who were trying to damage relations between the Prime Minister and the Youth wing.

On March 25, the Selangor State Legislative Assembly met, and with the Barisan Nasional whip in place, a vote of no confidence in Harun as Menteri Besar was passed. The vote was 25 to 1, with Harun casting the sole dissenting vote. Harun was defiant. He said everything he had done, "and whatever stand I have taken, I did it not for my own interest... It was done in the interest of the Assembly, in your interest. Otherwise, none of you will be what you are today!"

Meanwhile, outside the Assembly chambers, several truckloads of paramilitary police were on standby. The vote within the chambers did not reflect the considerable support Harun continued to command among the party's rank and file, especially among Umno youth members. Many of his supporters had gathered outside the Assembly premises in a show of strength.

The next day, Harun had an audience with the Sultan of Selangor and resigned as Menteri Besar, ending 12 years as head of the State Government.

Hussein was under no illusion that this signalled the end of Harun's influence in Umno. A campaign of rumours, innuendoes and poison letters against Hussein and the party leadership continued to make its round in the country. Hussein decided to go to the ground to explain what had happened, and to rally the party together.

Speaking in Johor, he said Umno members must understand "the true position" of what was happening. He said some people were saying that the party was in a crisis, while others were saying that it was the leadership that was in a crisis. There was no crisis, he declared, and the party was firm in its direction, its discipline and aspirations. "Umno is at a stage where it must decide on the direction it will take in the future," he said. "Certain groups want it to be weakened. Certain groups cling to the party because their own positions are weak." Umno members, he said, must be united in their support of their leaders "whose actions were sincere" and "who were acting in the best interests of the party."

The Harun Verdict: The Hongkong Bank Case

On May 18, the High Court found Harun guilty on three counts of corruption in the Hongkong Bank case. It sentenced him to two years' jail, and ordered him to make restitution of RM225,000.

In his judgment, Justice Raja Azlan Shah said the essence of Harun's defence was that he had not asked the Bank for money to help it obtain the approvals it wanted. On the contrary, Harun had alleged that the Bank had voluntarily donated RM250,000 to Umno.

The Judge said:

> *"When all the evidence is considered, even with an indulgent eye, it is impossible for any court to doubt that the request really came from the accused ... The evidence clearly shows that you devised a scheme of unparalleled cunning and committed an almost perfect crime."*

He added:

> *"It is impossible to ignore the fact that in the eyes of millions of our countrymen and women, you are a patriot and leader. Even those who differ from you in*

politics look upon you as a man of high ideals. You had every chance to reach the greatest height of human achievement. But halfway along the road, you allowed avarice to corrupt you.

"It is incomprehensible how a man in your position could not, in your own conscience, recognise corruption for what it is. In so doing, you have not only betrayed your party cause for which you have spoken so eloquently, but also the oath of office which you have taken and subscribed to before your own sovereign Ruler, and above all, the law of which you are its servant."

Justice Azlan Shah added:

"I believe the very extensive coverage of this hearing in the press has permeated all levels of our society. To me, this hearing seems to reaffirm the vitality of the rule of law, but to many of us, the hearing also suggests a frightening decay in the integrity of some of our leaders. It has given horrible illustration of Lord Acton's aphorism that 'Power tends to corrupt, and absolute power corrupts absolutely,' and has focused concern on the need of some avowed limitations upon political authority."

Hussein Stands Firm: But Umno Youth Vows to Continue as a Pressure Group

Two months later, Umno and its Youth and Women's wings held their annual general assemblies. Harun's support in Umno Youth had not waned. On July 1, it elected Syed Jaafar Albar, a strong Harun supporter, to fill the vacancy created by Harun's expulsion. Umno Youth also passed a resolution calling for the reinstatement of Harun as a party member, and asked the party's Supreme Council to discuss Harun's position.

The next day, Hussein made his maiden speech to Umno's General Assembly. He went on the offensive. He said he was aware that there were some in the party who were saying that "Umno is facing a crisis, that Umno is passing through a turbulent period, and therefore Umno under the present leadership must be put in order and saved from all this."

Hussein warned party members not to be taken in by such foolhardy talk. He said: "There is in fact no crisis. What has been happening is that the views and opinions of some of our members have created a crisis for themselves" He warned

that he would not be dissuaded from taking action that was in the national interest, and that he would defend the implementation of the rule of law:

> *"If a leader seeks to maintain his position through making popular decisions, the national interest can be jeopardised. In leading a multi-racial society, the principle behind every decision must be the promotion of the national interest and not the fulfilment of the needs of just one group... If the national interest was pushed aside, for instance by ignoring the rule of law, this would not only be an abuse of confidence, but would also pave the way to a situation ...where the people will rise in opposition."*

Touching on Umno Youth, Hussein said he hoped its leaders would think, speak and move as one with the parent body.

> *"We as a party cannot afford to act in factions, for that is not our tradition. Umno cannot afford the existence of what is termed 'a party within a party'. I hope the leaders who have been chosen will prove these fears unfounded. They must also show political maturity, in line with the character of Umno, which has always shown obedience and sincerity to its leaders."*

But Umno Youth remained defiant. On July 3, its deputy head, Suhaimi Kamaruddin, who was also Harun's nephew, said Umno Youth was determined to continue to function as a pressure group "to check deviations and malpractices."

Meanwhile, Harun wrote to the Supreme Council appealing for a reconsideration of his expulsion. His appeal was referred to the party's Disciplinary Committee chaired by the Deputy President, Mahathir Mohamad. On October 23, Hussein announced that the Supreme Council had considered the report of the Committee and had decided to re-admit Harun into Umno without conditions.

This was a limited victory for Harun. The decision suggested that the Supreme Council's original decision to expel him was defective. But by then, Harun had lost all his positions in the party and government, he had been found guilty in the Hongkong Bank case, and he was in the midst of hearings into his second corruption case. He was in a position to take on Hussein any time soon.

The Harun Verdict: The Bank Rakyat Case

On January 24, 1977, the High Court found Harun guilty of forgery and abetment of criminal breach of trust in the Bank Rakyat case. Harun was sentenced to six months' jail and fined RM15,000.

In his judgment, Justice Eusoffe Abdoolcader said:

> *"If a person proclaims his intention to launch a commendable venture with the assistance of some opulent organisation but implements that praiseworthy project by means of a fraud or felony against the organisation, his laudable motives cannot exonerate or excuse an otherwise criminal act."*

He continued:

> *"The matter before me would appear to be as clear a case as one can equate with dipping one's hands into another's till on a Friday afternoon for a weekend splurge with the expectation, unfortunately unrealised, of being able to restore or reimburse on the Monday morning."*
>
> *"The pre-eminence of (Harun) at the material time ... and the confidence and faith of the directors of the Bank in his ability, wisdom, guidance and leadership can be no reason or excuse for (him) to transcend the law, for no one, but no one, is above the law, and I would repeat what I said, that ours is a system of law which no expediency can warp and no power can abuse with impunity."*

Harun's Appeals Fail in Federal Court: Jail Term Increased

On June 10, 1977, the Federal Court turned down Harun's appeal against his conviction in the Hongkong Bank case, and upheld the sentence passed on him by the lower court.

In the Bank Raykat case, however, On December 7, the Federal Court increased his jail term from six months to four years. Commented on the views of Umno Youth in its judgment, the Court said:

> *"As to the allegation that this case was a political trial, (some witnesses) seem to be of the opinion that party leaders who have strayed from the straight and narrow path should enjoy legal immunity which, if granted, would be*

tantamount to an open invitation to our politicians to rob the rakyat and plunder the country rather than serve them."

Elaborating on its decision to increase Harun's jail term, the Court said:

"In view of the need for people in public life to show a good example to those below them, and of the serious breach of trust placed in him by the members of the Bank who were poor people from rural areas who have a right to expect their leaders not to touch a penny of money entrusted to their care, we are of the opinion that this appellant should serve a longer period in prison ..."

Hussein Continues to Campaign for Clean and Honest Government

As the Harun saga reached its final stages, Hussein warned again that the Government was not about to relent in its campaign against corruption. In his New Year Message to the nation on January 1, 1978, he pledged once again to maintain a "clean, honest and efficient administration." Hussein warned against the abuse of power, dishonesty and breach of trust, and said: "As head of the Government, I will on no account protect or excuse anyone guilty of these practices."

Privy Council Turns Down Harun's Appeal

On February 16, 1971, it was announced in London that Harun had failed in his appeal to the Privy Council (the highest appeal court then) against his corruption convictions. That meant that he had exhausted all avenues of appeal through the courts.

On February 20, Harun returned from London, and was met by a throng of supporters at Subang airport. He was then driven to the National Mosque in the Federal Capital where he again addressed his supporters. Harun said he was prepared to accept the consequences of the law, but said he was innocent "from the point of law and morality." On Wednesday, February 22, Harun confirmed that he would be reporting to Pudu Prison the next day to begin his prison sentence.

The next morning, however, a group of Umno Youth members descended on Harun's house where they 'confined' and 'prevented' him from reporting to prison authorities. Press reports said supporters of Harun had formed an 'Action Committee' to defend him and some 200 of them had gathered in Harun's residence at various times. Selangor Umno Youth issued a statement saying they

would continue to fight for a pardon for Harun. Meanwhile, police and paramilitary personnel took up positions nearby.

Dato' Harun Idris, mounts a car to address his supporters at Subang airport on his return from London on February 20, 1978, after failing to get the Privy Council to overturn his corruption convictions.

The Tunku Tries to Break the Impasse at Harun's Residence

On Friday, February 24th, Umno Youth asked party elder and former Prime Minister, Tunku Abdul Rahman, to meet with Harun. The two men had special links. It was the Tunku who had encouraged Harun to give up a career in government and join Umno in the late fifties. That morning, tension remained high at Harun's house. The Tunku arrived at 9.30 a.m. and spoke briefly to the crowd. According to the New Straits Times of February 25, 1978:

> *The Tunku urged the Umno Youth members to think wisely and not base their actions on emotions. He said Umno was the pillar of the nation and had the responsibility to protect democracy and the law. He added that Dato' Harun had fought his case from court to court and accepted the judgment.*

But, the Tunku added, Dato' Harun deserved to be pardoned because of his contribution to the people.

"But before we request for his pardon, he must first serve his jail sentence. What will the world think and say if we disregard the judgment of the courts? We must surrender Dato' Harun. I appeal to you to listen to the advice of an old man," the Tunku said.

The Tunku met Harun for about 45 minutes. He then asked Harun to accompany him to his own residence some two kilometres away. At first Harun's supporters were reluctant to let Harun out of their sight, but relented when the Tunku assured them Harun would be escorted back safely. Many followed the Tunku's car in their own vehicles. Harun spent some 20 minutes in discussion with the Tunku, and then was driven back to his residence.

Tunku Abdul Rahman advising Dato' Harun Idris to surrender himself to prison authorities following his conviction on corruption charges. February 24, 1978.

The Tunku later told reporters he had brought Harun to his own residence to help "cool down" the situation in Harun's residence. He said he had not planned to intervene in the case but had been asked by Umno Youth to help in the matter. An Umno Youth spokesman later said the Tunku was allowed to take Harun out of his house because Umno Youth respected the Tunku.

On Saturday, February the 25th, Umno Secretary-General Dato' Senu Abdul Rahman met with Hussein for two hours and announced that the Prime Minister would meet with an Umno Youth delegation the following Monday. Senu said he had cautioned the police at Harun's residence against taking provocative action that may result in "untoward" incidents. He said he had also reminded Harun's supporters not to take action that could provoke the police.

On Monday, February the 27th, Hussein met a three-member Umno Youth delegation who presented him with a memorandum on Harun's pardon. Hussein told them he did not have the power to pardon, and that pardons were a matter for the Pardons Board to decide. He did not budge from his position that the law must be allowed to take its course.

Meanwhile, Harun remained "confined" to his house. It was still not clear how the impasse was going to be resolved. Six days had passed by, the law had been made to look silly, and the authorities appeared to be no nearer to resolving the situation.

The ball was now at the government's feet. The Attorney General, Dato' Seri Hamzah Abu Samah, made the next move. He issued a statement asking that Harun be allowed to appear in court the next morning and warned those who "held" him that they may be liable to serious charges. A police party went to Harun's house and tried to serve a committal order on him but were prevented from entering the premises. The order was instead attached to the gate of Harun's house.

The Federal Court has its Final Word, and Orders Harun's Arrest

The next day, Tuesday, February 28th, the Federal Court convened but Harun failed to appear. A warrant for his arrest was issued immediately.

During the course of the proceedings, the Lord President, Tun Mohamed Suffian, said Harun was not an ordinary man. He was a lawyer, a former magistrate, Deputy Public Prosecutor and Menteri Besar, and he knew he had to uphold the Constitution and the rule of law. He had had a long trial and the best of lawyers to defend him, and had gone through the process of appealing to the Federal Court and the Privy Council. All the judges had found him guilty.

"Despite this, Dato' Harun says he is not guilty and will not ask for a pardon. So he manipulates the ignorant kampung folk and immature people to take his side so that they are asking for a pardon for him."

The Lord President said Harun had committed "unpardonable offences" and the public should be reminded of what Harun did. In the Bank Rakyat case, Harun had spent some RM7.7 million without authority. "This money did not belong to Bank Rakyat ... It belonged to the Bank's depositors, the poor farmers and fishermen. This money was not spent for their benefit. It was paid to millionaires in America who had no need for the money. Consequently Bank Rakyat nearly went bankrupt and the Government had to spend millions of dollars to save the depositors, the farmers and fishermen."

In the Hongkong Bank case, Suffian said the Bank wanted approval for a property development project, and "we know in seeking approval there is bureaucratic delay. Dato' Harun took advantage of this delay and obtained RM250,000 from the Bank. This is the clearest form of corruption known to the law. If the Menteri Besar can do this, so can others below him ... those who feel safe enough to help themselves to any money they can get. Then nobody would get services from the Government without giving a bribe."

Tun Suffian said the Constitution and the rule of law must be rigidly upheld and applied equally to all, and Umno members should show a good example to others. "Anybody who obstructs the cause of justice is committing a very serious offence. In this case, it will bring grave harm to the Malay community. As the largest community, the Malays should set a good example to the rest of the people."

At 3.30pm that day, an Umno Youth delegation went to Istana Negara and delivered a letter to the Private Secretary to the Yang Dipertuan Agong. A spokesman said the letter was an appeal to the Agong for an unconditional pardon for Harun.

That same afternoon, police and paramilitary reinforcements began arriving at the outskirts of Harun's residence. Both the Inspector General of Police and the City Police Chief were at the scene. Roads nearby were closed to the public. An RMAF helicopter hovered overhead. People leaving Harun's residence were stopped by police and searched. Some were taken away. Visitors were prevented from approaching the house. Pressmen were moved some distance away from the residence.

At 1 a.m. on Wednesday, March 1, Harun's son, Mazlan, left the residence in a car with two others. He returned at 4.30 a.m. with a police outrider. Pressmen and photographers were ordered to move farther back from the residence. At 5.30 a.m., a

car driven by Mazlan with two others in it drove out of the house. It stopped at a road junction nearby. Harun, who was wearing a wig, surrendered to City Police Chief, Dato' Mansor Mohamed Noor.

Thus, in the early morning darkness, the Harun saga was finally brought to an end.

Two days later, Harun submitted a personal application for a pardon to the Yang Dipertuan Agong. On March 7, a statement from the Prime Minister's Department said that the Agong had rejected Harun's application on the advice of the Federal Territory Pardons Board.

Postscript:
Dato' Harun Idris received a full pardon from the Yang Dipertuan Agong on August 30, 1982, after serving nearly three and a half years of his sentence. He passed away on October 19, 2003. He was 78 years old.

National Identity and Hussein's Legacy

Hussein was Prime Minister for about five-and-a-half years, about as long as Razak, but he never achieved the status or acquired the authority that Razak had in office. But if there is one area where he achieved great distinction, it was in his defence of the rule of law.

The Harun case proved Hussein's doubters wrong. He was a man of principles. The law was under assault, by a senior party member who had been found guilty of corruption by the courts, and also by members of his own political party, some of whom had allowed their emotions to get the better of them.

In this contest of wills, the institutions of constitutional government finally prevailed. The Executive, the Judiciary and the Police all discharged their duties without fear or favour. The rule of law upheld, and with that, another principle of nationhood was affirmed.

The challenge Hussein faced when he assumed office was different from that of his predecessors. Onn, the Tunku and Razak were all preoccupied with issues of race. But the challenge raised by the Harun case was above race. It concerned ethics, the moral foundations of society. For Hussein, it was not sufficient for the different races to learn how to live together. They had to decide what kind of society they wanted to live in. It had to be a society committed to democratic ways and to the rule of law.

Chapter 11

Mahathir: International Dimensions of National Identity

National Identity: Developing an International Positioning

In the first chapter of this book, we described national identity as an expression of nationhood. Identity building, therefore, is an important part of the work of leaders. Tun Dr Mahathir Mohamad approached this task with more thought and deliberation than any of his predecessors. In fact, his whole political career reflects an unending obsession with questions of identity, firstly with that of the Malays as a race, and later that of Malaysia as a nation.

Mahathir differed from his predecessors in that he extended the process of identity building to the international level. He took the position that nations, like citizens, do not live in isolation. They are not neutral players in the global arena. They have goals and aspirations. They identify with causes and they take positions. They are part of a larger community, and they, too, need to know their place in it. The role of a nation's foreign policy, therefore, is to articulate a nation's positioning to reflect its identity.

Foreign Policy: Instrument for Brand Building

Mahathir was very much his own Foreign Minister. Under him, foreign policy became an extension of domestic policy. The positions he took on the world stage reflected positions adopted at home. Together, they projected a positioning that had consistency and clarity.

Mahathir defined Malaysia's international identity by developing a positioning in three areas of foreign policy:

- Solidarity with the Third World
- Engagement with the Muslim *Ummah*
- Economic Modernisation

Ideological Positioning: Solidarity with the Third World

Third World Activism

Mahathir's worldview of geopolitics was shaped largely in the '30s and '40s when colonialism was winding down in many parts of the world but remained extant in the Malay Peninsula. Mahathir was the son of a school teacher. He read widely and was knowledgeable about world politics and the changes that were taking place around him. He was an erudite observer of colonial rule, and had written about its impact on Malay society even before he became active in politics. Mahathir's education was interrupted by the Second World War. When it ended, he resumed his studies and trained to be a medical doctor. But his specialty was the study of history, and it was the history of an era where the coloured man did the white man's bidding.

Malaysia is a product of that history, and it was no surprise that when Mahathir came to power, he worked hard to strengthen relations with Third World countries. He travelled extensively to other parts of Asia and to Africa and South America to promote dialogue and solidarity with developing countries. In 1986, he played a key role in helping to establish the South Commission, a think tank dedicated to developing strategies for Third World co-operation. He also participated actively in the deliberations of the South Africa Development Economic Community, seeking to impart lessons Malaysia had learned in the course of her own development experience.

In February 2003, the Thirteenth Conference of Non-Aligned Movement (NAM) convened in Kuala Lumpur. Malaysia's hosting of NAM was recognition of its standing in the Third World, attributable in no small measure to the work Mahathir had undertaken over the last two decades. NAM was formed in 1961 at the height of the Cold War to give smaller and weaker countries a voice and to prevent them from being overwhelmed by the two superpowers, the United States and the Soviet Union.

Forty-two years down the road, however, NAM's relevance is being questioned. The competitive strategic balance provided by a bipolar world has disappeared. Globalisation has swept across the globe, borders have come down, and free trade has become the new mantra. What place is there, then, for the NAM principles of national sovereignty and territorial integrity in today's world? It is a question that has particular relevance to for smaller nations.

Mahathir has emerged as a forceful spokesman for Third World countries in this regard. Countries that are too weak to protest the inequities of the international economic order or to point out the hypocrisy of the major developed countries have welcomed his candid comments. For example, Mahathir has pointed out that developing countries want trade, not aid, but the architecture of international trade is skewed against them. A system of tariffs, quotas and subsidies protects the businesses of developed countries and make a mockery of the 'free' trade system promoted by their governments. The United States, the EU countries and Japan collectively subsidise their farmers and industries to the tune of US$300 billion each year, and producers in developing countries are expected to compete against these subsidised regimes. Indeed, Mahathir points out, free trade is anything but free.

Supporting this system of international trade is a global financial system that does not recognise the frailties of the economies of less developed countries. The speculative activities of currency traders in 1997-98 wrecked havoc on the economies of many countries, wiping out the gains of one generation of economic growth in some of them. Mahathir has called for improved regulation of such excesses, but the industrialised countries appear unwilling to tinker with an instrument of capitalism that has served them well in the past.

The New Hegemony

The latest threat to the sovereignty and autonomy of developing countries emerged in the wake of 9/11. The incident gave the United States the excuse to enunciate a policy of unilateral pre-emptive military action against real or perceived threats. This was the justification the Americans and the British used to go to war against Iraq without a United Nations mandate. Mahathir has denounced this "might is right" policy, describing it as threat to peace itself. This easy willingness to resort to the law of the jungle puts one more nail in the coffin of traditional ideas about territorial integrity and national sovereignty. It certainly adds one more lie to the moralising rhetoric of the United States.

The British Legacy

The conduct of Malaysia's relations with Britain, its former colonising power, is a key marker of the country's positioning on the world stage. The Commonwealth of Nations groups together Britain and the former colonies of her empire, but there is little else that binds these countries together today. Britain has become the biggest

misfit in this grouping. Her strategic interests and ideological positioning differ considerably from those of other member countries. Even as late as the 1980s, for example, she continued to vote against imposing sanctions on the apartheid regime of South Africa.

In 1981, Britain removed preferential trade treatment for a number of Malaysian goods, and hiked up massively the tuition fees charged to some 15,000 Malaysian students studying in the British Isles. Despite protests and appeals by Malaysia, the British government did not relent on both counts. Six months later, Mahathir retaliated. He launched a "Buy British Last" campaign that included a boycott of bids by British companies for contracts in Malaysia. Although both sides subsequently eased up on the confrontation, the experience was a foretaste of what Mahathir was prepared to do to claim for Malaysia her independence and her dignity.

Britain, of course, continues to have difficulty coming to terms with her legacy in her former colonies. At the March 2002 Commonwealth Summit, for example, together with Australia, her surrogate in this matter, she sought to suspend Zimbabwe from the Commonwealth because of that country's harsh treatment of its white farmers. This attempt at moralising ignored the fact that it was the British (when it ruled Rhodesia, now Zimbabwe) who first introduced a system of institutionalised discrimination against coloured farmers. At the end of the 20th century, white farmers, who make up less than 1% of Zimbabwe's population, owned 70% of the country's best agricultural land. Britain, of course, did not recognise any responsibility for this carryover from its colonial past, but it had no compunction about passing judgement on the current decisions of the Zimbabwean Government. In the event, Malaysia strongly opposed the British proposal to suspend Zimbabwe. With the support of most of the non-white members of the Commonwealth, the British-Australian attempt was defeated.

Ideological Positioning: Engagement with the Muslim *Ummah*

The Islamic Heritage

During the first thirty-five years of its existence as an independent nation, Malaysia was preoccupied with the problems of racial integration and economic development, and played a relatively minor part in the affairs of the larger global Muslim community. When Mahathir became Prime Minister in mid-1981, all this changed.

Malaysia's Muslim identity is self-evident. Although Malays make up only slightly more than half the population of 22 million today, Islam is the official religion of the country and the Malay-Islamic leitmotif dominates the political and cultural landscape of the nation. The need to assert Malaysia's identity as a Muslim nation per se has never been an issue for Mahathir. What he was more concerned about was what *kind* of Muslim nation Malaysia was going to be.

The Islamic world, he says, is suffering from a crisis of confidence, and he wanted Malaysia to provide some degree of leadership for a Muslim revival. In order to progress, Mahathir says, Muslims must first examine their own condition. "Despite being resource rich, we are economically poor and weak. While some of us live amidst plenty, the majority of the *ummah* live in abject poverty. While there are many breakthroughs in science and technology, for most of the Muslim *ummah*, the condition is one of widespread ignorance and backwardness." Differing religious practices, petty jealousies, greed and power struggles have all contributed to the feeling of helplessness and impotence that has engulfed the Muslim world. The *ummah* today is confused. It is leaderless, and incapable of taking constructive action to get out of its own dilemma.

"Muslims all over the world," Mahathir points out, "often talk longingly of the empire they have lost, of their past greatness, of their domination of the world. They talk of their past mastery of the sciences, mathematics and the arts, their past prowess in battles and their victories. They point to the artifacts of their past glory and the great architectural tributes to their engineering and construction skills.

"And then they think of the reality of the present. They and their nations are backward, disunited, weak and pawns in the political games of the Europeans. They are powerless to help fellow Muslims who are being slaughtered by their enemies. They see their holy Palestine divided and given to their sworn enemies. Not only is the empire gone, but also whatever little respect and honour they had is also gone. They are openly caricatured as bumbling incompetents whose chances of recovering the past greatness will forever remain empty pipe dreams."

Rebuilding the Islamic Identity

Mahathir's message to Malays and Muslims everywhere is the same. The revival of the Muslim identity requires the Islamic community to demonstrate an ability to address political and socio-economic problems in a concrete manner, to move beyond rhetoric, to become problem-solvers.

Mahathir has called on Malays to take the lead to "redeem the honour of race and religion", and demonstrate to other Muslims and non-Muslims alike that followers of the Islamic faith have the capacity to develop the values and organisational skills that are needed to live and compete in the modern world. To play this role, the Malay Muslim must reconstruct his own identity, he says. The *Melayu Baru* must be one who is knowledgeable, skilled, educated, progressive, capable of competing with other races, faithful to his religion, but not burdened by false teachings. The New Malay will thus be the New Muslim, and in his example will lie the salvation of the *ummah*.

Dato' Seri Dr Mahathir Mohamad welcoming Chairman Arafat, head of the Palestinian Liberation Organisation, at his office on July 27, 1993.

So Mahathir set for himself an agenda to change the values of Muslims. At home, he launched a wide range of programmes in schools, universities and public

institutions to produce a new generation of educated and knowledgeable Muslims capable of competing with others. In commerce, he introduced a new system of banking and financing based on Islamic law to encourage greater Muslim participation in international finance. He was also instrumental in the establishment of an Institute of Islamic Understanding to promote dialogue and understanding between Muslims and non-Muslims. Innovative moves such as these have helped to establish Malaysia's credentials as a centre for the development of new ideas to help the *ummah* meet the challenges of the 21st century.

With these measures in place, Mahathir proceeded to raise the profile of Islamic Malaysia overseas. He spoke frequently at international forums to promote a moderate and modernistic version of the religion. He placed on record Malaysia's position on Palestine, Bosnia, Chechnya and Afghanistan, and has criticised Western nations for applying double standards in their dealings with Muslims. Ethnic cleansing in Bosnia, he said, for example, would not have occurred if the victims had been Christians. Mahathir has also condemned the 9/11 bombings in New York, but said it did not confer on Western nations a legal or moral right to engage in a campaign of vilification and demonisation of Islam and Muslims.

As part of his campaign to instigate a modernistic Muslim revival, Mahathir has directed his most trenchant criticisms at Muslim nations themselves. Many of them have failed to provide for the basic needs of their citizens, he pointed out. There is hardly a Muslim nation today that can be said to have achieved developed status. At the 10th Conference of the Organisation of Islamic Countries (OIC) in Kuala Lumpur in October 2003, Mahathir reminded the Muslim world that despite its size, it wielded little influence in the international community, largely because of its own ineptitude. He called on OIC members to help stop the rot, and to rebuild the *ummah* so that it may engage the rest of the world with dignity and on equal terms.

Leadership by Example — the Malaysian Model

What influence can a nation of 11 million Muslims have in a global Muslim community of 1.3 billion members? Mahathir believes Malaysia's greatest contribution to the reformation of the *ummah* will be by way of example. Malaysia today is a showcase of what a modern Muslim nation is capable of becoming: a practicing democracy, a successful economy, a rapidly modernising society, an example of how Muslims and non-Muslim can live together in harmony. Malaysian Muslims have successfully dealt with the problems of governing a multi-ethnic and

multi-religious population. They have been able to provide leadership for Muslims as well as non-Muslims without compromising the Islamic character of the nation.

So, in Malaysia, Islam works, and successfully too. It is an example that deserves the attention of other members of the *ummah*.

Modernisation and the Economic Dimensions of National Identity

Economic Success as a Determinant of National Identity

Our discussion so far has focused on the political factors that contribute to the development of national identity. Needless to say, economics plays an important part in this process too. Japan's national character today, for example, is associated not only with its cultural heritage, but also with its status as a modern and successful economic powerhouse.

Mahathir wants Malaysia to be identified with modernity, and he has worked hard to put the nation on the map as a 'rapidly developing' country. Mahathir approached this task methodically. The outcomes he wanted to achieve were quite clear. An economy that traditionally relied on rubber and tin had to be transformed into one that relied on better mix of manufacturing services to complement palm oil, and oil and gas. But the process to achieve these objectives had to be properly addressed too.

Foremost among these was the need to develop the nation's *psychological capacity* to modernise. Years of colonial rule had bred, especially in the Malay community, values that discouraged initiative. Mahathir wanted Malaysians to be more resourceful and to depend less on governmental assistance. Malaysians had to learn to believe in themselves, to have the confidence that they can be as productive, as innovative and as successful as their competitors from the industrialised countries.

Towards this end, Mahathir introduced a number of policies to provoke new ways of thinking. The 'Look East' and 'Buy British Last' policies were therapies designed to force Malaysians to strategise in new ways. Then came a string of projects that underscored Mahathir's belief that the economy had to be 'pushed' in the desired direction rather than wait to be 'pulled' along by market forces. Proton thus became the first mega investment in Malaysia Bolehness.

Many commentators dismissed the Proton project as an exercise in grandiosity when it was launched in1984. But twenty years on, the project has developed in ways that few had thought possible. It has spawned a host of related industries, and

the Proton brand now commands a major share of the domestic car market. Proton will face difficult challenges in the years ahead as regional tariff barriers come down, but no one is betting that it will not do as well in the long run.

Dato' Seri Dr Mahathir Mohamad drives away the first Proton Saga at its launch on July 8, 1985. Proton represented Mahathir's first mega investment in Malaysia Boleh-ness.

Proton represented a new economic nationalism associated with Mahathir. Its dare was consistent with the symbolism of the corporate raid the government orchestrated in 1981 to take over Guthrie Corporation, a blue chip British-owned company listed on the London Stock Exchange that owned 200,000 acres of rubber and oil palm plantations in Malaysia. The action miffed the British Government, which changed the rules of the Exchange to prevent future takeovers of a similar kind. But Mahathir got what he wanted: increased Malaysian control over the country's resources.

But the transformation of the Malaysian economy was not going to be achieved by the mere transfer of asset ownership. Businesses had to grow, value had to be added, and comparative advantage had to be replaced by competitive advantage. To

support this process, the Government invested heavily in schools and universities to produce a new generation of knowledge workers. Universities were re-engineered to increase their offerings in science and technology. A multi-billion dollar technology park, the Multimedia Super Corridor, was established to promote research, product development and technology transfer in information technology. Mahathir brought energy to the task of building competitive advantage, coaxing, scolding and motivating Malaysians along the way to believe that they have what it takes to compete with the best in the world.

Setting Targets

During 1957-70, Gross Domestic Product grew by an average of 5.8%. Between 1970-76, it continued at a respectable rate of 8.8%, but slowed down to 4.3% during 1976-84 as the impact of the restructuring programmes of the New Economic Policy began to be felt. Mahathir became Prime Minister in mid-1981. A recession brought on by external factors slowed down economic growth during 1984-87 to a mere 1.7%. Between 1987-97, however, Mahathir presided over a period of unprecedented growth rates that averaged 10.1% a year.

It was in the midst of this streak of record growth that Mahathir announced his 30-year development plan known as Vision 2020. He predicted that Malaysia would achieve "fully developed status" within one generation, and that the nation would be able to sustain an average growth rate of 7% per annum over the next three decades.

Restraints on Growth

Mahathir's growth forecasts have proven to be too optimistic for two reasons. The first is the self-imposed restraint on growth necessitated by the restructuring and re-distribution requirements of the New Economic Policy. The bulk of private sector savings continue to be in the hands of the Chinese and it is generally assumed that if they had been given a freer hand to invest new businesses, i.e., without having to comply with the restructuring requirements of the NEP, the economy could have performed better. But the social costs arising from a widening economic divide between Malays and non-Malays would have been higher too.

The other restraint to growth has been external. The Malaysian economy is a relatively small one in global terms and relies heavily on trade with the major industrialised countries. It is thus exposed to developments that are beyond its

control, from oil shocks to wars and to recessions in the economies of its major trading partners.

The vulnerability of economies like Malaysia's is well exemplified by the 1997-99 so-called Asian financial crisis. The rapid movement of speculative funds across borders paralysed a number of economies and caused untold harm. It has been estimated that per capita income in Malaysia dropped from US$5,000 to US$1,500 as a result of the crisis. The economy has since recovered, and growth for 2003 is expected to be above 4.5%. But the fundamental economic lesson here is inescapable. The Malaysian economy remains exposed to risks that are beyond its control, and this uncertainty will continue to be a restraint on its drive for growth and modernisation.

National Identity and Mahathir's Legacy

If nation-building can be projected on to a learning curve, Mahathir's era represents the beginning of the second phase of nationhood formation. In the first phase, the country was preoccupied with establishing the ground rules for multi-racial living. Onn and the Tunku did the legwork for this purpose, while Razak and Hussein embellished the process and took some corrective action during their time. When Mahathir arrived on the scene, the broad architecture of the new nation and its accompanying ethos had more or less been etched out. He had the freedom and the opportunity to look at nation-building from an additional perspective, the international perspective.

Mahathir proceeded on the basis that nations, like citizens, have personalities. This is what differentiates one nation from another. He had very clear ideas about what Malaysia's personality should reflect. Firstly, a commitment to justice and equity for all nations, especially nations of the Third World. Secondly, recognition of Malaysia as a Muslim nation and an example of Islamic achievement in nation-building. Thirdly, recognition of Malaysia's status as a modern economy and a developed society.

Mahathir succeeded well in articulating and projecting the first two of these positionings for Malaysia on the world stage. As for the third, Mahathir can claim that time was not on his side, and that had it not been for the 1997-99 Asian financial crisis, the country would have been well on its way to meeting the "fully developed status" targets set out in his Vision 2020 statement.

Be that as it may, there is no doubt that Malaysia is well recognised as one of the more modern among the developing countries of the world today. Its per capita income is highest among Asean nations, Brunei and Singapore excepted. It has almost completely recovered from the ravages of the 1997-99 financial crisis. GDP growth in 2003 is expected to be above 4.5%. Mahathir retired in the knowledge that the country is better poised than many others to continue on the path of modernisation.

Chapter 12
Five Men and Five Ideas

Building National Identity

This book began as a quest to answer one question: What does "Malaysian-ness" mean? The starting point of this voyage of self-discovery has been history, for identity is essentially a synthesis of the memories, symbols, myths, heritage and culture of all that has come before. We have surveyed the centuries from the earliest times and saw how the land became the land of the Malays, and later, how the movement of people across seas and borders transformed the land of one race into a land of many races.

History since then has been one big experiment to see how Malays and non-Malays will get along with each other. They had not felt the need to embrace each other in the past, but had to come to terms with the reality of their shared existence at the end of the Second World War when the prospect of self-rule became a real possibility.

What form was the new nation to take? How will the different races fit in? What identity will the new nation assume?

For more than fifty years now, the search for answers has been going on. There have been no precedents to follow, no casebook studies of comparable complexity to learn from.

Five men had responsibility to guide the search for answers. First it was Dato' Onn Ja'afar (1946-51), then it was Tunku Abdul Rahman's turn (1951-70), and he was followed by Tun Abdul Razak Hussein (1970-76), Tun Hussein Onn (1976-81), and Tun Mahathir Mohamad (1981-2003) respectively. All had responsibility to lead the nation, but each contributed differently to the challenges that faced them.

In this book, we have focused on five defining ideas, one associated with each leader, which have contributed in a very fundamental way to the building of a sense of the nation. Collectively, these five representations constitute a corpus of identity assertions that help to provide some answers to the questions we started with, namely, "Who are we?" and "What are we?"

Five Men and Five Ideas

The five representations we have examined can be summarised as follows:

- **Onn** established the principle that the essential character of the new nation must be *Malay* in recognition of the history of the land and the presence of its original people on it. Onn led the battle to defeat the Malayan Union proposal. This enabled the Malays to recover their identity and eventually to assert their dominance over the political and cultural landscape of the country.
- The **Tunku** coaxed the nation to come to terms with the fact of *plural* society. He convinced the Malays that their identity would not be diminished by the acceptance of multiracial society. The Merdeka Compact the Tunku helped to negotiate continues today to provide the guiding principles for the management of race relations in the country.
- **Razak** added a third proposition to the identity building agenda: the need for economic *equity*. He submitted that no nation could be sustained in the long run if there is wide economic disparity among its people. The problem is compounded when this disparity falls along ethnic lines. Razak justified the use of affirmative action to favour the Malays on the ground that no other instrument of public policy was capable of dismantling the systemic identification of race with economic function.
- **Hussein** focused on building and protecting the *moral* basis of civil society. Nations, he emphasised, must have strong ethical foundations, and the first requirement of all democratic societies is commitment to the rule of law. Hussein's handling of the Harun case underlined his resolution to build a nation that valued democratic principles and high ethical standards in public life.
- **Mahathir** argued that a nation is defined not only by its representations at home but also by the positions it adopted abroad. Towards this end, Mahathir sought to project an *international* identity for Malaysia that reflected its Islamic heritage, its solidarity with oppressed and disadvantaged people all over the world, and its commitment to achieving modernity and economic resilience.

Identity Building: The Learning Curve

The five representations examined here were formulated by the five leaders in response to circumstances and challenges that were relevant to their times. But viewed as a whole, they reflect a logic and a continuity that is indicative of the phases of nation-building the country has undergone.

Onn and the Tunku wrestled with the core issues of race relations. Nation-building could not proceed to its next phase if these fundamental issues were not settled. From this perspective, Razak did not represent the beginning of a new phase of identity creation. His preoccupations were the same as those of Onn and the Tunku, except that his role was to deal with the inadequacies of the formulations his two predecessors had bequeathed to him.

Hussein, however, raised the challenge of nation-building to a different level by addressing the issue of values and ethics. These issues were above race, and in a way that was both dramatic and instructive, Hussein forced the nation to think about the larger questions of purpose in nation-building. It can be assumed that as the nation matures, and as the problems of race and ethnic relations adopt a more settled profile, issues of ethics, such as integrity in pubic life, transparency, accountability, pluralism and human rights, will feature more prominently in the national agenda.

Of the five leaders, Mahathir was longest in office. He had more flexibility than his predecessors in determining the defining issues of his office. He chose to focus on the challenge of modernisation, and on asserting the nation's presence in the international arena. Like Hussein, he, too, forced the nation to think at a different level, this time to ask where it stood among the world of nations.

Identity formation has thus been a dynamic process, responding to changing values, attitudes and circumstances. The nation-building period we have examined spans fifty-seven years, beginning with Onn in 1946 and ending with Mahathir in 2003. By any measure, this is an extremely short period in the life of a nation, and some would say too short and too limited an experience to allow for the emergence of a definitive national identity.

It may be noted that the five leaders examined here were concerned not only with the nature or content of national identity, but also with how the search for this identity will be undertaken. Their careers demonstrate an attempt to keep faith with the virtues of moderation, accommodation, tolerance and consensus in their management of race relations. It is an ethos should continue to guide the search for a national identity.

Chapter 13

National Identity: The Search for Content and Clarity

The Need for an Overarching Ideology

We have so far understood identity as the product of evolution and interaction between cultures and influences that existed before the present. The more diverse the constituents of this mix, the more complex the process of identity creation. Nation-building in multicultural and multi-religious societies in particular need to be driven by a *raison d'etre* that transcends the interests of the individual identities that exist in their midsts.

In some societies, religion plays the role of an overarching ideology to bind the different elements of a nation together. Sometimes it is race, or the appeal to race, that plays this bonding role. But the appeal to race and religion can also lead to divisive outcomes. Religious wars and ethnic cleansing are some manifestations of the extreme forms such motivating principles can take.

In Malaysia, neither race nor religion can realistically serve as the ultimate *raison d'etre* for nation-building. The largest ethnic group, the Malays, make up only half the population, and any extreme emphasis on race or religion will unite only one half of the country and antagonise the other half. In any case, this is not a proposition the Malays have entertained at any time in their history.

What bonding principle, then, can realistically serve as the ideological construct to rally a people together?

Nationalism as a *raison d'etre* for Nation-building

The alternative to race and religion is nationalism. Nationalism transcends cultural boundaries. It builds on common experience and focuses on common aspirations. Nationalism, therefore, can give meaning and coherence to the concept of 'one nation and one people'.

In Malaysia, the first demonstration of the power of nationalism was in the campaign against the Malayan Union proposal. Onn's crusade against the British crystallised Malay nationalism, transforming it into a force the British had to reckon with. But it was Malay, not Malayan, nationalism that defeated the British. The challenge today is not how to unite the Malays, but how to unite Malays with non-

Malays. If nationalism was an ideological tool that was powerful enough to unite the Malay community in 1946, can it not play a similar role for all Malaysians in the 21st century?

Much depends, of course, on the content of this nationalism. Malaysian nationalism should be differentiated from Malay nationalism. The former is pluralistic, while the latter is mono-ethnic. The aspirations of Malaysian nationalism are political, while those of Malay nationalism are political and community oriented.

What is Bangsa Malaysia?

Malays today have to grapple with the pull of Malay as well as Malaysian nationalism. It is not altogether clear how one will accommodate the other. Malay political rhetoric on the matter is ambivalent, and fluidity in the meaning of the word *bangsa* adds to the difficulty. In the Malay language, *bangsa* can mean *race* in the ethnic sense, or it can also mean *nation* or *people* in the sociological or political sense. In real life, the word is often used in a way that does not differentiate between these two meanings. So an appeal to the dignity of *bangsa*, for example, which occurs frequently in Malay political dialogue, can be interpreted either as a pitch to race (Malay nationalism), or to nation (Malaysian nationalism), or to both. This lack of clarity does not assist in the construction of a national identity.

The Problem of Overlapping Nationalisms

The need to contend with multiple or overlapping nationalisms is a peculiarly Malay problem today. It was not so in the past when it was seen as a largely non-Malay problem.

Before the Second World War, many Chinese and Indians who were born overseas had foreign political loyalties. After the war, however, this has become a diminishing problem. Today, the vast majority of non-Malays are local-born. They are the products of an acculturation and politicisation process that is totally local. Their worldview is wholly Malaysian and they recognise no form of nationalism other than Malaysian nationalism. While they share a common cultural heritage with the people of India and China, this identification is strictly cultural. For non-Malays generally, therefore, the problem of having to contend with multiple and overlapping nationalisms does not arise today.

The overlapping pulls of Malay nationalism and Malaysian nationalism that Malays are confronted with have been compounded by another factor, the pull of

political Islam. In Islam, nationalism is irrelevant. It is the interest of the *ummah*, not that of the nation state, that counts. The *ummah* is a global community. Its interests supersede those of race and nation. What matters is whether you are Muslim, not whether you are Malay or Malaysian.

Most Malays do not contest this interpretation of the religion, but neither are they prepared to accept the sweeping assertion that nationalism is irrelevant, or that the structure of nation-states around which the world community is organised is an anachronism. Certainly no Umno member will deny the contribution of nationalism to the political development of the nation. It was Malay nationalism that defeated the Malayan Union and gave birth to Umno in 1946. It was nationalism that won independence for the country in 1957. And it is the spirit of nationalism that holds the country together today.

Defining the Malay Interest in the 21st Century

In numerical terms, the Malays make up just slightly more than half the population. But the Malay presence, real as well as symbolic, in the monarchy, in politics, language, religion and elsewhere, dominates the political and cultural landscape. Although the non-Malay presence is large, it has not overwhelmed the Malay presence. The original dominant ethnic character of the land had set limits on what can be admitted to the plural nation without undermining its solidarity.[1]

Historically, what represented the Malay Interest in this plural population was very clear. It was defined simply in terms of *Hidup Melayu*, or preservation of the Malay race and the Malay identity. In more recent times, however, the meaning of this objective is less certain. How this situation has come about deserves some examination.

Erosion of the Malay Consensus

Beginning in the mid-1980s, and increasingly in the 1990s, the coherence and unity of the Malay Consensus *(muafakat)* began to fray. Three developments largely accounted for this. *First*, a growing radicalisation of attitudes towards religion led to increasing conservatism at home. This conflicted directly with the government's emphasis on modernism and economic growth. *Secondly*, the first generation of

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[1] Anthony D. Smith, *Nations and Nationalism in a Global Era*, London: Polity Press, 1995, p. 109.

New Economic Policy beneficiaries was coming of age, and they reflected growing dissatisfaction with the political culture of the day. *Thirdly*, the Government's inability to fulfil the economic expectations of the Malay grassroots fuelled frustration and cynicism in the community. In each case, the loser was Umno, identified as representing the establishment and the status quo.

In 1998, the Malay *muafakat* disintegrated almost completely in the wake of the dismissal of Anwar Ibrahim from the Government and Umno and subsequent court actions against him. These moves crystallised dissent in the community, the full impact of which was revealed in the 1999 general election.

Umno suffered massive losses. For the first time, it failed to win a majority of the Malay vote. Many Umno candidates retained their seats with significantly reduced majorities, often with the help of non-Malay votes. PAS retained Kelantan and captured the state government of Trengganu. It also made major inroads into traditional Umno strongholds in Kedah and Perlis.

Four years on, on October 31, 2003, Dato' Seri Abdullah Badawi became Prime Minister and Umno leader. As this book is being written, the new Prime Minister is planning to go to the polls to secure his own mandate. Whatever the outcome in individual constituencies, it is unlikely that the general pattern of voting in the next general election will indicate a significant narrowing of The Malay Divide. The Malay *muafakat* will continue to be divided, and opinion about what constitutes the Malay Interest will continue to be disputed.

Re-defining the Malay Interest for the 21st Century

Historically, The Malay Interest has been defined in capsule form as those of "*Bangsa, Agama dan Negara*" (Race, Religion and Country). This formulation sustained Malay politics for nearly half a century. But today, the slogan finds limited resonance in the community. This is not surprising because the issues of race and religion have been exhaustively addressed over the last few decades and are no more the subject of serious contention between Malays and non-Malays.

What, then, is the relevance of *Bangsa, Agama* and *Negara* today?

The answer should surprise, because the Malay problem has been turned inside out. If at one time *Bangsa, Agama* and *Negara* connoted unity of the Malay mind and spirit, today it suggests the very opposite, the absence of such unity. Indeed, the biggest issue in political discourse today is not about how Malays relate to non-Malays, but how Malays relate to one another.

At the root of this debate is a contest between two worldviews. One is based on conservative Islam. Its core assertion is that religion must take precedence over politics. Government by theologians should replace government by parliament. Public policy should focus more on addressing spiritual needs rather than material wants. In Islam, all are equal before God. There is thus also a promise of complete equality for everyone. There is no place in Islam for special rights for any race, no differentiation between bumiputras and non-bumiputras.

The competing worldview is based on a more modern interpretation of Islam. It calls on Muslims to practise their religion in a way that is consistent with the needs of a modern world. Muslims should not deny the past, but they must embrace the future. That means subscribing to democratic forms of government, recognising the pluralistic nature of society, and seeking to improve living standards.

The contest, therefore, is, at one level, an argument about how to move from the past into the future, a contest between conservatism and modernism. At another level, however, it is a contest between two differing conceptions of Islam. One adopts a traditional and orthodox approach. The other interprets the religion in a more contemporary perspective, taking into account the needs of a rapidly changing and modernising world. In between these two worldviews lies the Malay mind. Will he decide his own future? Or will it be decided for him? This is the challenge of *Bangsa, Agama* and *Negara* today.

The Malay Interest vis-à-vis the National Interest

The definition of the Malay Interest in the coming years is a matter the Malays have to resolve themselves. But it is a debate that should be seen also as a sub-text of a larger debate about the nature and content of the National Interest. This has to take into account the interests of the non-Malay population, and it is not surprising that non-Malays feel they have a legitimate interest in the outcome of this debate to know what impact it will have on them

Affirmative Action: Its Impact on the Building of a Common Identity

In Malaysia, a massive swath of public policy decision-making is governed by the affirmative action guidelines of the New Economic Policy. Affirmative action works through a policy of discrimination among its citizens. But it is being justified on the grounds that it seeks to rectify an earlier discrimination. The promise is that once parity or equivalence is achieved, the policy becomes redundant.

Affirmative action, therefore, is a transitional arrangement. The sooner its job is done, the less criticism there will be about its inherent bias. So, after 33 years of implementation and billions of ringgit in expenditure, are we anywhere nearer to achieving the outcomes that affirmative action promised?

Generally observable evidence suggests that considerable progress has been made in many areas to reduce the identification of race with economic function. A growing Malay middle class has emerged. Malay participation in share ownership has increased. The employment of Malays generally has also spread to all sectors of the economy. Malays can also be found now at all levels of management and in all professions. To be sure, there is still some considerable distance to go to achieve the targets that have been set. But the direction of movement generally has been positive.

But there is another side to the coin. Racial polarization, especially among younger Malaysians, has increased considerably over the last two decades or so. There is concern that that a programme designed to unite people has had the effect of dividing them instead. Although affirmative action has helped to reduce the economic imbalance between Malays and non-Malays, it has at the same time contributed to alienating them from each other.

Affirmative Action — An Uncertain Record of Achievement

What, then, is the real record of affirmative action? The government has failed to give a full and comprehensive accounting of the performance of the programme over the last one generation. The absence of relevant data for analysis has made it difficult to engage in a discussion of this issue in an intelligent way. All we have to go by at the moment are some general statements issued by various government spokesmen from time to time. They all suggest that the NEP targets are far from being achieved. This is cause for serious concern.

A recent comment was given by Mahathir himself. In a farewell interview on October 4, 2003, he said:

> *"One of my disappointments is that I (have not been able to) change the culture of the Malays ... I want them to learn how to look after themselves and not be dependent on the Government. I want them to work hard; I want them to be honest and not try (to) get rich quickly. All these things, I keep hammering (away at). I scolded. I praised. I did everything (possible), but I am afraid, as I have said before, there is improvement only to a little extent because*

there are (some) Malays doing well now. But, by and large, (the Malays) have become even more dependent on the Government."[2]

No admission can be more honest or brutal. Not only did Mahathir confirm that the NEP wealth ownership targets for the Malays have not been reached. He also confirmed, and this is certainly the more important point, that the government has not been able to impart to the Malays the *capacity* to acquire and manage wealth. In fact, according to Mahathir, the situation has worsened, with the Malays now more dependent than ever on the Government.

If affirmative action programmes are not yielding the desired results, why stick with them? Mahathir, like many others, sees no alternative. Without it, the Malays will not be able to overcome the economic imbalances they face as a community.

Re-calibrating Affirmative Action Programmes

If affirmative action has to continue as the main public policy tool to restructure society, it is submitted that a number of measures should be taken to strengthen the programme. These actions should seek to achieve the following:

- To reclaim the moral legitimacy of the programme.
- To improve professionalism and transparency in its administration.
- To re-position it as a 'national' as opposed to a "Malay" programme.

Affirmative action programmes use public resources in ways that cannot be supported under ordinary circumstances. Its justification here is founded on the promise that society as a whole will benefit in the long run. It is this higher purpose that gives it validity and legitimacy, and public support for affirmative action assumes that this moral legitimacy will not be compromised.

However, current perceptions of affirmative action programmes suggest that it is plagued by politics, favouritism, arbitrariness and waste. This need not be the case. A number of simple measures can be taken to protect and uphold the integrity of the programme. They include the following:

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[2] *The Star*, October 5, 2003.

- **Transparency and Accountability**
  Let the public know what is being done, and ensure that there is proper oversight of expenditure, implementation and outcomes.

- **Qualifying Criteria**
  The awarding of affirmative action benefits must be based on fair and established criteria that must be known to the public. This will address charges of favouritism, cronyism, and the like.

- **Establish Fair and Equitable Selection Criteria**
  Given that resources are limited, not all who qualify can benefit. The deserving must be selected from among the needy. But this must be done in a way that is fair and equitable, and seen to be so. Government contracts, for example, should not be awarded to those who are mere rentiers. Likewise, scholarships should not be given to those whose parents can afford to fund their studies.

- **Become Results-driven**
  Affirmative action programmes must be results-oriented. They must be tied to the achievement of specific outcomes, the most important of which is the acquisition of skills and knowledge to become self-reliant. They are not handouts. Handouts increase dependency. When affirmative action becomes a crutch and not a remedy, it is self-defeating. Instead of rectifying an existing disadvantage, it creates a new disadvantage.

- **Timeline**
  Affirmative action programmes are tolerated partly because they promise to be temporary in nature. When the NEP was launched in 1971, no timeline was set. Its affirmative action agenda has a beginning but no ending. It is driven by objectives, but it lacks the discipline of targets and goals.

  Some think this is smart politics because it does not impose a shelf life on affirmative action. But this attitude is self-deceiving and ultimately self-defeating because it removes the incentive to become self-reliant. It is a recipe that will create permanent dependency and breed a crippled race. The

solution has become the problem, and this outcome is more serious and prevalent than public policy officials care to admit.

So far, the empowerment programmes of the NEP have been conceived, articulated and managed as a project for the Malays and by the Malays. The point is, they are not Malay projects. They are national projects. They use public funds to achieve national objectives. The objective is to reduce the economic disparity between the Malays and the non-Malays. So non-Malays have a legitimate interest to see that the programme is being properly managed.

Towards this end, therefore, there is a case for getting non-Malays involved in the planning, management and oversight functions of these programmes. This will improve transparency and increase public support for them.

The Longer-term Perspective

There remains some cynicism about how long it will take before the Malays can compete with non-Malays, even with the help of affirmative action programmes. Mahathir has noted that the Malays are not as competitive as other races because their cultural values are not geared to the demands of a modern world. They therefore need more time to imbibe new values and develop new work ethics. Conventional thinking, therefore, has it that it will be quite a while before the Malays can afford to stop playing catch-up.

In July 1969, in the aftermath of the May 13 riots, one of the nation's most outstanding and fair-minded leaders, Dato' Dr Ismail Abdul Rahman (later Tun), who was Home Affairs Minister at the time, made the following comment in a newspaper interview:

> *"It is a fact that Malays cannot compete with the Chinese, but I never thought that this special position would come to be regarded as the criterion for first or second class citizenship. Actually, you can argue that it is the Malays who are the second-class citizens, just as in golf it is the weaker players who are given easier terms.*
>
> *"We feel as educated Malays that this 'special position' is a slur on the Malays, but if they didn't have it, they wouldn't have a chance. We envisaged that the Malays would give up this special position when a united nation is a*

reality. I still believe this: that when the Malays have found their feet, they will feel that this special position is no longer necessary.

"But it is not for the others to demand this, because to do so would be a breach of the terms under which Malaya came into being. For the present, the Malays feel that they cannot compete and we must deal with this reality. The present generation will not give up its rights, but the generation that is just starting school may, if we educate them rightly."[3]

Ismail made his statement 34 years ago. There is nothing to suggest that any one in the Malay community today is prepared to entertain the view that the time has come to consider reducing the community's reliance on affirmative action in selected areas and in selected ways.

Like many of his colleagues who helped to formulate the New Economic Policy, Ismail underestimated the difficulties of effecting social change. What needed changing, ultimately, were values and mindsets. Ismail correctly pointed out that education was the key to achieving this transformation. He would be terribly disappointed to learn, however, that while our schools and institutions of learning are now able to pass out increasingly large numbers of graduates year after year, they have failed to fulfil their first and basic function, which is citizenship building. Racial polarization among Malaysia's young is the country's biggest problem today. It deserves the Government's special attention.

[3] *The Straits Times*, July 7, 1969.

Chapter 14

The Sixth Man and 21st Century Perspectives of Identity Building

On October 31, 2003, Dato' Seri Abdullah Ahmad Badawi became Prime Minister following the retirement of Tun Dr Mahathir Mohamad. As this is being written, Badawi has been in office for just one month. His initial preoccupations have been practical ones: allowing Mahathirism to settle into a lower profile, and preparing the ground to carve his own imprint onto the political landscape. The coming general election, and the Umno elections that will follow soon after, will complete the process of affirming his mandate to lead the party and the country. Pak Lah-ism can be expected to be in full flow by then.

Ethics: A Defining Issue

There are already some indications as to what Badawi's priorities in office are likely to be. Ethics appears to be top on his list, and it can be assumed that this initiative will be interpreted to include not just fighting corruption but also improving efficiency, integrity, service delivery and promoting a culture of transparency and accountability in the public service. Badawi has also highlighted the need to respect the independence of the judiciary, an institution whose reputation has suffered much in the past.

Add to this Badawi's reputation as a man of moderate and liberal persuasion, with a natural disposition to listen and to accommodate, and the sense that emerges is that the nation is destined for a period of inclusive, non-confrontational politics. The Badawi era thus promises to be an era of consensus making, and for the country, this will be a major change in leadership style.

Racial Polarization: Dealing with Our Own Creation

But Badawi will have to confront the great issues of division in the county. The first is that of race. But his is not the same challenge that confronted Onn, the Tunku and Razak. This time the issue is largely one of the nation's own making. It is the issue of racial polarization among Malaysia's young. With three-fifths of the country's population 30 years old and below, this is a huge problem. The problem is particularly critical in schools and institutions of higher learning. With each passing year, the

problem gets larger as a new batch of students enters the system and gets acculturated into a world that categorises them as Malays and non-Malays, bumiputras and non-bumiputras.

Some policymakers have accepted this as an inevitable consequence of development and the restructuring of society and are prepared to live with the awkwardness of the situation. This, of course, reflects a frightening absence of commitment to the building of a united nation. The fact is, we have in our midst today a generation of young citizens, Malays and non-Malays, who have learned to instinctively recognise their fellow Malaysians in terms of 'them' and 'us' from an early age. We are in danger of becoming a nation that thrives on a rhetoric of unity but is, in reality, totally divided within.

The Malay Divide: Dealing with Political Islam

The other great issue of division that Badawi has to come to terms with is the great Malay Divide. Badawi has strong credentials as a conciliator and consensus builder. And as one who is also learned in his religion, he is perhaps as well placed as anyone else to try to bridge this divide.

But Badawi will not be dealing with a problem that is strictly religious in nature. He is dealing with political Islam, where religion is used for the purposes of politics, and vice versa. This is the reality of the battle between Umno and PAS. The goodwill that accrues so naturally to Badawi will be severely taxed when he comes to terms with the reality that religion is being used to disguise the raw pursuit of political power.

Growth versus Re-distribution

As the nation enters the 21st century, the challenges of nation-building will change. Globalisation, for one, demands that nations and peoples maximise competitive advantage in order to succeed. The pressure is to become more knowledge-driven and merit-based, to be assessed according to performance and competency. Affirmative action programmes are based on a different ethos. They rely on a system of privilege and handicaps. This reduces competitive advantage, at least in the short and medium term.

The priority in the 21st century, then, is to try to move from one regime to the other in the fastest possible way, to try to achieve competitive advantage without sacrificing internal stability. This can only be done in an environment of expanding opportunities and growth. The events of the last five years have tempered the

unbridled optimism of the Mahathir era that seven per cent growth rate can be sustained forever. A growth rate of four to five percent will maintain the status quo, but significantly higher growth rates will be needed to allow for the processes of modernisation and restructuring to go on.

This will be the challenge of the Badawi era. The concentration must be on eradicating poverty and raising the standard of living across the board. If this can be done, it will go a long way towards reducing the economic disparity between the races.

Bangsa Malaysia and the New Generation

The biggest challenge of the Badawi era will be to try to build a Bangsa Malaysia that is truly united. The focus should be on the young. The statistics explain why.

Some 44% of today's population is below 20 years old. The figure goes up to 61% and 76% if the cut-off point is 30 years old and 40 years old. Not only do we have a very young population. We also have a population that is increasingly removed from the key historical events that helped shape the nation's collective consciousness: the anti-British movement, the struggle for Merdeka, the Emergency, the development of the inter-ethnic political compact, May 13, the New Economic Policy.

The fact is, the vast majority of Malaysians today are not able to relate to the nation-building struggles experienced by an earlier generation. With every passing year, this inter-generational divide grows wider. This disconnect in the collective memory means people tend to differ more and more in their appreciation of common history and in their understanding of what being Malaysian means.

There is a need, therefore, to try to capture the allegiance of the young by defining what Bangsa Malaysia holds for them, and delivering on this promise. Identity building in the 21st century will differ in tempo and substance from the past. It will have its own vocabulary and its own momentum. But its commitment must be the same: the forging of a single nationhood for its entire people.

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