QUINS

J. V. Morais

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# TUN TAN:

SMIND

PORTRAIT OF A STATESMAN

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Tunku Abdul Rahman Putra Al-Haj The first Prime Minister of Malaysia

#### FOREWORD

### RY

# Y.T.M. TUNKU ABDUL RAHMAN PUTRA.

It gives me much pleasure to write a foreword for this book on my good friend and former colleague, Tun Tan Siew Sin. I have known him from the days we were members of the former Federal Legislative Council, but we were in the opposite camp politically because as he had said and often repeated that he did not know me well enough to accept me as a political associate. When his late father was scheduled to address the Alliance inaugural meeting at the Chinese Assembly Hall, he managed to entice his father away, so we held our first meeting without Sir Cheng Lock Tan. It was not until he was convinced that I am a man whom he could trust that he finally decided to join the Alliance Party and he became from that moment onwards a staunch friend.

He was a colleague in my Cabinet and became a pillar of strength to me and an asset to the cabinet, and his advice had been invaluable at all times. He started first as Minister of Commerce and Industry in which his honesty, knowledge and business acumen exuded confidence in the country among the business community. The country grew into a successful commercial entity.

Then he became the Finance Minister and I am glad to say the financial security and economic stability of the country during the period won wide acclamation. He was not only firm but fair to all in his dealings with the various Ministers who had often sought funds from him for their projects. He was so strict that he even turned down one or two of my requests for funds for the Prime Minister's Department. In fact when his leave was approved he had it cancelled when he learnt that I was appointing myself as the Minister of Finance, so to give him his much deserved vacation I appointed Tun

#### FOREWORD

Abdul Razak instead to take his place.

At times we had our differences but they were honest differences. All the same we respected each other's opinion. Sometimes I get rather rattled with his habit of saying "I am right, you see". My reply to that has always been — "There you go again". In the final analysis Tun Tan did his duty and did it well as a true Malaysian and loyal patriot. He has always had Malaysia's interest at heart. He spoke as a boy the Bahasa language, then grew out of it when he proved more proficient in English but always spoke Malay to his mother. Like his illustrious father, the late Tun Cheng Lock Tan, the founder of the Malaysian Chinese Association, he had helped to make notable contribution for the rapid development of Malaysia.

Needless to say that Tun Tan Siew Sin's services to the nation will long be remembered in the history of our country for generations to come.

I heartily welcome this book on Tun Tan Siew Sin by the veteran Malaysian journalist, J. Victor Morais, who has been a witness to our struggle for independence since its inception and to our success as a nation.

This book contains not only the biography of a remarkable man but also the story of the momentous years of Malaya and later of Malaysia. In a way the story of Tun Tan is also the story of the M.C.A. and the role played by the Malaysian Chinese during the post-war period.

I am sure this book will be read with interest by all Malaysians and by those interested in Malaysia in this country and elsewhere.

I wish this timely venture every success.

(TUNKU ABDUL RAHMAN PUTRA) 18th March, 1980

# INTRODUCTION

"I have been associated with Tun Tan since he joined the Government in 1957. He is held in high esteem by all his colleagues in the Cabinet for his advice and, above all, for his frankness. The country is indeed indebted to him for his outstanding service to the nation."

Thus wrote the late Tun Abdul Razak, the former Malaysian Prime Minister in the foreword to my book — BLUEPRINT FOR UNITY — which contains a brief biography of Tun Tan and his selected speeches. It was published by the Malaysian Chinese Association in 1972.

Two years later when Tun Tan, for health reasons, resigned as the Finance Minister of Malaysia, the Malaysian Government gave him a farewell dinner attended by all the Cabinet Ministers and the Chief Ministers of the various States, in Parliament House. He was the second person to be so honoured by the Malaysian Government. The first was Y.T.M. Tunku Abdul Rahman Putra Al-Haj, our first Prime Minister.

Although he had resigned as the Finance Minister of Malaysia after 15 years, a unique record in the history of the Commonwealth – Tun Tan continues to serve Malaysia as the Financial Consultant to the Government.

A few months after a major operation in London in 1974, Tun Tan bounced back to active participation in business. Indeed he is like a mountain climber who always has his eyes on the peaks above.

Today he presides over the affairs of Sime Darby Berhad, one of the largest business enterprises in Asia and ASEAN's first multinational which is poised for rapid expansion both nationally and internationally.

Yes, today he is more than a leader. He has become an institution and a legend in his own time.

#### INTRODUCTION

Some personal insight into the many aspects of Tun Tan's character and his philosophy have emerged from the views gathered from his numerous friends, associates and admirers. These are recorded in detail in this book along with his thoughts on wide-ranging subjects.

As the late Tun Abdul Razak had once so aptly pointed out "Malaysia needs more leaders of the calibre of Tun Tan with all his energy, his determination and his dedication".

Writing about Tun Tan I am reminded of the inspiring words of J.S. Holland:

God give us men. A time like this demands

Strong minds, great hearts, true faith and ready hands:

Men whom the lust of office does not kill

Men whom the spoils of office cannot buy;

Men who possess opinions and a will,

Men who love honour. Men who cannot lie.

There is no denying that Tun Tan is one such man "whom the spoils of office cannot buy".

What Tun Tan has accomplished as a Cabinet Minister for 15 years and as the President of the Malaysian Chinese Association for 13 years are described in this book in addition to his key-role as the centre-piece in the Sime Darby operations. Tun Tan draws worldwide attention today not only as the head of the Sime Darby Berhad but as one who is noted for his political and business-cum-financial skills

It is hoped that the Tun Tan story will be read with interest by both Malaysians and all those outside this country who are interested in Malaysia.

If the Tun Tan story serves to create a better understanding of the man and his philosophy, and his life-long crusade for national unity — the crying need of the moment — then this book will not have been undertaken in vain.

In passing I wish to express my gratitude, first and foremost, to

# INTRODUCTION

Y.T.M. Tunku Abdul Rahman Putra Al-Haj for writing the Foreword and to Tun Tan for the interviews he has granted me and to my assistants and to all those men and women who were generous with their time, advice and information when we sought their views on this famous Malaysian.

J. Victor Morais

# PORTRAIT OF A STATESMAN

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# CHAPTER ONE

# "HIS FAMOUS ANCESTORS"

# Father, A Man of Courage and Vision

Tun Tan Siew Sin, the Financial Consultant to the Malaysian Government, is a sixth generation Straits Chinese whose family has extensive rubber interests.

He traces his descent from Tan Hay of Fukien Province, China, who emigrated to the South Seas region during the reign of Chien Lung – A.D. 1736 to 1796.

According to Siew Sin, Tan Hay was the owner and navigator of a junk, trading between Macassar and Malacca.

Tan Hay eventually settled down in Malacca more than 200 years ago. He married a Straits-born Chinese woman.

In his ancestral home in Malacca there is a life-size picture of this lady hanging in a prominent place.

His great-grandfather, the late Tan Choon Bock, a pioneer in the tapioca and gambier planting industry, was born and educated in Malacca.

A far-sighted man, he was the founder of the first line of steamships in the sixties of the 19th century to ply the ports of the Straits Settlements in the 1870's. He also introduced the use of power machinery on his tapioca estate in the Pengkalan Minyak in Jasin, Malacca.

It was in 1884 a joint concern, the Keng Yong Brothers was founded by his maternal uncle, Lee Keng Yong. Six years later, a European named Boggart, who owned a steamer, the S.S. "PAPPHO", joined the amalgamation which later became the now well-known Straits Steamship Co. Ltd.

But it was Tun Tan Cheng Lock, his father, who first carved a niche in the temple of fame in Malaya.

Tan Cheng Lock was born in 1883 and was educated at the Malacca High School and later at Raffles Institution in Singapore. He began his career as a teacher at the Raffles Institution in 1902. After six years he gave up teaching to become a planter — as the Assistant Manager of the Bukit Kajang Rubber Estates Ltd.

True to tradition like his father Tun Tan Cheng Lock, also a man of vision and courage, floated a new company — the Ayer Molek Rubber Co. Ltd. of which he became Manager, Cheng Lock floated two more companies — the Malaka Pinda Rubber Estates Ltd. and the United Malacca Rubber Estates Ltd. in 1909 and 1910 respectively. He held the posts of Managing Director and Chairman in turn. He also served on the boards of the Overseas Assurance Corporation Ltd., Sime Darby & Co. Ltd., and the Oversea Chinese Banking Corporation.

Never in the history of Malaya had there been a Chinese leader of the calibre, of the popularity and, above all, of the stature of Tun Sir Cheng Lock Tan. Three million Chinese in Malaya and of South East Asia regarded him as their foremost leader. In fact, he was more than a leader, more than an institution. He was a 'nation'.

No wonder a British scholar described him as "The Sage of Malacca", an appellation richly deserved by him.

Despite his age he had defied bombs and bullets to guide the Chinese community in the most perilous period in Malayan history.

While addressing a public meeting during the Emergency at the Perak Chinese Chamber of Commerce premises, to be exact on April 10, 1949, he was wounded by a hand-grenade thrown at him by a terrorist. He was then the President of the Malayan Chinese Association (M.C.A.).

I saw him soon after he had undergone a major operation. The valiant old soldier, cheerful as he was courageous, was soon back in the field of Malayan politics, leading and guiding Malayans who sought his assistance and advice.

For nearly 40 years, Tun Cheng Lock took an active part in pub-

#### HIS FAMOUS ANCESTORS

lic affairs. He was made a J.P. in 1912 and served as a Municipal Commissioner in Malacca from 1912 to 1922.

After the war in 1914, he helped to revive the Malacca Chinese Volunteer Company and served as a private in that company for five years until 1919.

Cheng Lock served on the Straits Chinese Consultative Committee which was formed in the early thirties by Sir Cecil Clementi on his advice to enable the Governor to keep in direct touch with the Straits-born Chinese leaders in the Colony.

He was an unofficial member of the Straits Settlements Legislative Council and from 1933 to 1935, an unofficial member of the S.S. Executive Council.

It was largely through his efforts as a member of the Legislative Council that the Government in 1927 appointed a Chinese Marriage Committee to report on Chinese marriage customs in the Colony. His persistent efforts ended in the enactment of the Civil Marriage Ordinance, 1940, whereby a form of monogamous civil marriage and remarriage was made available to the Chinese and other non-Christians.

He also fought for the admission of non-European British subjects into the Malayan Civil Service. It was due to this that Sir Cecil Clementi introduced the Straits Settlements Civil Service.

Sir Andrew Caldecott, the then Colonial Secretary, paid him a tribute on 18th February, 1935 when referring to the retirement of Cheng Lock from the Council. I quote:

"For twelve years he has presented current opinion and also his personal views with a frankness, a fullness and a fairness that has compelled universal admiration. (Applause). He brought, in fact, and devoted to the public service of this country, those attributes which differentiate the true statesman from the mere politician, a discriminating mind, a charitable heart, a patient car and an eloquent and sober tongue. The Colony, Sir, stands deeply beholden to him."

Cheng Lock was President of the Malacca Chinese Chamber of Commerce and a Patron of the Malacca Hokkien Community Association. He was also President of the Straits Chinese British Association, Malacca and the Malayan Estates Owners' Association.

Cheng Lock played an important role in the movement to attain self-government for Malaya since 1945. He was elected the Chairman of the All-Malaya Council of Joint Action, but his acceptance of this position at that time was unwise. He published a book, "Malayan Problems" in 1941 giving his views on Malaya's basic political, economic and social problems.

When the revised Constitutional Proposals were accepted, Cheng Lock Led the population of all Asian races in Malacca to organise a hartal on September 8, 1947 which was followed by a similar hartal on October 20, 1947 throughout Malaya.

In 1949, he was elected the first President of the Malayan Chinese Association and although he had desired later to quit this position for health reasons, he was persuaded to continue to lead the community following requests from all branches of the M.C.A.

The late Cheng Lock was a member of the Malayan Communities Liaison Committee which he helped to form in 1948.

On the birthday of the Sultan of Johore in September, 1949, Cheng Lock received the title of D.P.M.J. In January, 1952, he was awarded the K.B.E. by the British Government "for having shown courageous leadership in support of the Government and intercommunal co-operation". He was the first Malaysian leader to be conferred Tun (Grand Knight of the Most Distinguished Order of the Defender of the Realm).

In 1935 Cheng Lock and his family travelled to Europe and remained there until 1939. When the Japanese invaded Malaya he took his family to India. Soon after the reoccupation, he returned to Malacca to participate in the country wide campaign for independence.

In May, 1955, Cheng Lock's left leg was fractured in an accident and was in a coma for three days. Though seriously ill he sent a mes-

#### HIS FAMOUS ANCESTORS

sage from his sick bed in Malacca Hospital urging Malayans to vote for the Alliance. He was then the joint Chairman of the UMNO-MCA-MIC National Council.

Cheng Lock was criticised for introducing the foreign weapon of hartal in Malaya. His reply was, "The hartal stood for justice and communal equality and elected representation in the Council. I am glad the Federation Government is now carrying it out".

Cheng Lock's wisdom about this country and its peoples was profound. Few men have left such a valuable and strong impression upon contemporary Malaya.

In 1913, Cheng Lock married Miss Yeo Yeok Neo, daughter of the late Mr. Yeo Tin Hye, President of the Hokkien community. Their only son is Tun Tan Siew Sin.

Cheng Lock passed away following a heart attack on December 8, 1960 at the General Hospital in Malacca.

On hearing of the death of Tun Tan Cheng Lock, the Tunku said:

"Tun Tan's death has robbed Malaya of one of her illustrious sons. His work, patriotism and loyalty, to Malaya have never been questioned. His greatest pride was to tell his friends that even in the days of the Chinese Nationalist Movement, he refused to identify himself with China. Instead, he said Malaya was his country and he was proud to be its son. He was also proud to be a Chinese and a Malayan. Before the independence movement started, he always urged that the Malays and the Chinese should come together — that each should accept the other as a brother and a friend.

"When the freedom movement started, he readily joined in. When he found that the Independence of Malaya Party launched by the late Dato Onn did not wish for independence but only for self-determination, he joined the Alliance.

"Without Cheng Lock's patriotic support for independence in the early days, it is not likely that our efforts would have achieved the success which it did. When he became ill, I lost a pillar of support. Now his death has robbed me of a very dear friend".

The Tunku gave orders for a State funeral which was attended by several thousand people of all races. He was the first Malaysian to be given a State funeral.

The people of Malacca lined the roads while thousands watched from upper windows of shops and houses, and dozens went on rooftops to see the funeral procession pass. Along the broad sweep of Wolferstan Road, like every other throughfare in the town, flags were hung at half-mast.

Tun Cheng Lock was laid to rest beside his mother, Madam Lee Sek Bin, who had died four years earlier at the age of 98. The Prime Minister, Tunku Abdul Rahman, who represented the Yang Di Pertuan Agong, was present to pay homage to Tun Cheng Lock. More than 40,000 people attended the funeral.

Among the condolence messages was one from the Secretary of State for Commonwealth Relations, Mr. Duncan Sandys and one from the Formosan Government.

The former Governor of Malacca, Dato Haji Abdul Malek said: "The country has sustained a great loss. Tun Cheng Lock worked for the prosperity and well-being of all Malayans".

The National President of the Malayan Chinese Association, Dato (Dr.) Cheah Toon Lok, praised Tun Tan as "a great Malayan leader and patriot whose death last night has cast a gloom over the Chinese community. It will be difficult to find another leader like him. Eleven years ago his magic name and personality brought the M.C.A. into being. It was he who united Malayan Chinese of different views into one single political force".

Former Senator T.H. Tan, speaking in the Senate said: "The Chinese in Malaya should know what they owe to Tun Tan Cheng Lock. But for him, when he was President of the Malayan Chinese Association, at least half a million Chinese would have been compelled to leave Malaya at the outbreak of the Emergency. Tun Tan suggested the creation of new villages and this saved the Chinese from what might well have been a cruel fate. The people who at-

### THE SAGE OF MALACCA LATE TUN SIR CHENG LOCK TAN



Tun Sir Cheng Lock Tan, the man who founded the Malaysian Chinese Association. He was its President for several years until illness forced him to retire.

Undoubtedly he was the greatest ever Malaysian Chinese leader who had dedicated his life to serve the nation. He will be remembered by people of all races. One Bristish writer once described him as the Sage of Malaces.



This picture of Tun Tan was taken early in his political career, He made his mark as an able patiliamentarian as early as 1950. He was only 33 years old when he became a ment of the Federal Legislative Council where he acquitted himself creditably by speaking without fear or favour on all issues that came up for discussion and debate in the Council and later in the Malaysian Parliament.

# REPLEK TWO

tended his funeral - many momen and children of all races and all walks of life - knew the debt the nation owes to him".

None other than our former Prime Minister, Tun Abdul Razak once described Tan Cheng Lock as a great Malayan patriot and a champion of Sino-Malay co-operation.

"He was born a Chinese but he was proud to be a Malayan and that was why his loyalty was always to this country even at the height of the Chinese Nationalist Movement in Nanyang. He tire-lessly pleaded and led the Malayan Chinese to work closely with the Malays and Indians to achieve Merdeka for this country in 1957."

"He was a true Malayan nationalist. If there was any one in our country who first ever talked about multi-racial co-operation, harmony and a Malayan Malaya, it was this grand old man of Malacca,"

The difference between Jun Tan Cheng Lock and latter, advocates of Malaysian Malaysia is that Tun Cheng Lock sincerely believed in what he was advocating. He did all he could to achieve it through Sino-Malay co-operation whereas other people their notwithstanding devastating results, to break this co-operation and hamilion.

"If every Malaysian of all races is a Tan Cheng Lock or a Siew Sin, then Malaysia would have been an ever happier place to live in and there would, of course, be no need for the Alliance Government to create a united Malaysian nation because there would have been one already all along."

That, in brief, is the story of the greatest Malaysian Chinese leader of all times to the late Tan Sai Ching (Ching Tan Sai Ching Tan Sai Chin

Speaking in a lighter vein to a foreign journalist Agnes Tan, sister of Siew Sin, quipped: "You may not believe that story. Anyway take it with a large pinch of salt!"

It also records that a member of the Tan family named Muah had a dukedom conferred on him by the Chou Dynasty (1122–255 B.C.). It is said Muah later changed his name to Tan.

# CHAPTER TWO WITNESS TO AN ERA: TAN ANCESTRAL HOME

An ancient mansion of many memories is the ancestral home of Tun Tan Siew Sin in Malacca. It is a large house, the only one of its kind in South East Asia. It is fronted by a verandah with tall doors beautifully gilded and varnished and surrounded by huge Chinese characters.

What is so special about this building? First and foremost, it is more than 200 years old. It is of great historical importance. It is situated half way up Jalan Tun Tan Cheng Lock, named after the father of Siew Sin.

The home has a large spacious hall with an altar for the family defines. Here are numerous antiques and rare pieces of Chinese porcelain dating back to early 19th Century. In addition several oil paintings and sketches greet the visitors.

Most of the items that adorn the home were taken away by the Japanese during wartime. Some of the Tan valuables were saved by loyal servants who hid them in the attic.

The large idols and statues remained in the house untouched because the Japanese were superstitious. After the re-occupation of Malaya the ancient Chinese furniture and other items of value were recovered thanks to the co-operation of the people and the police of Malacca.

Among the other items of interest are several Tan family ancestral tablets one of which states that the Tan family descended from the Chinese Emperor Shim 2255-2205 B.C.

Speaking in a lighter vein to a foreign journalist Agnes Tan, sister of Siew Sin, quipped: "You may not believe that story. Anyway take it with a large pinch of salt!"

It also records that a member of the Tan family named Muah had a dukedom conferred on him by the Chou Dynasty (1122–255 B.C.). It is said Muah later changed his name to Tan.

# WITNESS TO AN ERA

Siew Sin's ancestors lived in the Chuang Chew prefecture of Fukien Province. They remained there until Tan Hay Kwan of the 103rd generation, who was born in 1751, came over the sea as a 20-year-old trader and settled down in Malacca. He died there at Ayer Lelah in 1801.

The Tan family, according to this legend, thus dropped roots in Malacca more than 200 years ago.

All that is ancient history. We are now more interested in the period when Tan Choon Bock and later his grandson, the late Tun Tan Cheng Lock and his great grandson, Siew Sin identified themselves with the growth of Malacca and subsequently that of Malays. And now Malaysia.

It is common knowledge that both father and son played a significant role not only in the progress of their home State but in the struggle for the independence of Malaya.

Following the footsteps of his forefathers Siew Sin, who has inherited their pioneering spirit, has made no small a contribution not only to promote the well-being of the nation but to help maintain racial harmony among the various races.

# WITNESS TO AN ERA BERNATH BE

Siew Sin's ancestors lived in the Chuang Chew prefecture of Fukien Province. AZZALAM/U SAKASK/YLJAKA-Hay Kwan of the

-0. Tan Siew Sin was born in Malacca on May 21,4916/ Halling from a family whose proofs reached back to the times of the first Chinese in Malacca. Siew Sin understands the Malays and speaks fluent Malay.

When Siew, Sin, was born, pp, May 21, 1,916. Malacca had already declined in status as a port, though it still had a healthy reconomic life. The Tans had varied business interests but concentrated mainly of the transparent of the main with the property of the property o

milbu, fact, that, Slew, Shr, was filthe sonly son sof the family had a lasting effect, on his life, Under the siscenstances in which he found string effect, on his life, Under the siscenstances in which he found himself, he could have been spoiled for everything, was his for the himself, he could have been spoiled for everything was his for the saking. It is indeed to him father's send that the proverbial silver asking. It is indeed to him father's send that the proverbial silver spoon, du, not, close soll the himself.

Education for Siew Sin, attaugedy enough, beant up a gains, school, the Swydam Cirls School (now the Methodist High School). The Swydam Cirls School (now the Methodist High School). This was due to his father, who thought him morrhable the feared with word of the school of the scho

This, however, did not diminish his energies in any way! He still played truant whenever he felt like it especially so when it was time for Mathematics, a subject he disliked.

Though highly energetic, Siew Sin was a precocious young lad gifted with a photographic memory, mastering every subject in half the time an average person would take. He made it easily to the top quarter of the class.

In fact, examinations were no problem to him as he managed to pass everyone of them with flying colours. He took the School Cerficate at the age of 14 in 1930 and did reasonably well. Unfortunately due to his age (he was far below the average of the class), he had to take the examination four times, performing creditably every time.

In school, he was quick-witted and extremely fast with his hands.

#### EARLY YEARS IN MALACCA

On one occasion when he was in Raffles College, his warden reported to his father that he was an unruly boy. Siew Sin remembers this well.

"I was called to his office and he reprimanded me. He said, "I know that you have broken every rule in this Hostel, yet I am unable to pin it down on you."

"Yes, I was always in mischief but to my credit I never allowed myself to be caught," says Siew Sin.

Even in Raffles' College, he gained a reputation for himself, one of notoriety, playing truant, if and when he liked it. Full of energy and never sitting down for a moment, he had a keen sense of humour. But in spite of the Mr. Hyde side in his school life, he was nevertheless obedient to authority, yet not subservient. He was always helpful and considerate to his friends. These qualities became the seed of his impecable conduct in later life that gained for him the reputation of being always the perfect gentleman.

It is said that some men are born great, some achieve greatness, others have greatness thrust upon them.

To young Siew Sin, greatness could have been for the asking, yet he never made use of his position or the influence of his father to gain attention. In his own way, he achieved greatness by his own efforts.

Thin like a pole, but taller than any other youth of his age, Siew Sin was clever and agile at games in school. He was so full of energy and so fleetfooted that he excelled in the sprints. He was elected the athletic captain and later captained the Van Dieman House.

Introduction to the field of athletics was quite accidental. While at Raffles' College he needed some exercise. Through sheer bravado, he decided to challenge the school's champion athlete, Low Kee Pow to a race.

The challenge was accepted and they ran before a large crowd. Siew Sin finished just one foot behind the champion! Though he lost he was not upset or deterred by this fact.

This act of bravado earned him a large following. He also made a reputation for himself in the 220 yards events. He was selected for the Raffles' College relay team. It was during this period that he was elected the athletic captain of his house — the Van Dieman House.

Siew Sin once again challenged Low Kee Pow, the top athlete in Singapore at the time, to a race. He lost by a foot again!

However he had one weakness. He could only run in a straight line. Once when he was selected to run in the 880 yards relay, he was given the task of being the first runner of the relay team so that Raffles College could build up a lead.

He shot into the lead and was doing fine until he had to turn at the 150 yard bend. Instead of doing so, he kept on running straight.

By the time he managed to correct himself, the others had already passed him. They lost the race because of him and he was never again entered for the relay events.

Siew Sin told me that he has always been reminded of this blunder by Tan Sri Taib Andak who had been furious at that time.

Because of his speed, Siew Sin was selected to represent his school in hockey. He played as outside right and with his speed and fine stickwork, he often left the opponents gasping for breath as they tried to stop him from scoring.

At the same time, Siew Sin was feared as a player who could remove any man from the field because of his overrobust tactics.

"It was not dirty play but professionalism in a sense, for I was never sent out of play. Normally when we were down to play against the Army, my coach would see to it that I would be playing because before half time, one or two opposing players would be out."

Siew Sin's father was very careful with his son's pocket money. He was given just enough and was sent to school with a flask of milk for the interval.

Tun Tan Cheng Lock voiced the fear that his robust son would spend his time in brothels if he did not release his energies in games,

# EARLY YEARS IN MALACCA

He mentioned to his friends that, between breaking a few bones and contracting V.D., he preferred the former for his son.

At the age of 13, one of Siew Sin's favourite pastimes was shooting. His grandfather (73 at that time) had a two-bore double barrel shot gun. This Siew Sin borrowed, taking six rounds of ammunition with him. Wanting to shoot squirrels, he went to Tanjong in Malacca.

At the first shot, the gun kicked, leaving him trembling with fright. He missed the squirrel. Having recovered from his shock, Siew Sin managed to bag three squirrels with the remaining five shots.

Now there remained the problems of getting a firearm permit. Tin Tan Cheng Lock, pleased with his son having a healthy pastime, went to see the then Chief Police Officer of Malacca — an Englishman about getting his son a permit.

He was however reminded that it was not possible for anyone under 21 years of age to obtain a permit. Taking the Chief Police Officer aside, Tun Tan Cheng Lock expressed the fear (unfounded Siew Sin says) that if his son did not spend his time shooting squirrels, he would be in brothels getting V.D. The Chief Police Officer relented.

Siew Sin thus got the permit and the gun he wanted.

Taking for granted Siew Sin's high spiritedness, Tan Cheng Lock was determined that his son should not be infected with V.D. He lectured the young Siew Sin on the facts of life.

"I know," he said, "I cannot stop you from visiting the brothel, but if you do . . . . . "and he proceeded to explain the usefulness of wearing french letters. Of course, Siew Sin didn't go, but the lecture was useful and it saved him from V.D.

At the time of learning the three R's, Siew Sin was to go through the hands of several teachers. He was full of mischief and often left his teachers exasperated.

"I was very naughty," he confesses, "I used to play truant. Mrs. Loh Hung Loon and her husband will probably remember me for missing their classes."

There were a number of other teachers whom Siew Sin remembers. One such person was Mrs. Wong Soon Cheang for whom Siew Sin had a great deal of affection. He considered her a personification of virtues and regarded her as his god-mother.

- K.L. Chitty, Lee Chin Lin, Goh Teow Chong, P.R. Pereira and T.J. Thomas were the other teachers who had a hand in moulding the young Siew Sin.
- T.J. Thomas was one teacher whom he remembers as having guided him the most discipline-wise and his influence has stayed with him till today.

Realising that Siew Sin was an intelligent boy, the teachers introduced his young mind to the broadness of human knowledge.

Siew Sin went to England to read for the Bar and he stayed there for a year. He had no intention of becoming a lawyer. He studied law because he had nothing else to do. He was in Switzerland at that time undergoing treatment and as England was nearby, he decided to study law. However the legal training he received disciplined his mind

Recalling his studies in England in 1938 he said: "I returned to Malaya after having spend about a year reading for the Bar in England. I passed all my examinations during that time. In fact 1 did rather well, having managed to obtain a First Class.

"At that time, I was the only Asian in that class. War broke out in Europe soon after and I did not go back. My father suggested that I should take up rubber planting which was after all the family's occupation."

So ended Siew Sin's formal education.



Tun Tan weds in Singapore (L-R) Mr. Woo Kwan Yung (Bestman), Miss Jessie Lee Joo Neo (Bridesmaid), Miss Lim Poh Choo (Flower girl) and Master Lim Chin Lock (Page-boy).



Tun Tan and his family – (L-R) Tan Siok Choo (2nd daughter), Toh Puan Lim Cheng Neo (wife), Tan Siok Lee (3rd daughter), Tun Tan Siew Sin and Tan Siok Eng (first daughter),

# CHAPTER FOUR WHAT MANNER OF MAN IS SIEW SIN

Always well-dressed, he is handsome and polished with the bearing of an elder statesman. At times he resembles a professor!

He is soft-spoken. His greatest asset is his voice — resonant and melodious — a voice that immediately captures the attention of his audience.

When Siew Sin speaks, his style is simple and straightforward, trimmed of ornament of any kind. His opinions are clear and penetrating. He is a good conversationist. In conference, he is openminded. He listens to a wide range of views — even views in conflict with his own. But once he has taken a decision, he is tenacious and seldom, if ever, yields. The reason is this. He has supreme confidence in his judgment.

When he was the President of the M.C.A. some described him as a snob noted for his aloofness especially from the rank and file of his own Party.

But according to those who had worked with him, this is not true. They say he is approachable and helpful. Many a time members of his staff go to see him. For instance when he visits his estates even the workers there seek his advice about their own problems. He assured me that he had never turned a deaf ear to their requests.

"What are we in this world for if we don't give a helping hand to those who ask for our advice or assistance?" he asked.

Siew Sin is one leader with whom you may differ radically. You may criticise him for some of his decisions but all will agree that there is sincerity in his motives — motives aimed at the welfare of Malaysia as a whole. His record of service to the nation speaks for itself.

One quality of Siew Sin is his indomitable individualism and his personal courage.

"I fear no one. I only fear God and my conscience," he told me.

He is also a man of principle. He has the courage of his convictions.

The truth of this is illustrated by a Parliamentary incident in 1953. In fact it was until then the only incident of its kind in the Parliamentary history of Malaya.

Siew Sin moved a motion of censure on Dato Onn for remarks that he had made outside the House, that were, in his opinion, calculated to upset racial harmony.

This caused quite a sensation because a censure motion was an unheard of thing in those days of non-elective government.

However the motion was defeated in division but Sir Gerald Templer, the then High Commissioner, called Siew Sin into his office and told him: "There should be more men like you in this country. I hope to live to see the time when you have a say in the destinies of Malaya."

When I asked him to recall the problems he had confronted as the president of the Malaysian Chinese Association and the way he had tackled them he was rather reluctant to discuss the subject. However it is common knowledge that the M.C.A. had faced some serious crises before and after Siew Sin has assumed the office of President. He had had differences of opinion with some leaders and members over certain political issues, one of which resulted in his decision to expel several members including some intellectuals of the committy. Among those who left the M.C.A. were Dr. Lim Keng Yaik and Datuk Paul Leong, both of whom had served as Chairman of the Perak State Liaison Committee. They joined Gerakan Party, which was formed by Dr. Lim Chong Eu, the Chief Minister of Penang and a former M.C.A. president.

Probably one of the most serious M.C.A. crises was its unexpected setback in the 1969 General elections when several of its candidates were defeated. Then came the disastrous May 13 disturbances. Indeed M.C.A. was then at the crossroads of its history. It was during this period of tension and trouble that the late Tun Dr. Ismail said,

### WHAT MANNER OF MAN IS SIEW SIN?

"The M.C.A. is neither alive nor dead . . . . "

Siew Sin didn't take this criticism lying down. His reply was:

"We must face the fact that unless the M.C.A. is prepared to play up issues on race and language it is virtually impossible to obtain more than 40% of Chinese support even in the best of circumstances. We are always operating at a grave psychological disadvantage and the surprising thing is not that we won 13 seats in 1969 but that we won even that number . . . . It is possible that there is a feeling in the U.M.N.O. that it can do without the M.C.A., in which case, from the M.C.A. standpoint, it would be far easier for us to be out of the Alliance . . . ."

Despite the many problems and occasional frustrations, Siew Sin had remained calm and courageous, especially when the M.C.A. lost the services of such stalwarts of the community as the late Dr. Lim Swee Aun of Taiping, a former Vice-President of the M.C.A. and the late Tan Sri Khaw Khai Boh, who was mainly responsible for the successful launching of the Tunku Abdul Rahman College (TAR),

Siew Sin denies that he was a dictator but he confessed that in regard to certain issues he had to remain firm in spite of serious differences of opinion with his associates.

Siew Sin admits that in politics differences of opinion are sometimes unavoidable but what is of paramount importance, according to him, is national unity.

However he does subscribe to the view so well expressed by Voltaire: "I disapprove of what you say but I will defend to the death your right to say it."

In the final analysis, Siew Sin says his decisions were motivated by only one desire – that is to maintain unity at all costs. He once disclosed that although he expelled some young leaders, he had nothing personal against any of them.

"In fact we are now the best of friends," he told me.

In his book, "The Prince and I," my friend and fellow journalist, Tan Sri T.H. Tan, laments: "After 20 years of secretaryship in the

Alliance Party, one of the gravest faults I found was the tendency on the part of its leaders on assumption of ministerial posts, to forget their supporters."

I am inclined to share that feeling about some of the leaders. In the case of Siew Sin, he claims he has not forgotten his supporters, friends and others who had contributed to the development of Malavsia.

Here it may not be out of place to mention the tribute he paid to the Chettiar community in 1957. Among other things he said: "In the early days of this country's development, i.e. in the closing years of the last century and in the early years of the present, "it was the Chettiar community which, by and large, provided the wherewithal which made even a start possible.

"Those were the days when there were no banks in our country. But for their capital and their readiness to risk it in what were then and still are regarded as doubtful ventures, it is hardly likely that this country would have made the rapid progress it has actually made. I feel therefore that they perhaps deserve slightly more appreciation than is usually accorded them," he added.

All too often not everyone who had served the country, gets recognition or appreciation. Therefore the rather generous tribute paid by Siew Sin to the Chettiars is timely.

A man who has from time to time preached religious tolerance he once told a meeting of the Malaysian Council For Inter-Faith Cooperation this:

"Malaysia is the meeting place of four of mankind's greatest religions, viz. Islam, Buddhism, Hinduism and Christianity. These four religions between them have influenced the faiths and cultures of at least three-quarters of the human race. In fact, it is no exaggeration to say that these religions are practised by nations which between them have perhaps influenced the destiny of the entire human race since the dawn of recorded history.

"As a result of this diversity, we in Malaysia not only preach in-

#### WHAT MANNER OF MAN IS SIEW SIN?

terfaith co-operation, we can also honestly claim that we practise it as well. That is our treasure and that is our heritage and none can deny that we have used it wisely and well. That is also our achievement and that is perhaps the lesson we can teach the world."

A devout Buddhist he has repeatedly urged Buddhist leaders to concentrate more on the substance of their religion than on its form. He has also called on them to make a basic reappraisal of their attitudes and methods in regard to the practice of their religion. He respects all religions and has an abiding faith in the universal brotherhood of man.

When discussing employer-employee relationship in his own company, the Sime Darby Group of which he is the Chairman, he showed anger at the suggestion by a shareholder that, Sime Darby had been an unfair employer.

"If that is so we would not have been doing so well," he told shareholders at the recent Consolidated Plantations' annual general meeting.

Siew Sin was replying to questions from a shareholder who had criticised the Sime Darby Group for being unfair to its executives, especially for not providing them with training.

"One thing I used to tell the Sime Darby staff when I took over as Chairman was that they should feel free to approach me. At times when I visit the group's estates even the labourers approach me and talk to me," he said.

"If for one reason or another any of the staff feel they have a raw deal, they can write to the management or even me," he added.

While a large majority of the Chinese still regard him as an able leader who did a lot for the community and the country there are some especially among the intellectuals who criticised his policies when he was the President of the M.C.A. A member of the new breed among the M.C.A. who counts a large circle of friends made this confession to me:

"When I was young the name Tan Siew Sin spelt an aura of awe

in me. I was impressed that for a man who spoke no Chinese could be the leader of the M.C.A. To me this revelation meant that language was not important to a man's political career.

"There were however many times when I felt that he betrayed the Chinese people. He compromised too much. He gave away our economic power in return for nothing.

"I am all for 30% Bumiputra share but not at the expense of us Chinese. I think it is because of this that the DAP has been so successful. Many people say that DAP is too Chinese chauvinistic. Maybe so, but this would not have happened had Siew Sin played his cards correctly. I am not a supporter of the DAP but his policies have almost driven me to the DAP.

"The May 13 incident should have been a lesson to him. But did be learn? I think not!"

A Chinese leader who was sensitive to his people would have taken adequate measures to overcome this tragedy.

Maybe it is a good thing that he left the government. He lost the confidence of the people and it was time that he left."

A young Chinese professional who is a staunch supporter of the M.C.A. had a different story to tell me.

"Siew Sin especially his father has done quite a lot for the Chinese but he could have done more. To some of us Chinese he sometimes appeared more Malay than a Malay."

Now to Siew Sin's personal likes and dislikes. One strange weakness of Siew Sin is his craving for chillies. He carries a bottle of pickled chillies whenever he goes to Europe or America. Believe it or not, once he had chillies for breakfast! "Yes, chillies are vital for my wellbeing," he told me with a smile.

A sportsman in his schooldays he has little time now for games, because of his involvement in business. Occasionally he plays golf but his passion is for shooting.

"I want to do more big game shooting. Something I wanted very

### WHAT MANNER OF MAN IS SIEW SIN?

much to do, even when I was very young.

"Recently I bought two large calibre double-barrelled rifles, but I still wonder if I will have the time to use them, as the animals which I have in mind are thousands of miles away," he said this with a touch of despair.

### CHAPTER FIVE

## WARTIME EXPERIENCES IN INDIA

Between December 1941 and April 1942 Japan in a series of striking military and naval victories brought the Nampo (as the Japanese called the Southern Regions) under one central political authority for the first time in history.

Landing in Kota Bahru, the superior Japanese aerial and military machine crushed whatever little opposition the Malayans and British could muster.

Tun Tan Cheng Lock and other prominent pro-British Chinese felt that the only way they could best serve the long-term interests of Malaya was by leaving the country for India.

Thus the Tan family spent the war years in India contributing towards a cause which they firmly believed. Siew Sin was attached to the British Ministry of Economic Warfare from which sprang Force 136 – a unit that would gain a name for itself in the war of liberation of Malaya from the Japanese.

Siew Sin's recruitment into this organisation began when he replied to a seemingly innocent advertisement in an Indian newspaper. This advertisement invited Malayans who were interested in the future of their country to form a committee. His curiosity aroused, Siew Sin replied, but he was not to hear anything till a few weeks later when he received an invitation for lunch at the Hotel Imperial in Delhi.

This lunch meeting left Siew Sin bewildered. During that meeting nothing but general talk was carried on. The Englishman whom he met, Siew Sin later discovered, was an industrialist.

Later he received a telegram inviting him to spend a weekend in Meerut. Intrigued, Siew Sin accepted it.

On arrival, he was introduced to an Englishman who was the head of a large international company.

It was during this weekend that he was told what it was all about.

### WARTIME EXPERIENCES IN INDIA

It was then that he realised that he would be working for the Ministry of Economic Warfare but was also told that it was to be an extremely dangerous job. This left Siew Sin worried but then it was wartime and he was prepared to die, if need be, for his country.

Only then did Siew Sin realise that the earlier lunch when they had talked of nothing but the weather was actually to assess his recruitment suitability.

Till today Siew Sin remains amazed at British subtlety. The advertisement that had been placed in the newspaper gave the impression that public spirited people (not resistance fighters) were needed to do voluntary work. It had given no hint of the actual work involved.

However, even during the weekend at Meerut he was not told of the actual work he would have had to do until he accepted the offer. He was given the option of refusing and they could take no chance of his refusal after being told of his actual "job".

When questioned, Siew Sin confessed that he was never in charge of intelligence. It was just "war work" which he still considers too sensitive to divulge.

Basically, Siew Sin says, his contribution to the war effort was linked to the now famous Force 136. He was recruited into the British Ministry for Economic Warfare while in his early twenties.

He worked with an elderly British lady who, to all intents and purposes, performed the duties of a personal secretary. However, she was more than an innocent secretary. Apart from Siew Sin, she knew exactly what Siew Sin was doing. She was a necessary cover as Siew Sin had knowledge of the people at the top. As such no chances could be taken.

Siew Sin's "job" enabled him to travel extensively in India and it was during this time that he had an opportunity to witness the growth of the Indian independence movement launched by the Indian National Congress. He was impressed with the determination of the Indians to rid India of the British.

Asked to describe his impressions of Indian leaders during the

war, Siew Sin said: "Arriving there just before the fall of Singapore to the Japanese, I found an India seething with unrest against the British even though the Japanese were almost knocking at its gates. Not long afterwards, the leaders of Congress were arrested and imprisoned by the British as a result of that famous "Quit India" resolution in August, 1942.

"India was clearly a dependency which had found its soul after the end of the war. When one has been there and seen what has happened there in those turbulent days, one can understand the adulation which leaders like Mahatma Gandhi and Pandit Nehru inspired in all Indians from every walk of life and of all ages and to whatever political complexion that they might belong.

"It is not too much to say that the story of India before its independence is no more and no less than the story of Mahatma Gandhi. It could almost be said that he was India.

"It is too early now to record the verdict of history on his life, his work and his achievements. There is, however, no doubt that he has left his indelible imprint not only on the face of modern India itself, on the history of newly independent people struggling for self-expression in the turbulent and momentous years of the last three decades, but on the history of the 20th century, itself," he added.

Indeed the time spent in India was a vital period for Siew Sin as it was a time of re-discovery of himself and his responsibilities. These experiences stood him in good stead when he began his political career.

Of the Indian leaders, he had this to say: "The Indians were very suspicious of the British unlike us Malayans who regarded the British as partners. Nehru had once described Malaya as a political backwater. The Indians understood the British much better than us because they had suffered at their hands in fighting for freedom".

### CHAPTER SIX

## MARRIAGE OF A BUDDIHIST IN A CHURCH

In this age there are men who wrangle for religion, fight for it, die for it, anything but live for it. It is therefore not surprising to find some men using religion as an excuse to start a war. From the Crusades to the Catholic versus Protestants confrontation in Northern Ireland, wars have been waged on religious issues.

We are hence in a situation where we just have enough religion to hate but not enough to love one another.

It is perhaps comforting to note that in this particular part of the world, in Malaysia to be precise, that we find a man of religious tolerance in Siew Sin.

Burton, an English philosopher, once remarked that every religion is as good as another. That aptly describes Siew Sin's religious attitude. In fact his religious tolerance has put him in a class by himself.

Once when Siew Sin was young, he had to fill out a government form. Under the column for race he wrote — Human, and under religion he put — Nil.

That was long time ago. Today Siew Sin professes to be a Buddhist. He is the patron of several Buddhist organisations throughout the country.

"I would not say that I am a devout Buddhist - in the strict Hinayana sense".

Siew Sin follows the Mahayana form of Buddhism - one that fuses the original teachings of Buddha and Confucianism.

"I practise ancestral worship and to many Chinese this is the main binding article of faith. Each year I pay my respects to my ancestors at the family tombs in Malacca," he said.

Born into Buddhism, the young Siew Sin has exhibited qualities of tolerance and understanding many a time. Marrying outside his religion did not dawn on him. But then Cupid works in strange ways. He was to meet a girl of a different faith.

It was in April, 1945 when Siew Sin returned from India with the

British Military Administration. He helped to carry on the family business. It was during this period that he often used to go down to Singapore for what he called R.R. (Rest and Recreation).

"I was like the cowboys - the ones which you see in the western movies, who after a long trail, had just received their wages.

Friends of his father were concerned that Siew Sin who was already thirty was still a bachelor. They felt that the young Siew Sin who was going into public life, should have a wife to grace the many public functions he would have to attend. In fact his father was anxious that he should marry early.

How then did Siew Sin meet his wife?

"One day Puan Y.C. Foo, a close family friend, approached me and asked me if I was interested in meeting a charming girl. I was curious, so I tried to get the girl's name. But she stood firm refusing to divulge anything. I guess she was afraid that I would just play with the girl's emotions. Anyway she told me that she would only introduce me to this girl if I was serious", recalled Siew Sin.

Curiosity got the better of him and he agreed to meet the girl. A week later Puan Y.C. Foo organised a party and invited Siew Sin. The first time Siew Sin met his wife was not at the party but in the car that took them to the party. Puan Foo made sure that they would be travelling together so that they could get to know each other better. Little did Siew Sin know that he was to meet his Waterloo. He was to fall in love and to marry Lim Cheng Neo.

What was Siew Sin's first reaction to Lim Cheng Neo - his wife to be?

He answered: "Well, I thought she was good looking. She was presentable, and had a wonderful sense of humour. I was attracted to her. It was a pleasant evening and I enjoyed talking to her. Lim Cheng Neo was not without admirers. Looking back, I was very lucky that she chose me to spend the rest of her life".

After the party, Siew Sin was to court Lim Cheng Neo for six months. Prior to his engagement, both families raised no objections

# MARRIAGE OF A BUDDHIST IN A CHURCH IN SINGAPORE

and they set the wedding day for February 8, 1947.

His family, especially his mother and sisters, were very impressed with Lim Cheng Neo. His father was happy with his marriage plans. It was only natural that he wanted to be a grandfather as soon as possible.

When Tan Sri C.Y. Foo heard of Siew Sin's proposal of marriage, he remarked: "Siew Sin's proposal after a six-month courtship comes as no surprise to me. He is fast in everything except driving."

Siew Sin had agreed to marry in the church. For a Buddhist to go through a church wedding was unheard of in those days. After taking his vows, he complemented it with a Chinese ceremony back in his hometown.

Initially the late Tun Tan Cheng Lock was against the idea of a church wedding. But he relented because he held Lim Cheng Neo's father, Mr. Lim Bok Kee in high esteem.

This wedding was the biggest social event of the year. The couple took their vows at the Methodist Church in Singapore. The marriage was solemnised by Bishop Edwin Lee, Rt. Honourable Malcolm McDonald, the then British Commissioner-General in Southern Asia, proposed the toast. The Governor of Singapore, Gimsom was present along with several leaders of the various communities.

After the wedding, Siew Sin spent his first night with his wife at his in-laws' house. He did not realise that this practice was against Chinese culture. With his Peranakan background it did not occur to him that it was unspeakable and even unthinkable for the groom to spend the first night at the in-laws' house unless he was a bankrupt!

It was only years later that Siew Sin realised his "mistake". Then, of course, it was too late to rectify it. He says: "The Chinese community in Singapore must have thought pretty lowly of me then. My background was a fusion of Sino-Malay tradition. Among the Straits-born Chinese this practice was permissible. Many of us do not realise that daily we are unconsciously following the Malay customs. Sometimes I tell my Malay friends that I am also a Bumiputra.

Six months after the wedding, Tun Tan Cheng Lock sent Siew Sin's sister to check whether Mrs. Tan Siew Sin was pregnant. When he heard that she was not carrying a child, Tun Tan Cheng Lock called for Siew Sin and gave him a lone lecture.

"My father was anxious that a boy should be born so that the family name could be carried on."

To put it mildly, his father was disappointed that he was not able to father a boy. He wanted the family name to be carried on. After his third girl he decided to stop. Siew Sin felt that God in his infinite wisdom would not grant him a son.

Siew Sin allows his children a lot of freedom. They are free to choose any faith.

"I told my wife that while we profess different religions we should allow our children a choice and not force it down."

Two of his daughters are Christians, while the other does not seem to practise any religion.

The story of Tun Tan cannot be complete without mentioning some of the personal details about Toh Puan Tan nee Lim Cheng Neo. She comes from a well-known Singapore Christian family and is a dietician qualified in Australia.

Like wives of all national leaders she has played her role as a Minister's wife well.

Toh Puan Tan is more often seen than heard. A person of quiet charm and few words she has proved an excellent partner for Tun Tan. Also as a mother she has brought up her three children — all daughters. Their success in studies was mainly due to the care and concern she had shown in their welfare. Always she has given her children a lot of freedom to think for themselves and take their own decisions.

In her own quiet way she has been a source of great strength to Tun Tan throughout his career as a Minister. She officiated at the launching of the Malaysian ship, Bunga Melor in Japan on November

## MARRIAGE OF A BUDDHIST IN A CHURCH IN SINGAPORE

25, 1970.

With a touch of humility she confesses that she does not claim any credit for the many achievements of her husband.

When asked if it was true that she had a lot of influence over her husband, she replied: "I hope you mean good influence and not bad influence". And then she smiled.

What about the problems that have confronted Tun Tan first as a Cabinet Minister and then as a community leader?

"I think it is only right and proper for a wife to be willing to share her husband's worries. The reason is this. By her intelligent discussions with her husband she may help solve some of his problems or make the problems less formidable," she said.

In answer to yet another question she said: "I have managed to have a life of my own during all these busy years. I feel I am quite adaptable. However, I consider that the children are the ones that suffer the most in the sense that their parents, especially the father, have very little time for them. I suppose that is the penalty of having a famous father."

All their children were born in January and when asked whether she had planned to have them that way, she said: "Yes, I did plan to have my children two years apart. This I have managed to achieve quite easily. They were born in 1950, 1952 and 1954. I must admit I am not such a good planner after all, as I have all three girls,"

Managing the affairs at her home is her sole responsibility. "My husband never interferes in what I do and in the decisions I take about my children". In fact Siew Sin seldom uses the cheque book.

It is Toh Puan Tan who writes out all the cheques. Indeed she is the 'finance minister' at home! Her decisions on matters relating to the house are always final.

From time to time she keeps herself busy not only with the chores at home but also in social and cultural activities in Malacca first and now in Kuala Lumpur. She has assisted in numerous fund-

raising projects mainly in Malacca. All these were in aid of various charities. Flower arrangement is one of her hobbies.

From friends who have known the Tan family from their early Malacca days, I learn they are an ideal husband-wife team.



Tun Tan in a pensive mood in his office at Sime Darby Berhad headquarters in Kuala Lumpur. Below he is reading the latest news in a local newspaper.





Tun Tan poses for a photograph below the portrait of his famous father, the late Tun Sir Cheng Lock Tan – Picture by courtesy of STERN of Hamburg.

### CHAPTER SEVEN

## A BITTER FOE BECOMES A LOYAL FRIEND

It is common knowledge that Siew was at first very critical of the actions and utterances of UMNO leaders including Tunku Abdul Rahman soon after the latter succeeded Dato Onn bin Jaafar. Siew Sin and his father, the late Tun Tan Cheng Lock backed Dato Onn when he formed the Independence of Malaya Party.

Then, how did Siew Sin become a staunch supporter of the Alliance which he once criticised so bitterly?

In reply to a series of questions about his volte face Siew Sin outlined the main reasons for supporting UMNO under the leadership of the Tunku.

I quote: "It will be recalled that the late Datuk Onn in early 1951, as far as I can remember, proposed that UMNO should throw open its doors to the non-Malays as well, and admit them as full members of that organisation. This move was strongly opposed by UMNO as a whole with the result that Datuk Onn left UMNO and formed the Independence of Malaya Party (IMP).

"I for one felt that Datuk Onn's move was both appropriate and timely, because even then I was strongly of the view that the sooner we forgot about our being Malays, Chinese, Indians and so on, the better for all of us. I was therefore very unhappy when he had to leave UMNO because of this. When the Tunku succeeded Datuk Onn as the UMNO President I well remember one of the first specches the Tunku made as its President. He asked, "Who are these Malayans?" I must admit that this remark really worried me. I regarded this remark as implying that the non-Malays in this country had no right to call themselves Malayans. Not unnaturally, I came to the conclusion that it was not possible for the MCA to work with UMNO under its new leadership.

Datuk Onn then formed Independence of Malaya Party (IMP) and with these thoughts in mind, I naturally strongly supported this Party as I felt that it was the only hope for the future. Then came

the February 1952 Kuala Lumpur Municipal election, the first election to be held in the history of this country.

Tun H.S. Lee, who was then the Chairman of Selangor MCA, wanted to fight this election on an MCA ticket. He approached my father who laid down only one condition, and that was that he had to have a Malay partner, because my father felt that it would be disastrous to start fighting elections on purely racial lines. The IMP, under Datuk Onn, had already declared that it would fight this election. My father therefore felt that it was undesirable for a purely Chinese party on its own to fight a multi-racial party like the IMP, fl, on the other hand, it had a Malay partner, then it would not be a racial conflict but an ideological one, and that was all right by him. Tun H.S. Lee, therefore, persuaded the Kuala Lumpur UMNO leader, but was a conflict but an ideological one, and that was all right by him. Tun H.S. Lee, therefore, persuaded the Kuala Lumpur UMNO leader, but was a conflict but an ideological one, and that was all right by him. Tun H.S. Lee, therefore, persuaded the Kuala Lumpur UMNO leader, but was a conflict but an ideological one, and that was all right by him. Tun H.S. Lee, therefore, persuaded the Kuala Lumpur Lumpur between the two parties was duly reached and this, as you know, marked the birth of the Alliance.

The late Messrs. Yong Shook Lin, Khoo Teik Ee and I, however, felt that the MCA should not ally itself with the UMNO for even this limited purpose for the reasons given above. In fact, we felt that UMNO was the worst possible partner for us and we were determined to fight this move. Hence, at the request of Datuk Onn, I campaigned for the IMP in Kuala Lumpur. I remember Tan Sri Omar Ong Yoke Lin attending one of our election rallies at which both Encik Shook Lin and Encik Teik Ee spoke. Encik Teik Ee called the UMNO-MCA Alliance a marriage of convenience while I attacked UMNO, Tunku and Tun H.S. Lee.

"I also remember vividly sitting beside the radio at my house in Malacca on the night the election results were announced. The newly born Alliance won nine seats out of 12. I was so fed up with the news that I turned off the radio straightaway and went to bed. I was washast as I thought that the results were disastrous for the country.

"It soon became obvious, however, that the IMP could not work. Neither the Malays nor the Chinese supported it and IMP meetings

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were more like MIC meetings because most of those attending were Indians. As a result, too, Datuk Onn became steadily more and more disenchanted and his attitude changed correspondingly. I must admit that I also was bewildered and wondered what the next move should be.

"Gradually I came to know the Tunku and the late Tun (Dr.) Ismail better and felt that they were not so bad after all. Although Tun Abdul Razak became a member of the Federal Legislative Council in 1951, having taken his late father's place, he kept a low profile politically outside the confines of UMNO, as far as I can remember, largely because he was then still in the Malayan Civil Service, as it was then known.

"By 1954 I had known the three of them well enough to feel that we could probably make a go of the Alliance up to a point. I decided to stand by the Tunku in the famous 1954 walk-out from the Legislative Council when we could not agree with the late Sir Donald MacGillivary on the question of the quantum of an elected majority in the forthcoming 1955 elections to the Legislative Council. I even took the trouble to sign an undated letter of resignation which I handed to my father as I knew that if the walk-out came about, it would take place when I was overseas on holiday. I therefore ensured that I would resign with the other members of the Alliance in the Council even though I would not be likely to be in the country at that time.

"At this point in time, I was however still not certain how far I could go with UMNO. What convinced me that UMNO and the Alliance were worth supporting to the hilt were the eyents of 1956. When the British Government announced that independence would be coming soon, I made a statement in my capacity as Chairman of the Publicity Sub-Committee of the MCA that UMNO must concede to the non-Malays the right of jus soli, i.e. the right of non-Malays to become citizens by operation of law by reason of birth in this country. UMNO straightaway countered that they could not accept this suggestion, and this was also published. The Tünku realised then

that this was an explosive issue and formed a committee of the Alliance to go into the whole question of the major provisions of the constitution of an independent Malaya.

"The Reid Commission was then at work collecting views from the people but this was a purely Government body and would naturally look at things from the purely official angle. Our Committee, on the other hand, would have as its main task the reconciliation of conflicting views on major issues between the member parties of the Alliance. My father, though still nominally President of the MCA had, in fact, been out of action since the accident and illness which overtook him in 1955 and which had incapacitated him mentally. This Committee was headed by Tun Abdul Razak and consisted of representatives of UNNO, MCA and MIC, which joined the Alliance only in 1955.

"A Working Party of the full Committee was formed, but I could not sit on it as I then lived in Malacca. The members reached agreement on the citizenship provisions and these included those who represented the MCA. When I saw the agreement I was horrified as I felt that the concessions made by UMNO fell far short of what I regarded as the essential minimum. When the plenary session of the Committee was held, I warned the UMNO leaders that although the whole of the MCA had agreed to these provisions, I was determined to fight them to the bitter end, alone if necessary.

"What made me so determined to fight was that at about this time a Malay newspaper — which was since gone out of existence — by the name of "Warta Negara" published a statement to the effect that from that time the Malays must ensure that they become the master race of an independent Malaya. In fact, I wrote to the Tunku on this matter and stated that this statement reminded me of Hitler, and therefore felt that the non-Malays should insist on certain essential constitutional safeguards to ensure that they would not be left behind in an independent Malaya.

That was why I concentrated on two issues in this Committee,

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citizenship and the special position of the Malays. The original Article 153 was a compromise which was hammered out as a result of this understanding. The Malay leaders also made concessions on the matter of citizenship even though they knew I was alone and even though the MCA had committed itself to something far less satisfactory from the non-Malay point of view. I must say that the magnanimity and understanding of the UMNO leaders impressed me deeply. After all, these were vital issues to them as well, and yet they showed considerable understanding and foresight in such an emotional and explosive atmosphere. I thereupon decided that to the end of my days I would support the Tunku and UMNO to the hilt as the Tunku and his colleagues had proved their sincerity beyond any shadow of doubt when it came to the acid test. The Tunku proved it by his actions. We could not have asked for more.

"To my mind, the necessity of enacting fair laws to enable the non-Malays to acquire citizenship expeditiously was the acid test of UMNO's sincerity, because this issue would vitally affect not only the present generation of non-Malays, it would vitally affect the generations yet unborn. "It took on added significance at that time because it was obvious to those of us who had dealt with British Government officials that it was their deliberate intention not only to make it extremely difficult for the non-Malays to acquire citizenship, they went out of their way to instigate the Malay leaders against giving in to this just demand. I can quote two examples to substantiate this statement.

At a meeting of the Communities Liaison Committee, chaired by Mr. Malcolm MacDonald, the Malay and the Chinese leaders managed to reach agreement on this matter. This was in the early '50s. The people involved on the Malay side were the Tunku, while my father and Encik Shook Lin represented the Chinese side. When the late Sir Vincent del Tufo, who was then Deputy Chief Secretary, heard of this agreement, he was horrified and warned the Malay leaders that they were "opening the flood gates", to use his exact words. The Malay leaders thereupon had second thoughts, and this agree-

ment was never implemented.

"Later, the Government formed a committee headed by the then Attroney-General, Sir Michael Hogan, to look into this matter again. I was a member of this committee which consisted largely, if not entirely of members of the Legislative Council. Datuk Onn was also a member of this committee. We got on very well and the Malay leaders, including Datuk Onn, were sympathetic. "Thanks to their reasonable attitude, we managed to reach agreement on major points at issue so much so that one of the British officials became rather worried and intervened, and said something to this effect: "The trouble with you Chinese is that the more you get, the more you want. You are never satisfied."

"I must admit that I was so angry with him that I lost my temper completely and swore at him in the most violent language. I therefore the thing of the swore at him in the committee and expose official British intentions publicly. I well remember Sir Michael Hogan's face. It changed colour several times. But they knew that I meant business and they remained silent.

"From then on I realised that there was no hope of Malays and Chinese reaching agreement on vital issues so long as the British were around. They were obviously determined to play this game of divide and rule to the utmost. I even came to the conclusion that continued British rule in this country could eventually mean even communal bloodshed.

"It is significant that on the day of independence, i.e. on August 31, 1957, only about 10% of the non-Malays were citizens of this country. Twelve months later, about 90% had been enfranchised. As they say, the proof of the pudding is in the eating, and it was clear to me then what our future course of policy and action should be.

"It is obvious, however, that in the last analysis what converted not only me but many other Chinese was Tunku's magnificent leadership. It is no exaggeration to say that had anybody but Tunku been at the helm of the Alliance in the early years of independence,

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the history of Malaya, and later Malaysia, could well have been different.

"I well remember a long discussion I had with Tan Sri T.H. Tan, who was then Executive Secretary of the Alliance, in the early fifties. I still had some doubts about it and its future course.

"The decisive factor, so far as I was concerned, which removed those lingering doubts was Tunku's personality. I was convinced without any persuasion that so long as he was the head of the Alliance, we could not have a better leader — a warm, human personality who is generous and loyal to a point which sometimes become an embarrassment even to himself", added Siew Sin.

In passing, I must add that when UMNO was deliberating over the question of granting citizenship rights to non-Malays in the country. Siew Sin who, as one of the leaders of the Chinese community, appealed to the UMNO leadership for their understanding on the delicate issue and to be liberal in the act of granting such rights to those born in Malaya, other than the members of the Malay race.

Through a genuine display of true understanding and fairness by Thuk Abdul Rahman, Tun Abdul Razak, Tun Dr. Ismail and other UMNO leaders, non-Malays were granted citizenship rights under the principle of Jus Soli.

Convinced of their honesty and fairplay over the position of the other races in Malaya, Siew Sin made a silent vow to back the Tunku for the rest of his life. He cherishes the continous thought that despite its strength, UMNO was humble enough not to forget the legitimate rights of the non-Malays in Malaya. To him, UMNO leaders had passed the acid test, and hence his vow.

His nearness to the Tunku, Tun Razak and Tun Dr. Ismail was such that many a would-be tight situation were solved over breakfast or over the hot line. Even to this day, a hot-line telephone lies within easy reach on Siew Sin's desk at Sime Darby (M) Berhad, Kuala Lumpur for the sole purpose of speedy contact with the current leadership on matters of national concern.

#### CHAPTER EIGHT

### AN INVITATION FROM THE TUNKU

When asked to explain how he came to be involved in active politics, Tun Tan said: "Several months before Merdeka Day, i.e. August 31, 1957, Tunku Abdul Rahman, as the leader of the Alliance, ofered me a seat in the Cabinet. He told me not to give him an answer straightaway, but to consider it carefully before making up my mind.

"My first inclination was to decline the invitation, but my closest associates, in whom I confided, told me that I must accept for the sake of the country. They reminded me that we would now be in a position to do something positive, because we would now be the masters of our own destiny."

When many would have grabbed the offer, Siew Sin hesitated. "I gave the matter a lot of thought. I was not interested in power. I was only interested in serving my community.

"In fact my relations reminded me that in a newly independent Maya, I could play a worthwhile role. That is why I eventually decided to accept the Tunku's offer. Even then I promised my wife that I would be in K.L. for only two years. His change of mind was a gain to Malaysia for, with his vast exposure in commerce, he was to guide the country's economy.

Fate had also decreed that he was to become the longest serving Member of Parliament.

"Looking back, I have no regrets for the decision I made early in 1957"

"Previous to the invitation from the Tunku, I had been a member of the Federal Legislative Council since 1948, and hence I did a certain amount of public work. I also held several posts in the MCA. What probably started everything was that I grew up in a political atmosphere owing to the influence of my father. Last but by no means least. I have from my earliest years been a student of history."



Flower arrangement is one of the hobbies of Toh Puan Tan Siew Sin. Looking on are their two daughters and Tun Tan.



The late Tun Abdul Razak, former Prime Minister and the late Dr. Lim Swee Aun, a former Deputy President of the M.C.A., with Tun Tan Siew Sin visiting the exhibition of the Personal Records of the late Tun Cheng Lock Tan in Kuala Lumpur on November 30, 1967.

Below Tun Tan Siew Sin praying at the Ancestral Tomb of his great grand-father, Tan Choon Bock in Malacca on March 3, 1964.



## AN INVITATION FROM THE TUNKU

The early fifties were a period of mutual suspicions between the various races. However the leaders of UMNO, MCA and MIC were able to convince their respective followings that the future lay in inter-racial co-operation for the independence of this country. The problems faced by the leaders in getting this message across and obtaining their support were outlined by Siew Sin. I quote:

"To put it very briefly, the main credit must go to the Tunku. It was his superb leadership and his unique ability to generate not only trust and confidence but also affection and respect, that enabled this country to weather those first crucial years without serious incidents, apart from the events of 13th May 1969.

"The top leaders of the three member parties of the Alliance, — UMNO, MCA and MIC — functioned as members of a closely knit family and not as leaders of communal political parties trying to be heroes to their own people. As a result of this very close rapport at the top we managed to work as a team and this spirit of tolerance and understanding was communicated down the line," he added.

Siew Sin seconded the motion in the Federal Legislative Council on the Constitutional Proposals for independent Malaya. He has often described the Constitution as a "fair compromise". When asked why it is fair, his reply was: "Very few of our people remember that before independence about 90% of the non-Malays were disenfranchised by the citizenship provisions in force in those days. In regard to the special position of the Malays, the 1948 Constitution drawn up by the British specified that one of the duties of the British High Commissioner was "to maintain the special position of the Malays and safeguard the legitimate interests of the other communities." It will therefore be seen that this phrase could mean nothing but it could also mean everything, because whichever party took power after independence could do exactly as it pleased. So vague was the wording.

"Among other things, I insisted on two conditions before going to independence. Firstly, I insisted that the citizenship provisions of the Constitution of an independent Federation of Malaya, as it was

then called, should be so liberal that the overwhelming bulk of the non-Malay population would be able to obtain citizenship immediately after independence without any difficulty whatsoever. To the credit of the Malay leaders, they agreed to my proposal even though the MCA officially had agreed to something which I regarded as grossly inadequate.

"I insisted that the provisions regarding the special position of the Malays should be spelt out in detail so that everyone will know what the Government can do and what it cannot do. This is how Article 153 came about. In fact, it was spelt out in such great detail that when the New Economic Policy was proposed in 1970 and implemented in 1971 when Parliament reconvened, that Article had to be changed radically so as to enable this policy to be put into effect.

"The point which I wish to make, however, is that the Malay leaders gave way on two of the most important issues in order to accommodate what I regarded as the legitimate and minimum aspirations of the non-Malays. In short, they reversed the policy followed by the British.

"When the Malay leaders took such a reasonable attitude, I was very touched and decided that from that time on, I would back them for the rest of my life. I was, therefore, very honoured when Tunku asked me to second his motion in the Federal Legislative Council for the adoption of the Constitution of an independent Malaya, even though I was not a member of the Government at that time and was only the Publicity Chairman of the MCA.

"That was why, when making the speech seconding this motion, I called it a fair compromise. In fact, when I finished making this speech quite a few leaders of the Alliance told me that it was the finest speech that had ever been made in the history of the Council.

On racial harmony and national unity, he listed the following as the major successes of the Government in this direction:

"To begin with, let us remember that our multi-racial society is probably the most difficult experiment in the whole panorama of

## AN INVITATION FROM THE TUNKU

human history. We have here a country consisting largely of three completely different races who came together to form a united nation. The Malays, Chinese and Indians are as different as three communities can ever be. Their religions are completely different, as the Malays are Muslims, the Chinese are Buddhists, and the Indians are Hindus. Their languages are completely different.

"Jawi, the language of the Malays, is based on the Arabic script, the Chinese use ideographs, and the Indian community in this country who are largely Tamils, have a different language altogether. As a result, their cultures are completely different. Even the food they eat is different. Pork to the Chinese is what beef is to the Englishman but pork is taboo to the Malays who are Muslims.

In so far as their womenfolk are concerned a foreigner arriving in this country even for the first time can immediately differentiate between Malay women, Chinese women and Indian women. Not only do they dress differently, they look different and quite often are poles apart.

"What, therefore, surprises me is not that 13th May 1969 occurred. What to me is pleasantly surprising is that it did not occur oftener and on a larger scale, and I feel that the reasons for this unique achievement are two, viz., good leadership, and the good sense of the common man in this country," he stressed.

#### CHAPTER NINE

### FROM A PLANTER TO CABINET MINISTER

Historian Toynbee compared human societies to climbers on a cliff. Some have found niches in the  $\operatorname{rock}$  — and are content to rest where they are: static, petrified unwilling to venture any higher.

By contrast, the dynamic societies disdain the mean shelter of the rockface; they aspire to the heights and willingly risk the danger of a fall for the glory of the summit. In many ways this metaphor sums up the life and times of Tun Tan Siew Sin who belongs to the dynamic society.

Siew Sin began working life as a planter. This was quite natural as the family occupation was planting. But Siew Sin's advent in a rubber estate was rather disappointing. The reason? His father wanted him "to start at the bottom of the ladder.".

What did Siew Sin think of his father's move? Let me quote: "You can imagine the rude shock I received when I was informed that, in spite of what I considered to be rather satisfactory academic qualifications, I was not worth more than \$25 a month!"

Although he was given what could have been considered a meagre salary, he was not left wanting. He was given a car and a chauffeur, both maintained by his father. Also, he was allowed to make frequent all-expenses-paid trips to Singapore.

Apart from these luxuries bestowed upon him because his father did love him, he had to start work at the bottom rung of the ladder. He was subject to the same discipline as any other employee. His mother's objections to this went unheeded.

This humble beginning was to provide him with invaluable experience in the future.

He performed the work of a "mandor". This meant that he was nothing more than a head labourer.

Siew Sin's father was a strict disciplinarian with a keen eye for

## FROM A PLANTER TO CABINET MINISTER

details. He carried out regular inspections, dismissing anyone found making any mistakes.

Siew Sin escaped getting caught thanks to his brother-in-law, the late Mr. S.K. Chan, a first class planter by any standard, who taught him the tricks of the trade. He was indeed a pioneer in the field of planting. Mr. Chan was the man who first thought of mechanisation in planting in Malaya. He was later proved right. A man with an original mind, Chan died in 1969.

Siew Sin knows and appreciates the wisdom of his father. Didn't the first Henry Ford and the first John D. Rockefeller make their sons start from the bottom before they were allowed to make it to the top?

Just like Siew Sin they had to work their way upwards like any other employee even though the businesses in question were entirely owned by their fathers.

The present head of the House of Birla which is probably India's most famous industrial family and which has a hand in the production and marketing of practically everything in India from matches to aeroplanes, once said in a public speech that he was sadly disillusioned when he first started to work for his father, simply because he was made to start at the very bottom and had to take his chance with the other employees of that huge organisation. He also said that that was how he learnt his job.

The same thing applied to the famous Japanese industrial house of Mitsui. Before it was broken up by the Americans after the end of the Second World War, it controlled a substantial portion of Japan's total external trade. It was a colossal undertaking and rivalled in size and scope some of America's industrial giants. That economic empire had played a significant role in Japan's economic destiny for many generations by ruthlessly disinheriting any sons who were found wanting.

It has been said that most of the heads of that family were adopted just because they happened to show promise!

Coming home, let us look at the way the Chinese who are shrewd businessmen have made good.

A young Chinese who is keen to succeed in business usually starts of by working either for a Chinese shop or for a foreign company in order to gain experience. Those years of learning the trade are anything but a bed of roses. When he thinks he has learnt enough, he branches out on his own with the small capital acquired as a result of his thrift. He now tries to make money for himself and finds that his years of apprenticeship were easy compared to his present struggle.

"Success in business can come only after a long and painful struggle. It is not possible to achieve spectacular results in a short time. That, of course, does not mean that we should not try," Siew Sin says.

Siew Sin's career as a rubber planter was cut short by the unexpected invasion of Malaya by the Japanese. The war years he spent with his family in India.

Even in his youth Siew Sin showed remarkable foresight. In the late thirties he had already realised the profits to be made by wholesale rubber replanting. Through simple arithmetic, he knew that Sir John Hay, who first advocated it, was correct.

Siew Sin felt that since the yields from the new clones would be higher, the profits to be made would be enormous.

His father was appalled at the suggestion. He was called irresponsible. Tun Tan Cheng Lock even threatened to disown his son for even daring to suggest it!

Siew Sin, being only about 23 then, did not dare voice his opinions publicly. Although he strongly believed in his own convictions, he was afraid of being labelled a young upstart.

The war over, Siew Sin was proven correct. The high profits to be made had already become obvious by then. His father had to admit Siew Sin was not so wet behind the ears after all!

Siew Sin began to take a more active role in the management of

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the family estates after the reoccupation of Malaya. He had proven himself worthy. Furthermore, his father was nearly always kept busy in helping to solve the many new problems facing post-war Malaya.

Father and son were both invited to serve in the various business, cultural, social and political organisations.

It was one of the most critical periods in the history of Malaya.

The anti-Malayan Union movement was launched by U.M.N.O. under the leadership of the late Dato Onn bin Jaafar. The non-Malays, aiming to safeguard the interests of all races in the country, formed the All-Malaya Council for Joint Action.

Siew Sin had a special regard for the late Dato Onn. He was very fond of Dato Onn and held him in high esteem.

Siew Sin was very close to him in those days. He says that he preferred Dato Onn to the Tunku. Whenever Dato Onn came to Malacca, he stayed at his house.

Siew Sin was attracted to Dato Onn's idea of a multi-racial party and was very sad when Dato Onn had to leave U.M.N.O.

"I have no doubt that time will vindicate his far-sighted vision of a multi-racial party," Siew Sin states.

Tun Tan Cheng Lock also helped to form the Malayan Communities Liaison Committee in 1948. At that time, Tun Cheng Lock did not want his son to become actively involved in politics. He wanted Siew Sin to gain experience in politics. This was proven to be a wise move for his years in business was to stand him in good stead when he eventually became the Finance Minister of Malaysia.

In 1949, Tun Tan Cheng Lock became founder President of the newly formed Malayan Chinese Association.

When he was only 32 Siew Sin was appointed a member of the Federal Legislative Council. That marked the start of his political career. He was one of the youngest in the ranks of many eminent leaders who then served on the Federal Council.

On receiving notice of his nomination, Siew Sin hesitated for a

whole week. When he sought his father's advice, he was told that the All-Malaya Council for Joint Action which Tun Tan Cheng Lock had helped to form was moribund. So he was given his father's consent to serve on the Federal Council.

Prior to this nomination, Siew Sin was already on the Malacca Municipal Commission. The appointment to the Federal Legislative Council provided Siew Sin an opportunity to participate actively in the affairs of the country. The early experience he had gained on the Municipal Commission proved immensely useful in his later life.

Siew Sin confesses that at first he was very surprised to receive the nomination as he was then regarded as very anti-British.

Meanwhile Siew Sin also kept busy serving on various other organisations. He was the President of the Rotary Club of Malacca, a member of the Council of the Malayan Estate Owners' Association (he was later to be its President) and also served on boards of several companies.

With all these activities, Siew Sin was left with very little time to devote to the family business. Nevertheless, his association with the captains of industry enabled him to study the finer points of business practices and principles.

In 1957 he was appointed Malaya's Minister of Commerce and Industry. This was the turning point in his political career. After his appointment as a Cabinet Minister he swiftly rose in the political hierachy.

Unlike the present setup where we have the Ministry of Trade and Industry and the Ministry of Primary Industries, when Siew Sin took over, the functions of both were under his wings. Even tourism and the National Electricity Board were his responsibility.

While he was the Minister of Commerce and Industry, he encouraged a liberal economy, agrarian reforms and a broadening of the base of Malaysian economy by a gradual introduction of industrialisation. He offered generous incentives to investors.

"We needed foreign investors more than they needed us," he

## FROM A PLANTER TO CABINET MINISTER

stresses.

During his tenure of his office as Minister of Commerce he initiated many projects through RIDA for the improvement of the economic position of Malays.

Within a few years he was appointed the Minister of Finance in which position he had a distinguished record of service. He was elevated to this prestigious rank in 1959. Indeed he created history by holding this post for no less than 15 years — establishing a world record yet to be equalled or broken.

In carrying out his duties as a Minister, Siew Sin had attempted to be fair to all Malaysians, irrespective of race.

This is what the Tunku, who knows him better than any other person in the country, said of him at the eightieth general assembly of the Malaysian Chinese Association several years ago.

"You have as your leader, Tun Tan Siew Sin, a typical Malaysian Chinese, although as such he speaks no Chinese at all. He has been accepted by the Chinese as the President of the M.C.A. and as their leader. This itself is a true indication of how the Chinese mind works.

"Tun Tan is also a typical Malaysian. He lives and thinks Malaysian. I remember one occasion when some Chinese rice-millers met him in Kuala Lumpur and made certain demands for the increase of the price of rice and to be given certain laxity in dealing with their merchandise.

"Siew Sin told them off and asked them to return home. They immediately came to see me and complained that Siew Sin is not a Chinese, to which my reply was, he is a Malaysian and they must follow his example.

"He has to make everybody in Malaysia happy. He is also a very busy Minister with finance as his business and concern — the financial well-being of the country rests squarely on his shoulders. This inevitably confines him to the office. He is not able to move about as much or as freely as he would like to. Once he was nearly killed by gas leakage from his cheap Government car, but, thank God, he is

spared to carry on with his valuable work for his party, the M.C.A. and his country, Malaysia," added the Tunku.

The principles which guide his political thinking are based on Lincoln's Second Inaugural: "With malice to none; with charity for all; with firmness in the right."

## CHAPTER TEN

## FINANCE MINISTER WITH MANY FIRSTS TO HIS CREDIT

Few finance ministers in the world have served as long and as successfully as Tan Siew Sin. His success is remarkable when one considers the fact that he strongly disliked mathematics and economics in school. He used to play truant when it was time for mathematics and he "never cared much for the theory of economics".

According to Siew Sin, he has the uncanny ability to do the right thing at the right time. Also, his years in managing the family business has helped him. Leaders from other countries who have visited Malaysia and those who have studied the economic conditions here have been lavish in their praise of him, acclaiming him as a financial genius.

The leader of the World Bank investigating team once said: "Thanks to God, the high price of rubber and to your finance minister, Mr. Tan Siew Sin, Malaysia is financially sound".

Whereas even the most developed countries have admitted growth with inflation, Malaysia, during Siew Sin's term of office, achieved growth without inflation. That says enough for his financial wizardry.

In presenting his first budget as Finance Minister in Parliament on November 25, 1959, Siew Sin put in a few but well-chosen words, his philosophy: "In framing a nation's budget, one hopes to combine that essential foundation of realism with an adequate inter mixture of practical vision so that our country can face the future with the confidence based on the knowledge that its policies, though prudent, yet take into account the tremendous possibilities which await this young nation if, in conjunction with that prudence, we show those qualities of enterprise, thrift, imagination and industry which could lift us from the difficulties of today to the promised land of tomorrow".

Siew Sin believed in bridging the gap between the haves and the

have-nots by increasing the size of the economic cake so that there would be more to be shared out. The only way to do this is by strengthening and expanding the economy through more investments, both domestic and foreign.

He provided incentives for the establishment of new industrial enterprises such as those to be seen in Petaling Jaya and the other Free Trade Zones which sprouted in the rest of the country. Revenue was thus increased by creating conditions which stimulated economic growth.

Whereas the expenditure budget in 1960 was \$888,674,650; in 1972 it was \$2,735,141,181 and while development accounted for \$250,443,122 in 1960 it was \$1,244,594 in 1972. This represents an almost four-fold increase.

How was Siew Sin able to achieve such successes in the financial management of the country?

The reason for this is a rare gift of seeing things in advance. For instance, he was able to foresee the dethronement of the then almighty American dollar.

He took steps to channel and re-channel some of Malaysia's funds. His timely move resulted in a substantial gain for this country. Thanks to him, the Malaysian ringgit enjoyed the financial and economic stability it did when he was the Minister of Finance. In fact Malaysia became so creditworthy that, not too long ago, only she and Japan were able to get loans from Wall Street. Also, only two currencies of Asia, the Japanese yen and the Malaysian dollar are used for international lending operations.

Siew Sin's actions as finance minister earned him the admiration of many – both here and overseas.

This is what Mr. Edward B. Dunn, a well-known American banker wrote in a letter to a senior officer of the Federal Treasury in Kuala Lumpur: "As the Japanese yen floats higher, I am intrigued with the success of your Yen-dollar loan. Clearly you have been intelligent. Equally clearly I am pleased the First National City Bank could assist".

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There is no doubt that the credit for this favourable reaction was due to Siew Sin.

Although Siew Sin subscribes to the old Chinese saying: "Do good to others and you do good to yourself; harm others and you eventually harm yourself", he did incur the wrath of certain sections of the community. Yes, his measures were not always well received by the public, especially the business section.

There were times when the stock market seethed with anger over his capital gains tax. The leaders of trade and industry were also up in arms about their payroll taxes, both of which had, he claims, served their purpose.

Here he reminded me that in his 1968 budget speech he warned against growing taxation. Malaysia should well be able to bear the level of taxation, but it might be a disincentive to ask it to bear more.

Turning to the clear-cut separation of Malaysian and Singapore currencies, he said it had been necessary because the economies of both countries were basically different. But, he stressed, it was not a sudden decision. It was taken when both economies were thriving.

When he was the Minister of Finance, he had good balanced budgets. To Siew Sin, financial prudence equals good housekeeping.

Charles Dickens made one of his characters in a famous novel say: "If your income is £1 and you spend 19/6, you are safe, but on the other hand, you spend £1 0s. 6d. you will inevitably land yourself in trouble".

"What applies to individuals applies with equal force and validity to governments", Siew Sin stresses.

With regard to deficit budgetting, Siew Sin is of the opinion that it can only be tolerated if such financing is really an investment which is likely to yield a worthwhile economic return in the future.

Siew Sin has also been criticised for borrowing money from other countries. He was quick to silence his critics by disclosing that he had made money by borrowing! How did he do this?

He had lent the borrowed money to other countries in need. In this process he made millions of dollars for Malaysia.

He pointed out how the borrowed money was used for various useful purposes in the country. To quote one example, he disclosed that the government had spent in 1965, \$41 million on Chinese education, representing a three-fold increase within eight years.

In answer to critics he had this to day: "There has been a lot of with dalk about our public debt burden. The Opposition alleges that it is far too large and that it could adversely affect our future. Nothing is further from the truth. The amount of any country's public debt is meaningless in itself. What is relevant are the purposes to which such debt is put, and secondly, whether its servicing is within our means. Our domestic debt at the beginning of the year totalled \$3,490 million, equivalent to 34% of the G.N.P. which is the criterion usually used in assessing the quantum of debt in relation to the size of the economy. Malaysia's figures compared favourably with 34% for the United States, 34% for Canada and 37% for Australia", he pointed out."

"Our foreign debt when I was Finance Minister was much smaller at \$578 million".

He went on to stress that, "more important are the purposes to which the borrowings had been put. At least two-thirds of our development expenditure had been devoted to economic development, 14% to social development, 16% to defence and internal security, and the rest to the construction of public buildings. It reflected the right order of priorities.

"I agree that it is possible to have a smaller debt but, if we had followed such a policy, the N.E.B., for example, would not have been able to provide so much electricity so quickly. We would have had to slow down our industrialisation programme because our industries consume by far the largest amount of electricity.

"Our public debt had been used for sensible purposes. We had borrowed to increase revenue and productivity. Our borrowings

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could be likened to those of a businessman who wants to expand his business quickly. He sees the opportunities but he needs extra cash to exploit those opportunities. He does not have sufficient capital so he borrows heavily in order to expand his business more rapidly. The Government of Malaysia is doing the same thing except that it is doing so on a larger scale", Siew Sin added.

When he was the Finance Minister, he told a journalist: "The Government will introduce whatever measures, including unpopular ones, which are necessary in the national interest."

When I drew his attention to criticism of his tax measures, Siew Sins said without hesitation: "It is the task of a finance minister to tax as little as possible and not as much as possible. We increased our taxes only when it was absolutely necessary".

Under the heading "FOR THIS RELIEF" the Straits Times in its editional of December 24, 1970 said: "The Minister's frankness yesterday, his emphasis on the new economic policy and on the urgent need for spectacular advance in the industrial sector was instructive and welcome . . . . . The general air of optimism which was so marked a feature of Tun Tan's budget address was not out of place A higher rate of economic growth next year is a reasonable expectation".

Recognition of his status in financial circles is the support given by the Financial Times of London to Siew Sin's suggestion that primary commodities be used as backing for special drawing rights and as new international reserve asset.

Siew Sin made the suggestion at the opening of the South East Asia Central Banks (SEACEN) Banking Course in Petaling Jaya on April 17, 1972.

Writing in the Financial Times of London in April 21, 1972 Mr. C. Gordon Tether said: "I am not sure that it could make a lot of sense to create commodity stockpiles as backing for special Drawing Rights created to replace the reserve currency element in the international monetary system on the lines Malaysia's Finance Minister

has just proposed - except, perhaps, as an aid to commodity stabilisation.

"But in arguing that the value of such new style liquidity ought to be expressed in terms of a wide range of goods, he is very much on the ball," he added.

I then ventured to ask Siew Sin some questions. They follow. Question 1: How do you account for the success of the financial policies formulated by you?

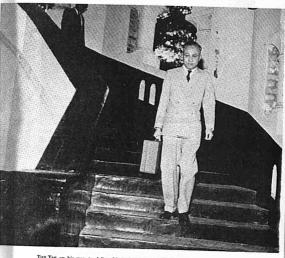
Answer: My decisions were the result of my experience in the world of business. From early on I continued to study world political and economic trends. I am glad to say my judgments have nearly always paid good dividends.

Question 2: What were your reasons for ending the currency arrangement with Singapore? What prompted you to split the dollar?

Answer: Regarding the termination of the currency interchangeability agreements with Singapore and Brunei, it was not done on impulse. All aspects of this question were carefully considered before a decision was taken. We felt that the economies of Malaysia and Singapore were basically different. We are essentially still a primary producer for even though we have begun to industrialise and diversify our economy in other ways. The primary commodities produced and exported by us are still the backbone of our entire economy. Singapore, on the other hand, is basically a city state which lives by trading.

The Malaysian economy is basically different and unless there is a clear commitment to integrate politically in the foresceable future there must come a time when our economies will be pulling in different directions. When that times comes, things would prove to be very awkward if we had a common currency for practical purposes.

1, therefore, felt that the time to do it was when we did it, that is, when both our economies were thriving and when the dislocations which would necessarily result from such a radical change would be minimal. It was a case of now or never. We would certainly not have



Tun Tan on his way to deliver his Budget speech in Parliament in 1961 when he was the Finance Minister of Malaysia. No other leader in the Commonwealth had held the position of Finance Minister as long as Siew Sin had done



A visit to the Thai Temple in Petaling Jaya on May 19, 1968.



Hong Kong film star, Foong Po Po calls on Tun Tan Siew Sin during her brief visit to Kuala Lumpur on January 14, 1966.

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done it when both or either of our economies were in the doldrums for in such case the dislocations could well be serious.

This clear-cut separation has enabled us to compete on a friendly basis. Our economic ties still remain strong, and rightly so, for we are interdependent economically in many ways. No one can say that the decision to terminate the interchangeability arrangements has harmed any of us in any way.

Question 3: What do you think of ASEAN as a future economic bloc?

Answer: It will take time for ASEAN to become an economic bloc, even a free trade area. The reason is simple. All the member countries of ASEAN are basically primary producers, apart from Singapore. This means that we largely export primary commodities and largely import manufactured goods. Our combined markets are not big enough to absorb the primary commodities we produce. Neither are they big enough to satisfy our thirst for manufactured goods.

Under these circumstances it will clearly take time to transform our economies to the point where we can take more of one another's raw materials and produce more of the industrialisation goods we require. Until this point is reached, it is clearly unrealistic to go further than we have done.

Question 4: What are the chances of increasing the scale of foreign investment in Malaysia and the rest of ASEAN?

Answer: I have always felt that the only way to ensure economic justice for ourselves is to do for our primary commodities what OPEC has done for oil.

I have stated this in public in the past and I repeat it again. Basically, I feel that countries which produce, say, 80 per cent of a particular primary commodity should be in a position to fix its prices themselves instead of allowing them to be fixed by the consumers.

I see no reason why what has been done for oil cannot be done for rubber, tin, palm oil and other raw materials.

This is, however, a very big subject. Once we are assured of fair prices for our primary commodities, we have a sound economic base on which to build further, and would be in a better position to counter the rising trend of protectionism in the industrial nations.

We would then industrialise more rapidly and, in due course, will not be so dependent upon the Western world for such a high proportion of our manufactured goods.

Moreover, ASEAN multi-nationals will then be in a better position to set up joint ventures with foreign multi-nationals and could even compete with the latter outside ASEAN.

If I may quote just one glaring example, the plantation companies find it extremely difficult to set up palm oil mills because some State Governments treat an application to set up such a mill as a grave hazard to the country on the ground that it causes dangerous pollution, even though the measures proposed for countering this problem have been duly approved by the Federal authorities concerned.

Dealing with some State Governments for this purpose can be compared to an obstacle race. One would think that they would welcome such a proposal, bearing in mind that it is obviously in the national interest to process as much of our raw materials as possible.

Question 5: What do you think is the role of the private sector in the implementation of the Third Malaysia Plan?

Answer: The private sector will be able to play its assigned role in the Third Malaysia Plan if it is given sufficient encouragement and inducement. What I mean in regard to the latter is that there must be adequate incentives for the private sector to play its role. The private sector must also be convinced that basic policies will not be changed overnight as a result of political pressures.

When asked for his views on the Third Malaysia Plan he was quite blunt.

There is nothing wrong with the Malaysia Plans. The main thing is to produce the expected results. Results will be forthcoming in full

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only if the efforts of the Government are fully backed by the private sector.

In so far as the private sector is concerned, I have no doubt that it is fully prepared to co-operate actively with the Government, although such willingness to co-operate is not reciprocated at some levels of Government.

Regarding the role of the private sector in the implementation of the Third Malaysia Plan he expressed the view that the private sector will be able to play its assigned role in the Third Malaysia Plan if it is given sufficient encouragement and inducement.

"What I mean in regard to the latter is that there must be adequete incentives for the private sector to play its role. The private sector must also be convinced that basic policies will not be changed overnight as a result of political pressures," he stressed.

When a fellow journalist recently asked him if it was true that some of his decisions as the Finance Minister were based on intuition Siew Sin said: "I do not think "intuition" is the right word. I would say "judgment" is more appropriate, and it is the judgment borne out of previous experience in the world of business and a continuing study of world political and economic trends".

One question that I put to him that seemed to surprise him was whether the M.C.A. will ever integrate with other parties like the Gerakan and the D.A.P.

Tun Tan hesitated for a moment. Then changed his sitting position next to me and replied: "I would say that it would be a good thing for the Barisan Nasional to become one party, because so long as the leaders of the various member parties of Barisan Nasional regard themselves as Malays, Chinese and Indians, it is difficult to see how the masses can think otherwise. The leaders must obviously take the lead and the sooner this is done the better. I agree that such a radical change would create difficult problems but these problems will have to be faced sooner or later. In my view the sooner they are faced the better".

When asked to say what he considered his major achievement as a Minister, Siew Sin paused for a while and then said: "I think that holding the post of Minister of Finance for nearly 15 years is probably my most important achievement for the Malaysian nation. This meant that during this entire period, people both inside and outside Malaysia knew what our financial and economic policies were, and this knowledge of continuity ensured financial and economic stability".

# A STICKLER FOR PERFECTION

To illustrate how careful Siew Sin has been with his own money and the finances of Malaysia when he was the Finance Minister it may not be out of place to describe here an interesting episode that took place when he was in Copenhagen with a Malaysian delegation.

He was there for a Finance Ministers conference.

This story was told to me by a senior officer of the Federal Treasury who has worked under Siew Sin for several years. Reference to this incident is also made in "PONDER", a collection of essays by my friend, Tan Sri Sheikh Abdullah, the former Chairman of the Public Services Commission.

Let me return to the incident as narrated to me by the Treasury friend.

One morning Siew Sin summoned to his hotel room an assistant secretary of the Finance Division of the Federal Treasury, a young civil servant. Siew Sin wanted the assistant secretary to convert his traveller's cheque to cash at one of the banks in the city.

Having received the instruction the young civil servant went away. Soon he returned with the money.

Then something unexpected happened.

After Siew Sin counted the money — and he counted it carefully — he hesitated for a while as though thinking of some new problem.

Then he told the young secretary that the amount in cash was

#### FINANCE MINISTER WITH MANY FIRSTS TO HIS CREDIT

short by eight cents. It was less than what he had expected earlier.

Asked for an explanation the young man apologised saying that because there was only a slight difference of a few cents he thought it better to cash it at the hotel's travellers' cheques department instead of going to the bank which is some distance away.

On hearing this Siew Sin exploded: "There should never be any difference — even the slightest difference — as far as dealing with money in the Treasury is concerned.

Every dollar spent by the Treasury should be accounted for," he stressed.

In all things Siew Sin is a stickler for perfection.

Unlike some Ministers who depend almost entirely on their secretaries, Siew Sin insists on going through every report and every speech he has to deliver.

My friend in the Federal Treasury told me that when reports are submitted to him by heads of various departments of the Treasury he would go through every paragraph and more often than not he would make additions and alterations. This happened especially with the preparation of his budget speeches.

"Tun Tan is meticulous in all financial matters. He did leave his imprint on the administration in the Federal Treasury. We all respected him for his qualities of leadership and for his style of getting things done," the Treasury officer added.

#### CHAPTER ELEVEN

## A CRISIS OF CONSCIENCE: HIS ROLE IN M.C.A.

By 1961, the M.C.A. was practically leaderless. There was not a man who could command the respect of the Chinese. The party was in disarray and on the verge of collapse. Tun Tan Cheng Lock, who led the party from its early years, was dead. In her hour of need, there came a young man whom destiny had chosen to lead the M.C.A. He was to devote a major part of his life to the Chinese society. He was to many Chinese a prophet who was to lead them back to the 'promised land' – to quote a Christian saying.

The M.C.A. was at the cross-roads. A new leader had to be found. And it was to Siew Sin that the community turned for guidance. He was persuaded to accept the office of President which in his own words, was then "a mission with a crown of thorns."

From the inception of the M.C.A. Siew Sin had maintained a touching loyalty to his father whose life and career left an indelible imprint on his memory. Siew Sin knew full well that the high office of President called for high standards in discipline.

Seldom has anyone, so well placed in life, taken on a job which seemed to promise never ending toil, tears and troubles. In fact he walked into a morass of problems. But few men were better qualified for this task than Siew Sin, for though comparatively young, he had already gained vast experience in various organisations.

Looking back it was not hard to understand why Siew Sin was asked to assume the M.C.A. leadership.

In 1955, Tun Tan Cheng Lock had an accident while on an inspection tour of some nearly completed houses. He broke his ankle after falling through a hole. Taken to the hospital, he was in a coma for three days. He developed complications of his kidney and prostrate gland. He was found to be suffering from cataract as well. Professor Ransome, the specialist from Singapore, who was called in to handle the case, gave Tun Tan Cheng Lock five per cent survival

#### A CRISIS OF CONSCIENCE

chance if he did not undergo an operation.

Tunku Abdul Rahman cried when he heard of the accident from Bob Cary, the Member for Works.

"He thought that my father was going to die," Siew Sin recalled.

Tun Tan Cheng Lock recovered. Though physically well, the scar was to remain with him till he died. Undaunted by this setback, Tun Tan Cheng Lock travelled all over the country to speak to the people and to consolidate the position of his community. However, owing to ill health, he later gave way to Dr. Lim Chong Eu.

About the events that followed Siew Sin said: "I did not want him to stand in the 1958 elections for I knew he was not well. But Ong Yoke Lin and T.H. Tan persuaded him to stand. Some leaders used unethical means to pressure my father into signing a statement contrary to his convictions. When I heard about this, I was furious, for I felt it was unfair to take advantage of a sick man.

The new President, Dr. Lim Chong Eu could not deliver the goods and the M.C.A. continued to face more and more problems. Three days before Nomination Day for the 1959 elections, Dr. Lim wanted to pull out from the Alliance on the question of Chinese education concessions. This signalled a great danger to the Alliance. The era of politics of Communalism had begun.

But Siew Sin would not subscribe to this sudden change of policy by the M.C.A. He stood firm.

Speaking at an M.C.A. meeting Siew Sin condemned these concessions as a kind of naked communalism that could lead to racial strife and the destruction of Malaya. He warmed the M.C.A. leaders: "If you persist in this, blood will be spilt. Be brave with your blood, but not with that of others."

He won the day and Dr. Lim and his supporters resigned, The M.C.A. was split but the Alliance was saved.

A major crisis of conscience faced Siew Sin in 1960 when his father died. As he was the only son he found himself torn between his duty to his family and his duty to the country. He was by now

the Minister of Finance, the Honorary Treasurer of the Alliance and a Vice-President of the M.C.A.

Also he had to think of his mother, his wife and three children and an extensive family business. Indicative of his love for the country was his decision to remain in the Cabinet. It was the choice of a patriot.

Referring to the 1961 M.C.A. General Elections, Siew Sin said: "Originally, I did not wish to be involved. My choice of candidate was Dr. Lim Swee Aun of Taiping. But Lee San Choon, the late Tun Leong Yew Koh and Datuk Wong Pow Nee came to see me. They asked me to stand. Lee San Choon told me that if I insisted on nominating Dr. Lim Swee Aun, he would contest the election. However if I should stand, (San Choon) assured me that it would be unanimous.

Siew Sin agreed to stand for the election on two conditions. Firstly, the presidency should be unchallenged and secondly, the Central Committee must be hand-picked by him.

"In other words, every member I pick must be elected," he said.

He added that to centralise and consolidate the M.C.A. leadership he had to make changes in the party's constitution, using the U.M.N.O. as an example.

Among the changes are the ones in which the President appoints the Secretary-General, the Treasurer-General and the State Liaison Committees.

The M.C.A., Siew Sin maintained, could be run on the fashion of a "huay kwan." The President must be in a position to give orders and to see that they are carried out swiftly. For a major political party there is no place for internal squabbles. As such the President must be given wide powers.

The M.C.A. must be managed effectively. And as such the decisions which come down from the Central Committee are paramount.

Siew Sin was not a dictator in the M.C.A. despite the charges that he was. He is an idealist with a broad vision. In temper and tena-



After his 1969 election victory in Malacca, Tun Tan was chaired by Alliance supporters at Dewan Hang Tuah, Malacca.



The Malaysian Indian Congress presented a gold medal to Tun Tan who is here with the late Tun Abdul Razak and the late Tun Sambanthan, the then M.I.C. President.

Tun Tan is being welcomed when he arrived at Dewan Bahasa dan Pustaka in Kuala Lumpur to address the annual general meeting of the M.C.A. on March 23, 1968.





Tun Tan is emphasing an important point while addressing M.C.A. members in Johore Bharu in 1966.

#### A CRISIS OF CONSCIENCE

city, in outlook and, above all, in devotion and dedication to the national cause, he stands in a class by himself. It is these qualities of character and conduct that have made him a national figure.

He has often called for collective leadership maintaining that the will of the members will be the voice of the party.

"However in the final analysis, once a decision is made, all members should stand firmly behind him. I believe it is morally binding to stand by a decision after a decision is taken. There should be no argument or counter productive statements made to the press," says Siew Sin.

This philosophy of Siew Sin brings to my mind a saying of Gandhi that "the performance of one's duty should be independent of public opinion."

Siew Sin concurs with this saying that the job of a leader is to lead irrespective of criticisms which are designed to deviate from the truth. When he was the President, he conducted the affairs of the M.C.A. in the same manner as he does in business or politics.

"In the M.C.A. we discussed and we arrived at a common decision. I might have dominated the discussion but I was never afraid of being wrong. For if you could prove me wrong often enough, I will respect you," he has told his friends.

With interests so many and so varied how did Siew Sin manage to retain his seat for so long in the former Federal Council and later in Parliament? He says: "In the public eye most of the members of the old legislature bore the stigma of association with British rule. I think the people know I was no yes-man. As a matter of fact, I was regarded as a fire-brand in those days. It was not that I dissociated myself from the British-orientated members, but rather I was my own man."

"There are those," he says, "who hold it against me that I have never known want, as if, it were impossible for me to have a feeling for the poor. I have great sympathy with poverty and have always devoted my political energies towards the social and economic progress

of our people."

Though born with the figurative silver spoon in his mouth he has shown an abiding interest in the welfare of the poor and needy.

Says Siew Sin: "As far back as 1939, when in my twenties I remember discussing social welfare schemes with Creech-Jones who after the war became British Labour Party's Colonial Secretary."

Siew Sin has always had the interests of all sections of the population at heart. He is specially concerned about the welfare of small-scale businessmen.

Speaking at the opening of the head office of Chung Khiaw Finance (M) Bhd., a subsidiary of Chung Khiaw Bank in Penang on June 27, 1971, he said, "Commercial banks should give loans, even longterm loans, for agricultural and industrial development as long as the projects are viable and the borrower could satisfy the banks that the project would be properly managed. The loan should be given even if the borrower was unable to offer any security for the loan.

"Only with such an approach could the small man be given the chance to use his talents fully, assuming that he has the necessary qualities to evolve into a successful industrialist."

With the formation of Malaysia in September, 1963 the rapid political development of the country tended to create misunder-standing among political parties in Malaysia. The disputes between Singapore and the Central Government in Kuala Lumpur and between the P.A.P. and the Alliance created tension in the country.

Mr. Lee Kuan Yew's concept of "Malaysian Malaysia" further widened the gap between the Central Government and Singapore. Separation was the only solution to the problem. On August 9, 1965 Singapore seceded from the rest of Malaysia and proclaimed itself an independent and sovereign State. During this crucial period, Siew Sin, as the leader of the M.C.A., once again proved his loyalty, sincerity and courage to the other partners of the Alliance. The M.C.A. stood firmly behind the Central Government.

Again when many Chinese "ultras" had attempted to force the

## A CRISIS OF CONSCIENCE

Central Government to prescribe Chinese as one of the official languages, Siew Sin refused their demand although this threatened to split the community.

In 1968, at the eighteenth general meeting of the M.C.A., the Tunku told the gathering that Siew Sin believed in Sino-Malay-Indo friendship as a unifying force for peace and prosperity in Malaysia.

Both as a Cabinet Minister and as the President of the M.C.A. he had spoken out fearlessly and frankly as and when circumstances demanded.

Siew Sin has repeatedly told the Chinese community to fully identify themselves as Malaysian citizens showing undivided loyalty to this country and to this country alone.

"We ought to regard ourselves as Malaysian citizens at all times. It is clear that there is no other alternative," he told a Chinese Unity rally.

And in equally unmistakable terms he spelled out his views on the rights of all citizens. On one occasion he said: "The Chinese should be given a sense of belonging to this country. Their presence is required and they should not be given the feeling of merely being tolerated. We need the co-operation of all the races and a gradual integration among them to develop into one united nation. This is the real issue and for this, leadership of a high standard is required not only from the Chinese community but also from the other races.

On behalf of the Chinese community he had pledged: "In marching together in harmony we have not, we do not and we shall never trespass on the lawful interests and rights of other races."

Of the many crises he has faced as the President of the M.C.A., probably one of the gravest was the move late in 1970 to form a separate organisation to fight for Chinese rights.

Throughout this crisis, which at one time gained considerable monentum, Siew Sin remained unshaken. Addressing unity rallies in the important towns in the country he spoke with great emphasis over and over again—that "we must not forget that in a multi-racial

society such as Malaysia we Chinese cannot operate or exist by ourselves.

"We must be able to co-operate with the other communities, especially the Malays."

It was a measure of his statesmanship that he eventually convious the organisers of the new movement — the Chinese Liaison Committee for National Unity — to register themselves not as a political party but as a club or forum which could organise or engage in debates even on political matters without taking an active role in politics.

What is of significance is the fact that several top leaders of the Chinese Liaison-Committee not only joined hands with the M.C.A. but also voted unanimously for Siew Sin as their national President. It was Siew Sin's greatest victory — a victory for Chinese unity. Since then several leaders of the new national unity movement worked with him as members of the Central Committee of the M.C.A.

What is not known to the vast majority of the M.C.A. members is the role — the most important role — he has been and still is, playing behind the scenes to safeguard the interests of the community. Many a difficult problem has been solved by him by quiet diplomacy. He has never claimed credit for any achievements of the M.C.A. as a partner of the Alliance. But he told me, "I am happy to say that the Chinese community has obtained a square deal from the Alliance Government. That I consider is the M.C.A.'s greatest achievement."

In fact, one Malay politician told me that "few Chinese realise the immense good that Tun Tan has been doing for his community and this country."

An incurable perfectionist, he is not satisfied with what has been accomplished. When asked to comment on his plans, if any, for the future, he said: "We must gradually break down the barriers of communal suspicion and fears. Unity among the various races must be maintained at all times and at all costs."

## A CRISIS OF CONSCIENCE

Referring to those who claim they are proud of the fact that they belong to no political party and that they are not interested in politics, Siew Sin did not mince matters.

"My answer is that such people don't deserve to have political rights and they should not complain if, in course of time, they are left behind in their country."

And to those critics who said they were unable to support M.C.A. because the quality of leadership was not good enough, Siew Sin had this to say: "My answer to them is join the M.C.A. and take it over instead of merely standing on the side-lines and criticising without lifting a finger to help your people and your country. It should then be possible for the Chinese community to change the entire leadership of M.C.A. including myself, if it so desired."

According to him recent events have given a new impetus to Chinese unity and has instilled a new spirit of hope and confidence among the community.

"We must harness and galvanise this growing force before it dissipates," he said.

"But," he emphasised, "it is essential that the M.C.A. should have a clean image at all levels."

Though he is now no more an active participant in the affairs of the M.C.A., Siew Sin follows closely the developments in the party. He does not hesitate to be critical of certain aspects of M.C.A. activities whenever things don't seem to run smoothly in the organisation.

Time and time again he has warned: "The M.C.A. can only be as strong as the support it gets from the Chinese masses. Unfortunately some Chinese regard politics as a business proposition. In effect, if the M.C.A. shows it is strong the party will get their support. Otherwise they withhold it."

"Such an attitude is disastrous because no political party can even take off the ground if its potential supporters think in that way," he told me.

But is the M.C.A. taking advantage of his wisdom and experience in dealing with the people of all races? I doubt.

Of late, there has been a tendency — a sad one too — among the new leaders of the M.C.A. to keep away from Siew Sin. By doing so, they are the losers.

On his part, Siew Sin can afford to take a couldn't care less attitude. But then he is a patriot who has the interests of the nation at heart at all times. That is why he wants the M.C.A. to grow from strength to strength. Whenever an opportunity presents itself he urges the present-day leaders and members to remain united despite differences of opinion among them.

As an elder statesman, he shows sincere concern for the welfare of the community and the country.

#### CHAPTER TWELVE

## ON CHINESE UNITY AND RACIAL POLARISATION

By virtue of the positions he had held in Government and the public and private sectors, Tun Tan has hit the headlines of newspapers from time to time.

In many respects Siew Sin is unlike any other leader. The reason is this. He had all that a young man needed in life — a well-known family, rich and influential. Instead of choosing a life of ease and comfort he has accepted one responsibility after another in order to serve the nation.

He had been mainly entrusted with the task of being the guardian of the Malaysian finances – a task he has carried out with distinction.

At one time he was not only the Finance Minister of Malaysia for 15 years and the Chairman of the Capital Investments Committee but also the President of the Malaysian Chinese Association for 13 years.

In politics, he played an important role in the birth and growth of Malaysia to say nothing of his equally important contribution in the achievement of independence for Malaya.

Suffice it to say that Siew Sin has left his imprint on the history of modern Malaysia.

I was therefore happy when I had an opportunity recently to have a frank discussion with him on the many achievements of this Statesman Extraordinary.

With characteristic candour he replied most of my questions.

Siew Sin is a man who rarely minces words. Very few people misunderstand him. He was once reported to have said: "You may not like me or my policies, but you will never misunderstand me."

Siew Sin is a person who does not like to beat about the bush. "To me, the shortest distance between two points is a straight line. I just don't know how to do this." (He makes a gesture showing a

curve with his hand).

It was in this kind of atmosphere that I had managed to interview him.

The questions I asked and the answers of Siew Sin follow. Question 1: A number of people in this country feel that politics in Malaysia tends to be one of racial polarisation with the presence of communal-based political parties. What is your opinion?

Answer: There is indeed racial polarisation. I believe that this is evident among the youths. One of the main reasons for this sad state of affairs, I believe is the New Economic Policy. There is no doubt that the non-Bumiputras are worried that they might be left out when the economic cake is distributed.

There is nothing wrong with the N.E.P. I, myself subscribed to the agreement. The misgivings and fears that arise from the non-Bumiputras are over the implementation of Government policy.

I feel that one of the ways to stop this racial polarisation is to abolish all racial parties. UMNO, MIC and MCA should be disbanded and instead a single party comprising Malays, Chinese and Indians and others be formed.

This "Barisan" or single party could eliminate racial rift. In fact, Dato Onn bin Jaafar, a man ahead of his time, had this vision of a single national party and with this in mind he formed the Independence of Malaya Party (IMP) but this failed.

Hopefully after 24 years of independence, the people are now more politically-minded and have learnt the mistakes of the IMP and later of Party Negara. I think we are now at a stage where the vision of Datuk Onn bin Jaafar can be realised.

Racial polarisation is still with us because of the many communal parties present. What can communal parties do? Except raise communal issues?

Another way of reconciling the differences among races, would be to have more inter-racial marriages, for example Sino-Malay mar-

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riages. However the parties concerned in these marriages should not undergo any difficulty as a result of such alliances. A more liberal policy would be the answer.

Question 2: In what ways can the MCA help to unify the Chinese society in Malaysia considering the fact that there are a number of communally based political parties?

Answer: There will be Chinese unity so long as the top Chinese leadership is acceptable to all Chinese-based parties. The leader must not only have the respect of the people but should be able to lead.

On merging of Chinese-based political parties, I did have a hand in holding talks with the DAP and SUPP. I had earlier conferred with the late Tun Razak who gave me his blessings. But perhaps at that time I was too ambitious and had requested the DAP to dissolve and merge with the MCA. The DAP refused and our talks failed,

Upon reminiscing, I feel that I should not have been too ambitious. I should have settled for a compromise or a "half-way" house situation.

Question 3: In your opinion, in what manner can the MCA help to create a truly Malaysian culture?

Answer: For a truly Malaysian culture everybody should chip in. We cannot get a Malaysian culture overnight. It is in fact a gradual process evolving through several generations. Take the Chinese Babas for instance. Their culture is based on Sino-Malay traditions. As I said earlier, inter-marriages are a good avenue for the creation of such a culture. Tolerance and understanding are important to ensure the creation of a truly Malaysian culture.

Question 4: Some people feel that the MCA shirks its responsibilities towards the Chinese society by refusing to make a cohesive stand on Chinese education and culture. Do you agree with this view?

Answer: I certainly disagree. Look at Singapore which has a Chinese population of 75%. Nanyang University was created with a view to catering to the Chinese educated students. But look at it now. The

government had to take over the institution. Its Chinese syllabi is slowly being changed to English. The Chinese should learn from the Nanyang experience.

The MCA has done more for the Chinese community than anyone else. We have often had several projects undertaken. We got many things done but we did not publicise our achievements. For instance, you may not know it but the TAR College was in fact started by me in 1968 as a move to counter the call by the Chinese educationists for the setting up of the Merdeka University.

The planning was undertaken by the committee set up by me and the late Tan Sri Khaw Kai Boh was appointed its chairman.

This committee acquired the present site at Setapak and developed it after commissioning drawings for the various buildings for the College.

When I left the presidency, the TAR College was already operating on a sound footing and all that the present MCA leaders needed to do was to collect funds.

I also recall the time when Datuk Harun Idris, who was then Mentri Besar (Chief Minister) of Selangor, had urged the government to take over TAR College. There is no doubt that this caused a lot of anxiety. When the late Tun Razak mentioned this to me, I stood firm and told him (Tun Razak) that I would resign if the government did heed Datuk Harun's call to take over TAR College.

As I look back, I am glad to say that Tun Razak heeded my warning and happily the issue was never raised again.

Question 5: What are the main problems preventing Chinese unity and in what ways can the MCA help to solve them?

Answer: Politically the Chinese society in Malaysia is short-sighted. They do not see beyond the next minute. They are only concerned with the present and do not work towards the future. The Chinese are aptly described by Dr. Sun Yat Sen as being "sheet of loose sands".

I feel the majority of the Chinese are still politically asleep. They

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should wake up and realise their short-comings. Instead of doing so, they sit on the fence. They treat politics like business. Little do they realise these two occupations are different in nature and objectives.

They expect their leaders to perform miracles while they themselves take on the role of spectators. They do very little to help the party. They expect the party to deliver the goods. They will only support such a party but they do not realise that deliverance of goods depends upon their support.

Question 6: To many young intellectuals, the MCA has not been able to shed its compradore image despite its reorganisation. Do you think this is a fair appraisal?

Answer: To begin with, what have the so-called young intellectuals done? All they do is sit on the fence. I have seen such people, those who can only talk but have they done their part in promoting Chinese unity?

Question 7: Do you feel that the MCA's credibility as a partner in the Barisan National has been in suspect?

Answer: Just because we do not raise issues which are sensitive, some Chinese feel that we are gagged. Oh no. In this multi-racial society of ours, we should respect the rights and feelings of others just as we would want to respect ours, I always believe in consultation and discussion as opposed to publishing demands in the newspapers.

After the 1969 elections when the MCA performed disappointly, I held an emergency meeting with the Central Committee of the MCA. All of us decided to take the MCA out of the Alliance. When Tun Dr. Ismail heard about this, he came to my house and urged me not to do that. I remember him saying: "Nobody is indispensible, but in the context of this country's history, you are indispensible. You are more important to us than the MCA."

Five years later in January, 1974 I was about to leave for the U.K. to undergo a major operation when Tun Abdul Razak came to my house. He had heard of my wanting to leave the government. He pleaded with me to stay on so that another May 13 incident would

not occur, again. He said, "There will be a bloodbath if you leave."

I allayed his fears when I explained that I was quitting the Government only for health reasons.

However, I pledged him my services even after I have left the Cabinet.

Question 8: It is stated that many urban Chinese do not have any confidence in the MCA as proved by the DAP victories in many urban areas notably in the Federal Territory. What measures should the MCA take to regain its former position?

Answer: To be fair to the MCA, the Chinese must blame themselves. However, what can the DAP do? They can talk and raise issues and make noise. But beyond that there is very little that can be achieved in terms of development for the Chinese. The Chinese will have to be realistic. They cannot stay in the government and at the same time be racialistic. This is the delicate position which the MCA is in. If we (MCA) are too chauvinistic, then our partners in the Barisan will be uneasy. As the Tunku has repeatedly advised, "There should be a give and take."

The Chinese should realise that the MCA, because of its position in the government, can deliver the goods. Can the DAP do this? Question 9: "Politics of Patronage" and "Politics of Confrontation" were two familiar terms used in the recent MCA's general elections. Do you think that such a situation exists and if so, what should be done?

Answer: I am not in a position to comment whether such a situation exists but if it does, then the most practical solution to such a problem would be to bring the two sides together. It appears that this is not being done.

It is very important for the party to close ranks and bury the hatchet. There is no doubt there is a rift between the two camps. However I feel the current development so far is contrary to what Datuk Lee San Choon has announced soon after the elections.

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Instead of closing the ranks, we see the premature departure of some leaders. A divided MCA will only weaken the Barisan Nasional and adversely affect Chinese unity thus making the MCA the loser. It will be a sad day if and when this happens.

## CHAPTER THIRTEEN

## A RARE GESTURE FROM MALAYSIAN GOVERNMENT

A glowing tribute was paid to Tun Tan by the late Tun Razak bin Datuk Hussein, our former Prime Minister, when he, the Malaysian Cabinet, the Chief Ministers of the various States and even the Members of the Opposition gave him a farewell dinner in Parliament House on April 30, 1974.

In a moving speech, Tun Razak said: "We are all gathered here tonight to honour Tun Tan and wish the very best to our friend and comrade. Tun Tan is the longest serving Member of Parliament – to be exact from 1948 when he was a Member of the Federal Legislative Council till today."

Tracing his political career, Tun Razak went on, "Tun Tan was elected a Member of Parliament in 1955. His long service to the country is a record in itself and is unsurpassed in Malaysia. In the Cabinet, he was initially the Minister of Commerce and Industry and from 1959 he was the Minister of Finance. He held the Finance portfolio for no less than 15 years, an impressive record not only in Malaysia but throughout the world.

"With the retirement of Tun Tan from the government, we have lost a loyal and valuable friend who has given invaluable advice and outstanding service to the community and the nation.

"I have lost a true friend who through the years has established an unimpeachable record of service coupled with undoubted loyalty.

"The financial security and the economic stability of the country's economy are the results of the policies which were formulated by Tun Tan.

"Needless to say, his service to the nation will long be remembered in the history of our country for generations to come.

"As one of the national leaders of our country and the leader of the Chinese community, Tun Tan has always held the view that the future of our country lies in close co-operation among the various communities that have made this country their home. As leader of the M.C.A. he has always worked with dedication and sincerity to-

# A RARE GESTURE BY GOVERNMENT

wards this end and that's why whenever we faced any sensitive issue affecting our multi-racial society, we could always talk together frankly and objectively to arrive at an acceptable solution. Tun Tan had always shown a clear vision of the future and sincerity of purpose in whatever he did.

"I remember two important occasions distinctly — one, when we had to discuss the provisions of the Constitution for independent Malaya at that time. It was Tun Tan's understanding and sense of fair play that played a great part in enabling us to reach agreement on the provisions of the Constitution on certain sensitive issues such as language, religion, citizenship and the special position of the natives as well as the legitimate interests of the different communities. The other one was when I had to formulate our National Education Policy, Tun Tan again was responsible for enabling complete agreement to be reached on this then controversial matter. Therefore, Tun Tan can certainly be regarded as one of the founders and builders of this nation of ours.

"We are grateful to Allah that despite a very serious operation he had to undergo, he is now steadily recovering his health and strength. I am grateful to him for continuing to offer his support to the Government and also to the Alliance Party. Therefore, when his health permits and he has fully recovered his strength, I propose to invite him to be a Financial Adviser to the Government. I have no doubt that his vast reservoir of experience in financial matters would certainly be of great assistance to us and indeed to the world in the present stage of economic and monetary instability.

"As a token of our appreciation, on behalf of the government and friends, I wish to present a souvenir to him in recognition of his services. This plaque has all the signatures of the Cabinet ministers. I hope he will treasure it. May it remind him of the many happy days spent with us. This is a token of our appreciation for what he has done for the country as well as a mark of our great respect and affection for him.

"We have also a small present for Toh Puan Tan for the services that she has rendered by so meticulously looking after the health of Tun Tan and for being a devoted, loving and understanding wife.

## "THE GREATEST REWARD I CAN ASK FOR"

April 30, 1974 is indeed a day of special significance to Siew Sin. It is a day that he will remember and cherish for a long, long time. On that day the Malaysian Government entertained him to a farewell dinner in Parliament House.

It was the second event of its kind in the history of the Malaysian Parliament. The first leader to be so honoured was none other than our first Prime Minister Tunku Abdul Rahman Putra.

Speaking with considerable emotion, Siew Sin said: "I would like on behalf of my wife and myself, to express our sincere thanks and deep appreciation to Y.A.B. Tun Haji Abdul Razak, our Prime Minister, and his gracious consort, Toh Puan Hajjah Rahah for doing us the honour of giving this dinner for us. We are indeed grateful to them.

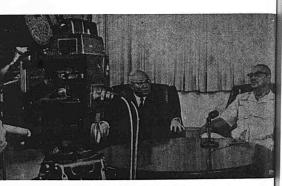
"We would also like to express our appreciation to all our friends in the Government for taking the trouble to be present here this venning. In particular, I am grateful for the presence of my former Ministerial and political colleagues who have taken time off to be here this evening. Some of them, like Chief Ministers and Menteri-Besar, have come from outside Kuala Lumpur to attend this function.

"It is also very good of Hon'ble Members of Opposition Parties to take part in this function. I have sat in the Legislature of this country for more than 26 years. I do not remember any occasion when Government and the Opposition have seen eye to eye on an issue, especially in this building!

"Before I go further, I would also like to thank our Prime Minister for his gracious remarks about me. He not only paid me a heart-warming tribute, what is even more important, I know that he spoke from his heart. If what I have done has found favour and acceptance among my colleagues and the people of this country, that in itself is



Tun Tan was the guest-of-honour at a lunch with Singapore's Prime Minister, Mr. Lee Kuan Yew at Istana Annexe (former Government House) in the Republic. The meeting took place soon after Tun Tan's retirement as Finance Minister of Malaysia in 1974. It was held at Mr. Lee's request.



The Tunku and Tun Tan in one of the interviews with RTM.

# A RARE GESTURE BY GOVERNMENT

the greatest reward I can ask for. I have previously stated that I am now only a spectator on the sidelines, in so far as politics is concerned. I am still an interested spectator, and if there is anything I can do either for the Government or for our Party, I shall be only too happy to do what I can. Tun Haji Abdul Razak has been good enough to offer me the post of Financial Adviser to the Government. I am deeply honoured that he feels that I can still be of service to our country and hence I am very happy to accept. I however feel that I can still do with a few more weeks of idleness, but these are details which can be sorted out later.

"For me this evening is a sad one. It marks the end of an association which has been both long and happy. I joined the Government on the day of independence nearly 17 years ago.

"Even before that, however, as an ordinary member of the Federal Legislative Council, I sat on a fair number of Government committees. There is no doubt that this association broadened my outlook as, under such circumstances, one has to think in terms of the country rather than narrow sectional interests.

"Coming from the private sector, experiences of this kind are extremely valuable and benefit both parties. One then begins to realise that even members of the Government, whether politicians or civil servants, are also ordinary human beings trying to do their best under sometimes difficult circumstances. So one develops an understanding and a tolerance as a result of having to deal with so many people and to take into consideration a larger number of factors than one would have to if one were merely operating in the private sector.

"In this mortal world, however, everything has to come to an end sooner or later. On this occasion, therefore, I would like to say a heartfelt "Thank you" to all my colleagues in the Government and most of all to the Prime Minister for having borne with me all these years. I have received nothing but kindness from them, from even the humblest civil servants.

"According to a recent issue of a foreign magazine, I have an explosive temper. I feel that this is a rather strong way of putting it, though I admit that I am usually in a hurry and am inclined to be impatient. However, in spite of this, the members of the Government with whom I worked have shown me understanding. Even from members of the Opposition with whom I have clashed on many occasions, sometimes bitterly, I must say that they too have been very understanding and have not taken my shortcomings too seriously.

"If I may, I would like to turn to one major issue which we face. I think it cannot be denied that this is an extremely difficult country to govern for the simple reason that it is not only a multiracial society in every sense of the term, but also it is perhaps fair to say that in the whole panorama of human history there has not been a country containing three major races which are so utterly different.

Malays, Indians and Chinese cannot be more different than they already are and they are different in everything of importance. When we remember this background, the amazing thing is not that there should be a bit of trouble now and then. The most amazing thing is that our racial problems are not far worse.

"We have therefore much to be thankful for, and even though I am out of the Government, I still feel that the Government has not done badly after all considering that we have had less than 17 years in which to overcome our major problems. I feel that this happy state of affairs is the result of good leadership and the good sense of the ordinary man in the street. There is probably a higher degree of tolerance here than in any other country in the world and long may this be so.

"It is, however, essential that we look ahead and if we do so, one cannot help feeling that the years ahead will bring other problems. We have pledged our faith in democracy and rightly so. We should, if possible, try to develop a bi-partisan approach on issues like education, language, inflation and so on, because such issues are too important to be dealt with in such a way that they benefit one political party or other with a view to getting extra votes at the next general election.

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"In a multi-racial society like ours where such issues generate more than usual heat, because of their racial or emotional overtones, there is all the more reason to lift them from the arena of politics in order to arrive at a national consensus on them.

"I feel that this is a good way of ensuring that we can maintain for a long time more our political, financial and economic stability. Let us remember that even in countries like the United States whose racial problems are far less acute than ours, there is this bi-partisan approach on foreign affairs, to give only one example. The reason for this is that the U.S.A., as the richest and mightlest power in the world today, has to have this sort of approach in the field of foreign affairs in order to ensure that whatever party is in power, world peace can be maintained and safeguarded.

"In our case, foreign affairs is not so important because we are in a small country, but we have other issues which can become dangerously divisive on a national scale unless we can handle them coolly and without subjecting them to political pressures of a racial nature.

"Although, as I have said previously, we are doing very well on the whole, we need national unity to face with confidence the problems which are likely to confront us in the future.

"For this purpose, I would ask the country to rally behind Tun Haji Abdul Razak as there is no question that he is the only leader who can unite this country and lead it forward to greater heights of glory. Tun Razak is also absolutely right when he says that I shall always support the Government.

"This has to be so, because only this Government can maintain political, financial and economic stability in this country and I feel that this awareness is now widespread. Hence I feel that this Government can be both strong and yet be acceptable to the overwhelming majority of our population.

"We cannot afford deep divisions on national problems though I concede that when operating under a system of Parliamentary democracy we cannot avoid a certain amount of politicking now and then

on the part of politicians so long as such politicking is contained within reasonable limits," he added.

# CHAPTER FOURTEEN UNIVERSITY OF MALAYA HONOURS SIEW SIN

The qualities that decide a nation's destiny were outlined by Tun Tan at the convocation of the University of Malaya on May 29, 1965 when he was conferred the honorary degree of Doctor of Laws by the University.

Listing the factors that have contributed to the progress of Malaysia, Tun Tan asked: Do Malaysians need a catalyst to galvanise them into giving what they are meant by nature to give — that is a better way of life.

Continuing Tun Tan said: "It is perhaps not out of place to ask ourselves what we can do for Malaysia so that it can play a worthy role in the comity of nations.

"Before doing so, however, it would be useful to examine the present base of our structure and see how we can improve upon them. I am, of course, aware that it is sometimes misleading to oversimplify, but if I may put it briefly, the structure that we have built since independence has been based on two vital twin pillars, and that is political and economic stability. I should add, in parenthesis, that I do not mean to imply in any way that everything is perfect.

"As a Government, we have made mistakes. There is nothing remarkable or unusual about this because, as they say, to err is human. We have made mistakes of commission and omission. There are shortcomings to be repaired and improvements to be made, but I suggest that on the whole we have not built too badly, considering the time and resources at our disposal and the handicaps which we have had to face in a multi-racial society.

"I shall deal with our economic base first, as this is the one with which I have been most closely associated throughout these years. At the moment, our annual per capital of national income is the second highest in Asia, next only to that of Japan, which has been independent throughout her history and which has been a world power in

her own right. The cost of living has remained practically stationary since independence.

"In other words, we have achieved growth without inflation. This is no mean achievement because some of the most highly industrialised countries of the Western world have not been able to avoid inflation, although I concede that their rate of growth has also been greater. As a result, our currency is one of the strongest in the world. In fact, I do not think it is too much to say that it can be described as a hard currency by any standard.

"Despite mounting defence and security expenditures, we have not neglected the social sector. Expenditure on social services, including education and health, which accounted for the greater part of such expenditure, will absorb nearly 25% of the 1965 Budget. I don't, of course, quote many other facts and figures to illustrate my point, but the main indicators which I have, so far, referred to, point to one conclusion, and that is our economy is both sound and progressive-"Greater difficulties, however, lie ahead, because as a result of confrontation, overall expenditure on defence and internal security will come to about \$570 million in 1965, roughly \$1.6 million per day, accounting for another 25% of the total capital and ordinary Budget. At the same time, it is essential that the momentum of economic and social development is maintained, if not increased, if the economic expectations are to be realised.

"This is important because our viability will largely depend on the ability to show the people of Malaysia, particularly its new members, i.e. Singapore, Sarawak and Sabah, that this new Federation can provide richer rewards for its members would be the case if they had remained outside. If these expectations are not realised, confrontation could achieve, through economic default on our part, what is clearly cannot be achieved by military means.

"The combination of greater economic and social growth with greatly increased expenditure on defence and internal security is, however, as you will readily agree, easier said than done. In fact, it is

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almost a contradiction in terms. The achievement of such an ambitious objective will, therefore, require financial and economic discipline of a high order on the part of all of us. It is not possible for me, in the course of a comparatively brief address of this nature, to sketch even the main outlines of what we should do. All that is possible would be for me to highlight only the most pressing and vital problems. I would say that they fall into three main categories

"The first category would consist of items relating to economies in expenditure. This is clearly an obvious field for action. When I speak of economies in expenditure, I refer to economies in both the public and the private sectors of the economy. As far as the Government is concerned, it has instituted an economy drive headed by a senior officer of the Treasury and designed to achieve a 10% cut in overall expenditure. The private sector could do likewise. The aim is obvious and it is to enable larger resources to be channelled into more productive and essential development. In other words, we must save for development and not save for the sake of saving.

"The second need is for greater revenue. An attempt to meet this need was made at the last Budget meeting with result with which all of you are familiar. This sort of exercise cannot be repeated too often because, beyond a certain point, high levels of taxation defeat their very purpose. We have seen it happen elsewhere all too often. Excessive taxation acts as a disincentive to the spirit of enterprise which is the essential ingredient of a buoyant and dynamic economy about which I shall have more to say later. I can quote one interesting example.

"A few years ago, we reduced the import duty on fountain pens from 25% to 10%. Although the rate was substantially lower, the yield in import duty from this item was higher by 25% in 1963, compared to its yield in 1961 when the rate was 2½% times higher. I could, of course, quote other instances, but this example should illustrate my point adequately. Those of you who are economists will know what I mean, and I believe it is known as the law of diminishing returns.

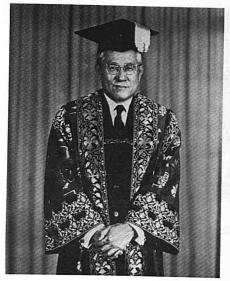
"The third category consists of policies which have a bearing on growth. This is perhaps the key to the solution, although in practice, measures will have to be taken in all categories. Our population growth rate is one of the highest in the world at just under 3% per annum, and it is all too clear that although economies in public expenditure and tax increases will undoubtedly free more resources for more essential Government projects and services, they are only in the nature of palliatives.

"The root of the problem lies in an adequate rate of growth. In other words, there must be a greater rate of economic growth to finance a greater rate of social development. There must be more industries and more factories, there must be greater acreage under cultivation, in order to finance the building of more schools, more hospitals, and other institutions.

"We cannot even begin to do this, however, unless State Governments adopt a more liberal policy in the matter of land alienation which is a State subject under the Constitution. Land which is lying idle, and therefore unproductive, does not contribute anything to the economic well-being of the country. Without an adequate rate of development, it is not possible for the Government to channel more resources into the have-nots, both rural and urban. You cannot, however, develop at all unless you have land on which to build more factories or cultivate a greater acreage. There are admittedly other factors which have a bearing on the rate of growth and which it is not possible to refer to here in the time available, but I consider that the one we are dealing with now is the most urgent and the most important in the context of prevailing circumstances in Malaysia. It should also be borne in mind that it is not possible for the Government to undertake all development, even land development, simply because it does not have the resources to undertake all such development on its own

Even if all the measures I have referred to previously are taken, they will not be effective unless financial discipline is exercised. Or, if I may put it in another way, we must maintain our policy of

# AS THE PRO-CHANCELLOR OF UNIVERSITY KEBANGSAAN



Tun Tan installed in 1971 as the Pro-Chancellor of University Kebangsaan together with the late Tun Abdul Razak and the late Tun Sri Datuk Nik Ahmad Kamil.



Tun Tan is seen declaring open the Faculty of Education in University of Malaya on August 3, 1970. It was witnessed by many eminent educationists and other guests.

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growth without inflation. In the early post-war years, there were some who urged that so long as there was an adequate rate of growth, inflation did not matter, provided it was kept within reasonable limits. In recent years, there has been a gradual but distinct change of opinion on this point among some of the most eminent practitioners in the world of finance and economics.

It is becoming increasingly accepted that a strong and stable currency is an essential prerequisite for enduring and steady growth. It is now acknowledged that growth accompanied by even moderate inflation may look all right in the short term, but has boomerang effects which compel the government concerned to take remedial measures in the form of restrictive practices which have, among other things, the effect of distorting natural patterns of growth and development.

"I now come to the part played by political stability as a contribution to what has been achieved todate. It cannot be denied that political stability is a sine qua non of progress in a developing country such as Malaysia. I think we can justly claim that in the eight vears since the former Federation of Malaya achieved its independence, we have not only preserved communal harmony, but we have strengthened it. Again this is not to say that everything is rosy in the garden. We freely acknowledge that more can be done and adjustments and readjustments will have to be made in the course of time. We can justly claim, however, that remembering the base from which we started, in the sense that never in history, perhaps, have communities so different from one another as Malays, Chinese and Indians to name only the three main communities of the former Federation. have been asked to come together as one nation. It is a measure of our achievement that even on the eve of independence in 1957, there was a widely held belief that it would not work. The very fact that it has worked, is a signal tribute to the good sense of the single factor to which we owe this happy state of affairs, apart from the political leadership which enabled this factor to come into full play.

"We have succeeded so far because enough of us are aware that

the things which bind us together are more important than those which divide us. We have made independence work because the vast majority of us are aware that things which matter transcend differences of race, creed or class.

"Above all, it is apparent to even a casual visitor to these shores that there is a large reservoir of goodwil among the ordinary people of every community or class in this country towards not only the members of their own community or class but towards the members of the other communities or classes as well, reinforced perhaps, by the feeling that all of us are in the same boat and that we sink or swim together. To my mind, this is the hope for the future, namely the undeniable fact of so much goodwill and so much good sense among so many of our people. This is a sure and solid foundation and on this we can build with confidence.

"The Malaya of today is a far cry from what it was only three or four generations ago. It was then a primitive land, sparsely populated and completely undeveloped apart from the few small pockets surrounding the main towns which, to us today, would hardly be described as such. This spectacular transformation from a backward economy to one of the most progressive economies in the Asia of this decade has been accomplished within the lifespan of a human being. In terms of material resources, we have not been too generously endowed by Nature. Other countries even in South East Asia, are far better off in this respect, and yet we have forged ahead of many of them.

"I have attempted, in the course of this short address, to list the factors which have contributed to our present position. I have tried to list the essential ingredients of our success as an independent nation, young though we are. Although we have cause for satisfaction, there is no room for complacency in the future. Neither is there cause for pessimism, provided we appreciate that our rubber, our tin, our substantial foreign reserves and the like are but inert materials, valuable though they are. They need a catalyst to galvanise them into giving what they are meant by Nature to give, that is a better life for all

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"It is that catalyst which seats of learning like universities should cultivate and develop in the young and pliable minds which have been placed in their charge for the time being and which should, as a result, even prefer the perils of an unknown and new and hence exciting frontiers to the well-worn path of security and mediocrity.

"If we lack the spirit which has enabled men in past ages to triumph against frightening odds, we will fail, however vast our material advantages and resources may be. If this spirit pervades us, we need not fear the challenge of the future because we shall prevail in the end."

# RECOGNITION FOR SERVICES TO THE NATION

As I begin this chapter I am reminded of the criticism by a publisher who had read the earlier section of the book. Among other things he said, "There is an element of hero-worship and a series of adulatory chapters."

Far from it. If recording Siew Sin's many achievements is adulatory, then I plead guilty. On the whole he has accomplished many things as a leader and as a statesman. I know some people are envious of the achievements of others.

Let me hasten to add that I don't regard Siew Sin as a man without any shortcomings. First and foremost he has been criticised, and rightly too, for not being able to speak Chinese. He is probably the only national leader in Asia, if not in this world, who cannot communicate with his own people, I mean the Chinese, in their mothertongue.

Like many others I wonder how he was able to unite the community and hold his position as the president of the Malaysian Chinese Association for as many as thirteen years.

It is true that most of the Chinese in Malacca – known as Babas – don't speak or write Chinese. They speak Malay. But that is no excuse for Siew Sin not to learn Chinese – or at least to speak it.

In attempting to write a definitive biography of Tun Tan one cannot help but mention his many roles — as a statesman, a poli-

tician, a Cabinet Minister, a very successful businessman, and, above all, as a community leader.

None other than His Majesty the King, had appointed him as the Pro-Chancellor of the Universiti Kebangsaan, the University of Malaya had conferred on him a doctorate in law while the Malaysian Chinese Association elected him as its Honorary Adviser and Honorary Life President.

He also had the distinction of being appointed the Chairman of the Electoral Review Commission for Seychelles, the first foreigner in British history to be made chairman of a constitutional commission. He was also the Governor for Malaysia on Boards of World Bank and the International Monetary Fund.

Yet another recognition of his status as a leading statesman in Asia came to him in May 1980 when he was appointed to the newly formed International Council of the Asia Society. His appointment was announced on May 14, 1980 by the Society's chairman, Mr. George W. Ball.

Tun Tan who is Malaysia's sole representative joins 17 businessmen and government leaders from Singapore, Thailand, The Philippines, Indonesia, India, Hong Kong, South Korea, Japan and Australia. They include two Deputy Prime Ministers, one Foreign Minister and an Education Minister.

Recently he was one of the three distinguished persons to be presented this year's (1980) Tun Abdul Razak Award.

The citation for Siew Sin, read by Tan Sri Fatimah Hashim, a member of the Board of Trustees of the Tun Razak Foundation and a former Cabinet Minister, described him as "a man whose name evoked an image of an untiring, firm and pragmatic Finance Minister.

"He has devoted his life to promoting mutual understanding and cooperation among the races of this country, as well as in setting up the foundation of the strong economy that we enjoy," the citation read.

It added that Tun Tan was renowned during his years of public

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service as a man of principle, dedicated to the future of a united and harmonious Malaysia.

"In his 15 years as Minister of Finance he fully participated in building up and providing the economic and financial structure necessary for the successful pursuit of our development efforts.

"Today in the private sector he continues that service and in the course of it proves that the principles and policies that he had practised as a politician and the objectives he had striven for were equally appropriate and profitable in the world of business," the citation added.

In his address, Siew Lin said he could not have done his job without the support of his colleagues in the Government and in the organisations with which he was associated.

"In this connection, I would like to pay a special tribute to our first Prime Minister, Tunku Abdul Rahman, the late Tun Abdul Razak, the late Tun Dr. Ismail, the late Tun V.T. Sambanthan, the late Tan Sri Dr. Lim Swee Aun and the late Tan Sri Khaw Kai Boh, among others.

"I count myself fortunate to have been part of a team of such notable Malaysians," he said.

Siew Sin added he also owed a great deal to his dedicated officers in the Treasury and Bank Negara. "In accepting this award I do so not only on my own behalf, but on behalf of those worthy Malaysians who helped me to discharge the responsibilities which were entrusted to me."

Referring to the closing years of the 19th century and the years ahead, he said it posed a major challenge to the whole world, including Malaysia.

The award Tun Tan received comprised a gold medal, a certificate recording his achievements and a grant of \$30,000.

Siew Sin said his grant of \$30,000 would go to a pet project which he had in mind.

He declined to disclose it at the moment, but said it would be a charitable project.

## CHAPTER FIFTEEN

# RECOLLECTIONS OF THE EMERGENCY

One of the most critical periods in the history of Malaya was the Emergency, as the Communist insurrection was called. The Emergency was declared in June 1948.

It was during this period that the M.C.A. was formed. Despite bombs and bullets the M.C.A. leaders travelled to all parts of the country to urge their countrymen to stay united and fight the enemy — the Communists.

Official suspicion fell on the entire community as the Communists were largely of Chinese origin and their supporters and sympathisers were also of Chinese origin. Under these circumstances, it was hardly surprising that tens of thousands of Chinese were detained without trial on the merest suspicion. Many of them were undoubtedly innocent. Similarly, thousands were deported, again on the flimsiest of evidence.

"One British administrator actually told me that Malaya could still carry on even if every Chinese in the country was deported. Although his was probably an extreme view, it nevertheless reflected to a certain extent the thinking of the then colonial administration. It was under this bleak outlook that the M.C.A. was born," said Siew Sin.

From early in his political career Siew Sin has shown a remarkable capacity to suggest remedies for difficult situations that had confronted the country.

To quote but one instance during the debate on "Malaya Constitutional Conference, 1956" in the Legislative Council, Kuala Lumpur on March 14, 1956, Tun Tan touched on internal defence and security, the anti-Communist war and on a statement by General Templer about an improvement in the Emergency situation.

It will be recalled that he was the only one who disagreed with

the views expressed by Templer. He then stressed that "unless there is an entirely different approach from now on the Emergency will still be with us ten years from today."

His advice was heeded by the Government who took new measures to meet the dangers posed by the Communists.

When asked to recall the most important events that he had witnessed after the war Siew Sin said: "The most traumatic event of the post-war years, in so far as this country is concerned, was the Emergency which reached its height in the early fifties.

"Those of us who experienced it at first-hand can never forget it. The most distinguished casualty was the late Sir Henry Gurney, the then High Commissioner, who died in an ambush on his way to Fraser's Hill.

"My father had a hand grenade thrown at him when he was addressing an M.C.A. meeting in Ipoh in 1949. He survived, although he was badly injured and until today we have in our possession his completely bloodstained shirt.

Continuing his memories of the Emergency Siew Sin said: "The main targets of the Communists were the leaders of the M.C.A. and the rubber planters. Although people know that many rubber planters paid with lives during the Emergency, not many know that nearly 200 M.C.A. leaders died at the hands of the Communists during this period.

"In those days, it was an unusual thing if one does not read of a Communist ambush, or an attempted ambush, when one goes through one's newspapers in the morning.

"I hold a record for death letters I received especially during the M.C.A. crisis. Once I received a cartoon showing me with a songkok and crawling under the Tunku's sarong!

"This was then the background against which our Security Forces operated. At that time, we had Special Constables for the rubber estates. They were called Special Constables because they were re-

## RECOLLECTIONS OF THE EMERGENCY

cruited specially for this purpose. They came in as raw recruits, and after some quick training, were drafted to the estates where they did a superb job. There is no doubt that the plantation industry would have come to a halt but for them.

"I vividly recall two incidents which happened on one of our own group estates. On one occasion the Communists managed to surround the living quarters of the Special Constables after which they gave an ultimatum: "You surrender and we will spare your lives, or stay inside and we will burn you alive."

The constables thereupon surrendered but every one of them was shot down in cold blood.

On another occasion, the Communists managed to surround another group of constables on one of our estates in Negri Sembilan. One constable tried to escape, but the Communists shot at him as he ran, and his intestines came out and were hanging down his side.

"I quote these two instances to show what things were like on the ground. They actually put up posters on one of our estates stating that anyone working for my father or myself would die. As a result no insurance company would insure any of our estate buildings on the ground that doing so was tantamount to paying up, as such buildings were almost certain to be burnt down."

In fact the situation at one time was so serious that many planters including Siew Sin used to visit their estates in their armoured cars. Siew Sin travelled in his own armoured car when he visited his estates in Rembau and Bahau.

"Whenever I went to my estates," says Siew Sin, "I used to telephone the nearest Police Station to ask for Police escort. The O.C.P.D. used to send me as many as 20 constables, all armed with automatic weapons. I was also armed.

"I never used my name over the telephone. I only used a code word which the Police understood.

"Yes, the events that occurred during the Emergency, especially

the grenade attack on the leaders of the M.C.A. in lpoh when my father and the late Tun Leong Yew Koh were seriously injured are still fresh in my mind," he added.

## SIR HENRY GURNEY: THE UNEXPECTED HAPPENS

One of the most tragic incidents of the Emergency was the killing of the late Sir Henry Gurney, the then High Commissioner of Malaya by the Communists on his way to Fraser's Hill on October 6, 1951.

Gurney, who came from Palestine where he had served for several years, was a very able administrator.

I agree with Siew Sin that enough credit has not been given to the contribution that he had made during the most difficult period of the Emergency. Siew Sin says: "It was Gurney who did the spadeworkland Templer completed the job."

The ambush and the killing of Sir Henry Gurney created a great sensation. It was the first major incident of its kind in Malaya.

When asked to comment on this tragedy, Siew Sin's reply was frank. "Well, it was the fault of the Commissioner of Police who also came from Palestine. He told people that if the government people went about in armoured cars, it would demoralise everybody but being shot like sitting ducks is not exactly encouraging. Even when Gurney travelled to Fraser's Hill he was escorted but he went in an ordinary car. That was no good.

"I must confess that in a way my father was indirectly responsible for his death." When asked what had happened, Siew Sin disclosed that his father lunched at King's house with Gurney, a few days before Gurney's trip to Fraser's Hill.

"Lady Gurney was not present. So my father asked Gurney why his wife was not around. Gurney said she was not very well. She got asthma. My father told him if he went to Fraser's Hill there was a certain herb that was very good for asthma. So Gurney said that it was a good idea. That was on a Wednesday. Gurney told his wife after that they should go to Fraser's Hill that weekend.

## RECOLLECTIONS OF THE EMERGENCY

"Lady Gurney told the maid servant that they were going to Fraser's Hill on Saturday. The maid went to Petaling Street to buy some
warm clothings. She told everybody. This news soon got around to
the Communists. So when Gurney came around they were ready for
him. They only went for him and the firing started at the 51st mile.
Gurney knew they were going for him and he realised that it was impossible to escape. He knew there was no way. You look at the 51st
mile — it is impossible to escape. So he actually went out of the car
— he more or less sacrificed himself. And they killed him. After killing
him they came out, and cheered before they left.

"It was so distressing. My father was very upset. But then they should have known better; they shouldn't have broadcast it to the whole world, you see. When the funeral service took place, my father — he has never done that — not only did he attend the funeral service, he came in black. You normally do it for your father. My father has never done that in all his life except for his parents. He wore full black because he was so upset.

"I was wondering why they never went about in armoured cars. I went in an armoured car. In fact I bought the armoured car with our estate money.

"During the Emergency the Communists burned down our estate building. They actually warned our staff and other employees: Those working for Tan Cheng Lock or Tan Siew Sin will die.' The situation was so bad that at one stage in 1950 no insurance company in this part of the world would insure any of their estate buildings. They said: "Insuring your estate property means we will have to pay."

#### CHAPTER SIXTEEN

#### SPEECHES ON CONTEMPORARY NATIONAL AND INTERNATIONAL EVENTS

One of the crucial speeches that Tun Tan was called upon to make in Parliament was on August 9, 1965 on the fateful decision of the Government on the separation of Singapore from Malaysia.

The fact that Siew Sin was asked to speak in support of the Government has more than amply demonstrated the confidence of his Cabinet colleagues in him to do the right thing at the right time.

In the course of his speech Siew Sin explained the reason for the Government's historic decision. He said, "The action proposed by the Prime Minister (Tunku Abdul Rahman) was a sad one but it was the right course open to them because racial tensions had risen alarmingly.

"I have never known Sino-Malay relations to be at such a dangerously low ebb," warmed Siew Sin who went on: "All of us must hope that the separation will not be permanent. Some day, perhaps, when passions have cooled down, there will be a willingness on both sides of the Causeway to think again and to build the bridge that today has to be removed.

"For the time being at least, I would urge everybody both in Malaysia and in Singapore not to recriminate over the past. What has been done cannot be undone. What has happened cannot be washed away. As a famous poet said many hundreds of years ago:

> "The Moving Finger writes; and, having writ, Moves on: nor all thy Piety nor Wit Shall lure it back to cancel half a Line, Nor all thy Tears wash out a word of it."

"It is really the future that counts, the future of this country, of Singapore, and of their peoples. Let me assure this House and this country that those of us who had anything to do with this fateful decision searched ourselves deeply and in anguish in order to discover whether there was any other alternative. With great sorrow we came to the conclusion that there were two alternatives open to us.

### SPEECHES ON ...

The first was to remain as we were.

"It was true that there were to have been talks between the Hon'ble the Prime Minister and Enche Lee Kuan Yew, but it was clear to those who were in full possession of the facts that things had gone too far and that there was a grave likelihood that before long, unless something was done, there would be widespread racial violence between Alor Star and Singapore.

"Racial tensions had risen alarmingly and I, who have been a member of this Legislature for 17 continous years, longer perhaps than anybody else in this country, have never known Sino-Malay relations to be at such a dangerously low ebb.

"A Sino-Malay clash in Malaysia on a large scale with the two races roughly equal in terms of numbers and scattered all over the country, and in many places inextricably mixed, would have been the kind of holocaust beside which racial riots in other countries might appear to be mild.

"This was clearly a prospect which no responsible government could contemplate. We were therefore left with no other course, or if I may put it in another way, with no other honourable course. We could have resorted to repressive measures, but that is not our way of doing this.

"The course we have chosen has at least one advantage, and that is that it should enable us to part as friends in the hope time, that great healer, will one day heal even these wounds and when that time has arrived, it would still be possible to look at the position again.

"Anyone with even the slightest sense of history must perceive that the States of Malaya and Singapore are one. They were one in the days prior to World War II. The separation between the end of the Second World War and Malaysia Day was perhaps an artificial one and I venture to hope that the day will come when they will be one again, as they were destined by geography, by tradition, and by memories and hopes and aspirations shared in common, to be one.

"For the moment, let us look forward rather than look back. Let

us tell our people that whatever their feelings and beliefs might be, they have to accept the inevitable. No other course is open to us.

"If, however, we bear in mind that what has happened cannot be undone, but the future is still for us to mould and to work and to live for, then there is every reason to hope that beyond the shadows of today we might still perceive the sunshine of tomorrow," he added.

# WHAT MALAYSIA EXPECTS FROM HER CITIZENS

What Malaysia should expect from his people was stressed by Tun Tan at the presentation ceremony of Tun Abdul Razak Foundation Award 1980 in University of Malaya on Tuesday, March 11, 1980.

After expressing thanks for the "signal honour" conferred on him Tun Tan said: "Those who are citizens of this country and who regard themselves as such should be fully and actively committed to it."

Parts of his speech follow:

Tun Suffian in his letter to me, informing me of the Award, makes reference to my work "in forging racial and national unity, and of my prudent and wise stewardship of the country's affairs, leading to political and economic stability, on which is based international confidence in Malaysia and the general prosperity of the country."

I should, however, add that I could not have done my job without the support of my colleagues in the Government and in the
organisations with which I was associated. In this connection, I
would like to pay a special tribute to our first Prime Minister, Y.T.M.
Tunku Abdul Rahman Putra Al-Haj, the late Tun Abdul Razak, the
late Tun Dr. Ismail, the late Tun V.T. Sambanthan, the late Tan Sri
Dr. Lim Swee Aun and the late Tan Sri Khaw Kai Boh, among others.
I count myself fortunate to have been part of a team of such notable
Malaysians. I also owe a lot to my dedicated officers in the Treasury
and Bank Negara. In this connection, I am especially happy to see
my good friend, Tan Sri Datuk Ismail bin Mohd. Ali, the Governor
of Bank Negara, sharing the platform with me today. I had no doubt
in my mind that they were doing a good job, because my top officials were highly unpopular with the other Government Ministries
and Departments!

In accepting this Award, I hence do so not only on my behalf, but on behalf of those worthy Malaysians who helped me to discharge the responsibilities which were entrusted to me.

I am sure that all of us present here today are glad that Tun Hajjan Rahah and relatives of the late Tun Abdul Razak are joining us on this occasion. This Foundation is a fitting tribute to the late Tun for the monumental services which he rendered to this country. Unfortunately, as we all know, he could not do as much as he wanted to, as he was taken away from us in early 1976.

When Tun Mohamed Suffian wrote to me about this Award he along informed me that each Awardee would be expected to respond for about seven to eight minutes to the Citation in his honour. Although I have made a few speeches in my time, I was wondering what I should say on an occasion of this nature. Finally, I felt that the most appropriate contribution from me, apart from expressing my thanks and appreciation for the Award, would be my view of what this country should expect from its people.

A high proportion of our population are not fully conversant with our recent history, i.e., the years immediately before independence. The reason is simple, because, if I am not mistaken, about one-half of our people are under 30 years of age, and hence they had either not been born or were too young to remember the events of this period. I well remember the early fifties when political consciousness was beginning to grow in this country and some of our leaders began talking about independence. Some of the top British officials felt, even as late as 1954, and that was only three years before independence, that it was silly to think of Malaya ever becoming independent, because of its racial problem, and a few of them told me in no uncertain terms that if ever Malaya became independent, the result would be a racial bloodbath.

I need not tell you what has happened since then. It is no exaggeration to say that the Malaysia of today is practically a model developing country with the kind of political and economic stability





With the Australian Opposition leader, Mr. E.G. Whitlam who paid a courtesy call on Tun Tan on December 29, 1967.

Below: Sri Lanka Finance Minister, Mr. Wanninnayahi, calls on Tun Tan in Kuala Lumpur on October 16, 1967.



### SPEECHES ON ...

which is almost unique in the developing world. This has not come about by accident, it has come about through leadership of a very high order, a leadership that was able to overcome almost impossible odds, backed by the good sense of the common man in this country.

"Fortunately for us, we have a large reservoir of tolerance and good sense among the masses in this country and this has contributed in no small way towards our phenomenal progress during the last 23 years. Long may this continue!

"It is, however, important that those who are citizens of this country and regard themselves as such, should be fully and actively committed to it. In short, we should not sit on the fence. We sink or swim with Malaysia.

"If enough of us can accept this belief, what we have achieved so far, though impressive, is only the beginning. Given good leadership, there is no reason why in the foreseeable future Malaysia should not make even more rapid progress, and show what can be done if we continue with our pragmatic policies and if our people give the Government sufficient support.

"The closing years of the 20th century will pose a major challenge to the whole world, including Malaysia, but if we rise to the occasion, we could well achieve the kind of performance of which any developing country can be proud."

#### MODEL OF INTERNATIONAL UNDERSTANDING

That the Commonwealth would become stronger and be regarded as a model of international understanding and friendship in a world in which these qualities are lacking in international relationship was the hope expressed by Tun Tan speaking at the Commonwealth Day Reception in Commonwealth House, Kuala Lumpur on March 10, 1980.

The text of his speech is reproduced here.

Mr. President: "This afternoon I was in Malacca. At about the time I was travelling back to Kuala Lumpur to be with you this evening, in another part of the world, about 8,000 miles away, a remarkable annual multi-faith ceremony was taking place. I refer, of course, to the multi-faith ceremony in Westminster Abbey organised on Commonwealth Day by your Society on behalf of the Joint Commonwealth Societies Council.

This event, which is no less remarkable because it has become an annual affair, was attended by Her Majesty Queen Elizabeth II in her capacity as Head of the Commonwealth and she was joined by representatives of all the 40 countries which comprise today's Commonwealth, irrespective of religion, race or colour.

"During the ceremony, the flags of all these independent nations were carried in parade through the lofty Abbey and under that ancient roof it might be said that all the 900 million citizens of the Commonwealth were taking part, in spirit.

"Today's Commonwealth had its beginnings in 1947 with the demise of British rule in India for it was in that year that India and Pakistan became independent countries and chose to be members of the Commonwealth. Sri Lanka, then called Ceylon, followed a year later. The growth of the Commonwealth quickened from 1957 when Ghana and Malaya gained their independence.

"One of the first acts of the independent Government of the

### SPEECHES ON ...

Federation of Malaya was to apply for membership of the Commonwealth and our country has remained one of its staunchest supporters ever since!

Notwithstanding the wide diversities of race, philosophy, religion, outlook and circumstances, the peoples who comprised the former British Empire freely used the framework of their historical connections to build this remarkable voluntary organisation for cooperation in human progress. The very existence of this grouping, spanning as it does so many political and ideological alignments and concerned primarily with peaceful advancement based on human equality is a beacon of hope.

"I say this, because it cannot be denied that amongst ordinary people there is a yearning for a sense of identity and for the opportunity to belong to a community with which they can identify and feel a sense of personal, economic, intellectual and cultural affinity and security.

Your Society in particular provides a forum for such aspirations. There exists between the many Commonwealth peoples feelings of goodwill and understanding and shared traditions which are of immense value today. It is because of this unique relationship that the Governments and peoples of the Commonwealth can work together through innumerable channels of exchange which flow strongly on despite variations in the political climate to which I have referred.

There are, I believe, about 270 Commonwealth groups which have regular meetings and discuss such diverse subjects as law, medicine, finance, trade, commodities, banking, youth, tourism and drugs, to name but a few. The Commonwealth Secretariat coordinates many of these groups, while the Commonwealth Foundation works, among other things, for the benefit of professional people.

Taking 1947 as the year in which the Commonwealth as we know it today had its beginnings, this year of 1980 marks its 33rd anniversary. Many may consider that it has been something of a disappointment and that it has not lived up to its promise but it is surely

remarkable that after so many years of rapid change, it is still in existence and very little different from its original composition.

Mr. President, I believe that the Commonwealth has proved that it possesses both durability and staying power, and I hope that in the decade now ahead of us, the nineteen eighties, it will become even stronger, and be regarded as a model of international understanding and friendship in a world which, though shrinking all the time, is conspicuous for the lack of these very qualities in its international relationships.

"I now give you the toast: "THE COMMONWEALTH."

# CHALLENGES FACING ASIA AND THE UNITED STATES

Addressing the American-ASEAN Trade Council in New York on December 7, 1979, Tun Tan touched on "The Challenges Facing Asia and the United States of America." From the outset he emphasia, "the challenges facing Asia and the United States of America in the coming years would be vastly different from conditions as we knew them in the past, or even the recent past.

"Until World War II and during the previous three centuries or therabouts, the world scene was dominated by the Western nations, particularly Western Europe. This period also saw the rise of the British Empire on which it was literally true to say that the sun never set when it was at the zenith of its power. Western Europe called the tune then.

Today, things are rather different. The sun has set on Western Europe in the sense that it does not wield the same power which it did before World War II. Both Arnold Toynbee and Oswald Spengler in their monumental works have reminded us that no nation or group of nations can be at the top forever. In fact, what is indeed surprising is that Western Europe, which geographically, is little more than a peninsula jutting out off the western end of the land mass of Eurasia has managed to hold the fort for so long. One of the main reasons for their success is clearly the fact that they were the first to industrialise and to modernise by applying the fruits of science and technology. Thus they forged well ahead of Asia, Africa and the rest of what is known today as the developing world, but it was only a question of time before this lead would be lost.

The turning point came with World War II. Two world wars drained away the strength and energies of Western Europe. It was obvious even then that there would be radical changes on the world scene at the end of the Second World War. Indeed, in a speech which I made to the Lady Hardinge Medical College in New Delhi in 1943, I predicted that the centre of gravity in world affairs would shift from

the Atlantic Ocean to the Pacific Ocean after that war. Let us look at that part of the world. The two superpowers, the United States and the Soviet Union are both Pacific powers. Japan, the economic giant of the non-Communist world, is also in the Pacific. China, likely to emerge as a world power in the years ahead, is also in the Pacific Basin. Further, this area probably contains more than its fair share of the world's strategic mineral and natural resources. Even ASEAN, comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand and this is only a small part of the Pacific Basin, produces within its borders 82% of the world's natural rubber, 63% of the world's tin, 52% of the world's palm oil and about one half of the world's tropical hardwoods.

"This grouping also produces substantial amounts of coconuts, rice, pepper, cane sugar, bananas, tapioca and petroleum. It is hence not unreasonable to assume that the destiny of the human race in the last quarter of the twentieth century will be decided in the Pacific, not the Atlantic Ocean.

"This is where America's future role comes in. The United States, by reason of its sheer size and strength, is likely to play a pivotal role in world history, at least in the foreseeable future. Unlike previous world powers in history, it is not interested in acquiring colonies. It does not wish to create an empire. In fact, it is no exaggeration to say that the United States is the first world power in history to have no acquisitive designs.

"Logically, therefore, it should be welcomed everywhere, but this has not happened. Instead, outside its borders, it is facing almost as much resentment as a former colonial powers which were bent on bringing foreign peoples under their rule. What are the reasons for this state of affairs?

I hope you do not mind if I speak frankly in this context. To begin with, the best of intentions are no guarantee of a sound and viable foreign policy. America has the best of intentions in its dealings with foreign powers but somehow or other they do not seem to work

### SPEECHES ON ...

out in practice. In this connection, I well remember the maxim that the road to hell is paved with good intentions! What then are the reasons for the inability of U.S. foreign policy to achieve a favourable impact, both from the point of view of the countries with which America deals and of America itself?

In my view, many of the problems arise as a result of its relative inexperience in world affairs, reinforced by the mental and geographical isolation of the American people. Let me amplify what I mean. Your country, by reason of its size and strength, is practically self-sufficient. Foreign trade is far less important to the United States than it is to most other countries. You can almost do without the rest of the world, except perhaps in regard to oil, and even this fact was not brought home until fairly recently.

"As a result, Americans tend to focus largely on their own problems and are often blissfully unaware of the problems of the outside world. This is fine, but it also means that they do not know enough about the thinking and attitudes of the rest of the world.

In the field of foreign policy, its leaders are hampered by the fact that the American people as a whole know so little of what is happening outside America, except when a major disaster, whether natural or man-made occurs, that formulating a foreign policy acceptable to a democratic society is a formidable task in itself, because it is almost equivalent to trying to teach the Americans how they should deal with people from another planet!

"A look at the American mass media will illustrate my point. When one reads the newspapers published in this country, so little foreign news is given that the bulk of the people living in the United States know far less of what is happening outside their borders than, say, people living in Britain or Japan.

"From this point of view, my guess is that radio and T.V. coverage would be even worse. It is hence hardly surprising that Americans as a whole do not really understand the problems facing other countries, especially countries in the developing world. As a result,

one has the impression that American leaders normally support leaders of the developing world who shout anti-Communist slogans at the top of their voices even though they may not exactly be leaders of whom their own peoples can be proud.

"It is no accident that some leaders of the developing world who received maximum support from your leaders in the past presided over governments which were notoriously corrupt and incompetent. As I have stated already, this is the result of a combination of relative inexperience in foreign affairs and the comparative lack of in-depth knowledge of the outside world.

"It is, however, obvious that this state of affairs should not be allowed to continue. America has a role to play in world affairs for some time more to come and it can be a decisive role for the reasons which I have already given. Nowhere can this role be more crucial than in Asia, but if such a role is to bring the results which many of us hope it will bring, your leaders will have to change their thinking and hence their strategies and tactics radically. To begin with, they must cease to divide the developing world into only two classes, i.e., you are either fanatically anti-Communist or you are Communist.

"They should support regimes which provide honest and efficient government, even though their political complexion may not be entirely to your liking, so long as they stick to the rules of the game, i.e., do not engage in foreign conquest or try to subvert regimes which are not to their liking by dubious means. Even the peoples of the developing world are getting to be more sophisticated. They are certainly more sophisticated now than they were even 20 years ago. Basically, they want an honest and efficient administration because as a result of the speed of present day mass media, they are aware of what can be achieved if they have the right leaders. They are not interested in slogan shouting, they want results. They do not want a society in which an elite few posses excessive wealth while the rest live in dire poverty, with nothing in between.

"I might quote Malaysia as an example. When we obtained our

# "THE BIG FOUR" TOGETHER IN 1971



Tun Tan with the late Tun Abdul Razak, the former Prime Minister of Malaysia, Tun (Dr.) Ismail, the former Deputy Prime Minister (extreme left) and the late Tan Sri Khaw Kai Boh, a former M.C.A. leader in 1971.



A rare picture of the Prime Minister, Datuk Hussein Onn with Tun Tan Siew Sin both of whom are enjoying a joke. They have known each other since the days they both served on the Federal Legislative Council and later in the Malaysian Parliament.

independence in 1957, i.e., 22 years ago, we undertook an experiment which has never been attempted before in human history. We aimed to unite three completely different races which are as different as three races could possibly be.

"I am, of course, referring to the Malays, Chinese and Indians who make up the bulk of what was then known as the Federation of Malaya, but which is now part of Malaysia.

Malaysia has achieved the kind of political and economic stability and strength which could be a model for the rest of the developing world in spite of these enormous handicaps. It is true that in May 1969 there was a racial riot but this was a comparatively minor affair when pictured against the background of our problems. In fact, when the foreign Press discussed this riot with me soon after its occurrence, I told them that what was surprising was not that it occurrence, I told them that what was surprising was not that it occurrence, I told to the course of a prefer scale and oftener. I attribute this success to two factors, namely, good leadership, and secondly, the good sense of the common man in our country, where there is an enormous reservoir of tolerance and understanding.

I have digressed a little from my main theme in order to show what can be done even against heavy odds, provided the political will is there. This is where the United States can help not so much in the matter of financial aid but by encouraging developing countries to establish good government even though their leaders may not appear to be patently pro-American.

"If countries in Asia receive the right response from the United States in the remaining years of this century, and these are crucial years, we could well see the beginning of a new society, in-Asia, a society based on social and economic justice, a society which gives hope to the underprivileged, a society where there is more parasity of opportunity. If America can add-in, this stransformation, if will, in the process not only help itself, if will force a link with Asia which will ensure world peace and stability shormers here at a stability force.

2-189 (20.00)

# THE ECONOMIC ASPIRATIONS OF MALAYSIA "A Strategic Role in South East Asia"

"The Economic Aspirations of Malaysia" – that is the theme on which Tun Tan spoke at the Asia Society Conference held in New York on December 6, 1979.

In the course of his speech before a distinguished gathering Tun Tan touched on the important role that South East Asia has been and still is playing.

Excerpts from his speech are given below.

Tun Tan said: "Before I go further, I feel that it would be useful to setch the background of the subject of my address. In the early forties, i.e., during World War II, when I was in India, I was asked to speak to the Lady Hardinge Medical College in New Delhi. Among other things, I hazarded the prediction that after World War II, the centre of gravity in world affairs would shift from the Atlantic to the Pacific Ocean. I said this more than 30 years ago. Today, we see it happening before our eyes.

"To me, there is no doubt that the destiny of the human race in the last quarter of the 20th century will be decided in the Pacific Ocean. It is bordered by the two superpowers, namely, the United States and the Soviet Union, while two other major powers, China and Japan also-border the Pacific Ocean. Let us remember that Japan, though small in area, is an economic giant. South-East Asia is an important part of the Pacific Basin. When I talk of South-East Asia. I include Burma, the countries of Indo-China, Indonesia, the Philippines, Singapore, Thailand and Malaysia. These countries between them have a total area of about two million square miles and a total population well in excess of 200 million and within their borders are to be found every raw material required by the industrial world, including three which even the United States does not have. viz.. natural rubber, tin and diamonds. South-East Asia can therefore play a strategic role in the region and Malaysia is in the centre of this group of countries.

"This afternoon, I would like to discuss Malaysia's internal and external economic aspirations:—

- Internally, Malaysia is committed to the redistribution of wealth, income and opportunities consistent with national aspirations and this is reflected in the New Economic Policy, or N.E.P. for short.
- (ii) Externally, Malaysia is committed to the development of a new international economic order through which producers of industrial raw materials get fair and reasonable prices for their exports and cushioned from violent price fluctuations.

# NEW ECONOMIC POLICY

"Malaysia is a multi-racial country with a total population of about 13 million people. The indigenous Malaysians called Bumiputras account for 51.5 percent of the population, the Chinese account for 33.9 percent of the population and Indians for another 9.1 percent. The largest Bumiputra community are Malays and they account for about 47 percent of the total population. The balance of the Bumiputra community are largely made up of Dayaks and Kadazans from Sarawak and Sabah respectively.

"In 1957, Peninsular Malaysia obtained independence from the British and immediately embarked on an ambitious programme of economic development. After Malaysia was formed in 1963, development efforts were intensified and extended to Sarawak and Sabah as well. The largely successful development effort had one unanticipated result — it accelerated income inequalities along racial lines. In particular, the Chinese community with a long tradition of hard work, enterprise and business experience were forging ahead of the other communities in the accumulation of wealth and were successful in achieving a higher standard of living. However, the politically dominant Malay Bumipurtas, whose social and economic interests had been neglected by the former colonial government lacked business experience; and although the post-Independence Government made strenuous efforts to educate and train the Malays, the growth

of inequalities in income and wealth between the two dominant communities in Malaysia led to severe political tensions which climaxed in the racial riots of 1969.

"The N.E.P. was designed to minimise such racial tensions by restructuring development in such a way that Bumiputras would be assured of a fair share in the growth of the economy, but the N.E.P. also recognises that gross income inequalities could set off class struggles which could transcend racial barriers. Consequently, the twin aims of the N.E.P. are:—

- (i) to eradicate poverty, irrespective of race; and
- (ii) to restructure Malaysian society and eventually eliminate the identification of race with economic functions.

As part of a comprehensive effort to achieve these two objectives, the Government has prescribed employment ratios in the recruitment of workers for the private sector; and, equity restructuring of large companies in such a way that by 1990, 30 percent of total equity capital would be held by Bumiputras, 40 percent by non-Bumiputras and 30 percent by foreigners.

"In order to enable Bumiputras to take the allocated share of equity capital several Government-initiated Bumiputra institutions have been set up. These include M.A.R.A. (Majlis Amanah Rakyat), PERNAS (Perbadanan Nasional) and more recently Permodalan Nasional (National Equity Corporation). The Economic Development Corporations of the various States too play an important part in restructuring equity ownership.

"The Government has also encouraged Bumiputras to save through the conventional financial institutions as well as some specialised institutions such as Tabong Haji (Pilgrimage Savings Corporation) that Bumiputras would be able to accumulate the required capital to take up the shares allotted to them. In addition, banks and financial institutions have been directed to ensure that at least 20 percent of the increase in their lending is made to Bumiputras or Bumiputra institutions.

"During the last nine years the N.E.P. has been successful in ensuring that Bumiputras get a fair share of the benefits from the growth of the Malaysian economy. It may be argued that to some extent the implementation of the N.E.P. has overemphasised the restructuring of society and underemphasised the eradication of poverty irrespective of race, but since the most urgent task in the 1970's has been the elimination of racial tensions, this bias in its implementation has probably been beneficial. In any case, during the 1980's, greater emphasis is likely to be placed on the eradication of poverty irrespective or race, because, as income inequalities among the races diminish, the most urgent task would be the elimination of poverty among all races.

"It is important to note that the restructuring of employment and equity under the N.E.P. is to be implemented in the context of economic growth and not through the redistribution of existing resources. It is also important to stress that the equity restructuring is aimed at a more equitable distribution of the ownership of companies among the different communities in Malaysia and foreigners. In other words, the target percentage figures are to be applied to equity ownership in the country as a whole and not specifically to each and every company. Consequently, even after 1990, the distribution of ownership of individual companies can vary significantly from the target figures. This pragmatic approach to equity restructuring has received the full support and cooperation of the business community.

"Most of the foreign investors have adapted themselves to the N.E.P. and the equity restructuring exercise is working quite smoothly. In order to comply with the equity requirements of the N.E.P., many foreign companies have established joint ventures with domestic corporations. This development is mutually beneficial to Malaysia, and foreign investors, because, through these joint, ventures, acchanology and expertise are passed on to Malaysians.

"On the other hand, foreign investors are assured of a satisfactory return on their investments, local expertise from their partners

and protected from socio-economic turbulence which could threaten the security of their investments. Foreign investors who are keen to invest in Malaysia should therefore establish joint ventures rather than wholly-owned subsidiaries.

# ECONOMIC RELATIONS

As all of you are probably aware, Malaysia is an important producer of industrial raw materials – in fact we are the world's largest producer of natural rubber, palm oil and tin. Consequently, we are seriously concerned about two problems that adversely affect producers of raw materials:

- (i) The cyclical problem of violent price fluctuations in commodity markets.
- (ii) The long term problem of continuing erosion in the prices of raw materials relative to industrial goods.

"This erosion in the prices of raw materials relative to industrial goods is a distinct and separate problem from the widely discussed problem of violent price fluctuations in commodity markets. The average price of rubber in 1978, for instance, was M\$2.23 per kilo compared with an average price of M\$2.38 per kilo in 1950, i.e., the 1978 price of rubber was 1.3 percent lower than in 1950, but during the same period the prices of industrial goods in the United States had risen by 168.3 percent.

"Similarly, between 1954 and 1977, the calendar year average price of rubber had fallen by 36 percent while the comparable average price of manufactured goods in the United Kingdom and the United States had risen by 306.5 and 146.1 percent respectively.

"There is a widespread belief that since the 1973 oil crisis, the terms of trade have turned in favour of producers of primary commodities, but the price statistics demonstrate that this is a mistaken impression, at least as far as our primary exports are concerned. Since 1973, the prices of rubber, palm oil and timber have increased by 40.5, 46.7 and 6.8 percent respectively while the prices of in-

dustrial commodities and manufactured goods in the United States, United Kingdom and Japan have increased by 66.2, 134.7 and 40.4 percent respectively demonstrating clearly that the trend of price erosion for primary commodities is still continuing.

"In the case of tin, both the problem of cyclical price fluctuations and the long term trend of price erosion, relative to industrial goods, have been largely overcome by the various International Tin Agreements, which despite several problems, have operated reasonably well for nearly three decades.

"In the case of natural rubber, the recently concluded International Natural Rubber Price Stabilisation Agreement is a step in the right direction, in that it intends to stabilise the price of rubber between M\$1.50 and M\$2.70 per kilo. Presumably, this Price Stabilisation Agreement will eliminate violent price fluctuations, but this Agreement is based on a reference price of M\$2.10 per kilo which is lower than the average price of rubber in 1950, which was M\$2.38 per kilo. Thus the Agreement has not made any effort to help compensate rubber producers for the erosion in the price of rubber relative to that of industrial goods.

"Rubber is not the only primary commodity to suffer from the price erosion effects of the escalating prices of industrial goods. A similar trend affects other primary commodities in greater or lesser degree. I therefore feel that the producers of primary commodities should change their thinking radically and adopt new methods of selling their products. If producer countries accounting for, say, 80% of the total world production of a particular commodity can get together and decide that they will sell only at certain prices and no less, such a scheme is simple, and even more important, effective." Another vital advantage is that it does not require large amounts of financing. I am aware that it will be argued that rubber is not in the same position as, say, oil because there is a substitute for natural rubber in the form of synthetic. I maintain, however, that so long as we fix realistic prices, and not ask for the moon, we can make this scheme work.

"To be more specific, if there is such a scheme for rubber, we could well fix prices at about present levels or even a little higher, and I doubt if such levels would force consumer countries to switch to synthetic rubber in a big way. Where tin is concerned, there is no substitute, and like oil, it is a rapidly wasting and non-renewable asset. In the case of palm oil, although I am aware that there are many other kinds of edible oils, with the world population explosion, we can always sell our palm oil at reasonable prices, provided we maintain an efficient industry which can cut costs substantially by, among other things, maintaining an efficient research organisation to ensure that we are always in the forefront, in terms of agricultural and industrial efficiency.

"The theory that raw material prices should always remain dirt cheap while the prices of industrial goods should continue to rise all the time cannot be maintained much longer. As far as I know, it was not a law ordained by Heaven! It was a pattern of trade enforced by the Western world in circumstances which no longer exist.

"We live today in a continually shrinking world, a world which can be circled every 90 minutes. We may still feel that we are divided by race, colour and religion, but as one of your great compatriots said not so long ago, we either have one world or we may eventually end up with a world which has gone back to the Stone Age. If our leaders can take a long view and realise that while today is important, tomorrow is more important than today, and the day after tomorrow is still more important than tomorrow, homo sapiens has an exciting vista still ahead of him and can look forward to ever increasing prosperity for many more years to come."

# THE TAR COLLEGE: TRIBUTE TO PIONEERS

Opportunity was taken by Tun Tan to pay warm tributes to pioneers who laid the permanent groundwork for the establishment of the Tunku Abdul Rahman (TAR) College at the tenth anniversay celebrations of the College on February 24, 1979 at T.A.R. Campus.

Special mention was made by Tun Tan of Datuk Lee San Choon, the President of the M.C.A., who launched a successful countrywide campaign for funds, the late Tan Sri Khaw Kai Boh, the Chairman of the Working Team for Higher Education Planning who later also became the Chairman of the Interim Council of the College, and Datuk Lew Sip Hon, through whose "able leadership the College has made tremendous progress."

The text of Tun Tan's speech follows:

"It is indeed a great pleasure and privilege for me this morning to be invited to attend this very important and auspicious occasion. The occasion is doubly auspicious for we are celebrating two important events. The first is the celebration of the Tenth Anniversary of the founding of the College and the second is the official opening of Phase I of the College Building Programme.

"I have been given the honour of performing the first ceremony. My happiness is the greater because my dear friend, Y.T.M. Tunku Abdul Rahman Putra Al-Haj, our first Prime Minister, V.T.M. Tinku declare open Phase I of our College Building Programme. It is indeed an honour to have the Tunku with us when the College celebrates such an historic occasion.

"It was in March 1968 in my Presidential address to the Malaysian Chinese Association's General Assembly that I first mentioned the need to establish an institution of higher learning to train our youth and provide the requisite manpower for nation building. At that time what my colleagues and I had was merely an aspiration but

today we celebrate a reality.

"I would like to take this opportunity to pay a special tribute to the late Tan Sri Khaw Kai Boh, Chairman of the Working Team for Higher Education Planning, who later also became the Chairman of the Interim Council of the College. It was the late Tan Sri Khaw and his team of dedicated workers who translated this aspiration into reality and laid a firm foundation for the development of the College. "The College opened its first classes in the remarkably short period of nine months after I appointed the late Tan Sri Khaw as Chairman of the Working Team for Higher Education. There is no doubt at all that had it not been for his inspiring leadership and the hard work and loyal co-operation of his colleagues, it would have been impossible to achieve so much within so short a time. This Campus that we see Today commemorates the efforts and high dedication of those pioneers who laid the permanent groundwork.

"I would also like to take this opportunity to pay a fitting tribut to Y.B. Datuk Seri Lee San Choon, who launched the nationwide fund raising campaign during the period when the construction of the buildings was in progress. Under his leadership, Divisions and Branches of the Malaysian Chinese Association, Guilds and Associations, and people from all walks of life responded to the campaign magnificently. The buildings that the Tunku will shortly declare open are testimony to the success of the campaign and at the same time a manifestation of the support of the public.

"I wish to thank the many Malaysians who through their generous donations have made it possible for thousands of young Malaysians to benefit from higher education and thereby make a positive contribution to the development of the nation.

"Malaysians have a tradition of respect for learning and a spirit of philanthropy towards education. I am confident that they will continue to give their support to the Tunku Abdul Rahman College.

On the demise of the late Tan Sri Khaw, Y.B. Dato' Lew Sip Hon took over the Chairmanship of the Interim Council in 1972 and later

the Chairmanship of the Council and he has been the Chairman ever since. Through his able leadership, I note with pride and satisfaction that the College has been tremendous progress and is now one of the foremost institutions in the country. I am confident that given the same determination to overcome all difficulties, it will continue to grow from strength to strength.

"I understand that the College is celebrating its Tenth Anniversary in a big way. A very ambitious programme has been arranged. There is a Pesta, Open Day/Exhibition, Cultural/Variety Show, film show, kung ſu display, fashion show, and so on. This is a fitting programme for such an important and auspicious occasion.

"I now have the greatest of pleasure in declaring the Tenth Anniversary Celebrations open."

# "GROWTH OF LEADING BANKS MOST COMMENDABLE

In launching the American Express Pacific Bank Gold Card on July 9, 1980, at the U.N. Room of the Regent in Kuala Lumpur, Tun Tan said, "The growth of the leading Malaysian banks has been most commendable but I feel that the system is still inadequate to reach everyone who should have access to a bank".

The text of his speech follows:

"This evening marks a further extension of the relationship between Pacific Bank Berhad and American Express which started at the end of 1978. As you are all no doubt aware, Pacific Bank is a Malaysian bank but 49% of its shares are held by the Oversea Chinese Banking Corporation and American Express International Banking Corporation.

"I did not become Chairman of Pacific Bank to see it remain as one of the smallest banks in the country and I therefore invited American Express to assist in the management and development of the bank for a limited period and our present General Manager is on secondment from American Express and will be eventually replaced by a Malaysian.

"I am pleased to report that over the past year our Bank has undergone a considerable change, as those of you who attended the opening of our relocated Kuala Lumpur Branch and Head Office at Wisma Hangsam last September would have noticed. Our old branch at Batu Pahat has also been completely renovated and our clients are now able to transact their business over our counters in clean and decent premises in a modern and efficient manner. The branch we opened at SEA Park, Petaling Jaya, in September, 1978, is now well established and we have recently successfully launched new branches at Yong Peng and Rengit in the State of Johore. The response from our clients and friends to these changes has been most encouraging.

"After moving our Kuala Lumpur Branch to the new premises and redesigning our operational procedures, abandoning the old

token system, and giving speedy service to people cashing cheques and depositing their savings, our total customer deposits doubled, from \$55 million at the end of 1978 to \$111 million at the end of 1979 and today they are around \$130 million.

"Loan demand has matched deposit growth. We are currently maintaining the required levels of lending laid down by Bank Negara in all areas, viz., Bumiputras, housing, small scale industry and agriculture.

"Our range of lending activity has greatly broadened. We have ventured into projects as varied as a new palm oil refinery to a modern chicken farm. Our Johore branches have supported the activities of local smallholders.

"We are handling export and foreign exchange transactions for some of the leading names in the country. Pacific Bank now regards itself as a full member of the banking community in Malaysia.

"Our concern is our size. There are 20 banks incorporated in Malaysia and Pacific Bank remains at the bottom of this list in terms of size of total deposits. In fact, five of the domestic banks hold about 85% of the total deposits in Malaysian banks.

"The growth of the leading Malaysian banks has been most commendable but I feel that the system is still inadequate to reach everyone who should have access to a bank. More than half of the total branches of banks in Malaysia are serving urban communities but almost 70% of our population is in rural areas.

"Our country's successful economic growth which has been so carefully managed, not least by my good friend, the retiring Governor, Tun Ismail bin Mohd. Ali, has brought to the rural population a new affluence, which incidentally is very evident to those of us who travel out of the Federal capital. The market for what we would have considered luxury items, only a few years ago, is continuously expanding, as the consumer comes to regard such items as essentials.

"The housing sites of our plantations are covered with televi-

sion aerials, whereas prewar, even an ordinary radio was an unusual feature. Many of our labourers now attend to their duties by motocycle. Every town has its traffic problems created by an ever increasing number of new cars.

"Despite the considerable expansion of the branch networks of the big banks there are still many communities of a size which can support a branch of a bank, but which lack this service facility. Additionally, the new housing projects which are rapidly coming up around our towns require this basic support.

"Our experience at SEA Park indicates that these new communities require considerable banking facilities. Despite five other banks in the SEA Park area, our own branch is approaching deposits of \$20 million which are fully lent, and yet this branch is not even two years old.

"I strongly feel that all Malaysian banks must expand their branch networks not only in the towns but also into the rural communities, and I feel that our industry should be given a target of accomplishment for the next five years. Of course, such an expansion would put major demands on the banks for management, staff, premises and communications. These are problems which the banking industry must meet.

"Obviously, there will always be movement of personnel within the industry, and banks such as ours have to make an investment in training at all levels, but we can only do this if we know that an expansion of our bank will be allowed. I feet that it would be helpful if Bank Negara could lay down clearly its policy in regard to the expansion plans of smaller banks such as Pacific.

"Accepting such a challenge presents the banks with major responsibilities. We cannot expand without the appropriate controls and management capability but these are problems that we must face up to, if we are to meet the requirements of the people of this country, who are enjoying the benefits of Malaysia's rapid economic growth.

"This evening I am pleased to announce the launching of the American Express Pacific Bank Ringgit Gold Card. I must confess to being rather confused myself about the American Express Card — green, gold, and what colour next? I think our General Manager has clarified some of the questions we may have had regarding this card and at least we now know what the American Express Pacific Bank Ringgit Gold Card means.

"As Mr. Wye stated, we are not launching this card to compete with our friends at United Malayan Banking Corporation. As the Pacific Bank is associated with American Express, it seems appropriate that we should also market this card and we will do so mainly as a service to our clients and friends.

"It now gives me great pleasure to present the first American Express Pacific Bank Ringgit Gold Card to Duli Yang Teramat Mulia Tengku Idris Shah Ibni Sultan Salahuddin Abdul Aziz Shah, Raja Muda Sclangor".

# "INFORMATION POWER IN THE POST-INDUSTRIAL SOCIETY"

"There is no doubt of the power of information, whether it is used for good or evil. I well remember what Goebbels, the Propaganda Minister of Nazi Germany, once said. His maxim was simply this:— If you can make people believe what you want them to believe, you can make them do what you want them to do, and people are so stupid that they will believe anything you want them to believe, provided you say it long enough, loud enough, and simple enough."

Tun Tan said this when he addressed the Seminar of the School of Library and Information Science, Institut of Teknoloji MARA, at Jaya Puri Hotel, on August 27, 1980.

"It is interesting to note," he went on "that his official designation was Minister of Public Enlightenment and Propaganda, and although many of us may not share the concepts of Nazi Germany, there is in my mind little doubt that with a little more luck, Hitler could have changed the course of human history. In spite of its defeat in World War I and the terrible slump of the early thirties, Hitler galvanised the German nation so successfully that the military machine which he built up in the course of only a few years swept through Western Europe in 1940 like a knife cutting through butter.

I have taken the trouble to cite this example to show the power of information, or even mis-information, to put it more correctly perhaps. When Hitler became Chancellor in 1933, Germany was a dispirited and disorganised country, without any vision about its future. The Germany which started World War II in 1939, only six years later, firmly believed that its destiny was to rule the world. I talk from personal experience because in those eventful mid-thirties I was living in Central Europe and got acquainted with both Nazis and Communists, and exchanged views with them. The spectacular revival of Germany in the thirties is a vivid illustration of what propaganda can do, backed of course by other factors such as dedicated leadership and superb organisation. There is no doubt that Goebbels



The World Bank President, Mr. Robert McNamara, attends a dinner given by Tun Tan in Kuala Lumpur.



Tun Tan with the French President, Mr. Valery Giscard D' Estaing in 1972 when the former was the French Finance Minister.



Tun Tan Siew Sin and Puan Sri Tan celebrating the Chinese New Year on January 20, 1968 in Kuala Lumpur.



The Tunku comes to join Chinese New Year celebrations in 1970 at the residence of Tun Tan in Kuala Lumpur.

was a genius, although he may not be exactly one's cup of tea in a democratic society.

So far, I have illustrated the negative side of what information can do. Let us now turn to the positive side. At the end of World War II in 1945, if someone had told me that I would live to see the day when a man would land on the moon, I would have suggested that he should have his head examined by a psychiatrist! Looking back, one cannot help but feel that more changes have taken place in the last 35 years than in the previous one million years of man's existence on this planet. The result of this phenomenon is that a tremendous amount of information is now available on any subject you can possibly think of. The problem today is that, if anything, we have too much information rather than too little.

For example, Alvin Toffler in his monumental work, "Future Shock", had this to say about the likelihood of even more rapid changes taking place in the future. According to Toffler, "change is avalanching upon our heads and most people are grotesquely unprepared to cope with it. The result is mass disorientation, future shock on a grand scale."

If we can be certain of anything in this world, it is that everything changes except the process of changing. However, if we ponder a little, it will be clear that man-generated change is a direct consequence of information. Indeed, change of this nature results from the application of existing information and technology to gather new information and new technology.

Another characteristic of the post-industrial society is the unbleivable rate of growth of knowledge and information on almost every conceivable subject under the sun. Toffler, for instance, estimates that "the United States Government alone generates 100,000 reports each year, plus 450,000 articles, books and papers. On a worldwide basis, scientific and technical literature mounts at a rate of some 60,000,000 pages a year."

This phenomenon of information explosion has left, and continues to leave, its impact on almost every facet of human activity.

We have witnessed an astounding and unprecedented rate of progress not only in the areas of scientific invention and technological development, but also in the disciplines of social sciences and the humanities. We have seen the landing of man on the moon, satellite communication systems, use of high-speed computers, as well as new advances in medicine, management science, economic and educational theories. All this progress and advancement can be said to depend directly upon man's ability to absorb, retain, digest, manipulate and apply existing information for productive and innovative functions.

Indeed it has been said that the space race between the United States and the Soviet Union is really a test of each country's ability to collect, organise, disseminate and utilize scientific and technical information. In 1956, when the Soviet Union successfully launched Sputnik I, it completely stumed the U.S. Investigations into the cause of Soviet superiority in space technology revealed that at that time the Soviet Union had a better system for the control and flow of information. The United States effectively understood the impact of information power.

Immediately, they embarked on a massive programme, at tremendous cost, to improve access to information and knowledge. Today, the coordination and control of library and information resources are given very high priority and are being studied by the National Commission on Libraries and Information Science in the U.S. Effectively harnessing and exploiting this information resource has become a major concern of national, regional and international organisations throughout the world.

According to Alvin Toffler, again, one of the problems associated with the exploitation of information resource is the phenomenon of "information overload." This simply means that there is too much information competing to gain the attention of an individual at any one time. Toffler says that the more rapidly changing and novel the environment, the more information and individual needs to process in order to make effective and rational decisions. Yet the human mind suffers from a severe limitation on the amount of information

it is able to receive, process and remember.

To cope with this situation, modern technology is being widely applied to the area of information processing and exploitation. Computer technology is being fully exploited for the construction of huge information data bases and data banks for various disciplines. Today, there are more than 500 information data bases covering a wide range of subjects such as agriculture, science, technology, business, economics, environment, education, petroleum, and so on.

Telecommunication systems and satellite communications are about the serious data bases. A developing country like Malaysia should aim to capitalize on these in information technology in advanced nations. We should look into the possibilities of drawing from those resources information relevant and applicable to our national development efforts, and perhaps build up our own data bases for these areas.

Progressive and development-oriented nations are beginning to give a high priority to the establishment of strong research and development (R & D) units to bring about a smoother application of available technology in their industrialization and modernization efforts. An essential feature to an R & D unit is an effective information centre. Japan, for instance, spends a substantial portion of its R & D budget on information.

Exploitation of information has become a complex and sophisticated process. A user of information — be he a planter, policy maker or decision maker - does not possess the capacity and expertise to assess and exploit the information relevant to him. The job of collecting, organising and servicing of information is best left to professionally trained information specialists.

To sum up, whether therefore within the private or public sector, whether we are businessmen or academics, the problem today is how to ensure that we get the right information so that we can maximise the benefits obtainable from such knowledge. If I am not mistaken, that is the real purpose of this Seminar. The results of

getting the wrong information may range from getting plunged into World War III, to give an extreme example, to making the wrong decision in an experimental laboratory at the other end of the spectrum.

Speaking from my personal experience even in the world of business, I find that it is quite a job keeping up with new developments which are relevant to the businesses with which I am associated. One has either to do too much reading, or one has to have one's reading done by somebody else. The ideal course is to strike a happy medium, to strike the right balance, and that is to read only the most essential items oneself and to leave to one's subordinates the less essential reading material, but to ensure that important items of information are brought to one's attention in due course. If this modus operand is accepted, the rest is a matter of mechanics, and that depends on the activity one is engaged in.

Whatever the form of activity, certain basic needs have to be fulfilled if one is to ensure that adequate information of the right kind is available. The first one that springs to mind is libraries. Libraries are clearly a basic essential and can serve as a useful foundation on which to build, provided the material is carefully selected and comprehensive enough. Secondly, decision makers, but particularly those engaged in planning and research should be assisted by an information gathering unit, and the main task of this unit is to obtain information on the latest developments, wherever they may occur, anywhere in the world. The essential requisite is freedom of information. It is not an accident of history that countries in which information can be freely acquired have made greater material progress, especially in the postwar years, than totalitarian states. The reason for this is simple. A repressive society does not encourage freedom of thought which is a major consequence of freedom of information. and without freedom of thought, innovation and initiative are suppressed. Without innovation and initiative, fuelled by imagination, stagnation must inevitably occur, and stagnation is the antithesis of progress.

To my mind, the biggest problem is still sifting relevant information from the massive amount which is now available. We can use all the aids available as a result of the advances of modern science and technology. This is fine, but in the last analysis, you require human beings to go through the information available and extract only that which is relevant to the needs of a particular discipline. That is the hub of the problem, and if this Seminar can devise ways and means of focusing thought on this crucial aspect of this subject, and suggest remedies, you will have made a significant contribution to a problem which is of worldwide interest and which should provoke serious thought not only in Malaysia, but also outside it.

## INTER-ASEAN INVESTMENT BY MALAYSIAN CONTEXT

"Intra-ASEAN Investment in the Malaysian Context: From a Malaysian Viewpoint the Incentives for and Restrictions on Foreign Investments."

That was the theme on which Tun Tan spoke at the Conference on "Investment in ASEAN in the 1980's," held at Shangri-La Hotel, Singapore on Thursday, 2nd October, 1980.

His speech is reproduced here.

"Before I deal with the theme of my address, it would be useful to look at the resources of ASEAN's five member countries, viz., Indonesia, Malaysia, the Philippines, Singapore and Thailand, listing them in alphabetical order, which have a combined population of about 240 million inhabiting approximately one million square miles of land surface. This grouping accounts for 80% of the world's production of natural rubber, 75% of the world's tropical hardwood log exports, 62% of its tin production, 60% of its palm oil, nearly two-thirds of its copra and close to 100% of its abaca fibre," said Tun Tan who went on:

"ASEAN also produces petroleum, coconuts, rice, pepper, cane sugar, bananas and tapioca, among other things. In 1977, its gross domestic product stood at US\$46.7 billion, while in that same year, its trade with the rest of the world totalled US\$62.7 billion.

"There is, therefore, little doubt that ASEAN has a tremendous potential for future growth and investment. Industries operating in this region have a few other advantages. To begin with, labour costs are reasonable and certainly competitive, even by Asian standards. More important, our workers are teachable, and can acquire industrial skills as easily and as quickly as those in any other region in the industrial world. Hence, the level of productivity is comparable to that obtainable anywhere in the industrial world. Indeed, it could be higher, as our workers are hard working. As I have already pointed out, the ASEAN member countries, with a total population of some

240 million, constitute a reasonably large market, although admittedly, their purchasing power is not the same in all the five countries.

I am issuing with this speech a detailed analysis of the incentives an restrictions on foreign investment in ASEAN countries, as it is not possible in the course of my address to touch on every one of them, except very broadly. I think, however, that it is generally true to say that investment in ASEAN, from the point of view of the foreign investor, should not be less attractive than investment in any other developing country. On many counts, it should be more attractive. One of the major factors in our favour, as I have pointed out earlier, is that we produce more than half of the world's natural rubber, tin and palm oil and export more than one half of the world's tropical hardwoods, to name only 4 of the most strategic primary commodities produced in this region.

In my view, therefore, the most attractive area for foreign investors should be downstream processing of primary commodities and the potential here is certainly exciting. In the 20th century, one cannot go anywhere without seeing products made of rubber. I, of course, accept that it may be too late for us to produce things like motorcar tyres on a big scale as the industrial world is already well ahead of us in this field, but there are many other products which one can think of if one is really serious about this business. Furthermore, in terms of price, synthetic, which is the main competitor of natural, no longer poses the threat which it posed only as recently as 10 years ago. With escalating oil prices, natural clearly can keep pace with synthetic in terms of price for a long time more to come. Equally important, in terms of certain qualities, like resistance to heat, synthetic is still not able to duplicate this quality of natural.

Where palm oil is concerned, it has been argued that there are other edible oils besides palm oil. I, however, maintain that palm oil has a very bright future for two reasons. The oil palm plantation industry in Malaysia is probably the most efficient in the world. Our only possible competitors are Africa and Latin America. I have been

to both continents, and I cannot envisage industries in these two regions being able to compete with us effectively for a long time more for a variety of reasons, and I do not think I am being unduly optimistic or prejudiced. The other major competitor is soya bean oil, which is produced in a temperate climate, but I do not see how high cost producers in the industrial world can compete with palm oil produced in this part of the world.

Secondly, unlike rubber, palm oil is edible, and with the world population explosion, we should be able to sell our palm oil for a long time more. For example, it is not generally known that most of the world's palm oil is consumed in the developing world. I got this information from a recent World Bank publication which was sent to me from Washington, and so it should be correct. Until our Prime Minister went to China, the Chinese did not know that palm oil is edible. If every Chinese in the People's Republic of China were to consume a few ounces of palm oil per annum, we clearly will not have enough palm oil to sell even if we double our production.

I can give you another instance of the ready saleability of edible oils, including palm oil. Not so long ago, Sime Darby bought an oil refinery in Singapore which was in trouble because it could not sell its products. Within a short period, thanks to our worldwide distribution network, we sold our products in Somalia, which is sited in the Horn of Africa, and West Asia, sometimes known as the Middle East. In fact, sales were so brisk that in no time at all we found that we did not have enough to sell, so much so that we are tripling our capacity by building another plant. This example illustrates my point vividly. It will, therefore, be seen that even if we sell palm oil merely as an edible oil, the existing market could well absorb even more than is being produced at present. Many of you, however, must be aware that palm oil has other, viz., industrial uses.

Pre-war, when we felled an old rubber area for replanting, we paid a contractor quite a lot of money for burning off the old rubber trees when they were cut down. Today, we are slightly better off in the sense that we sell the old rubber to Japan in the form of wood

#### SPEECHES ON

chips, but this is only the beginning, as far as I can see. I myself have seen furniture made from rubber wood and I do not mind having such furniture in my own home. Yet rubber wood is probably considered to be one of our inferior forms of timber. Instead of exporting far more of this commodity than we are doing at present. The same observation goes for the other raw materials exported by us, and this is where we need the technology and expertise of the industrial countries.

That was why I told our people when I was Minister of Commerce & Industry in the early years of our independence that we needed foreign investors more than they needed us, because I felt that it was vital to emphasise this home truth in order to ensure that we adopt the right attitudes and hence the right policies before things get out of hand.

Among other things, I have been asked to touch on the restrictions on foreign investment in a number of ASEAN countries. For example, the New Economic Policy, or N.E.P. for short, of Malaysia and Indonesia's restrictive policy towards foreign investment have been specifically mentioned. To be fair to the sponsors of this Conference, however, I have also been asked to refer to the incentives offered for such investment, but in my view, it would be more useful if I were to put forward some basic propositions.

Firstly, as I have already stated, the countries of this region should remember that, in the last analysis, they require foreign investment in a big way if they wish to achieve rapid industrialisation. Once this basic approach is accepted, the mechanics of structuring incentives, and even the policies governing them are a matter of organisation. I, of course, realise that the host countries also desire to accommodate the social aspirations of their peoples. As one who has been in both the private and public sectors for some time, I fully understand the reasons for this major objective, but at the same time we have to be realistic and in the end try to achieve the right balance between economic and social aspirations, always bearing in mind that

without a rapid rate of economic growth, it is not possible to achieve even social goals.

Secondly, the foreign investor should deal frankly with his host government in the sense that if he is not happy with any policy or the way in which it is implemented, he should not hesitate to come straight to the point, so that there is no chance of a misunderstanding. If I may say so, I get the impression that sometimes the foreign investor is perhaps a little too polite with the result that he is misunderstood. Such a situation helps neither party as it leads to misunderstandings in the future and the end result is worse than it should have been. He should not beat about the bush when negotiating initial terms and conditions before he starts investing.

I have outlined these basic propositions because to me this would be more useful than dealing with specific incentives and disincentives, as certain disincentives may not appear so unattractive to certain investors, and certain incentives may not appear so attractive to other investors. A lot could well depend on the nature of the investment.

Let us now look at the level of foreign investment in the various member countries of ASEAN. In Indonesia, as at September 1979, the total of approved projects amounted to US\$2,743 million, of which US\$1.015 million, or more than one-third, came from Japan. In Malaysia, the total of approved projects at the end of 1978 came to about M\$2,617 million, of which about M\$649 million, or roughly one-quarter also came from Japan. In the Philippines, as at September 1979, the total of approved projects came to US\$1.176 million. of which the U.S.A. accounted for US\$605 million, or more than half. Japan came second, with US\$229 million. In Singapore, the total of approved projects at the end of 1979 came to US\$6,349 million, of which the E.E.C. accounted for US\$2,290 million, or slightly more than one-third. Japan came third with US\$1.049 million. In Thailand, the total of approved projects at the end of 1979 came to US\$3,912 million, of which Japan accounted for US\$1,300 million, or just under one-third.

It will be seen that in Indonesia, Malaysia and Thailand, Japan is by far the largest investor. In the Philippines, Japan is second, and in Singapore, Japan is third, but in the area as a whole, Japan clearly dominates the scene. I am not sure whether a study has been made of the reasons for this state of affairs, but my guess is that the Japanese are more aggressive, though this may be aided by the fact that they are much nearer to us than their major competitors in the Western world. They are also fellow Asians. In any case, it could well be worth the while of non-Japanese foreign investors to analyse the Japanese approach and methods and thus gain a better insight into the reasons for their success.

To sum up, ASEAN has a vast potential for the foreign investor. Its track record is good, as evidenced by the fact that it is achieving one of the fastest rates of economic growth in the world today, These are the pluses. I would be the first to agree that there are also minuses, but the very fact that ASEAN is doing better than other developing countries in terms of economic growth shows that our pluses more than offset our minuses. The foreign investor has, of course, to take into account the social aspirations of the host country in which he operates and, by and large, the governments of this region are reasonably flexible in their approach to the foreign investor. At least, they are not wedded to any of the "isms," particularly the milk and water socialism which has proved to be such a disaster to both the developed world and the developing countries which have been foolish enough to adopt policies based on this philosophy in the post-war years. It is perhaps not too much to hope that if we can forge closer economic links between ASEAN and the industrial world, the closing years of this century could see ASEAN emerging as a grouping whose success could well be a model for other developing countries to follow.

#### A FIRST IN HISTORY OF SIME DARBY GROUP

Speaking at the Peninsula Hotel in Manila on July 17, 1980, Chairman of Sime Darby Berhad, the parent Company of the Sime Darby Group, Tun Tan said, "it gives me great pleasure to welcome you all here today and, on behalf of the Board of Directors, to thank each one of you for taking time out from your busy schedules to meet us for lunch. My remarks will be very brief, but I feel that I should not let such a distinguished audience out of the room without at least doing a brief "commercial" for Sime Darby:

Entering Tun Tan said, "This lunch is not the main reason for my colleagues and I being in your lovely city today. We have just concluded a Board meeting of Sime Darby Berhad — the first ever held in Manila and one of the very few that this Group has ever held outside Malaysia. In fact, this meeting marked a first in our history.

"Only last December Sime Darby Berhad was incorporated as a Malaysian company to replace Sime Darby Holdings Limited, a British company, as our Group parent. Today, barely more than six months later, our first 'foreign' Board meeting has been held in Manila. I have to admit, however, that even though I have described today's meeting as "foreign", we do not feel particularly foreign here in Manila among so many friends.

"Sime Darby is an international Group. We are based in Malaysia and the bulk of our assets and revenues are in and from that country, but we operate around the world in nearly 30 countries. We feel one of our distinct advantages is our internationalism.

But if Malaysia is our home, and the world is our market, we regard our business neighbourhood as the ASEAN region. We feel that in ASEAN we can contribute, through joint ventures, to the development of new industries and new endeavours for the good of the region — and for the benefit of our shareholders. As one of the largest companies in the ASEAN region and — as we are sometimes described — the "commercial flagship" of Malaysia, we feel that Sime Darby's experience, techniques, financial strength and international

spread can all be put to good use in the development of stronger commercial links between the ASEAN nations.

We have had substantial business operations in Singapore for very many years. Additionally, we have developed a small commercial presence in Indonesia and Thailand over the past decade.

"Now, at last, we have got off the ground in the Philippines, with a joint venture in crane hire and with the opening of our representative office in Manila. Furthermore, it is probably no secret to any of you that we have been involved in discussions with the Filipino Authorities for some time on the opportunities in agriculture available in your country.

"My point in raising these matters is to bring home to each of you our interest in the Philippines, our intention to maintain and develop as quickly as possible our small presence in your country, and our earnest hope that we can do so in a profitable and harmonious partnership with Filipino business interests.

"I would like to thank each of you once again for being with us today and to say that I hope that it will not be too long before we meet again, either in Manila or in Kuala Lumpur."

# HISTORIC OCCASION

In his speech at Sime Darby Berhad dinner on Friday, July 18, 1980 at the Manila Hotel, Philippines, Tun Tan said: "For Sime Darby, it has also been something of an historic occasion since this is the first time that the Board of Directors has met outside Malaysia since the Group, in the corporate sense, returned to Malaysia.

The Sime Darby Group is often referred to as the Malaysian multinational corporation of the Malaysian flagship. This is undoubtedly true but in another sense we might equally well be described as the ASEAN multinational corporation and flag carrier. Certainly, we never miss the opportunity of championing the ASEAN cause and acknowledging our special role in establishing the credibility and commercial reality of ASEAN.

"One of my Board colleagues, who recently attended the ASEAN-

U.S. Business Council meeting in New York and Washington, tells me that there is a growing recognition in the U.S. of the importance of the ASEAN region and its significance as a commercial bloc. This, I am sure, is true not only in the U.S. but also in Japan, Australia and the European Economic Community countries. This makes sense even for these developed countries, as it is fairly clear that the future of the human race in the last quarter of this century will be decided in the Pacific Ocean. Indeed, I have been saying this for a long time, but it is becoming more and more obvious with every year that passes.

"The time is not far distant when the centre of gravity in world affairs will shift from the Atlantic to the Pacific Ocean. Hence, it is now up to us in the private sector to make every effort to strengthen the commercial and economic unity of ASEAN and personally I see no reason why this cannot be done.

"Speaking as the Chairman of the Sime Darby Group, it is and always has been our intention as a Group to spread our operations and commercial links throughout the ASEAN region. In the Philippines, for example, where for various reasons, mainly historic, our connections and interests have been strictly limited, we have with the assistance of Secretary Paterno and Mr. Bobby Ongpin now established a representative office in Manila.

This is the first necessary step for establishing a trading link, but an office is one thing, and actually doing business is another, though naturally we hope this will now follow. We are talking at the moment to the National Development Company about a possible joint venture project in the agricultural sector.

"We are also talking separately to a private sector group along similar lines.

"We have already established a joint venture business with Filipino partners in a crane rental and rigging operation and finally I am pleased to announce that negotiations have almost been completed with the Bancom Group to take a substantial interest in one of their companies in the money broking field. This is the start of a

Sime Darby presence in the Philippines and I feel that it augurs well for the future.

"Finally, on behalf of the Sime Darby Group, I would like to thank you all most warmly for having attended our dinner this evening and also for the kind hospitality which my colleagues and I have received from every direction this week whilst we have been in Manila. Thank you once again."

# TUN DR. ISMAIL ORATION HOW TO ACHIEVE NATIONAL UNITY

Delivering the Tun Dr. Ismail Oration on Thursday, 4th December, 1980, Tun Tan spoke on National Unity and how to achieve it. He began his speech by paying a glowing tribute to the former Deputy Prime Minister whom he described as "one of the most outstanding leaders of Malaysia."

The text of his oration, which was organised by the Academy of Medicine of Malaysia, follows:

It is certainly fitting that the Academy of Medicine of Malaysia should perpetuate the memory of the late Tun Dr. Ismail of by organising this series of Tun Dr. Ismail orations on a regular basis. I, for one, am very honoured and happy to deliver such an address because I have been associated with him for so long, including those years when both of us were in the Government.

In my view, the late Tun Dr. Ismail is one of the most outstanding men I have been privileged to know and to work with. He was a greater man than is generally realised. Apart from his intellectual capacity and administrative ability, of which there can be question, he was a man of rare courage and high principle, and I speak from actual experience, not hearsay.

He was the Minister of Home Affairs when I was the President of the M.C.A., and he went out of his way to give me every possible assistance. In that position, he gave me valuable help, so that I was aware of the actual situation on the ground and hence was in a better position to assess likely developments in the future, I well remember the 1964 election which was held when the confrontation with Indonesia was at its peak.

Before I left for Malacca to start my election campaign, I went to him to say goodbye as he was also leaving for Johore soon. He advised me to take good care of myself, but when I smiled, he was



Tun Dr. Ismail

rather upset and told me that if I were not careful, I might not be alive on polling day. He told me that he was not joking and meant what he said.

Subsequently, I realised that he meant business, because the Police gave me the kind of protection where it was almost impossible for any crowd which I was addressing to get near me.

In a way, he was very unlucky. He developed cancer, and I remember that occasion, because I was the first person to know about it.

He came to see me from his doctor's office, immediately after confirmation of the diagnosis, and I was badly shaken. Yet he spoke in a calm voice and one could not help but admire his tremendous courage, because as a doctor, he knew only too well what the diagnosis meant. He left the Government soon after, but he made a complete recovery. He re-joined the Government soon after the 13th May 1969 troubles.

On that day, the M.C.A. made a decision to withdraw from the Government at all levels as a result of its poor showing in the elections which were concluded only a few days earlier. When the late Tun Ismail heard about this decision, he was horrified and came straight to my house to urge me to re-consider our position. In fact, he felt very strongly that I at least should change my mind and stay in the Government.

Those of you who are old enough might remember the events of that evening which left me with no choice, as late that evening after the start of the riots, a Police car had come to collect and bring me to Police Headquarters where I met Tunku Abdul Rahman, the then Prime Minister, and Tun Abdul Razak. Soon after, the Tunku and I addressed our people on T.V. Anyway, all that is history now.

Tun Dr. Ismail eventually succumbed to his heart problem while he was still in the Government. There are some things about him which cannot be said now, but I have no doubt that when all the facts are known, history will record his loss as a monumental one for

Malaysia, and what he has done for his country and its people will never be forgotten.

I now turn to the theme of my address, which is "National Unity."

I feel that this subject is very appropriate and timely, because 23 years of independence is not all that long for the forging of national unity in the complex and complicated multi-racial society which is Malaysia. Bearing in mind the antecedents of our colonial past, we have not done too badly, but we still have a long way to go before we can call ourselves a truly united nation.

We won our independence on 31st August, 1957, but even as late as 1954, i.e., only these 3 years before independence, it was the view of some top British officials that giving independence to Malaya, as it was then known, could only result in a racial blood-bath.

Apart from the incidents of 13th May, 1969, and this is a minor outbreak by any standard, we have so far, at any rate, been able to avoid any racial clashes. This is fine, but we clearly have to go much further than this. It would therefore be useful for us to appraise the situation from time to time to see whether we can do better than we have done so far.

My overall impression is that among the youth of this country, there is a greater polarisation along racial lines than among the older generation. One would have expected it to be the other way round. I therefore feel that it would be useful to share my thoughts with you on this point in particular, and on this subject in general.

In my view, the most vital ingredient of national unity is that those who call themselves Malaysians must have a total commitment to this country. They must not regard this country merely as a place in which to make a living, merely as a place in which to prosper, but as a country to which they are totally devoted and for whose well-being and security they are prepared to sacrifice themselves.

Until enough Malaysians have this feeling, we cannot achieve a high enough level of national unity. If I may digress a bit, let us look at the Soviet Union, or to give its full name, the Union of Soviet Socialist Republics. When the Bolsheviks toppled the last Tsar in 1917, 63 years ago, Russia was basically a country which was still in the feudal age.

Today, two generations later, it is a superpower equal in military might to the United States, which is regarded as the richest and most powerful nation in the world.

It is interesting to note that an 18-year old draftee, after having undergone his basic training and indoctrination, has to take an oath to defend his motherland "with all my strength and in honour, without sparing my blood and without regard for my life."

In short, the new recruit solemnly affirms that he is prepared to lay down his life, if necessary, for the sake of his country. The 262 million citizens of the Soviet Union belong to more than 100 ethnic groups. In fact, a large percentage of them are Eurasians, i.e., a mixture of European and Asian races, and yet they have achieved a considerable measure of national unity.

Let us now look at the other end of the scale, i.e., the United States. It is no exageration to say that the U.S.A. cannot be classified in any ethnic sense because practically every country in Europe is represented in its population, plus representatives from Africa and Asia, although the latter group admittedly form only a small proportion of its total population. Yet the United States has achieved a high level of national unity in spite of this.

Let us now look at Switzerland which consists of four major racial group, namely, the indigenous Swiss, and those of German, French and Italian extraction. Yet Switzerland is one of the world's most intergrated nations even though they have three official languages.

I have taken the trouble to give these examples from opposite ends of the political spectrum to show that different races can come together to form a united nation, provided they are totally committed to the country which they regard as their motherland. I, of course,

accept that in Malaysia, independence has not gone on long enough. A considerable period of time is often needed to achieve a sufficiently high level of national unity, especially in a multi-racial society, because a key factor which binds a group of people together is the memory of triumphs and tragedies which have been shared in the past, particularly the latter. Indeed, this is the view of some eminent historians.

Further, Malaysia is probably the most difficult experiment ever attempted in human history. I say this, because even if we confine ourselves to Peninsular Malaysia, the three main races inhabiting this part of Malaysia are as different as they can possibly be. I am, of course, referring to the Malays, Chinese and Indians. Their languages are completely different. Malay is based on the Arabic script, Chinese is a language of ideographs, while the Indians in this country who are largely Tamils from South India, have a language which is utterly different from the other two.

Their religions are basically different. The Malays are Muslims, the Chinese are langely Buddhists and the Indians are Hindus. Hence their cultures are also vastly different. They dress differently, apart from those who have adopted Western attire but this mode of dress is confined to the upper income groups. Even more important, they look different, so much so that a foreigner coming to this country for the first time can, within 24 hours, identify Malays, Chinese and Indians most of the time. As if this is not enough, even the food they eat is prepared in different ways.

Bearing in mind the most impossible handicaps which we face, and remembering that we have been at this game for less than 23 years, we have not done too badly, as I have stated earlier.

To expedite the achievement of our goal of national unity, I would say that, broadly speaking, we have to increase contacts between the various races, so that as time goes on, more and more will feel they are part of the same family.

In fact, I would say that this is the key to a basic solution of our

problem. We must have more and more contacts at all levels, but particularly at the lower levels, among the major races of this country. Every sector of society must be involved. If this can be done throughout the country and on a significant scale, I have no doubt that we can make considerable progress within a reasonable period of time, provided the right leadership is forthcoming.

I would, however, like to leave a few basic thoughts with you. If we are to achieve that level of national unity which we are aiming for, I feel that it is essential that the bulk of our people must believe that Malaysia is a country worth working for and, if necessary, dying for. Once that belief is firmly held, a secure foundation has been laid. The rest is merely a matter of time and good leadership.

John Stuart Mill, who is probably one of Britain's greatest political philosophers, said "one person with a belief is a social power equal to ninety-nine who have only interests."

If I may paraphrase this maxim crudely, yet vividly, what he means is that a person who is passionately convinced that what he believes in its right is a power equal to ninety-nine millionaires, even though the solitary person possesses no material resources of any kind.

History has proved this dramatically. Some of the greatest movements in human history have been accomplished by tiny minorities, struggling against what seemed at that time to be impossible odds. In the end, however, their strongly held beliefs prevailed.

Japan is, of course, a homogeneous country, but it has achieved greatness in spite of its lack of natural resources and its overcrowded islands, because the Japanese are one of the very few peoples who are prepared to die for an impersonal cause. If we can get enough Malaysians to feel this way, we will not only achieve overwhelming national unity, we could go even further.

When John F. Kennedy delivered his inaugural address as President of the United States of America on 20th January, 1961, I felt that the most stirring words of a stirring address were these:— "Ask

not what your country can do for you; ask what you can do for your country."

I feel that I cannot end on a more fitting note because if enough of our people can be made to accept this call, we can become a truly united nation in shorter time than most of us realise.

## CHAPTER SEVENTEEN LEADERS HE HAS KNOWN

Truth does not depart from human nature

If what is regarded as truth departs from human nature,

It may not be regarded as truth

#### - CONFUCIOUS

If evidence was needed of inter-racial harmony in Malaysia it could be found during the time Tun Tan was the Minister of Finance and Tunku Abdul Rahman the Prime Minister. The same happy relationship continued when the late Tun Abdul Razak became the head of the Malaysian Government.

Seldom, if ever, such a happy state of affairs had existed among the leaders of other governments in Southeast Asia.

Siew Sin confirmed my verdict when he said: "My strongest allies were the Tunku and later the late Tun Razak who gave me their wholehearted support when I was in the Treasury.

"This meant that I was able to initiate and maintain policies which I felt were in the nation's best interests. In fact, they gave me practically a free hand and this naturally strengthened my position considerably".

Recalling his association with the Tunku, the longest in his political career, Siew Sin described the Tunku as a great leader and statesman: "There are not many who are so selfless and so utterly devoted to their countries as he has been to his."

Siew Sin continued: "I venture to predict that when the story of his premiership is written, that description will still be apt. We readily admit that there are problems ahead but in our pre-occupation with the problems that have to be solved, let us not forget that at the very least it can be claimed that the Tunku had led the way. His method is still the best.

"It cannot be emphasised too often how much our country and our people owe him. Malaysia may be a small country but we were

blessed with a Prime Minister whose qualities of leadership are comparable with those possessed by some of the most illustrious and impressive national figures who have graced the pages of history."

#### MALAYSIA'S MAN OF DESTINY

Referring to the late Tun Razak, Siew Sin said that at one time he was the youngest but one of the Malayan Cabinet. He was not only the chief architect of the National Economic Policy and founder of the National Front Coalition, but a tireless technocrat and initiator of a new policy direction.

"The people of Malaysia, of course, know about the other quallites of Tun Razak as an outstanding administrator. He was one who knew how to get things done. The crowning example was the rural development programme which had infused in our people a new sense of purpose and desire to move ahead with the times," said Siew Sin.

He continued: "This was no mean achievement because it had come after centuries of neglect. And it has come to stay. There was also his capacity for hard work and tremendous drive.

"One of the fine traits of the late Tun Razak was that he was a man who could always see the other person's point of view because he was liberal, sympathetic and generous.

"As I had always predicted when Tun Razak took over from the Tunku, the transition was absolutely smooth," added Siew Sin.

#### Vision of Dato Onn

Speaking of Dato Onn bin Jaafar, Siew Sin said: "I was very close to him in the early days of the Malayan Independence Movement. In fact I preferred Dato Onn to the Tunku, Whenever Dato Onn came to Malacca, he would stay in my house. I was attracted to his idea of a multi-racial party.

"It was Dato Onn who successfully organised the opposition to the Malayan Union and thus paved the way for the introduction of

#### THE LEADERS HE HAS KNOWN

the Federation Constitution in 1948. This was his greatest contribution to the political development of Malaya.

Continuing Siew Sin said: "I backed Dato Onn because he wanted a multi-racial party. That is why he wanted to throw UMNO open to all non-Malays. Unfortunately that was when the trouble started. Most of the Malays disagreed with him. And he resigned.

"I backed him when he formed the Independence of Malaya Party (I.M.P.) on September 16, 1951. I thought that he was on the right track.

"I was very sad when he had to leave UMNO. He was a man ahead of his time. I have no doubt that time will vindicate his far-sighted vision of a multi-racial political party," added Siew Sin.

"Datuk Hussein Onn has amazed most of us by the way he has been tackling some of Malaysia's most difficult problems," said Siew Sin.

Continuing Siew Sin added: "Hussein Onn was assailed from several quarters with UMNO. But Hussein has shown commendable courage and foresight by solving most of the problems without fear or favour".

#### A GREAT LEADER

Speaking about the late Tun Dr. Ismail, a former Deputy Prime Minister Siew Sin had this to say: "Tun Ismail was a great leader. I got on very well with him. Not everybody got on well with him. They did not understand him.

"Until his death we were very close. That is why in a way the Cabinet was very unique. It was more like a family — thanks to the leadership of the Tunku. Probably that was a mistake. We were so closely knit that we thought the people were like us.

"The relationship between the four of us — Tunku, Tun Razak, Tun Ismail and myself, were very intimate and close. Whenever we had any problems we had a chat and we set it right," added Siew Sin.

#### CHAPTER EIGHTEEN

### A PRICELESS AND IRREPLACEABLE HERRITAGE IS IN JEOPARDY

One of the strongest advocates of the conservation of wild life in Malaysia is Tun Tan, who is the Chairman of the Wildlife Conservation Trust Fund. From time to time, he has called upon Malaysians and the Malaysian Government to do their utmost to preserve at all costs our wild animals — animals that are priceless and irreplaceable heritage by affording them protection.

"The people must change their thinking on this subject and also avoid causing unnecessary cruelty to animals."

In this connection he quoted the example of one restaurant that provides monkey brains for customers.

During a recent interview he emphasised the need – the urgent need – for taking steps to conserve wild life.

He outlined the steps the Government should take to protect wild life.

When asked to elaborate his opinion on this subject he said: The Government can do a lot to conserve our wild life. In fact, we cannot do much without active Government assistance.

More areas should be turned into game reserves whose fauna cannot be touched.

He then expressed the opinion that the Federal Constitution should be amended to transfer the subject of protection of wild animals and wild birds and national parks from the Concurrent List to the Federal List.

They are now in the Concurrent List which means that the State Governments share control with the Federal Government.

"This is unsatisfactory and the Chief Game Warden and his officers do not have sufficient power to carry out their responsibilities."

Tun Tan, who is interested in wild game hunting, suggested that the Government and the people must change their thinking on this

## A PRICELESS AND IRREPLACEABLE HERITAGE IS IN JEOPARDY

subject which is now accorded a fairly low priority.

For this purpose, those of us who are associated with wild life conservation should assist the Government in a nation-wide education campaign so that all will be aware of what we stand to lose if a priceless and irreplaceable heritage is exterminated through short-sightedness on our part.

I regret to say that our people on the whole are completely apathetic to the sufferings of our animals.

For example, he pointed out that the Society for the Prevention of Cruelty to Animals is largely run by expatriates, because our own people cannot be bothered with something so unglamorous.

The Society needs and deserves the support from both the Government and the public in its efforts to reduce cruelty to animals.

There is reason to believe that at least one restaurant in Kuala Lumpur provides monkey brains for customers who scoop up the brains of the monkeys while they are still alive.

Another instance of cruelty is what takes place in so-called pet shops where animals and birds are packed so closely in cages that it is really a form of torture from which death provides a merciful release.

This may sound rather ironical that while he is an ardent advocate of preservation of wild life in Malaysia, he is also interested in big game hunting.

He confessed to me that he wants to do more big game shooting, "something I wanted very much to do even when I was young."

Siew Sin told me that he had recently bought two large calibre double-barrelled rifles.

"But I wonder if I will have the time to use them as the animals that I have in mind are thousands of miles away!"

### CHAPTER NINETEEN

### SIEW SIN CREATES MEDICAL HISTORY (THE 40 YEAR SECRET)

For nearly forty years Siew Sin kept a 'deadly' secret to himself. It was concerning his health. As far back as 1935 doctors in Switzerland diagnosed that he had tuberculosis – a killer disease those days. Their opinion was based on the fact that a dark cavity appeared on X-rays they had taken of his left lung.

He was only 19 when that happened. His ailment was first diagnosed as pneumonia, later changed to pleurisy but finally as tuberculosis after an examination of the X-rays. Siew Sin felt that the doctors had to be correct in the diagnoses but his father was sceptical. He had no symptoms — no cough, no sputum was brought out and he was not losing any weight.

However, in 1935, his father was about to take his mother who had tuberculosis to Dovos in Switzerland for treatment. The doctors suggested that Siew Sin go along. They were positive that he too had tuberculosis.

During the sea voyage Siew Sin recovered rapidly. This increased his father's skepticism about the doctors' diagnosis.

They arrived in Switzerland in the summer of 1935 and here too the doctors were sure he had tuberculosis. This was confirmed by specialists who based their verdict on the damning evidence shown on the X-rays.

The doctors advised him to have his left lung collapsed. Tun Tan Cheng Lock was not in favour of his son undergoing an artificial pneumo thorax. He was convinced his son could not have tuberculosis without the symptoms. He wanted his son to rest instead.

Siew Sin was also told that, if need be, he could spend the rest of his life resting in Switzerland. Siew Sin did not relish the idea of becoming a vegetable. Anyway, he thought, it was a simple operation.

However, after resting for nine months, the shadow still appeared on the X-ray. The operation was performed in 1936. His health im-

#### SIEW SIN CREATES MEDICAL HISTORY

proved considerably after that and 1938 saw him in London pursuing his law studies.

War broke out in 1939, interrupting his education. Siew Sin was kept busy for the next 35 years, managing 26 estates within the family group.

It was only in 1973 that he really felt ill off and on. He began losing weight and blood. He was coughing badly. His temperature shot up to 103 degrees Fahrenheit during the evenings. Although there was no sign of the dreaded tuberculosis germs, his state of health was worrying. Even the doctors were puzzled.

In January 1974 he took off for London accompanied by Dr. Lim Eu Jin of Johore Bharu. He was operated upon. It was then that an amazing discovery was made. His symptoms were due to the fact that the dead tissues of the collapsed lung was disintegrating. Yes, only then was it confirmed that he had never had tuberculosis in 1935 — a fact his father had firmly believed in all along. Thus he had had his lung collapsed for nothing!

His was indeed a unique case. Until today, his left lung is preserved in the Brompton Hospital Museum for the benefit of medical students. The late Tun Abdul Razak saw this "exhibit" during one of his visits to London and he was shocked.

Siew Sin had made medical history! However, the price he paid was high for he has been living with only one lung ever since.

When asked what his reaction was when told that he had not suffered from T.B., Siew Sin recalled the words of Voltaire (who was predicted to die the minute he was born): "A doctor is one who prescribes medicine about which he knows little, to cure diseases about which he knows less, suffered by the human body about which he knows nothing."

After his operation in London, his doctor advised him to give up one of his jobs. He had two jobs then – as the M.C.A. President and as the Minister of Finance. He had to give this matter a lot of thought.

Taking a decision at that time was not easy for him because he was too deeply involved in the M.C.A. and in national affairs as the Minister of Finance.

He was afraid that if he gave up the demanding, gruelling M.C.A. job, the Chinese community would accuse me of being power-greedy."

But decide soon he had to and he did. It was one of the most important decisions of his political career. He finally decided to resign as the M.C.A. President and also as the Minister of Finance.

This action of his, of course, created quite a surprise in political circles.

When I think of Siew Sin's predicament I am reminded of the words of a famous author who once wrote:

"There are times when a person may be forced into doing things not to his liking and not of his choosing but that does not prevent him from travelling along the path to a better self... The important thing is not what happens to one but how one reacts to what happens. The tragedy is not that one must face ingratitude, injustice or adversity but that one should not let these conditions overcome one."

In this respect Siew Sin has shown remarkable courage of his conviction in deciding to quit the posts he had held with distinction and for so long.

Happily it was not the end of a career. It was only the end of a long chapter. Like me, Siew Sin thinks life is perpetual motion. So to live a good and useful life one must keep oneself busy. That accounts for his another important decision to accept the chairmanship of one of the biggest business enterprises in Asia — the Sime Darby Holdings Limited (now known as the Sime Darby Group) which has branches in many parts of the world.

## CHAPTER TWENTY

#### HEAD OF ONE OF ASIA'S BIGGEST BUSINESS ENTERPRISES

"What you do, what you say, what you are, may help others in ways you never know. Your influence, like your shadow, extends where you may never be."

I am reminded of this saying as I look back on the many achievements of Tun Tan as the Chairman of Sime Darby Holdings (now Sime Darby Berhad), one of the biggest commercial enterprises in Asia, if not in the world and the first ASEAN multinational.

It is common knowledge today that for the past three years Sime Darby has been in the news with financial agencies in London, Zurich, Calcutta, Hong Kong and Singapore. Why then are international financial enterprises interested in what this mammoth organisation is doing in this part of the world?

The interest in Sime Darby may be due to its sheer size and wide range of operations.

With its total assets at 1.125 billion ringgit and group profit projections for the current year estimated at 200 million ringgit it is clear that Sime Darby is a fabulous organisation.

Its subsidiaries operate in England, Holland, India, West Asia, Hong Kong, Singapore, Australia, the United States and Malaysia covering a whole range of manufacturing, planting, processing and distribution activities.

The reported move of Sime Darby to buy a stake in Guthrie or other plantation groups in the country is not without its political implications to many people.

The "politicisation" of Sime Darby is yet another reason for the publicity it has received in the foreign press especially in the United Kingdom.

Thus the combination of Sime Darby and Tun Tan Siew Sin is irresistable. One complementing the other. Sime Darby is ASEAN's

first multi-national organisation. It is now poised for expansion. In the words of Tun Tan it is "a very good vehicle for proving that Malays and Chinese can work together in the field of business".

The participation of Tun Tan, known and esteemed for both his political and business-cum-financial skills has aroused considerable interest both locally and internationally.

As one journalist wrote, the "song and the singer" could not be more well-suited for each other.

After all Tun Tan was Malaysia's Finance Minister for 15 long years and is the man most suited for implementing political goals that almost inevitably inveigle themselves into the process at various points of national planning. That is why many are asking why Tun Tan chose to lead the Sime Darby Holdings.

However the exact plotting in the course that has been or is being chartered for Sime Darby within national, regional and international frameworks is not known.

But there is no doubt Tun Tan is now playing a full role in the exercise. As the centre-piece in the action, Tun Tan commands wide-scale attention.

In the light of these circumstances, several questions were put to Tun Tan Siew Sin as to get a better idea of the man and to review his views on the present moves of Sime Darby; the world economic situation and its effects on the country; political development in the country and his views on matters of general interest.

Tun Tan, as stated in an earlier chapter, resigned from his key position as the Finance Minister of Malaysia and as the President of the M.C.A. mainly for health reasons.

Yet today we find him presiding over the affairs of one of the biggest corporations. What I wonder is the reason for this, if I may use the term, volte face? Why? Yes, why?

To Tun Tan the answer is simple. Let me quote: "Fate plays an important role in our lives. I did not go in search of positions of great

### HEAD OF ONE OF ASIA'S BIGGEST BUSINESS ENTERPRISES

responsibility as I am holding in Sime Darby. The opportunity that presented itself appealed to me and I accepted it. I have no regrets."

"As the President of the M.C.A. one of my main tasks was to promote unity among the various races especially Sino-Malay unity. It is not for me to say how successful I have been. Let history give its verdict.

"I firmly believe that as the Chairman of Sime Darby Group I feel it can be an ideal vehicle in proving that Malays and Chinese can work together in business for mutual benefit.

When asked what he has achieved in this respect, Siew Sin told me: "In the field of human endeavour — whether it is in business or in politics, at least three qualities are essential — judgment, commonsense and above all, sincerity.

"In business I have one advantage over many others. I was allowed to handle large sums of money as a young man. Thus I have learned how to use money usefully and carefully.

"In my opinion this experience has helped me a good deal whether we are planting rubber trees or manufacturing cars. The main aim of any business is not to produce beautiful trees or super cars but maximise profits.

"What little success I had achieved as a Finance Minister is solely due to my earlier experience in handling financial matters."

When questioned about his participation on the Board of Sime Darby Group and whether his decision to join it was influenced by the fact that he could not only help the industry but also the Government, Tun Tan was emphatic when he replied: "It is utterly untrue that the Malaysian Government had directly or indirectly anything to do with my accession to the chairmanship of Sime Darby Holdings.

"I repeat, the Government has not controlled Sime Darby nor influenced us in any way. We operate purely and simply as a commercial organisation.

Then he added, "That is why we have been successful during the past three years.

"As for my appointment as Chairman of Sime Darby Holdings, it was sheer chance. I happened to be in the right place at the right time. I suppose I have the necessary credentials to hold this rather important position in this giant organisation.

Tun Tan hastened to add: "The size of an organisation or the importance of a position does not scare me. I welcome challenges. So, there you are. I found the offer of chairman both timely and worthwhile. So, I accepted it, mainly because Sime Darby has been a company on the growth path for years. That being so I felt I could help accelerate the process of growth.

"When I took over as chairman, I stated publicly that in any field of human activity one either goes forward or backward. It is not possible to stand still. In short, I made it clear that Sime Darby will have to go forward. Fortunately, a sound and strong base was already there.

Here Tun Tan paused for a while and then paid a tribute to Mr. Pinder who was largely responsible for its rapid growth in recent years.

"We are now in a position to proceed to even greater heights of achievement as a strong foundation had already been laid."

Regarding criticism in the British newspapers about the takeover bids by Sime Darby, Tun Tan did not mince matters when he bluntly stated: "The foreign Press, particularly the British Press has reasons of their own for criticising us.

"I cannot help feeling that this is due to the fact that whereas in the past it was regarded as only natural that British companies should take over Malaysian companies, it is for them somehow unnatural for a Malaysian company now to take over a really large British company. That is the reason for this unconscious feeling of resentment. After all, even if we succeed in our bid for Guthrie, we would only



After the signing of an agreement between the Sabah Government and Sime Darby Berhad, Datuk Harris Salleh, the Chief Minister shakes hands with the Chairman of the Company, Tun Tan Siew Sin.



Tun Tan Siew Sin is seen receiving the Tun Razak Foundation Award from Tun Hajjah Rahah, widow of the late Tun Abdul Razak, the former Prime Minister of Malaysia.



When time permits, Tun Tan goes for shooting. He is the President of the National Shooting Association and a former President of the Asian Shooting Confederation.



With an Oryx during a safari in Africa in 1974.

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account for less than 10 per cent of the total acreage under rubber, oil palm and cocoa in this country.

Tun Tan then stressed, "There is no question of monopoly. Furthermore, size does not automatically generate efficiency. Much depends on the quality of the management."

Regarding his success in business he was modest but he admitted: "I had a good start principally because of my family background but it is clear that a good start alone is not enough. As for my other qualities, I feel that it is for others who know me to decide."

## SABAH GOVT. TO BUILD WISMA SIME DARBY

Writing about Sime Darby Berhad it may not be out of place to quote what Tun Tan said at the signing ceremony of Wisma Sime Darby Agreement with Sabah Government, at Hotel Equatorial, Kuala Lumpur on Saturday, June 9, 1979.

I quote:

"The Board of Sime Darby and I are honoured to have with us today the Chief Minister of Sabah, Yang Amat Berhormat Datuk Harris Salleh, and the presence also of other distinguished guests among whom, if I may mention, are, Yang Berhormat Datin Paduka Rafidah Aziz, Deputy Minister of Finance and Yang Berhormat Encik Clarence E. Mansul, Deputy Minister of Science, Technology and Environment.

"In a few minutes, Datuk Harris and I will sign an agreement, under which will be built in Kuala Lumpur a 22-storey office building, to be named Wisma Sime Darby, the construction of which is estimated to cost more than M\$40 million.

"Briefly, under the agreement, the Sabah Government will bear the cost of the building and Sime Darby will lease the building for 25 years.

"For us in Sime Darby, the signing of the agreement marks another important step in the progress of our 'homecoming' to this country in which our Group had its humble beginnings seven decades

ago.

"Wisma Sime Darby, when completed in early 1983, will no doubt in itself add another imposing edifice to the nation's capital, Kuala Lumpur, as well as manifest, in concrete terms, the Sime Darby presence in Malaysia. Wisma Sime Darby will also be a tangible sign of our faith in and commitment to the future of Malaysia.

"I would like to compliment Datuk Harris and the Sabah Government for sharing this confidence in the future with us in Sime Darby. Our negotiations with him and the Sabah Government on this building project have been characterised by some keen and hard bargaining, particularly on the Sabah side. "However, to cut a long story short, I would like to say that it is a tribute to farsightedness and good sense of all concerned in the negotiations that we have all come so amicably to terms, as set out in the agreement which we are about to sign," added Tun Tan.

#### A TRIBUTE FROM THE PRIME MINISTER

A major change in the set-up of the Sime Darby Group took place in December 1979 when the Sime Darby Holdings Limited said in a statement that the arrangement involving the substitution of a new Malaysian company, Sime Darby Berhad, as the parent company of the Sime Darby Group "has become effective".

The new move of the Sime Darby has won the praise of many people in financial circles and also from others including the Malaysian Prime Minister, Datuk Hussein Onn who said the "homecoming" of Sime Darby Berhad is a source of great national pride to Malaysia.

The Prime Minister also expressed the hope that Sime's transfer of domicile would be an example for other companies to follow.

Datuk Hussein congratulated Tun Tan for his foresight and initiative in persuading Sime Darby to become a company registered in Malaysia.

Speaking at Sime Darby's reception to celebrate the event, he said that as the group was operating from the South - East Asian region, it would also make Asean better known to the outside world.

He welcomed the policy and philosophy of the Chairman of Sime Darby, Tun Tan Siew Sin, that a big company such as themselves must not only think of profits but that it also had social and moral obligations to the people of the countries in which it operated.

"He (Tun Tan) has very wisely said that the company must also take into account the social and economic aspirations of the people," he added.

Datuk Hussein said it should know by now what role the Government has assigned to the private sector as stated in the Second and Third Malaysia Plans documents and the Mid-Term Reviews of those plans.

He said the private sector had been assigned a major role to provide the impetus to growth and to sustain the rapid rates of advancement necessary for achieving the objectives of restructuring society under the New Economic Policy.

The Government had gradually strengthened business confidence through fiscal and monetary policies; streamlining administrative procedures to facilitate the implementation of projects and the effective participation by Malaysians, especially the Malays and other indigenous people.

Fiscal and monetary measures were done through the annual budget and existing laws. "The 1980 Budget is a good example where relief incentives and encouragement are given to the private sector and foreign investors," he added.

## CHAPTER TWENTY ONE

# THE THOUGHTS OF TUN TAN -

## WHAT HIS SPEECHES REVEAL antibustersbut

Some men see things as they are and say why. I dream things never were and say why not - Robert F. Kennedy.

These words of the late American Senator came to my mind as I ponder over the philosophy of Tan Siew Sin who is noted for frankness and courage of his convictions. He too dreams things that never were and say why not.

Siew Sin often expresses his views freely and frankly. As a legislator he has from time to time spoken out against those who advocated policies and programmes not in tune with the national aims and aspirations.

In his speeches, statements and other utterances Siew Sin's personality stands revealed to the reader as learned, scholarly and courageous. They also show his concern for his fellowbeings and his humanity.

For twenty-six continuous years Siew Sin has served Malaya and later Malaysia – a record not equalled by any in this country.

Throughout this long period he established a name for himself as an outstanding parliamentarian and a brilliant spokesman not only of his community but of the country.

His philosophical perceptions on political life both in national and international levels were directed at the common ordinary people of Malaysia.

Siew Sin carried out his duties as a parliamentarian with vision, vigour and courage.

The purpose of this study is not to praise him or to criticise him but to present what he thinks are essential in political life and in nation-building.

To know him, to understand his philosophy and to evaluate his thoughts we must turn to his utterances on a wide-range of subjects over the past twenty years. Some of his speeches, for instance, outline the aims and aspirations of the Chinese community. There are also words of wisdom which emphasise the need for tolerance and

understanding among all Malaysians. Time and time again he has urged Malaysians to remain united. In this respect he has stressed the role played by the Alliance – the U.M.N.O., the M.C.A. and the M.I.C. and now the National Front.

The reader will see from the excerpts reproduced in this chapter that all all times he has spoken his mind without fear or favour. "I was never a yes-man," he claims. Now read on.

# FIRST PLEDGE AS M.C.A. PRESIDENT

Tun Tan pledged to do his utmost for the community and the country when he was was first elected the President of the Malaysian Chinese Association on November 11, 1961 when he said, among other things: "If we all go forward together and if I can count on your unflinching support, matched by hard work on the ground, we shall not fail."

Continuing, Siew Sin said: "I am deeply mindful of the great hoour you have bestowed upon me by electing me as your President. To me personally, too, it is a solemn occasion because I remember that day nearly 13 years ago when the M.C.A. was formed with my late father as its President in the shadow of a grave crisis, a crisis which was grave for our country as it was for the Chinese community around whom it was centred.

"That crisis has happily been surmounted. Today, we face new and different problems, though of comparable magnitude, because we have to learn, in a multi-racial society, to live as one people and in one country under a freely elected government of our own.

"The vista that stretches before us is as full of problems as it is exciting. The dream of a Greater Malaysia, which is showing every sign of become a reality, covering nearly 10 million people living in an area more than two and a half times greater than the area of the present Federation of Malaya provides us with probably the most stirring challenge of our times. "I have no doubt that the Chinese community as a part of our new Malayan nation can participate in full measure in the obligations, responsibilities and privileges of this greatly enlarged society with its promise of a fuller and better life for all of us.

"The M.C.A. has played an honourable and essential role during these eventfull years. It has naturally made its quota of mistakes but on the whole its record is one of which it need not be ashamed. Some of its enemies have proclaimed that its days of usefulness are gone. Those of us who are here today know that this is not so.

"When soon after the 1955 general election in this country, the

British Government promised to grant us full and immediate independence, we faced problems which had probably never been faced previously by any other country trying to bridge the gap between a colonial status and full nationhood in the space of a few months. Nowhere in the world will you find, as we have in Malaya, three main racial groups which differ in everything that they could possibly differ in. Yet in these four short years the Malays, the Chinese and the Indians have come together to form a united nation living side by side in peace and friendship.

"Although right policies and principles and sound leadership at the top are an essential prerequisite of success, no political organisation can succeed solely on the strength of these. I can only succeed if it is like a well-tuned motor car, every part of which is in good condition and good running order. There must be leaders at all levels who are prepared to shoulder responsibilities and work hard from a sense of conviction in the validity of their beliefs and the rectitude of their principles. "Let us never forget that it is at ground level that the real strength of an organisation lies. Successful political leadership implies that those who lead must be prepared not only to work but sometimes to suffer for their beliefs. If the M.C.A. is to be a worthy partner of the Alliance, it is essential that those who can lead should come forward. We should strive to attract to our ranks all those who can contribute their talents towards the attainment of our aims and objectives."

### THE RULE OF CONSENSUS IN THE GOVERNMENT

"I have been a member of the Federal Cabinet since independence and I cannot remember a single instance when it took a vote. These facts show conclusively that in both Government and Party, there is no question of a majority riding roughshod over the wishes of the minority. In both Government and Party, we operate on the principle of consensus. That is why we have remained so united and so solid in spite of the stresses and strains of fifteen critical and tumultuous years. And more history has been made in the last fifteen years than in the 150 years before this."

Tun Tan said this at a dinner given in his honour by the Perak M.C.A. in Ipoh on May 25, 1967.

"If the Alliance had not followed this rule of consensus, I have a feeling that it would have broken up long ago and the country itself might have been in trouble. At different times, both the M.C.A. and the Alliance have been accused of various misdemeanours, but everyone, including our most irreconcilable opponents, knows in his heart of hearts, that it is only the Alliance which is capable of holding this country and its multi-racial society together.

If any party or even a combination of parties other than the Alliance were to rule this country, widespread communal violence would erupt as surely as night follows day. This prediction is not as far-fetched as it may sound, because opposition parties in this country can broadly be divided into two categories, viz. they are either what you might call "Hate Malay" parties or they are "Hate Chinese" parties. In other words, they base their main appeal on the worst human instincts, and it is perhaps natural that the newer parties are the most vicious in this respect.

They, of course, camouflage their objectives by high-sounding terms like "non-communalism", but one does not need to be a political genius to realise what their real motives are. Fortunately, our people are too sensible to be misled by this type of bankrupt poli-

tical propaganda. That is why these parties are only likely to have a very limited popular appeal. Because of this, too, they are not likely to win power in this country and the most they can hope for is to become a permanent opposition.

"To give credit where credit is due, the only opposition party which did not use communalism as a political weapon was the Socialist Front which, at least, shared this belief in common with the Alliance, though in other respects we were, of course, poles apart. The Socialist Front, however, broke up solely as a result of communal pressures pulling in opposite directions.

Time has proved that the policies of the M.C.A. have been dead right. Truth has won in the end. On quite a few occasions some of our members have been rather worried that the M.C.A. should espouse a course of action or a policy which they felt would be unpopular, at least for the time being. I have always felt that, when everything is taken into account, the next generation can be more important than the next election.

Politics is supposed to be a dirty game but I would like to believe that morality has a place, even in politics. I have no doubt that, even in politics, honesty pays in the long run. It is for this reason that I am not particularly concerned about our critics of today. They will come and they will go, but the M.C.A. will still be around after they have come and gone. I am more concerned with Time's verdict on the M.C.A. because that is a verdict which cannot be crased, and because subsequent events will prove conclusively, one way or the other, whether we have been right or wrong.

I now wish to touch on a project which the M.C.A. has in mind. It will be recalled that I referred to it when I spoke to the central General Assembly three weeks ago. We have decided to name this project "Operation Good Citizen". Its aim is to inculcate in all our people a greater sense of national pride and civic consciousness. I should like to make it clear that I do not mean to imply by this move that our people are not good citizens. Many are, and we have patriots in our midst, but there are also others who could do with more natio-

### THOUGHTS OF TUN TAN: WHAT HIS SPEECHES REVEAL

nal pride and more civic consciousness.

For example, I referred in my address to the Assembly to the fact that there are some who do not bother to give due respect to the national anthem when it is played in cinema halls. There are others who are not prepared to lift a finger to help, even though they see a person dying on the street in front of them as a result of injuries caused by a hoodlum or by a traffic accident.

I think it will readily be agreed that behaviour of this kind does not do credit either to the persons concerned or to our nation. Whatever the reasons for this attitude in the past, it is not in keeping with the spirit of a new nation on the move. I am sure that others can think of other examples of this kind of behaviour, examples of which we cannot be proud.

The aim, therefore of this operation is to inculcate in our people a greater sense of their duties as loyal citizens of our country. We want them to be aware of their obligations to their fellow citizens and to play the game by their country as their country has played the game by them.

# ASSURANCE ON NATIONAL LANGUAGE ACT

"The National Language Act, about which grave misgivings were raised by those who felt, some genuinely, that this piece of legislation could pose a serious threat to the preservation of the Chinese language and culture in this country, has been passed, and none of these forebodings has come true. It is not likely to come true either in the foresceable future," said Tun Tan at the M.C.A. General Assembly in Kuala Lumpur on March 23, 1968.

"It is a unique tribute to the good sense of our people that this far-reaching change has been accomplished with scarcely a ripple. The fact that we can effect a change of this magnitude so peacefully is an indication of our political stability and the firm foundations on which it is based. Then came the shock of sterling devaluation and two British Government announcements within six months which, in effect, mean that in a little while more, we shall have to rely largely on ourselves for our external defence," he continued.

"When it is remembered that all these things have happened in less than one year, it is not too much to claim that a society which can take these shocks and yet remain on an even keel must necessarily be a strong and stable one. Recent months have also seen the price of rubber which is the product of our premier industry, dip to its lowest level in 19 years.

"In spite of this, and in spite of sterling devaluation, our external reviews are still at a healthy level and our financial outturn for 1967 was better than we had dared to hope. Economic growth continues, though at a slower rate. We, therefore, have much cause for satisfaction as we look back on the past, though we have no cause for complacency as we look into the future.

"In regard to external defence, the new circumstances which have emerged will clearly necessitate a basic reappraisal of our foreign relations. A number of proposals have been put forward on this issue, and in the long term, it is perhaps just as well that we have been reminded in no uncertain terms that we are an Asian country

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and have to live among Asians, in the years to come. A Western military presence in Asia is clearly only a temporary phenomenon, and cannot be regarded as a decisive factor in any long term calculations.

"We have to learn to live on equally friendly terms with 100 million Indonesians as we have to learn to live friendly terms with nearly two million Singaporeans. Both peoples are our immediate neighbours and it is as important to co-operate with one as it is to co-operate with the other. In the matter of regional defence, we, of course, hope that it will be possible to work closely with Singapore and countries like Britain, Australia and New Zealand in any future regional defence system that may be set up.

"Co-operation with Singapore should not be confined to defence matters alone. We can and should co-operate in the economic field. We would welcome Singapore as a partner in a regional shipping line about which we are thinking. While on this subject, I might perhaps add that there is a tendency to assume that co-operation with Singapore must be similar to the pattern which obtained in the past.

"This is not necessarily so, because circumstances are different now and we must, therefore, co-operate as two equal but independent partners, and hence a pattern of co-operation which was good enough in the past would not be feasible now. I mention this point because insufficient awareness of it has caused much misunderstanding in the past," concluded Siew Sin.

# THE GREATEST PROBLEM OF THE CHINESE

"Disunity is the greatest problem of the Chinese." This confession was made by Tun Tan when he addressed a crucial meeting of Chinese leaders from all over Malaysia in Kuala Lumpur on February 17, 1971.

"We must accept this fact that we are hopelessly disunited . .."
He urged them that unity was of paramount importance and to achieve that, "I am prepared to step down and throw my support to anyone or any group which can attract sufficient support to be able to claim that he or they can genuinely represent and speak in the name of the Chinese community . . . . ."

"Although the original plan was to limit the size of this meeting to only about 100 people. I am told that, in point of fact, many States in West Malaysia wanted to send contingents of at least 100 representatives each. This would have meant a gathering of more than 1.000.

"It is my intention today to discuss our problems fully and I rankly and I hope you will reciprocate by being equally frank with me. We have had more than 13 years of independence and during this time we have accomplished much but it would be fair to say that we have also made mistakes. This is not surprising at all because we are human and even the best of us make mistakes now and again, but I hope you will believe me when I say that such mistakes were made in good faith. I have been a member of the Government throughout this period, representing the M.C.A.

"I can honestly say that there was no policy agreed upon in Cabinet of which I did not broadly approve. I must also at the same time admit that in the implementation of some of our policies things did go wrong. In other words, what was implemented on the ground did not always reflect what was agreed upon by the Cabinet.

"It should also never be forgotten that the Government which has ruled this country since independence is an Alliance Government.

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It is not an M.C.A. Government. Further, this is a multi-racial society and the Chinese in Malaysia are a minority community. We have to accept reality and live with it, though this does not mean that we should accept injustice if such injustice were thrust upon us.

"As a result, it should be obvious that what the M.C.A. wants is not necessarily what the Alliance would agree to. On many issues there had and has to be a policy of compromise, a policy of give and take. I maintain, however, that the policies which were eventually agreed upon were, on the whole, fair to all communities, bearing in mind that in a multi-racial society no community can have its ways all the time.

"I readily admit, however, that apart from implementation, we in the M.C.A. made a vital mistake in the past. We did not take enough trouble to explain our policies, both M.C.A. policies and Government policies, and as a result we were often badly misunderstood and this misunderstanding was quite often widespread. This is an omission for which I have to accept full responsibility as I was the President of the M.C.A. for the greater part of this period. I only ask you to accept my assurance that this omission was made in good faith."

# THE REAL THREAT TO MALAYSIA'S STABILITY

On March 23, 1968, Tun Tan spoke of the real threat to Malaysia's stability posed by Malaysian communists. He urged the community to take stock of the situation and respond in a meaningful manner.

In the course of that memorable speech, he said :

"I have in the past compared the Communism in our midst to one of our most noxious weeds, namely lallang. What we see above the ground is a relatively minor indication of what is contained underground.

"As you may know, this weed has an incredible root system which enables it to flourish even in the poorest soil.

"I have compared Communism to lallang because its adherents, though small in number, are extremely active and fanatical and will stop at nothing to achieve their ends. As a result of their activities they sometimes appear to have more support than they actually have. Therein lies the danger. They are thereby able to intimidate more easily and some of our people are too susceptible to intimidation. In short, bumiputras of Chinese origin should show that they are loyal to this country as any other bumiputra.

"The most serious aspect, however, of Malaysian Communism is that it shows itself to be utterfy disloyal to this country. In fact, it makes no bones about it. Therein lies a greater danger in so far as the Chinese are concerned, because those who do not wish us well will seize upon this fact as evidence that the only disloyal elements in Malaysia are of Chinese origin.

The excuse that supporting communism is a form of protest against grievance, whether real or imaginary, does not stand up to close examination. You can be dead against the Government of the day but still remain completely loyal to your country. Disloyalty as a form of protest against injustice, however genuine that injustice may be, is the surest way to damage one's cause irretrievably.

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I, therefore, feel that as a community, we must take stock of the position in this field and respond effectively. Let not posterity blame us for not playing out rightful role at the right time."

#### M.C.A. NEITHER DEAD NOR ALIVE? TAN REPLIES

Both Tun Tan and the late Tun Dr. Ismail, the former Deputy Prime Minister, were very good friends and on many issues they worked closely and with deep understanding of each other's point of view.

Despite this fact Tun Tan did not hesitate to defend the position of the Chinese and Indians when Tun Ismail chose to criticise the M.C.A. when he had declared in Johore Bharu on January 18, 1971, that "M.C.A. was neither dead nor alive."

Replying to this rather unwarranted attack, Tun Tan was equally blunt when he issued the following Press statement:

"I read in this morning's newspapers that Tun (Dr.) Ismail stated in Johore Bharu that it would be better for U.M.N.O. to break with the M.C.A. and the M.I.C. if the two Alliance partners continue to be neither dead nor alive.

"To begin with, as he himself has admitted, the M.C.A. and M.I.C. will always be at a disadvantage visa-avis U.M.N.O. because they have to defend the special position of the Malays and the Alliance stand on education and language. Even if the M.C.A. and M.I.C. were perfect, such a stand alone is bound to cost them substant Chinese and Indian support, bearing in mind that up to now Malays still regard themselves as Malays, Chinese as Chinese, Indians as Indians, and so on.

"This is a fact which cannot be denied and so long as this situation persists, certain attitudes of mind must follow.

"In spite of this grave disadvantage, the M.C.A. has managed to attract substantial Chinese support to the Alliance during all these years, and this is proved by the election results themselves. Even in 1959, when the M.C.A. had to contest under the shadow of a crisis which split it from top to bottom and which resulted in the breaking away from it of Dr. Lim Chong Eu and his principal colleagues, we won 18 seats out of the 31 seats allocated to us, though in

1969 we appeared to have lost a lot of ground as we won only 13 seats out of 33.

It is, however, little realised that this result was largely due to the fact that whereas in previous elections, Opposition parties in the urban areas could not agree among themselves and hence split the anti-Alliance vote in such areas, in 1969 there were straight fights practically all along the line in these areas. In terms of aggregate votes won, the Pan-Malayan Islamic Party (P.M.I.P.) won only 14.7% of the total votes in 1964 but secured 23.7% in 1969, a gain of 9%. The other Opposition parties, on the other hand, it must be remembered that these are largely the urban Chinese dominated parties, won 26.8% of the total votes in 1964 but only 27.8% in 1969, a gain of only 1%.

It will, therefore, be seen that the P.M.I.P. gained far more ground than the Chinese dominated urban parties in 1969 compared with 1964. In other words, U.M.N.O. lost more Malay support in 1969, percentage-wise, than was lost by the M.C.A. in terms of Chinese support.

It should also be remembered that quite a large number of U.M.N.O. candidates in mixed constituencies were returned with Chinese votes.

We must face that the fact that unless the M.C.A. is prepared to play up issues on race and language it is virtually impossible to obtain, in our view, more than 40% of Chinese support even in the best of circumstances. In other words, we are always operating at a grave psychological disadvantage and the surprising thing is not that we won 13 seats in 1969, but that we won even that number.

Bearing in mind that the Democratic Action Party (D.A.P.) which plays up Chinese chauvinism to the hilt managed to win only 13 seats, i.e. an equal number, the M.C.A. performance in 1969 after all those years in power is perhaps more remarkable than is generally realised.

It is possible that there is a feeling in the U.M.N.O. that it can do

without the M.C.A., in which case, from the M.C.A. standpoint it would be far easier for us to be out of the Alliance and operate under purely our own banner because, under such circumstances, we would have far greater room for manoeuvre than we have at the moment, circumscribed as we are by the need to take into account the wishes of the U.M.N.O. and the Malays.

At the moment we are a target of extremist Malays on the one hand and chauvinist Chinese on the other.

I would like to say that there is a limit to our endurance, but we do not mind paying this price if by doing so we can achieve our goal of a united multi-racial Malaysia towards which our efforts have been directed throughout all these years of nation building.

# CONSTITUTIONAL AMENDMENTS: "NOTHING TO FEAR . . ."

One who is basically optimistic in the nature of things, Tun Tan did not mince matters when he declared his firm conviction that the Constitutional Amendments were eminently fair and just to all communities.

He gave this assurance when he spoke in support of the Constitutional Amendment Bill in Parliament on February 23, 1971.

Parts of his speech on that occasion follow:

"The main purpose of this Bill is to entrench three politically sensitive issues in the Federal Constitution. The first is Part III of the Constitution which deals with citizenship. This is clearly to the advantage of the non-Malays, because in future, when these proposed amendments are passed by Parliament, no one will be able to question the inalienable rights of the non-Malays to full citizenship in this country together with all its rights and obligations.

The second politically sensitive issue proposed for entrenchment is Article 152 of the Constitution which, among other things, provides that Malay shall be the national and official language while preserving and sustaining the use and study of the language of any other community in Malaysia. It will be seen, therefore, that Article 152 is actually a very fair Article because, while it provides for the national and official status of the Malay language, it also ensures continuity of the use of the languages of other communities in this country.

Thus the Government intends to entrench not only the status of Bahasa Malaysia but also the status of other languages used in this country. It should also be noted that Article 152, even after its entrenchment, continues to guarantee the use, for non-official purposes of languages other than Bahasa Malaysia. This point is sometimes lost sight of. That being so it is essential to bear in mind that so long as there is no departure from this provision of the Constitution, which is now to be entrenched, we have nothing to fear.

The third politically sensitive issue proposed for entrenchment is Article 153. Here again, this Article provides not only for the special position of the Malays but also provides for the legitimate interests of the other communities, a feature which is apt to be forgotten to note that the entrenchment will cover the whole Article, I mean, the legitimate interests of the other communities as well as the special position of the Malays. It is important that the non-Malays bear this point in mind when considering this matter.

It is also proposed, in view of the fact that the Malays have so far managed to obtain only a very small proportion of places in the University of Malaya for certain courses of study, that places should be reserved for Malays in such courses of study where their number is disproportionately small. This was made clear in paragraph 18 of the White Paper which was issued for general publication earlier this year when the Government made known its intention to introduce this Bill on the resumption of Parliament.

Paragraph 19 of the same White Paper also made it absolutely clear that in the implementation of the provisions of the proposed amendment it is the intention to be fair and just to all communities, so that even though reservations are made for Malays, the non-Malays will still have their fair share of places in these courses of study."

# INDUSTRIALISATION: WHAT GOVERNMENT HAS DONE

In outlining the role that the private sector could play in making the Second Malaysia Plan a success Tun Tan stressed the need for industrialisation in Parliament on July 12, 1971. I quote:

"Our own experience and the experience of other countries have shown conclusively, and quite often painfully, that an economy wholly based on agriculture will always remain a subsistence economy. To put it bluntly, such a country will always be poor.

"While we readily concede that this does not mean that we should not develop our agricultural industries and maximise their efficiency, and while it does not mean that we should not diversify our agriculture, it does mean that confining ourselves wholly or largely to agricultural activity will mean that we shall forever remain a developing country.

"What this means is that we must work towards industrialisation as rapidly and on as broad a front as possible. This was why the Government, soon after the troubles of May 1969, set up the Capital Investment Council, known as CIC for short, (Then known as the Capital Investment Committee), of which I have the privilege to be Chairman.

"Let us now look at what the CIC has achieved. In 1968, 41 projects were approved. In 1969, 142 projects were approved even though the CIC was not set up until the middle of that year, while in 1970, 334 projects were given the green light to go ahead. These results speak more eloquently than words when reviewing the performance of the CIC.

"We readily appreciate that we can do better as we still hear complaints that inordinate delays have occurred in a few cases. We are taking steps to eliminate even these few delays altogether.

"Since the beginning of this month, we have instituted a system whereby every major stage in the processing of applications is reported directly to the Minister of Commerce and Industry and my-

self. There are four stages involved and when an application reaches every one of these four stages, the dates are immediately notified to both of us."

### MALAYSIAN GOVERNMENT HONOURS TUN TAN



The Malaysian Government gave a farewell dinner on May 31, 1974 when Tun Tan retired as the Finance Minister. Presiding at this function was the former Prime Minister, Tun Abdul Razak, second from right.

Below: Tun Razak is giving a farewell gift to Tun Tan. The function, attended by all Cabinet Ministers and Chief Ministers of all the States was held in Parliament House, Kuala Lumpur.





Tun Tan in audience with His Majesty the Yang dipertuan Agong at Istana Negara in Kuala Lumpur on May 8, 1974 just after Siew Sin had announced his retirement as Finance Minister of Malaysia.

# A FOCAL POINT IN SOUTH EAST ASIA

Addressing the members of the Royal Institute of International Affairs at Chatham House, London, on May 20, 1966 Tun Tan described Malaysia as focal point in Southeast Asia. "It is one of the few remaining democracies in Asia and Africa — a democracy that has worked so far in accordance with the best traditions of Westminster."

It is one of the very few remaining democracies in Asia and Africa. It is a democracy which has worked so far. That is, it has worked in accordance with the best traditions of Westminster. It has worked in spite of massive handicaps, the chief of which is that it largely consists of three main but completely different racial groups, i.e. Malays, Chinese and Indians. The three races differ as widely as they could possibly differ. Their languages are completely different, because Malay is based on the Arabic script, the Chinese language consists of ideographic characters, while Tamil, because most Indians in our country come from South India, is entirely different from the other two languages.

The Malays profess Islam, the Chinese are largely Buddhists and the Indians largely Hindus. Their religions are also basically different. They have different cultures, and even in the less controversial areas, like mode of dress and eating habits, they are also different. Although the educated menfolk tend towards the Western way of dress, as in the rest of Asia and Africa, the racial origin of the womenfolk and the non-English speaking menfolk, in the vast majority of cases, could be readily determined by their mode of dress.

We have sometimes compared Malaysia to Switzerland which also is inhabited by three main racial groups and in roughly the same proportions, but German, French and Italian Swiss have basically a common religion — Christianity, though they may belong to different denominations of that religion. Their languages stem from a common stock, namely Latin, and are based on the Roman script so that it is far easier to learn German, French and Italian at the same time than it is to learn Malay, Chinese and Tamil. All the

Swiss share a common cultural origin and similar traditions as a result. Their eating habits and mode of dress are the same.

It will therefore be seen that compared to the Swiss, we had to face far more formidable difficulties in the process of nation building. What is even more important, we had far less time in which to do it. It was therefore not surprising that when as late as 1954, i.e. only three years before complete independence came to the then Federation of Malaya, a distinguished foreign visitor who asked a very high-ranking British official in Malaya what was being done about preparing the country for independence, he was told that it was ridiculous to contemplate independence for the hopelessly plural society of Malaya. That being so it could never hope to come together to form a viable nation. Yet, in nine short years of independence, our country has achieved a far greater measure of national unity than has ever been achieved in over 100 years of British rule. In many States, in fact, the period of British rule has been even longer.

We have gone even further. Malaysia today has a greater sense of national identity and national purpose than has been possible in many other newly independent countries which have homogeneous populations and which are not burdened by the political problems which are inevitably present when different racial groups have to live together as one nation.

This, of course, is not to say that we have solved all our major problems, but the very fact that we have at least begun to solve them and the fact that the future course which has been charted by our Government has at least secured the approval of the overwhelming majority of our population is an achievement of some significance. This does not mean that we have no shortcomings. That is a measure of our success and if we measure that success by what has been achieved, or rather not achieved, by other countries with lesser problems, then one can see what we have attempted and achieved in its proper perspective.

It will be asked, "What are the factors which have contributed to

our success so far?" In my view they are largely two. The first is good political leadership and the second, and this factor might be more important than the first, is the good sense of the common men and women of Malaysia.

#### A NEW LOOK ON PART OF WORLD BANK

Tun Tan outlined the basic problems facing the developing countries and their need for more technical and highly specialised personnel in a statement he made at the annual discussion of the World Bank. LF. C. and LD.A. in Tokyo in September, 1966.

He urged the Bank to encourage conditions which are conducive to the free play of creative human forces. In the course of his speech Tun Tan referred to the remarkable progress made by Japan which he described as the economic miracle of the postwar period. Parts of that statement follows:

"Our host country could well be described as the economic miracle of the postwar period. That miracle has been accomplished by a combination of factors, chief among which were hard work and thrift. If I may say so, another essential factor was the policy of free enterprise about which I shall have more to say later.

"There is much in Mr. Schweitzer's statement which I am happy to endorse. There is a depth of understanding of the basic problems facing developing countries such as my own in his remark that even where the immediate cause of a payments deficit is to be found in a country's own policies, the difficulties may arise from deep-seated problems which hamper the achievement of an adequate rate of growth.

"On the problem of international liquidity, I must congratulate the Fund for setting out the broad issues in its Annual Report so clearly, and for its statement of the findings and conclusions of its Executive Directors. It is a complex problem which calls for the most careful study. I note Mr. Schweitzer's strong feeling that an increase in the quotas of Fund members at an early date is, at the present time, both justified and necessary.

"I should mention in this connection that my Government has accepted the necessity for increasing Malaysia's quota in the Fund from \$37.5 million to \$100 million. I understand that a resolution to

this effect will come up before the Board of Governors later this week. I should mention also that to most developing countries, the requirement that 25 percent of quota increases should be paid for in gold imposes a hardship on them. I trust that this aspect of international liquidity will be given due consideration by the Fund.

If I may, I would like to turn for a moment to the statement made by Mr. George Woods as President of the Bank. I have attended a number of meetings in the past and, in my view, the address which we were privileged to hear from him at the opening of the Conference was probably, from the point of view of the developing world, the most reassuring statement of that institution's attitude towards our problems as a whole. In fact, one is tempted to regard it as a new look on the part of the Bank toward the challenges which the developing countries present to those countries which are more fortunate and in a position to translate what may at the moment appear as dreams into reality.

All of us, that is, both highly industrialized and developing countries, however, our very existence depends on a successful solution of these problems. Among the highly industrialized countries, there is a growing awareness that prosperity, like peace, is one and indivisible. The question that remains is "How do we go about it?"

I think one can broadly deduce from the tenor of Mr. Woods' speech that the Bank and its affiliates are now on the threshold of liberalizing its outlook toward this fundamental question. We have already seen pointers in this direction. For example, we have seen the Bank and IDA venturing into the comparatively new fields of agriculture and education where the prospects are wide-ranging and immense. In agriculture, the Bank made two loans during the past year while IDA made three. In the 1963-64 financial year, IDA has made two loans for education.

We, in Malaysia, are well aware of what may even be termed the overriding importance of education. As a result of prudent financial and economic policies, we have built up satisfactory monetary reserves. This has ensured financial and economic stability which in

turn led to political stability. We find, however, that this is not enough. In order to maintain stability in all fields, we find that it will be necessary to raise not only literacy but educational standards throughout the nation. This will involve a tremendous drain on available resources, though judged by the standards of developing countries our material resources are not inconsiderable.

When everything is taken into consideration a country's most important resource is its people. You can have all the mineral resources of the world, you can have the most wonderful soil in the world, but unless your people are trained and equipped to exploit these resources to the best advantage and for the greatest good of the greatest number. all these resources might as well be on the moon. Looked at in this light; investment in education, particularly the right kind of education, that is, technical and vocational education, could well be the best long-term guarantee of smooth economic growth.

It was unfortunate that the Geneva Conference on Trade and Development held earlier this year bore so little fruit from the point of view of the developing countries. This Conference was held under the aegis of the United Nations where political considerations could override purely economic ones. I wonder if the chances of success would not be better if the World Bank and/or the IMF were to sponsor further discussions on the same subject. Under such circumstances, economic considerations would come to the fore and it might be easier to arrive at mutually acceptable solutions.

We welcome Mr. Woods' assurance that "the Bank will be giving much thought and attention during the coming months" to the question of the provision of funds for development investment on IDA-type terms. We also welcome his statement that the Bank will in future be prepared to finance even the local currency costs of suitable projects. We in Malaysia have been pressing for this change for some time past because we know that the proportion of foreign exchange to total cost in a particular project is not an infallible criterion of greatest need. We also hope that IDA will, in the near future, see fit to amend its rules so that even countries which are not in balance of

payments difficulties but which could, apart from this criterion, prove that their needs are equally pressing, can qualify for assistance from this institution. The present policy tends to penalize prudence.

We venture to say, that the need of developing countries for greater technical assistance could well be as critical as our need for purely financial assistance. Here again, I would like to point to my country as an example. We can think of many more projects which could qualify for Bank assistance but we lack the surplus administrative resources required to process these applications to a stage where we could qualify or such assistance without further processing on the part of the Bank itself. This is not a reflection on our own administrative officers, it is merely an indication that we do not have enough of them.

We feel that the bank should take a policy decision to regard the provision of technical and highly specialized personnel for developing countries in adequate numbers as a matter of paramount importance, one which is as vital to them as the provision of adequate finance itself. In other words, technical expertise can be as essential as finance if the best possible use is to be made of available financial resources.

I now come to what may be regarded as the central theme of our thinking. It is not coincidence that the countries which have made the greatest progress in the postwar years have been those countries in which free enterprise has been given adequate rein. The outstanding examples are, of course, our host country and Germany. This phenomenon is in point of fact merely an illustration of the observation made by that famous economist, John Maynard Keynes, about two generations ago that wealth is not gold; it is hard work, initiative, thrift and those other qualities which make a nation virile and great and enable it to turn difficulties into opportunities. It is these qualities, sharpened and refined by education, which can transform a backward society in the fullness of time into a modern and progressive nation. These are the essential prerequisites, not only of political, but of industrial and economic growth.

We respectfully suggest that the Bank should look at develop-

mental problems from this basic stand-point. It should encourage conditions which are conducive to the free play of creative human forces. This is the kind of soil which it should nutrue. When such a stage has been reached, the assistance given should be generous and not hedged about with the kind of restrictions it now imposes, restrictions which are more appropriate to the sophisticated societies which were its primary objective soon after the end of World War II.

That was why, all these years, the former Federation of Malaya, and now Malaysia, has been urging the Bank and the Fund to make the question of fair prices for primary commodities one of their major aims. That is why today we ask the Bank to assess a project's justification for aid, not by the amount of foreign exchange it requires, not in relation to the balance of payments difficulties of its country of origin, but in relation to the balance of payments difficulties of its country of origin, and largely by the criterion of its likely contribution to that country's economic well being.

Finance, mineral resources and the like are important ingredients of economic growth. What is equally important, if not more important, are those qualities of heart and mind, those human resources without which no progress of any kind is possible. Even financial institutions like the Bank and the Fund would do well to pay sufficient attention to these factors. If these conditions are fulfilled, the remaining gaps are only a question of time and technical competence. Without them we will eventually fail. With them we must assuredly succeed.

### BE LOYAL TO MALAYSIA CHINESE ARE TOLD

In appealing to the Chinese community to serve Malaysia loyally at all times, Tun Tan said: "Malaysia belongs to us. It is and it will be what we make it. Even if we love only ourselves and our families, it would pay us hands down to devote more of our energies and our time to this land of beauty and promise. The investment is small but the dividend would be enormous."

He was speaking at the opening of the M.C.A. Central General Assembly in Kuala Lumpur on May 6, 1967. Excerpts from that speech follow:

"This year, we meet in a much easier and more relaxed atmosphere. The language issue is now behind us because the most difficult political test which faced the Alliance since independence was achieved nearly ten years ago. Delegates may recall that when addressing this Assembly a year ago, I expressed confidence that the Alliance would find a satisfactory solution to this question. Events have proved that my confidence was well founded.

"In a short while we shall be celebrating the tenth anniversary of our independence and this is, therefore, a good time for us to try to assess the prospects ahead so that we can be better armed to meet the problems which are likely to arise.

"I shall deal first with the National Language Act which was recently passed by Parliament and which is still fresh in our minds. The
people of this country can rest assured that the high level of statesmanship which characterised the drafting of the Act will continue to
be applied when it is implemented. We will be fair but firm, we will
be wise, but not timid, and we will be courageous when courage is
called for. In other words, the Bill will be implemented with vision
and with realism, taking into account the multi-racial composition
of our society.

"The Government, however, has both the right and the duty to ask our people not to be taken in by some of the arguments which have been used against the National Language Act. It is not without significance that many of these arguments are exactly the same as those used by the Communists and their supporters, and these are the people who do not wish this country well.

The fact that these disloyal elements have now started a campaign against this measure is an indication that this measure is a good one. It would, therefore, be very unfortunate if those who are opposed to this Act for different reasons find themselves, perhaps for the first time in their lives, fighting on the same side of the Communists and their supporters, and using exactly the same arguments, even though in other respects they have nothing in common with Communists and Communist sympathisers. That would indeed be a tracedy.

"Malaysia is a small country in a restless region. That being so it is imperative that we should be united as a nation. The first essential is that its citizens must be loyal to this country and to this country alone.

"To my mind, it is clear that one of our most important political objectives during the next ten years should be consolidation of national unity. In this connection, it appears that there are some who still have not been able to get rid of the slave mentality which has become so much a part of their being as a result of long years of colonial rule. Many do accept a government which has been freely elected by them as their government.

Some regard this country as one in which they have a right to make a living, if not a fortune, but one to which they owe nothing. Others do not bother to make use of the political rights they have, such as taking an active part in the public life of our country as its citizens, some do not even bother to vote but sit back and criticise, but are not prepared to lift a finger to help. If those who can assist the Government or the country refuse to do so, then they have only themselves to blame if things are not to their liking.

The task of building up national unity is not only urgent but

more than ordinarily complex because Malaysia is a multi-racial society. Before we can establish a really united nation, the major racial groups in this country must gradually come closer and closer together. The Malays must be less Malay in their outlook, the Chinese must be less Chinese, the Indians must be less Indian and so on, so that eventually we shall regard ourselves as Malaysians rather than as Malays, Chinese or Indians, or whatever our racial origin may be. The Government is doing its part through education and other policies which are designed to obliterate this feeling of racial separateness. The people, too, must play their part and it is in this field that political parties in this country face perhaps their greatest challenge.

"One way of cementing communal unity is to have more joint ventures between businessmen of different races. I am aware that there are problems to be overcome because, in so far as the Chinese are concerned, their traditional type of business organisation is based on the clan system, and much more often, on only the family system.

"For example, we all know that, for some reason or other, the rubber trade is largely confined to Hokkiens, tin mining to Cantonese and Hakkas, the hotel and restaurant business to Hainanese. Further, the average Chinese business is so small that there is only room for the family and close relatives," he added.

### "TRANSFORM OUR DREAM INTO REALITY"

Addressing a National Unity meeting in Seremban on March 14, 1971 Tun Tan urged Chinese leaders to give serious thought to the question of wisely charting their future course of action for the benefit of the community and the country.

During that speech he also said: "Recent events have shown that the Chinese, perhaps for the first time in the history of this country, have come to realise that they cannot afford to ignore politics altogether. The majority of our people have probably come to admit that it is not enough to be merely interested in their own livelihood. It is not enough only to mind your own business and not care a damn for the rest of the country, or for that matter, the rest of the world."

Then he went on: "We can honestly claim that this Unity Movement has been a success. Every day resolutions are being passed all over the country supporting this Movement. One has only to read the Chinese language Press or, in my case, the translations of the relevant extracts, to appreciate that this Movement is catching on in a big way. The question is, "Where do we go from here?"

"I think it is now understood that the Chinese community cannot operate effectively in the political field or, for that matter, in
any other field unless it is itself united. I feel that we have managed
in recent weeks to drive that message home. So far, we have set up
committees at national level and a State Committee will shortly be
formed in Perak if it has not already been formed, to further this objective. While such committees can do a lot of work, their usefulness
is limited because, being small committees, the resources and facilities at their command are necessarily limited.

"I would, therefore, urge all of you to give serious thought. Whatever we do, we must make sure that we have our people behind us, though the immediate objective is to transform our dream of Chinese unity into reality.

"While on this subject, we must bear in mind that Chinese unity is only a means to an end. The end is national unity through racial

harmony and friendship.

"It is of no use for the Chinese masses to say, "If you are effective we will support you. If you are not effective, we will withhold our support."

"This is tantamount to killing this Movement even before it starts to operate for the simple reason that such a movement cannot speak in the name of the Chinese community unless it has sufficient support. Only with such support can it speak with authority and will it be listened to.

"A collection of a few leaders is pathetic unless it can honestly claim to speak in the name of the entire community and it must be obvious to all that it can so speak. Nothing less than this will do unless the Chinese masses learn this, I suggest that we forget about Chinese unity.

"Here it may not be out of place to remind the young leaders of this quotation from an Indian poem: "Just as the bee gathers honey from flowers, so also should a person gather wisdom from old people...."

"I repeat that unless the Chinese masses stand behind their leaders, we cannot be effective. It has been said that in the field of politics one person with belief is equal to 99 who have only interests. This means that one person with deep and strong political convictions who is prepared to work and sacrifice for such convictions is a power equal to 99 millionaires or even multi-millionaires. The reason for this is not far to seek. A man who is prepared to undergo any sacrifice for the sake of his political beliefs can inspire the masses to follow him and stand solidly behind him, whereas 99 multi-millionaires with no deep or strong political convictions cannot attract that kind of support.

"While on this subject and speaking for myself, I can give you another pledge, and that is that I shall never ask you to sacrifice more than what I am prepared to do. I feel that you will agree with me that this is not asking too much of our people who should be led

by our own inflexible example.

"At the same time, it is not only necessary for our leaders to play their part, but the masses also must play their part. If only our leaders work and the masses fold their arms, watching the fun, and jumping on to the bandwagon when everything has been won, then I suggest that we forget the whole exercise because nothing will be won if this attitude prevails on the part of the Chinese masses.

"I am optimistic about our future. We Chinese account for about 40% of the population of Malaysia. The greatest assets in our possession are our own qualities, — our vigour, our resourcefulness, our capacity for hard work and dedication which make way for progress and achievement. It is, however, equally important that we recognise our own faults, particularly our tendency to excessive individualism. Needless to say we should try to overcome them. We have not lost anything even by the recent constitutional amendments. Our citizenship cannot be questioned now as a result, and neither can our legitimate interests nor the use and study of the Chinese language.

"Everything depends on us and on how we respond to the changing times. We must not respond in the way our forefathers did. A generation ago we were under British rule. At that time it did not matter much whether we participated in politics or not, because the British ruled then, irrespective of what we said or did. Today, it is another story. Our destiny is in our own hands. It is for us to decide how to shape it. The main thing is that we have the vote and it is for us to decide to use it wisely and sensibly. It is for us to decide to us our political power in the interests not only of our community but of the nation as a whole. So long as we keep in the forefront of our thoughts basic realities and basic objectives, we cannot go wrong.

"We have now reached a turning point in our history. If we fail, our children and our children's children will rightly blame us for not rising to the occasion at a time of opportunity and challenge. In my humble way I have tried to persuade our people to think again, to point out the dangers which face us but also the opportunities which are waiting to be grasped. Personally, I am convinced that if we rise

to the occasion and to the challenge of our times, we will forge ahead to an era of greater progress and greater achievement. Today we stand at the cross-roads of history and let not the verdict of history be against us.

"So, as I close let me say as Carlyle once said: The present is our Indubitable Own; we can shape it; for we can shape ourselves. We can shape them as near to the Heart's Desire as we have constancy and courage. We can live without dishonour and to live without dishonour is to live with a high heart and in such fashion that we shall not wince when we look back upon our past," he added.

#### HAVE A DIALOGUE WITH THE HAVENOTS

In a speech at the M.C.A. dinner given in his honour in Johore Bharu on July 17, 1971, Tun Tan stressed the need for the haves to establish a dialogue with the havenots so that the haves can be made aware of the hopes and aspirations as well as the fears and doubts of those who have not.

In the course of that speech he emphasised: "Malaysia has reached a watershed in her history. During the period of colonial rule, which ended only 14 years ago, it did not matter very much what we did or did not do in the matter of taking part in public life. The British did what they liked, irrespective of what we said or did, and the system of government then was, for all practical purposes, an autocracy, though a benevolent one. As a result, those among the Chinese community who wanted to make money could devote all their energies to business and money making. Politics then was almost an exercise in futility, as we had no power.

"Things today are entirely different. We are now on our own and this means that we are in charge of our own destiny. I am aware that there are external circumstances over which we have no control but this is a different matter. The point I wish to make is that the citizens of this country now have a say as to how this country should be run. If they do not choose to exercise that power, then they have only themselves to blame if things go wrong. In so far as the Chinese are concerned, we cannot deny that in the past we have generally been apathetic to politics and even to playing an active part in public life. It is, of course, true that there are a few of us who are active in public life and in politics, but what I wish to emphasize is that we can do with more of them.

"In the democratic system in which we live today, it can be dangerous for only a few to be rich while the vast majority of our citizens are poor. It is even worse when those few who are rich flaunt their wealth in a way which can only arouse envy among those who are not in that fortunate position. Worst of all, if those of us who

are better off give the impression that we do not care for the hardships and sufferings of those of our fellow citizens who are not so fortunate, then we are sowing the seeds of real trouble in the not too distant future. It is, therefore, vital today, living as we do in an age of rising expectations, that the haves of our society strikingly demonstrate that they have a social conscience, that they genuinely care for the havenots and will do everything in their power to bridge the gap between the two.

"In other words, they must demonstrate that not only do they have a social conscience, it must be an active social conscience which manifests itself in the haves playing a meaningful role in our national life with a view to helping our citizens who are not well off.

"As a first step, the haves must establish a dialogue with the havenots. A bridge must be erected between the two segments of our society so that those who have can be made aware of the hopes and aspirations as well as the fears and doubts of those who have not. They should be made to feel that though they are not so well off to-day, there is hope for them if they too will play their part. They must be made to feel that we believe in a system where the weak are given a helping hand so that they can become strong. We must convince the havenots that we mean business. Only such a situation can ensure that those who have will continue to remain haves. Only in this way can we ensure political stability, without which financial and economic stability cannot be maintained."

### THE RIGHTS AND DUTIES OF CITIZENS

"The fact that so many of you are present here this evening is a good sign and indicates that there is a growing awareness of the importance of making good citizens of our people."

Tun Tan said this when he spoke at a dinner in Scremban to mark the launching of "Operation Good Citizen" in Negri Sembilan on October 28, 1967. Parts of his speech are given below.

"From every point of view, both short term and long term, the importance of this campaign cannot be over-emphasised. Even if it only drives home the point that no nation can be viable unless the majority of its citizens are good citizens, it will have achieved something, though we, of course, hope that this operation will achieve something more than this.

"There are many ways of demonstrating the attributes of a good citizen. For example, Cabinet Ministers in the Government cannot possibly know everything that is going on even in the Government, let alone in the rest of the country. In the well established democracies of the Western world, this gap is filled by a strong public opinion which expresses itself not only through the mass media of communications such as newspapers, radio, television and so on, such public opinion expresses itself through articulate pressure groups and institutions. As a result, the governments of such countries are kept on their toes most of the time and are never allowed to forget what is wrong either with themselves or with the affairs of the nations over which they preside.

"Admittedly, there is a certain amount of politicking and political opponents tend to exaggerate the failings of the government in power. Whatever it is, there is no doubt that a vigorous but responsible public opinion does help to ensure good government. Thus this need is greater in the newer democracies of the postwar world.

In this country, unfortunately, the quality of the political opposition is inadequate to its task. The entire opposition has only one issue with which to criticise the Government and this is the issue of

race. At one extreme, you get the Democratic Action Party which pretends to be non-communal in structure and thinking but is basically a Chinese party with a completely Chinese outlook.

At the other extreme, you get the Pan-Malayan Islamic Party which openly plays up Malay racialism in its crudest form. The opposition parties have also another trait in common and that is that their criticism tends to be destructive rather than constructive. They blame the Government for many things but they themselves are not able to offer practicable alternatives. Under such circumstances, it is even more important that public opinion should be an adequate mirror of the feelings and aspirations of the people.

We have, however, one priceless asset. I am convinced that among all races in this country there is an overwhelming majority of decent and fair-minded citizens. I would go further and say that this is not only a conviction. It is an undeniable fact because otherwise it would not have been possible for the Alliance to have achieved so much in so short a time. The record of the last ten years is there for all to see.

I would be the first to admit that we have made mistakes, I would be the first to admit that we could have done better, but every fair-minded person must concede that, because of the handicaps with which we started, we have astounded even our best friends and our most optimistic supporters. After all, ten years is a very short period in the history of a nation and we have attempted and accomplished much in this short period. But much more remains to be done. This is not the time to sit back and rest on our laurels, this is the time to look ahead because the future will be more complex than the past.

For the greater part of the past, we had to deal with three main racial groups, i.e. Malays, Indians and Chinese. With the establishment of Malaysia, however, we have five main racial groups, the Malays, Indians, Ibans, Kadazans and Chinese. The problems of East Malaysia are rather different from those of West Malaysia, and requires a greater understanding from all of us. For better or for worse, East Malaysia is now part of Malaysia.

It is in conditions like these that the need for an articulate but res-

ponsible public opinion is most painfully evident. If we have public opinion of a high calibre, it could help the Government immensely by telling it where things have gone wrong. At the moment, rumours are sometimes regarded as a substitute for public opinion. Many of them are unfounded, some are partly true and some, though true at the beginning, get distorted by the time they pass from mouth to mouth. As a result, we get vague grumblings. This is not good enough.

There is a saying that a people get the government they deserve. The longer I remain in public life, the more convinced I am of the essential wisdom and inherent validity of this maxim. In this country, there are far too many who should come forward and take an active part in public affairs but who choose to remain as spectators and induge in pointless criticism. Some of them regard themselves as intellectuals, though what this precisely means I do not really know, unless one of its qualifications is that you have completed a course at some university or other institution of higher learning which enables you to earn a better living than ordinary people.

Fortunately for this country, Malaysians of all races are, on the whole, eminently sane and sensible and hence that much easier to govern. They do not ask for the moon, they have their feet firmly planted on the ground, and though we live under a democratic system of government, they do not mind even a firm and strong government, provided that it is fair. They cannot be many countries in the world where there is so much good sense among ordinary people.

Indeed, I would say that one of the most important factors which have contributed towards the stability of this country is the past, and which I hope will continue to contribute towards its stability in the future, is the good sense of the common man in this country. Although we are a small country and we have to struggle with the problems of a multi-racial society in one of the most troubled areas of the world, we have much to be thankful for. We have some wonderful assets.

What we need most is honest and courageous leadership, a lea-

dership which is prepared to tell the people the truth. I am convinced that if our people are told the truth — the whole truth — they will respond suitably. If these last ten years of independence have proved anything, they have proved this point.

#### IMPORTANT CONTRIBUTION BY METHODIST CHURCH

The important contribution of the Wesley Methodist Church toward the promotion of education in Malaya was recalled by Tun Tan when he spoke at the Golden Jubilee dinner of the Church in Malacca on June 11, 1966.

Describing the occasion as one full of promise for the future, Siew Sin began his speech in this way:

"If I may also speak in a personal vein, I am proud to be here for a further reason. My father considered it his good fortune to be regarded as a friend of the Wesley Church and of every Bishop of the Church throughout all his life. I too have known every Methodist Bishop who has served in this country all these years although both of us are not Christians. I hope that I will always be able to continue this tradition.

"Although the Church caters for the religious needs of only those members of the community who are Methodists, it has developed a very broad outlook, so much so that it has made its own contribution, and this is by no means an insignificant one, to the well-being and welfare of our country.

"Its most important contribution has clearly been in the field of education. All of us know that it has established primary and secondary schools for children of both sexes throughout the country and those schools have enabled many children of all races and of all creeds to obtain the education which they otherwise would have been deprived of in those days when the then colonial Government did not provide enough schools. I myself went to one of those schools before ending up in a Government secondary school in my home town.

"What is perhaps not generally known, indeed not known at all, is that the Methodists can take a good share of the credit for the establishment of Raffles College itself, which later formed the nucleus of the University of Malaya and is now part of the University of Singapore. Soon after the end of the first world war, a group of Chinese businessmen and Methodist missionaries in the then Straits

Settlements, though the initiative came from my home town of Malacca, formed a committee for the purpose of establishing a college which could impart higher education to those wanting it.

"When the Straits Settlements Government heard of this move it perhaps felt ashamed that in a British colony it should be left to Chinese businessmen and American missionaries to blaze a trail for university education. The Government therefore took over the function of this committee and Raffles College came into being as a result. It can therefore be said that but for the vision and enterprise of this small hand of dedicated businessmen and missionaries, Raffles College would not have been established at the time that it was actually set up. It might have been established eventually, but probably much later.

"If I may say so, however, the most commendable feature of the Methodist movement in Malaysia is its complete broadmindedness. To give a personal example, my wife is a Methodist but I am not a Christian, yet we were married in the Wesley Church in Singapore nearly twenty years ago. Such broadmindedness is perhaps unique, for I believe that a Christian church does not normally allow non-Christians to be married in it. This is, however, a measure of the broadmindedness of the Wesley Church. I can quote other examples of this kind which indicate a similar measure of what I would call positive tolerance.

"That tolerance will be a precious asset in the plural society that is Malaysia and I have no doubt that the Wesley Church can make an important contribution towards our goals. The future lies ahead for all of us. We can make it or mar it as we will. It is up to all of us to put forth our best. I have every confidence that the Methodist Church in Malaysia will not be found wanting and will be able to look with confidence to the future and adapt itself to the changing needs of the times."

#### THIS CAN BREAK DOWN RACIAL BARRIERS . . .

"Rotary as a movement is particularly appropriate for Malaysia with its multi-racial society as it could be used to accelerate the breaking down of racial barriers in our country, especially among our young non-English educated where the barriers are most obvious and where the need is the greatest", Tun Tan said this at the Malacca Rotary Club's dinner meeting on March 24, 1971.

"Since the establishment of the first Rotary Club in this country in the early thirtees, this movement has done very useful work. It has concentrated on welfare work and filled a need which was all too obvious. Secondly, it has brought together the members of different occupations, thus enabling them to know and understand one another better, but if I may say so, this getting together has been confined largely to the English educated," said Siew Sin who continued:

"In our country, however, the non-English educated far outnumber the English educated and I suggest that this is where the Rotary movement can fill an even greater need in the future. I am a bit rusty on the rules of Rotary, as my connection with it dates back to more than 24 years ago, but I feel that it is not beyond human ingenuity to stretch a point here and there to enable the movement expand its activities to include the non-English educated section of our population. I am suggesting this because it is probably fair to say that the non-English educated of Malays, Chinese and Indians live in practically watertight compartments, speaking figuratively.

"The result has been an almost total absence of dialogue and communication between such ethnic groups in our country. Such a situation can only lead to suspicion and distrust at critical times.

"The troubles of 13th May, 1969, are a case in point and the events of those tragic days underline only too clearly the need for such communication and dialogue. In my view, this is one of the most important political problems which we face in this country.

"It is a problem which concerns not only the Government, it

concerns all of us, and particularly those of us who have no other country to go to and who must live and die here. As such, it is right that all who are in a position to contribute towards a solution of this problem should apply their minds to it and ask themselves how they can help to resolve it.

"In my view, this is where Rotary can come in. It can initiate projects which have as their aim the breaking down of barriers between the non-English educated, especially the younger age groups among them. With its network of clubs all over the country, it is in a good position to do so, if it is prepared to expand its activities in this direction.

"I am, of course, aware that Rotary Clubs in other parts of the world do not do this sort of thing. Let us, however, remember that this movement is an importation from the developed world of the West, where basically they contend with the problems of prosperity. On the other hand, in the developing world, of which Malaysia is a typical example, we have to contend with the problems of poverty.

"Rotary here can do even more useful work if it is attuned to our greatest needs.

"All over the world, the young are disenchanted with what they see. They question many values which their elders cherish. Indeed, one sometimes feels that they question everything except the right to question.

"I am, of course, aware that some of their grouses are unjustified, but in an age of rapid communications and mass media, such an attitude, even if regarded by some of us as uncalled for, is infectious and spreads rapidly. On the whole, we in Malaysia have been comparatively lucky in this respect, though we still cannot avoid feeling some of its effects. When you add to that language and cultural divisions of racial lines, you get the seeds of trouble with the best will in the world and with the best leadership in the world.

"This is, therefore, a field where Rotary can play a part, and it can indeed play an important part. If it can do so, it will become a

more meaningful part of our national life and play a far greater role in the future than it has ever done in the past," he added.

### CHINESE CUSTOM: IRONY OF PRESUMPTION OF MARRIAGE

In addressing the second annual delegates conference of the tenth general assembly of the Federation of Hokkien Associations of Malaysia in Kota Bharu, Kelantan recently, Tun Tan raised the irony of presumption of marriage by Chinese custom.

Elaborating on this he explained: "If a Chinese male is in the habit of sleeping on occasions with a particular callgirl, it could well give rise to a presumption of marriage by Chinese custom.

"So, if he died without making a will, his lawful widow may have to share his estate with the callgirl."

He said that when he was in the Government, he persuaded his Cabinet colleagues to agree to a radical change in regard to the status of Chinese women who did not marry under the Civil Marriage Ordinance or in a church as Christians.

His Cabinet colleagues agreed to the principle of this change and a suitable law was accordingly drafted. However, it had yet to come into force although it had been passed by Parliament.

"The ironical thing is that no Chinese woman leader has taken an interest in this matter, as far as I know, although it is obvious that it affects them vitally," he said.

Expalining the background to this problem, he referred to a famous court case known as the "Six Widows" case.

This case was decided by the Court of Appeal in Singapore and concerned a Chinese who died intestate.

Six women (other than the lawful widow) came forward and each claimed to be his widow and they all succeeded as the Court held that the Chinese are polygamous and cohabitation of a man and woman raises a presumption of marriage.

The court accordingly ruled that all the six women were widows of the deceased that as such were entitled to an equal share of his estate with his lawful widow.

Siew Sin also highlighted the main problem facing the leaders of the country in getting the people to be motivated by other than economic considerations.

"They must feel committed to Malaysia and its people in the sense that every member of the community, however humble, feels that he or she has a role to play for its benefit," he said.

He regretted that not many in the community had such feeling for the underdog as would prompt them to do something about it.

Siew Sin urged community organisations to contribute significantly towards raising the social consciousness of the people.

# WHAT SUN YAT SAID ABOUT THE CHINESE

Tun Tan quoted a famous expression of Dr. Sun Yat Sen in describing the Chinese when addressing the Central General Assembly of the Malaysian Chinese Association in Kuala Lumpur on February 20, 1965.

In the course of that speech, Tun Tan said: "We Chinese have always been characterised by political apathy. We grumble and we complain, but we do nothing about it.

"The late Dr. Sun Yat Sen once described the Chinese as "a sheet of loose sand".

He was, of course, referring to the Chinese in China, but those who went overseas have brought with them both the virtues and the failings of their forebears.

"It is a truism, but nonetheless it cannot be emphasised too often and too strongly that unless we are united there is little that we can achieve.

"We cannot even achieve effective co-operation with the other races in building up our nation unless we ourselves are united.

"We have significant economic interests, but the larger those interests, the more valuerable they could become without an effective political organisation.

"Lao Tzu has advised that we "should set about solving difficult things while they are still easy".

He has also admonished that if we anticipate difficulties we shall never encounter them. That is both a warning and a challenge for the future. We ignore them at our peril.

## WHAT THE ALLIANCE HAD ACHIEVED

"Remain united at all times." That is the call that Tun Tan has repeatedly made to the Chinese when he was the President of the M.C.A.

No problem has been and still is nearer to the heart of Tun Tan than the problem of unity among the various races in this country. From the early days of his political career he has pleaded with his people in particular and other Malaysians in general to remain united in the larger interests of the nation.

A typical example of his constant devotion to the cause of racial harmony is the following excerpt from his speech to the M.C.A. Malacca on July 2, 1961.

Today a new task faces the Association. As a result of the changed circumstances that have arisen since Merdeka, the main task of the Association is not only to maintain the unity of the community but to forge that unity into a greater unity of the Malayan nation itself

Under ideal circumstances, all of us in this country, whether Malays, Chinese, Indians or belong to any other community, would call ourselves Malayans at all times. Unfortunately, we have not reached that ideal stage yet, and the communal tendencies which have been encouraged in the era that has gone cannot be eradicated overnight. It is, however, essential if our independence is to be based upon an enduring foundation, that we must begin to think of ourselves as Malayans first without, at the same time, sacrificing our cultural identity.

In other words, we must pledge our political loyalty and undivided allegiance to Malaya, while adhering to the principle of unity in diversity.

The Government realises that one of the surest antidotes to Communism is a property-owning democracy, and in this respect, it is doing everthing it can, within the limits of available finance, to

promote the growth of home ownership in the Federation by extending loans on easy terms through the Housing Trust and building societies to those citizens who wish to have their own homes by paying for them in instalments. This project, too, will cost many millions of dollars.

There is also, of course, the huge rural development programme, which is designed to benefit the inhabitants of rural areas of all races, so that those who are landless will own land and those with uneconomic holdings will be able to enlarge such holdings so that they would be of sufficient size to support an average-sized family.

These are only a few examples to show that the Alliance Government, in its few years of power, has done everything it possibly could to better the lot of the under-privileged in this country.

All these schemes, however, depend for their successful fruition on continued peace and racial harmony, to name but two of the most important factors, and it is in this respect that the M.C.A. can play its part as a trusted and firm pillar of the Alliance.

The Association is today at the cross-roads. It has to decide whether to accede to a popularity which might be short-lived, or to continue on the road which has served it so well in the past, the road of racial friendship and tolerance. It is a road, however, which might lead to temporary unpopularity but which is dictated by the long-term interests of both our community and our country.

No community in Malaya can afford to go it alone. To do so is to invite disaster. Chinese and Malays, between them, form about 90% of the population of this country. I, of course, do not mean to imply by this that the other races, particularly, the Indians, are unimportant. They too have their part to play, and it is an essential part, but racial unity in this country must rest largely upon Sino-Malay friendship.

The bonds of this friendship were forged in some parts of this country, especially in this ancient town of Malacca, many hundreds of years ago. They have continued during the period of British rule.

They were strengthened by the Alliance since it came into existence and we cannot afford to impair that link in any way, let alone disrupt it.

I say this, not because I want to be pro-Malay or pro-Chinese, or pro any particular community. I say this because I want to be pro-Malayan, and because that is the only basis on which we can build.

Ill-informed and destructive criticism in this connection, especially if levelled in public, can neither help the Chinese nor serve the cause of Malaya. They can only serve to embitter racial relations to the good of no one except the enemies of Malaya, viz. those who do not want to see us progress and prosper.

What the Chinese community in general, and the M.C.A. in particular, is now crying out is for leadership and statesmanship of a high order. That leadership, to be strong, must be dedicated, so that it will win the respect of friend and foe alike. Unlike the Chinese community can produce leaders, who are in public life not for what they can get out of it but for what they can give of themselves, their time and their energies, its future is bleak indeed.

Public service is not worthy of the man unless it also entails sacrifice, a sacrifice of time, energy or money, or of all three.

If, in the days ahead, all of us, whatever our station in life might be do our bit for this land which has given us life, sustenance, liberty and happiness, the future, though unknown, is full of promise. If we do not, our path may lie through a vale of fear and suspicion with all the effects which such a state of affairs must necessarily entail. It is up to us to choose. I have every confidence that those of us who believe in the Alliance and all that it has stood for in the past, and will stand for in the future, will not fail."

## THE SPECIAL POSITION OF THE MALAYS

Referring to the special position of the Malays, Tun Tan told the Chinese community leaders in Ipoh on February 18, 1971 that "it was not the invention of the U.M.N.O."

The last thing I wish to do is to rake up the past, but it is well to remember sometimes that the special position of the Malays was not the invention of the M.C.A., it was not even the invention of U.M.N.O. It was the creation of the British. I think you will appreciate that it would not have been possible on the eve of independence to persuade the Malays to give up a right which they already enjoyed.

"I am aware that the non-Malays, on the whole, accept the present position. What they fear is that the implementation of the constitutional privileges of the Malays may be carried out in such a way as to imperil even their economic future. This is a legitimate fear, but it is important that unfair implementation of these constitutional provisions should be brought to our notice. If I may add, some of our people complain of injustice but are not prepared to put forward specific complaints. It clearly is not possible for me to tell my colleagues in the Government that there is injustice somewhere except that I cannot pinpoint it.

Let me give you another instance. Article 8 of the Malaysian Constitution explicitly states that all persons are equal before the law and entitled to the equal protection of the law. This Article expressly states that there shall be no discrimination against citizens on the ground only of religion, race or other grounds which I shall not enumerate here as there is quite a long list. It will be seen, therefore, that every citizen has a constitutional right to fair treatment. On the other hand, quite a few complaints of discrimination have been made to me but when I ask for particulars so that I could take up such complaints, the invariable answer has been that they would rather not provide the evidence as this might lead to victimization.

I suggest that this is not the way of solving this problem. Indeed it is one way of ensuring that this problem is never solved because it

can never be brought into the open, it is only swept under the carpet and the fault partly lies with those who refuse to make specific complaints.

I am convinced that in so far as the Chinese are concerned, we must realise that we are bound to be politically ineffective unless enough of us are prepared to get off the fence and make a political commitment to this country and to what it stands for.

# PERCEPTION OF FINANCIAL MANAGEMENT

Tun Tan Siew Sin began in a lighter vein when he addressed the Seminar for Senior Government Officials at Federal Beach Hotel, Port Dickson, on Friday, 13th June, 1980 when he said:

"In a way, I am rather surprised that you have asked me to speak on this subject! I left the Government about six years ago and some of you should have had enough of my policies and thinking, bearing in mind that I have been inflicted on that part of the public sector for 15 years!

"I will begin by giving you my basic thinking on this subject. In my view, we must always bear in mind the basic structure of the world economy itself. Although man has been clever enough to land a human being on the moon, he has still not been able to avoid slumps. Slumps follow booms in the same way that high tide is followed by low tide. For the time being at least, this is almost a law of Nature, in spite of John Maynard Keynes and the other financial and economic celebrities of our time.

"Those of us who are old enough to remember the worldwide depression of the thirties will know what I mean. Among other things, two thousand banks failed in the United States and every few days one would read in the Press of a business tycoon whom most people thought was solid, committing suicide.

"In fact, the story at that time was that it was not safe to walk down famous Wall Street in New York because you might be hit by a business tycoon throwing himself down from the top of one of the buildings there! And yet, only a few years earlier, around 1926, the world enjoyed what has so far been the biggest boom it has probably had in this century. Briefly, this means that like the private sector, the public sector must never forget that a slump may lie ahead even when one is enjoying a boom.

"Another fact of life which we must bear in mind is the volatility of commodity prices over which we have no control. As all of

you know, such prices can fluctuate wildly. Although, at this point in time, our dependence on primary commodities is rather less than it was, say, 5 years ago, they still have a decisive impact on the health of our economy, and hence the prices of our major primary commodities continue to be a matter of prime concern to us. I am, of course, aware that an international fund has been set up to stabilise rubber prices and there is a scheme also for stabilising tin prices, one which has been functioning for quite a few years.

"It is, however, still my personal view that these schemes will not work as effectively as we want them to when the crunch comes. I still feel that the only solution to this problem is for the producers themselves to set up their own price fixing arrangements on the lines of O.P.E.C. Provided our prices are realistic enough in the sense that we do not set them at unduly high levels, and those participating in the scheme account for at least 80% of total world production, there is no reason why such a scheme should not work, but this is straying slightly from the subject.

"The point I wish to make is the possibility, indeed the probability, that commodity prices which go up have to come down. This is the contingency which those in charge of our finances in the public sector must always bear in mind. In short, financial management in the public sector calls for a large measure of prudence. This in turn means that we should always have adequate resources to tide us over a slump.

"I shall now turn to the positive side of public sector financing. What I have already said clearly implies that we should strive for a balanced budget, i.e., our expenditure must not exceed our revenue. At the same time, it is equally important to strive for economic growth, in other words, to work for the enlargement of the economic cake. This is where deficit financing is justified. In fact, it may well be the only way out. That was why I always encouraged spending on economic projects when I was at the Treasury, even though we had to borrow money for this purpose.

"I will give you a few examples of what I mean. I well remember visiting Muar and Batu Pahat in my early years at the Treasury, and when I was there I was pressed by the leaders whom I met there to promise to give them bridges over the two rivers crossing those towns. At that time, one used ferries then, but nevertheless I promised them that the two bridges would be built.

"As luck would have it, on my return to Kuala Lumpur, I got a not from Mr. David Rockefeller, Chairman of the Chase Manhattan Bank, informing me that he was very impressed with Malaya, as it was then known, and was prepared to give us a loan. I thereupon asked for enough to build the bridges after having ascertained their cost. On their completion, we levied a toll, and they paid for themselves within a matter of a few years.

"For the same reason, I readily agreed to a bridge connecting Penang Island with the mainland, and did not feel that it was necessary to have a feasibility study for this purpose. As I was convinced that such a bridge would pay for itself in a much shorter time than most people realised, I did not even bother to ask the World Bank for its opinion, as my common sense tells me that such a project is economically viable. I am surprised that even now that bridge has not been built.

"I always gave top priority to economic projects which, when completed, would yield significant revenue. One which comes to mind is telephones. I encouraged the department concerned to expand our telephone system because it was obvious to me that expenditure on this item would bring in worthwhile revenue, bearing in mind our rapid economic development since independence. Another area of activity which I encouraged was research and development.

"Indeed, I once told the head of our rubber research effort that he could have as much money as he wanted, and I told him that I was speaking to him as Minister of Finance. I said this because I felt that even if only a very small proportion of our research pro-

jects bear fruit, that would more than pay for our total research effort.

"The rubber industry of Malaysia is probably the most efficient in the whole world, and it is no exaggeration to say that our research scientists made a major contribution to our phenomenal success, and hence the money spent on research has yielded outstanding dividends.

"I also feel that another fundamental requirement of a sound economic system is a free market economy, simply because such a system encourages and rewards initiative and outstanding performance. There is an incentive to do well because of the rewards provided.

"A welfare state which practises what I call milk and water socialism penalises the thrifty, the efficient and the industrious, but rewards the not so thrifty, the inefficient, and the lazy, and in my view, this is the main reason for the sorry state of so many industrial countries.

"Not many remember that on 5th December, 1973 when I presented my 1974 Budget to the Dewan Rakyat I concluded my speech with the following paragraph: —

"In short, while the outlook for the industrial countries for 1974 is uncertain, our own economy despite these discouraging prospects abroad, is expected to sustain a high level of economic growth with some slowdown in price increases. As I have stated earlier, however, there is one cloud on the horizon, and that is the problem of inflation which is now our No. 1 economic problem. We shall leave no stone unturned to combat it as our financial and economic stability depends on our ability to contain it within manageable limits. Either we do this or we may well find the fruits of 16 years of impressive economic growth wiped away. On this sombre note I will end but I feel that it is far better to face reality squarely, though I am convinced that if we have the political will and courage to do what is right, we

would still be able to make steady progress towards the goals which we have set for ourselves."

"If I am not mistaken I was the first public figure in the world to point out the danger of inflation. I well remember that when I was preparing my budget speech in 1972 Encik Malek Ali Merican, who then helped me with my speech, came into my office one afternoon to tell me that he had bad news for me. The news was that our cost of living index had gone up by 3.2% in that year.

"I regarded that figure as catastrophic, because for the previous 20 years our cost of living index rose by less than 1% per annum, but this did not prevent our economy from growing rapidly. In short, if you want sustained and sustainable growth without inflation you must increase productivity. In most of the industrial world today, the policy seems to be more and more pay for less and less world.

"This was fine when the major industrial countries ruled most of Asia and Africa as their colonies through their overwhelming military might. Things are rather different today, but unfortunately, some developing countries have a tendency to follow their bad habits by increasing pay rather than productivity.

"To sum up, my perception of financial management in the public sector is that we must be financially prudent, if we are to achieve our goals. You borrow to finance projects which will expand the economy and hence generate more revenue, not otherwise. Even a few of the developed countries are doing the opposite, i.e., consuming more than they are producing, and this is the reason why so many are suffering from both inflation and economic stagnation at the same time, sometimes called "starflation."

"The inability of their leaders to take hard-headed decisions, for perhaps political reasons, has ensured their inability to overcome their problems. Not so long ago, it was anticipated that the United States would only have a mild and short recession this year. As time goes on, it is becoming clear that the recession will be neither mild nor short, but this was ofly obvious to those who could afford to take an objective view and did not have to indulge in wishful thinking

"I have been asked to speak on a very broad subject and hence it is not possible for me to touch on as many facets of it as I would like. As a result, I have confined myself to only fundamental issues. I would, however, wish to leave one last thought with you. On the day of independence on 31st August, 1957, i.e., only 23 years ago, one British pound was worth MS8.57. Today, it is worth only MS5, but not so long ago it went to as low as MS4.00.

"On the day of independence, the almighty US dollar was worth over M53. Today, it is worth only about M52.15, a drop of about M30%. Also, if I recall correctly, our external reserves have multiplied more than 5 times since independence. I do not think any developing country which achieved its independence in the post-war years has achieved what we have achieved, and this did not come about by accident."

## PROBLEMS OF MANAGEMENT IN A DEVELOPING ENVIRONMENT

The problems faced in a developing environment were outlined by Tun Tan Siew Sin at the University Kebangsaan Malaysia's Faculty of Business Management Seminar on Saturday, June 21, 1980.

His subject was: "Problems of Management in a Developing Environment".

"Before I deal with the specific theme of my address, it would be useful to look at the general background of developing countries. Although the theme of my address uses the phrase." developing environment," such a term, in my view, is synonymous with "developing world." I am, of course, more familiar with Malaysia than with any other country, and hence my observations are largely based on conditions in this country, but I feel it is safe to say that the major problems are basically the same in most developing countries.

"The developing countries of Asia and Africa are largely those which were colonies of the Western Powers and Japan prior to World War II. These countries obtained their independence in the post-war years, hence they have not been independent for all that long, in terms of human history. This means that a few legacies of colonial rule still remain, and I shall touch upon these at the appropriate stage.

"One of the most glaring deficiencies of a developing environment is the relative lack of technology, compared with the major industrial countries. In this age, it is clear that adequate technology is of vital importance, and I would say that this is a major problem which management in a developing environment has to overcome.

"Of course, we can establish educational institutions to impart such knowledge, but this takes time and costs a lot of money. We can also send our people overseas to acquire the necessary knowledge and experience. This lack of technology however means that for the time being we have to import technical expertise in the form of expatriates who have the necessary qualifications and the problem is to maintain the right balance between local and expatriate staff, with a view

to more and more of our citizens taking over the jobs of expatriates when the time is ripe.

Another basic problem of a developing environment which management has to contend with is the reluctance of too many of our young people to take on what is known as "blue collar jobs," i.e., work in factories. I feel that this is one of the legacies of colonial rule which has led quite a few of our young people to feel that the only jobs worth having are those which allow them to work in air-conditioned offices, however low the pay may be.

In Malaysia itself, there is almost an aversion to working on estates among our university graduates, even though the plantation industry is the backbone of our economy. Indeed, it is no exaggeration to say that without our plantation industry, our country could be reduced to little more than a tropical slum, though I am aware that progressive industrialisation is reducing our heavy dependence on our major primary commodities. I well remember that even during the pre-war years my father thought that it would be a good idea to recruit university graduates for our own estates. We, however, found it extremely difficult to recruit enough, whatever the pay, because of the feeling among such people that a planting career is something below their dignity. Yet speaking as one who has been a planter himself, I cannot think of a more satisfying vocation, though I readily accept that it is hard work and a tough life, because you have to get up before the crack of dawn, start work at sunrise, and sweat it out under a hot sun most of the time. Even today, we do not have enough professionally qualified people going into the planting industry in spite of the opportunities available, and, in my view, there are not too many occupations in this country which are more satisfying, either emotionally or financially.

I also have a feeling that in a developing environment, employees whether in the public or private sector, tend to be less innovative and less willing to take the initiative than those in the developed world. Here again, this could well be a legacy of colonial rule, in which most of the time you take orders rather than give them, and hence you get

more used to the former than to the latter. Such a state of mind kills both initiative and originality. Let us take South-East Asia as an example. When I talk of South-East Asia, I am not only referring to the ASEAN countries, i.e., Indonesia, Malaysia, the Philippines, Singapore and Thailand, naming them in alphabetical order, but also Burma and even the three countries of Indo-China, if we wish to be geographically precise. I, however, accept that, for the time being, we have to leave Kampuchea, Laos and Vietnam out of our calculations. Even without these three Communist countries, the remaining countries of South-East Asia possess within their borders some of the most important natural resources in the world. Hence their potential is enormous. All that is needed is clean and efficient government plus an aggressive private sector which is given enough scope. If these requirements are met, this part of the world could rival the economic affluence of many developed countries. We could even surpass them

I shall now touch on a management problem which is probably only encountered in a developing environment which is progressing rapidly. I am, of course, referring to Malaysia, where we are already encountering labour shortages in different sectors of the economy, but particularly in the planting industry, though I must admit that, here again, the shortages are confined to certain parts of the country, like South Johore, perhaps as a result of its proximity to Singapore, and a few other places. By and large, this is due to the attraction of the bright lights in the urban areas, but I think that it is also due to the feeling that an office job is more prestigious than working on an estate, even though estate workers, especially oil palm harvesters, can earn twice as much as clerks in towns. Even more frightening, this situation is likely to worsen in the future, bearing in mind that most of the children of estate workers now go to school, and it is a fair bet that when they grow up, they will spurn the idea of working as rubber tappers or oil palm harvesters, after having read a few books. Indeed, I would say that this is the biggest problem facing the management of the plantation industry in the coming years. We are trying to overcome it by mechanising estate operations to the maximum ex-

tent possible, but there is a limit to what we can do in this regard. When all is said and done, estates do require a fairly substantial number of manual workers, even with maximum mechanisation.

I have highlighted the major problems facing management in a developing environment such as ours. It will clearly not be possible to touch on every minor problem in every industry in the private sector, apart from the public sector, but I shall be happy to answer any questions to clarify any points which I have raised in the course of this address.

# MALAYSIAN INVESTMENT - THE PROSPECTS AHEAD

Tun Tan outlined the present situation in Malaysia and the prospects in relation to Malaysian investment when he addressed the first Plenary Session of the fourth JAMECA/MAJECA Annual Joint Conference in Japan on Monday 17th November, 1980.

During that important speech Tun Tan expressed the hope that "a combination of Malaysian resources and Japanese industrial and technical skills would not only be extremely rewarding to investors and host countries, but could well set the pattern for co-operation between the developing and developed world".

Tun Tan's speech is reproduced here.

I feel that the best way of dealing with the subject matter of my presentation is to start off by outlining the track record of Malaysia since independence, which was obtained just over 23 years ago. On 31st August, 1957, the day of independence, there was no Malaysia. There was only the Federation of Malaya which consisted of what is geographically known as the Malay Peninsula.

Let us look at our performance since then in a few strategic areas. On that day, the British pound was worth MS8.57. Today, it is worth just over MS5, i.e., only a little more than half of what it was worth on the day of independence, though not so long ago, the pound sterling went down to as low as MS4. On the day of independence, the US dollar was worth about MS3.08. Today, it is worth less than MS2.20, i.e., the US dollar has depreciated by about one-third against the Malaysian dollar. We started off with external reserves of about MS1.5 billion. Today, our reserves exceed MS10 billion, i.e., they are nearly seven times larger. If I am not mistaken, no other country in Asia or Africa which achieved its independence in the post-war years, apart from Singapore, has achieved what we have achieved, and the figures I have quoted are more eloquent than any words I can say. Indeed, they speak for themselves.

It is also interesting to note that our performance has been ac-

hieved in spite of a formidable handicap. It is no exaggeration to say that Malaysia is probably the most complex multi-racial society which has so far existed in the whole panorama of human history. Even if we confine ourselves to Peninsular Malaysia, and exclude Sarawak and Sabah in Borneo, we have the job of integrating into a united nation three races which are as different as three races can possibly be. They are the Malays, the Chinese and the Indians, who have completely different languages, religions and cultures. Written Malay is based on the Arabic script, the Chinese language is based on ideographs and the Indians in our country are largely south Indians, whose language is Tamil, which is completely different from either Malay or Chinese.

In regard to religion, the Malays are Muslims, the Chinese are largely Buddhists and the Indians are Hindus. As a result, their cultures are utterly different. Their women dress differently and they look different, so much so that even a foreigner coming here for the first time can differentiate between Malays, Chinese and Indians within 24 hours of setting foot on our soil. As if this is not enough, even the food we eat is different.

When one compares Malaysia with Japan in this respect, one realises the problem which we face, because the Japanese are completely homogeneous, and therefore started off on a strong and solid foundation. In spite of this daunting handicap, we have not done too badly in the matter of racial harmony. In 23 years, we have had only one racial riot, and that was in May 1969, but it was only confined to Kuala Lumpur, our capital city.

That was why I told the foreign Press representatives who questioned me at that time, that what was surprising was not that it occurred, but that we did not have more of such riots and on a larger scale. It will be remembered that at that time some foreign observers felt that the big question mark over Malaysia's future would be racial harmony.

It was at this time that the Government formulated the New Eco-

nomic Policy, or N.E.P. for short, as one of the reasons for this racial clash was a feeling among many Malays that they did not get much out of independence. They felt that they were still far behind in the economic field.

The main objective of the N.E.P. is, therefore, to rectify the economic imbalance among the races so that in future poverty will not be associated with race. At the same time, it was made clear that the Malays would be assisted by enlarging the economic cake and not at the expense of the other races. In short, it would not be the policy of the Government to rob Peter to pay Paul, but rather the policy is to enlarge the economic cake to such an extent that there will be more for the Malays. It was also understood that in this context, there was no reason why the poor of other races should not also benefit from such a policy.

I have taken the trouble to explain this policy more explicitly, because at a number of international conferences which I have attended recently, this particular policy has been specifically referred to by non-Malaysian participants.

Let us look at our natural resources. We are the world's largest producer of rubber, tin, palm oil and pepper, and we are also the world's largest exporter of tropical hardwoods, although I am not too proud about the last item.

We clearly like to process more and more of these primary commodities into finished products, and this is where the Japanese and their technical expertise can come in. Of all the major industrial countries, Japan is the closest to us and therefore a closer economic relationship makes sense.

Indeed, at this point in time, if I am not mistaken, Japan tops our list of foreign investors, accounting for something like one-quarter of total foreign investment.

I will give a few figures to highlight the existing position. In this connection, I can do no better than quote from the 1980/81 Economic Report issued by the Malaysian Treasury.

"Total private capital outlays are expected to increase by 30.1% to \$8,437 million, thus constituting 17% of GNP in nominal terms. In real terms, private investment is expected to grow by 18.1% to \$4,111 million, significantly higher than the growth of 13.2% achieved in 1979.

The increase of \$630 million in real investment expenditures, which will add 2.5% to GNP growth, enabled private investment to provide a significant impetus to overall economic expansion. With the impressive performance of private investment in 1979 and 1980, it is expected that the real private investment growth during the TMP period would average 13.6% per annum, thus exceeding the target of the Mid-Term Review of the Third Malaysia Plan for private investment of a growth of 9.8% per annum for the period 1976 to 1980.

Investment in the oil industry is expected to rise significantly by 65% to reach \$1,000 million compared with \$606 million in 1979, to account for 12% of total private investment.

Non-oil private investment is estimated to increase by 15% in real terms in 1980 to \$3,663 million, compared with 12% in the previous year. In current prices, non-oil private investment is estimated to reach \$7,437 million, an increase of 26.5% compared with 1979.

Bank Negara Malaysia in its Annual Report for the year ended 31st December, 1979 had this to say in regard to our savings and investment performance.

a "With the rapid growth of output and income, gross national savings in current prices expanded by 40.4 per cent during the year. The ratio of gross national savings to GNP reached 31.6 per cent in 1979, compared with 27.3 per cent in 1978 and an average of 23 per cent in the period 1971-77. In terms of investment, the ratio of gross fixed capital formation to GNP reached 25.5 per cent in 1979.

"These high levels of gross national savings and investment in the country have been major factors responsible for the continuing growth of the economy with price stability."

Also reviewing the prospects for 1980, Bank Negara has this to

say:— "Aggregate domestic demand was forecast to expand at a rate of 12.5 per cent in real terms, compared with 11 per cent in 1979. In particular, the rapid growth in consumption expenditure in 1979 could be expected to be sustained during the year as the larged multiplier effects of the buoyant export earnings of 1979 and the 1980 tax cut worked itself through in the course of 1980.

Private expenditure on consumption was envisaged to expand at a high rate of 9.5 per cent in real terms during the year. Supporting the anticipated consumer spending would be a pickup of investment activity in the private sector.

As a result, gross capital formation in the private sector could be expected to rise by as much as 17.5 per cent in real terms. Excluding investment in the petroleum and gas industry, outlays on private fixed investment would probably accelerate to 14 per centimi1980.

Public investment would be stepped up significantly during the year to complete the development projects of the Third Malaysia Plan, 1976-80. For the year as a whole, outlays in both public investment and consumption in real terms were expected to expand by 22.2 per cent."

I will now give a few examples to illustrate how this increasing prosperity has been reflected on the ground. Early this year, a bank of which I am the Chairman, opened a branch in a small town in the south of Peninsular Malaysia. On the first day, the management organised a tea party to celebrate the occasion, but had to cancel it because about 1,000 depositors appeared. The significant fact was that most of the depositors were rubber workers and the average deposit was about M\$2,000/-

"I have a feeling that there are not many developing countries where so many manual workers are in a position to open bank accounts. We also have quite a few cases of plantation workers elding up as small capitalists! What happens is that both hubbind and wife work and are frugal. After some years of hard work, they rike saved enough to say goodbye to their employers; us they are that in a prosessing the same properties are the properties.

tion to leave their jobs and buy a small estate of their own. If I am not mistaken, there are not many developing countries where plantation workers can afford to own motor scooters or motor-cycles as a matter of course and regard it as an insult to have to use push bicvcles.

In the early fifties, I suggested in my speeches that our country should aim for a property-owning democracy. I never realised then that I could see it coming to fruition in my lifetime. These few examples I have given are a graphic illustration of my assertion that our increasing affluence has permeated to the lowest levels of our society. In too many developing countries, you get a tiny minority who are immensely rich, while the overwhelming bulk of the population are desperately poor.

There is practically nothing in between. In Malaysia, we have a large and growing middle class, and this is our best assurance of long term political and economic stability. In fact, in this field we have advanced so rapidly that labour shortages are appearing in a growing number of sectors in our economy, especially in agriculture.

Malaysia is in the centre of a region which is registering the fastest rate of economic growth in the world. Yet, in spite of our increasing affluence, which has also been fairly evenly distributed, labour costs are still reasonable, if not cheap, compared to those in industrial countries.

Foreign investors naturally have to operate within the guidelines of Government policy and such guidelines have to take into account the social aspirations of our people and the complexity of our society, but so far our Government has shown itself to be flexible, reasonable and pragmatic, and there is no reason to suppose that such policies will change.

It will be noted that our track record is not too bad. The potential is certainly there, bearing in mind that Malaysia is also situated in the Pacific Basin which is likely to be the centre of gravity in world affairs in the closing years of this century.

Under the circumstances, it is not too much to say that the prospects are exciting and a combination of Malaysian resources and Japanese industrial and technical skills would not only be extremely rewarding to investors and host countries, but could well set the pattern for co-operation between the developing and developed world.

#### CHAPTER TWENTY-TWO

#### **EPILOGUE**

"We Must Either Co-Exist or This Country Will Disintegrate"

"Our people can best support their leaders by making a positive commitment to the ideals which they stand for. Sitting on the fence will not help."

Tun Tan gave this answer when I asked him if, as one of the founding fathers of this country, he would make any proposals that might facilitate the quick realisation of our goal of a united Malaysia.

"Let us be realistic on this point," said Tun Tan.

"Racial unity in Malaysia is basically a Sino-Malay problem because the two races between them account for nearly 90% of the total population. The real problem is that of religion and this can only abe solved if there is flexibility and understanding on both sides."

"The integration of the three main races of Malaysia into a united nation will take a long time to achieve. Furthermore it is a very difficult task but at the same time it is a task that can be carried out."

Continuing he said: "It has appeared easy in the past, merely because of the quality of leadership and the good sense of the common man in this country. Taking a long view, I am therefore hopeful that we can make it though I agree that unless we are careful, there is a danger that there could be polarisation along racial lines among the people of this country."

"That is why I have advocated that although the time may not be ripe at the moment, we should have as an ultimate objective the transformation of the ruling Barisan Nasional Party into a truly multi-racial party by dismantling its racially-based component parties."

After pausing for a moment he went on: "Our people must be made to be constantly aware of the dangers of racial polarisation and it must be told to them in no uncertain terms that without racial unity this country has no future worth talking about."

"I have, however, every confidence that with good leadership we

### **EPILOGUE**

can achieve our objective, because as a result of having lived together in friendship and understanding for so long, we have developed that racial tolerance and understanding which is unique and which is probably unequalled anywhere else in the world."

"Let us remember that this process of nation-building has gone on for only a little more than 20 years. This is an insignificant period against the backdrop of a nation's history and bearing this in mind, we have done quite well. We have therefore reason to be hopeful."

To those who aspire to be leaders in a multi-racial country like ours, he gave this advice: "Owing to the delicate and complex nature of our plural society those who aspire to be leaders should not try to be racial heroes. This is the easiest thing to do, because inflaming racial passions does not require great intelligence. The results could however be disastrous.

When asked if there were any errors of judgement on the part of the Government when he was a member of the Cabinet, Siew Sin confessed: "I feel that the events of May 1969 could have been foreseen. We were perhaps a little too complacent.

"There is no doubt that we could have done certain things better at various times. We realise this now with the benefit of hindsight."

To a question about the correct attitude of the Chinese in particular and the non-Malays in general in relation to the problem of the Malays to avoid misapprehension of the latter, Siew Sin had this to say: "The racial balance in this country is so delicate, as Malays and non-Malays are roughly in balance in terms of numbers, that it is clear that both groups need one another. They must agree to co-exist as friends in order to maintain unity and harmony in this country. To put it briefly,

"I repeat, we must either co-exist or this country will disintegrate. There is simply no other solution."

One who has been conducting a one-man crusade for national unity, Siew Sin, during our discussion referred briefly to our education policy. Among other things he remarked: "It is not only neces-

sary for our education policy to be the right one, it is equally necessary that it should be acceptable to the major ethnic groups in this country. The reason for this is simple.

"The most important aim of our existing education policy is to build national unity. You cannot create national unity by legislation or by force. It must be created through persuasion and by reason because it is basically a question of winning over hearts and minds and you cannot win over hearts and minds by force."

Tun Tan has said repeatedly in the past that his life's ambition "is to promote unity between the major races in Malaysia."

To what extent has he succeeded in this lofty but noble aim?

Siew Sin's reply was: "During my tenure in the Government and as the former president of the M.C.A., I tried to bring the Malays and Chinese closer together. It is not for me to judge how successful Ihave been. Only history can give a proper verdict."

"I would remind my former colleagues and fellow members of the Government of their duty to the nation. First and foremost civil servants should not disappoint the Government and the people by abusing their powers or getting involved in malpractices and corruption. They should at all times endeavour to serve with responsibility and sincerity.

"It is also the duty of all Malaysians to give serious attention to the welfare and happiness of the people. There should always be mutual understanding and trust among officers and between officers and their subordinates.

"It is not only necessary but important to create and maintain a harmonious atmosphere to ensure the successful implementation of the many development projects now under way.

In passing I told Siew Sin that there are still several problems facing the various races in the country which both the Government and the leaders of the different political parties have to solve. When asked in what way they should be tackled, he said:

### EPILOGUE

"I would like to quote two maxims in answer to this question. Do difficult things when they are still easy. The second maxim is really my own and that is that whilst today is important, tomorrow is more important than today and the day after tomorrow is still more important than tomorrow."

### BIO-DATA OF TUN TAN SIEW SIN

(Financial Consultant to the Government of Malaysia & Chairman of Sime Darby Holdings Limited)

#### PERSONAL & FAMILY

Born 21st May, 1916 in Malacca. Father was Tun Tan Cheng Lock and great grandfather was Tan Choon Bock, founder of one of the first line of steamships plying between the ports of the Straits Settlements in the 1870s. Married to Toh Puan Tan Siew Sin (nee Lim Cheng Neo). They have 3 daughters.

#### EDUCATION

High School, Malacca; Raffles College, Singapore; Middle Temple, London

1954-57 — Member of the Council of the University of Malaya as Representatives of the High Commissioner and Rulers and of its Financial Committee

1953-57 - Member of the Central Advisory Council on Education

Since 1971 - Pro-Chancellor, National University of Malaysia

### HONOURS & AWARDS

 Seri Setia Mahkota (SSM) – Government of Malaysia (First Class Order of the Crown)

1968 — Doctor of Laws — University of Malaya

1970 — The Bintang Mahaputera Kelas Dua of Indonesia
 1968 — The Order of Sikatuan (Class Duta) of the Philippines

1967 — The Grand Cross of the Order of Leopold II of Belgium

### GOVERNMENT CAREER

1957-59 - Minister of Commerce & Industry

1959-69 - Minister of Finance\*

1969-70 - Minister with Special Functions (Finance)\*

1970-74 — Minister of Finance\* until retirement on 8th April, 1974
Since

June 1974 - Financial Adviser/Consultant to the Government of Malaysia

### BIO-DATA OF TUN TAN SIEW SIN

A 15-year tenure of office as Finance Minister is probably a world record amongst countries with a population of more than 10 million.

Also Chairman of the Capital Investment Council\*, Member of the National Consultative Council, National Unity Advisory Council and National Economic Council.

As Minister of Finance, he has led the Malaysian Delegation to the annual meetings of the World Bank and International Monetary Fund.

Was Governor for Malaysia on the Boards of the World Bank and International Monetary Fund.

Tun Tan's contribution is analysed in Karl von Vorys' "Democracy With Consensus",
 p. 398, para 2.

### POLITICAL CAREER

1948-74 - Member of the Federal Legislature \*\*

1949-55 - Member of the Legislative Council Standing Committee on Fin-

1950-55 - Member of the Malacca Chinese Advisory Board

1958-74 - Member of the Parliament \*\*

1958-65 - Hon, Treasurer of the Alliance Party

1958-65 1959, 1964

& 1969 - Elected Member of Parliament for the Melaka Tengah Consti-

tuency

1961-74 - President of the MCA (longest tenure of office in MCA history)

1964-74 - Vice-Chairman of the Alliance Party

Since

April 1974 - Hon. Adviser and Hon. Life President of the MCA.

•• He has served the Federal Legislature of Malaysia for 26 continuous years, which is a record in Malaysia.
The com-

"The Finance Minister – Mr. Tan Siew Sin – was an extremely able man . . . . . The combination of the Tunku, a Mahyan, and Tan Siew Sin from an ancient Chinese family, held the country together through some testing and vital year; p. 116, THE WAY THE WIND BLOWS, an autobiography by Lord Home (Prime Minister of Britain 1963-64).

### INTERNATIONAL

Chairman - Electoral Review Commission for Seychelles\*\*\*

### BIO-DATA OF TUN TAN SIEW SIN

Chairman - Commonwealth Parliamentary Association (1970-71)

Patron - South East Asian Shooting Association (since 1971)

••• First foreigner in British history to be made Chairman of a constitutional commission.

President - Asian Shooting Confederation (1971-75)

Council - Asian Shooting Confederation (1971-7:

Member – International Shooting Union (1971-75) Chairman – Wildlife Conservation Trust Fund

Trustee — World Wildlife Fund in Malaysia

Presided over the meeting of Commonwealth Finance Ministers held in Kuala Lumpur in September 1974.

### BUSINESS & INDUSTRY

1956-57 - President of Malayan Estate Owners' Association

1948-57 - Member of the Council of the Malayan Estate Owners' Asso-

ciation

1951-57 — Member of the Rubber Producers' Council

1952-57 - Member of the Rubber Industry (Replanting) Board

1957 - Vice-Chairman of Rubber Producers' Council and Rubber Indus-

try (Replanting) Board

1952-57 — Member of the Council of the Malayan Planting Industries Employers' Association and its Wages Committee

Chairman - Sime Darby Holdings Limited

The United Malacca Rubber Estates Bhd.

Leong Hin San Sdn. Bhd. Unitac Sdn. Bhd.

Siemens Components Sdn Bhd

Fibres & Chemicals Malaysia Sdn. Bhd.

Guardian Royal Exchange Assurance (Malaysia) Sdn. Bhd.

Malaysian Trustees Bhd. Consolidated Plantations Limited.

Pacific Bank Bhd

Director — Highlands & Lowlands Bhd.

Great Eastern Life Assurance Co. Ltd.

#### HOBBIES

Shooting, Reading and Golf

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