



"THIS GROUP HAS PUSHED THE DEMOCRATIC PROCESS TO THE POINT OF ABUSE AND TO THE POINT OF DESTROYING THE PARTY"

— Datuk Neo Yee Pan
Acting MCA President

"THOSE WHO COOKED UP THE PHANTOM MEMBERS STILL REMAIN [IN THE PARTY] AND ARE PROTECTED BY DATUK NEO, BUT THOSE WHO WERE TRYING TO EXPOSE THIS PLOT WERE EXPELLED"

— Datuk Lee Kim Sai
Expelled MCA Youth Leader

"IT [TO ALLOW THE EGM] WOULD BE TANTAMOUNT TO A NO CONFIDENCE MOTION IN THE PARTY LEADERSHIP"

— Tan Sri Chong Hon Nyan
MCA Secretary General

"THE MCA IS OUR HOME AND WE ABSOLUTELY WILL NOT ALLOW A SMALL GROUP TO DO WHAT THEY WISH TO DO"

— Tan Koon Swan
Expelled MCA Vice-President

"I WOULD LIKE TO SEE NO CRISIS,
BUT IF THERE IS A CRISIS THEY
MUST LEARN TO HANDLE IT"

— Dato' Seri Dr Mahathir Mohamad
Prime Minister of Malaysia

"DEMOCRACY IS TOTALLY LOST WHEN
THOSE WHO ARE APPOINTED [TO THE
CENTRAL COMMITTEE] CAN EXPEL
THE ELECTED REPRESENTATIVES"

— Datuk Lee San Choon
Retired MCA President

THE STRUGGLE FOR THE MCA

LAO ZHONG



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Cover photo: Tan Koon Swan

Published by Pelanduk Publications (M) Sdn Bhd,
23M Road SS2/67, Petaling Jaya, Selangor, Malaysia

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ISBN No. 967-978-024-4 (Paperback edition)

327474

24 NOV 1984

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Introduction

The Malaysian Chinese Association (MCA) is the largest Chinese-based political party outside China. It was formed in February 1949 after various sections of the Chinese community in colonial Malaya saw that there was a need for an organisation which could look after the interests of the Chinese. Politically, it rivalled the communists in providing an alternative focus for Chinese loyalty at a time when the British authorities were facing a determined military challenge from the Malayan Communist Party. Socially the MCA raised funds to help with the resettlement of Chinese squatters.

Both before and after independence in 1957 the MCA worked closely with the Malay-based United Malays National Organisation (UMNO) and later the Malaysian Indian Congress (MIC)

to form multi-racial governments. In these governments each component party attempted to represent the interests of its respective community. However, UMNO was clearly the dominant partner by virtue of the larger number of Malays in the country and the strength of their claim (accepted by the British) that they were the indigenous people and thus had the right to dominate government and administration.

Because the MCA has been in a weaker bargaining position than UMNO in successive Alliance (later National Front) coalition governments, it has often had to defer to the wishes of UMNO leaders on such racially sensitive matters as national language and education policy. The result has been that the MCA leadership has regularly faced challenges, both from inside and outside the party, from "chauvinist" Chinese leaders who do not feel constrained by the terms of these agreements. The history of the MCA since its foundation is replete with examples of such party crisis.

The MCA is a mass membership party. It is also sometimes referred to as a businessmen's party or a party of notables because of its close links with the Chinese business community and the leaders of the country's numerous Chinese clans and dialect associations. An amendment to the party's constitution in 1959 officially recognised local branches and divisions as forming the base of the organisation. The next level is made up of the State Liaison Committees. These Committees

once had considerable power, often acting independently of the national leadership. In 1971 they were constrained by further constitutional amendments.

The most powerful decision-making body is the Central Working Committee. It is composed of members elected by the party's General Assembly together with a minority appointed directly by the president. The national leadership also includes one deputy president and six vice-presidents.

On 19th March 1984 a row over alleged 'phantom' members in the MCA exploded into a serious crisis. On that day acting MCA president Datuk Neo Yee Pan and his allies within the party stunned observers by expelling their main rival, vice-president and self-made millionaire Tan Koon Swan, and 13 of his close associates.

This book discusses the causes of the expulsions and gives an account of the political turmoil in the party which followed. Included is an account of Datuk Neo's early moves as acting MCA president, the expulsion of the 14 leaders and retired president Datuk Lee San Choon's ill-fated attempt at mediation. The controversial Extraordinary General Meeting is also discussed as are the resulting court actions which paralysed the party.

There have been political crisis within the MCA in the past, but none can match the 1984 up-

heaval in terms of the number of members it involved or the way in which it raised fundamental questions about the democratic process in one of Malaysia's leading political parties.

1

The MCA Under Datuk Lee San Choon

In 1984 the Malaysian Chinese Association (MCA), the second biggest partner in Malaysia's multi-racial National Front government, experienced one of the stormiest periods in its history. Most Malaysian Chinese realise that a policy of confrontation with the Malays, who dominate the National Front coalition through the United Malays National Organisation (UMNO), would be futile. But unlike the Malays, the Chinese have not thought in terms of their own unity as a precondition for the community's welfare. When Datuk Lee San Choon became MCA president in 1974 the party launched a unity campaign, claiming that unless the Chinese were united there could be no unity among the races. The sloganeering had little effect. The thousands of clan associations and merchant guilds, which were virtually ignored as the MCA

grew into power in the 1950's, remained suspicious and would not openly back any political party.

The events of the early months of 1984 illustrated another point about the MCA. Not only was the party unable to establish itself as the undoubted leader of the Chinese community in the way UMNO had established itself in the Malay community, it was also incapable of maintaining some semblance of unity within its own ranks. Throughout its history the MCA's basic problem has been that it is clearly UMNO's junior partner and is therefore inhibited in struggling for Chinese causes. Opposition parties appealing to the Chinese community, such as the Democratic Action Party (DAP), have not suffered from such constraints. Since the formation of the National Front in 1971 the MCA has also had to tolerate the existence of another of its rivals, the Penang-based Gerakan, in the government ranks. But these difficulties cannot hide the fact that the MCA, in common with Malaysia's other Chinese based parties, has been unable to come up with an appropriate means of regulating its own internal conflicts.

Musical chairs is probably the most apt description of Malaysian Chinese politics. In previous years, MCA members have defected to Gerakan, and vice-versa, and the DAP has also lost members to the MCA. These moves were almost all the result of faction struggles within the various parties. It is little wonder therefore that in 1984,

when Tan Koon Swan and his political allies were expelled from the MCA as a result of yet another faction fight, that there should be speculation about a further crossover.

The MCA reached its nadir in the 1969 elections when it lost heavily to Chinese opposition parties. In order to win back its former strength various moves were made in the early 1970's. These included the formation of the so-called Chinese Unity Movement in 1971 and the Perak Task Force which aimed at developing support for the MCA in the Chinese New Villages. For a while these efforts succeeded and at the same time produced new leaders such as Alex Lee, Dr Lim Kheng Yaik and Paul Leong. In the end, however, the attempt failed. The younger reform-minded leaders were seen as a threat to more established leaders such as Datuk Lee San Choon and party president Tun Tan Siew Sin. In 1973 the new leaders were expelled. Many subsequently joined Gerakan.

Datuk Lee took over the party in 1974 after Tun Tan Siew Sin's retirement. With many of the MCA's experienced leaders having been defeated in the 1969 election and many younger leaders such as Paul Leong and Alex Lee expelled, Datuk Lee had little difficulty consolidating his power within the party. Initially his main strength had come from his leadership of the MCA Youth movement. By the early 1970's, however, many of his supporters were becoming branch and

divisional leaders.

The establishment of the Koperatif Serbaguna Malaysia (KSM) in 1968 by MCA Youth also supplied Datuk Lee with an important political base. So too did Multi-Purpose Holdings (set up in 1977) although this latter organisation later became dominated by the supporters of Tan Koon Swan. Another important move was the MCA's acquisition of the *Star* newspaper which gave Datuk Lee an influential mouthpiece. Perhaps the most significant development in terms of later events, however, was the revision of the party's constitution allowing the MCA president to dissolve or suspend party branches and expel members through his control of the party's disciplinary committee. It was these powers which Datuk Neo Pan used against the supporters of Tan Koon Swan in 1984.

Despite these advantages, Datuk Lee still faced internal party problems. Unlike Tun Tan Siew Sin, he did not enjoy the close confidence of Chinese multi-millionaires or any important Malay leader in UMNO. Moreover, his position in the government as Minister for Labour did not help him establish important links in the Chinese community.

Datuk Lee's problems became more serious in 1977 when he eased deputy president Lee Siok Yew out of office. At the party's general assembly Datuk Lee supported the election of

Tan Sri Chong Hon Nyan, a former senior civil servant in the Treasury and a member of parliament from Malacca, who was reputed to have close connections with several UMNO politicians.

This arrangement, however, ignored the political ambitions of Michael Chen. He was a senior party vice-president and Minister of Housing and New Villages. To Michael Chen's supporters, Datuk Lee's support for Tan Sri Chong seemed directed at their man. Lee Siok Yew's supporters were also unhappy about the way he had been removed as deputy president. This situation thus set the stage for a stormy general assembly in which the Federal Reserve Unit had to be called in to restore order. Michael Chen stood for the post of deputy president against Tan Sri Chong and won easily. Naturally enough, this did not resolve matters.

As the party faced the 1978 election a new leadership struggle was therefore developing within the party which would eventually see Michael Chen challenge Datuk Lee directly for the presidency in 1979. At that time Datuk Richard Ho, an MCA vice-president and Minister for Labour, decided to throw in his lot with Michael Chen. Michael Chen's bid failed, but Richard Ho won the deputy presidency.

In early 1981 Datuk Lee expelled several influential MCA members who were expected to

support Michael Chen in yet another challenge for the presidency in the party elections of that year. Seeing his chances of winning declining, Michael Chen decided not to make a challenge. Datuk Lee also agreed to retain Richard Ho as his deputy, thus lulling him into a false sense of security. Later, when Michael Chen left the party and joined Gerakan, Datuk Lee was able to consolidate his position in the party, leaving Richard Ho in an exposed position. The MCA president later eliminated his troublesome deputy by ensuring that he did not obtain party endorsement in the 1982 general election.

The MCA did well in the 1982 elections, providing Datuk Lee with considerable prestige. The party increased its strength in the 154 seat Dewan Rakyat (House of Representatives) from 17 to 24. The DAP, the country's major Chinese-based opposition party, dropped from 16 to 9.

The results, of course, did not mean that the DAP was a spent force. In the 22 parliamentary constituencies where ethnic Chinese were in the majority, the DAP had gained 47% of the vote. The battle was fought around different perceptions of how the Chinese and Indian minorities could best be represented: the DAP, which wanted "full acceptance" of the minorities, worked from the opposition benches; the MCA believed change could most effectively be wrought within the Establishment. According to the MCA president, "If you are in the opposition

nobody listens to you. If you are in the government and have a substantial number of MPs then everyone is bound to listen."

Reforms which the DAP sought centered on the alleged communalism to which the government was committed and, in particular, the New Economic Policy (NEP) which aimed to give a greater share of national corporate wealth to bumiputras (Malays). DAP secretary-general Lim Kit Siang suspected that the NEP was an "instrument to deny non-Malays opportunity for economic and educational advancement." Communalism and its implications however, seemed likely to remain the basis of national development for some time. "Our contention," Prime Minister Datuk Seri Dr Mahathir said, "is that if we can put all the races on an equal footing, there will be no need for one community to fear the other ... Our assessment of the situation is that people still feel insecure, which is why we have to organise political parties along racial lines."

In the early Fifties, the complex racial make-up of Malaysian constituencies led to an alliance between UMNO and MCA which then represented most Malay and Chinese electors. Later, the electoral pact was expanded to include the Malaysian Indian Congress, representing the Indian minority. At Merdeka (Independence), when the Alliance assumed control of Malaya, the MCA was the sole representative of the Chinese community in the coalition. However,

its support in the majority Chinese areas later declined.

MCA's close association with UMNO was partly responsible for the left-wing Labour Party's rising popularity in Chinese areas up to the early Sixties. As special rights for bumiputras, multilingualism and promotion of ethnic education became major issues, MCA began losing support among the people it claimed to represent. For a brief period, when Singapore was a part of the Malaysian federation, the People's Action Party made some dents in MCA's territory by arguing for a more "Malaysian Malaysia." After sepeparation in 1965, the DAP and two other Chinese-dominated groups, the Perak-based People's Progressive Party (PPP) and the Penang-based Gerakan Rakyat Malaysia, challenged the MCA. By 1969, they controlled most of the Chinese-dominated areas.

The May 1969 general elections spelled disaster for the Alliance. Gerakan took control of the only Chinese majority state, Penang, the PPP emerged as the single largest group in tin-rich Perak State, and the DAP won in urban areas with large concentrations of Chinese voters. For the MCA, it was an unprecedented setback, 20 of its 33 parliamentary candidates, including two senior ministers, lost their seats.

During the 1970's the MCA's power base consisted of a few Chinese majority rural

constituencies and three or four Chinese majority urban constituencies where Malays and Indians formed a substantial minority. The MCA scored well through its pact with UMNO which allowed it to obtain Malay votes in constituencies where it represented the Front. In many of the "racially marginal" constituencies, an MCA candidate would need only a small portion of Chinese votes to win. In 1978 elections, of the 22 Chinese majority seats in the Peninsula, the MCA held just four, Gerakan – which joined the ruling coalition in 1974 – also had four, while the DAP had fourteen. Of the DAP's seats, twelve were in urban areas.

When Gerakan and the PPP joined the expanded Alliance (re-named the National Front) in 1974, the DAP became the sole Chinese-based opposition party. That year, the DAP caused a stir by making considerable gains in Perak and Penang. Given the history of opposition successes in the two states, it seemed the electors were throwing their weight against the ruling groups. In 1969, Gerakan had won Penang on a wave of anti-government sentiment. Nine years later, with the Gerakan in the government, voters were moving away – at the parliamentary level at least. Penang voters in 1978 sent four DAP men and one PAS candidate to Parliament from the state's nine constituencies. The trend was much the same in Perak where the PPP once held sway. Opposition and independent candidates took nearly 47% of the vote, prompting a jubilant Lim Kit Siang to declare

that his party would soon be ready to take control of the Penang and Perak state assemblies.

However, the opposition's support in the two states soon crumbled. The bubble in Perak had begun to burst long before the DAP's formidable performance in 1978. Indeed, plagued by defections, the DAP's performance in the state had been far short of expectations. Defections increased and the DAP machine in Perak collapsed with the MCA and Gerakan signing on the defectors. In Penang, too, there were many defections when the DAP narrowly lost a state assembly by-election to MCA in 1980. Two of the party's four MPs and three of its five assemblymen went over to MCA and Gerakan.

Long before Dr. Mahathir took over as Prime Minister from the ailing Datuk Hussein Onn in July 1981, the DAP's vow to control Perak and Penang was a dead issue. In fact, the DAP was fighting to survive in the two states.

When Mahathir announced that the National Front would seek an early mandate, said observers, he had anticipated that the DAP, entangled as it was in internal disputes, would be ill-prepared to meet the challenge. Lim, aware that his party would be facing heavy odds, began campaigning early in an attempt to win a psychological edge over Gerakan and MCA. He challenged Lee San Choon to stand in any of the thirteen urban constituencies where ethnic

Chinese comprised over 60% of the electorate. At the time, the opposition party held all except one of the thirteen.

By issuing the challenge, Mr Lim illustrated the MCA's most glaring contradiction. While it claimed to represent Malaysian Chinese, it held just four of the 22 Chinese majority constituencies in the Peninsula. According to some observers, Mr Lim apparently didn't think the MCA leader would give his challenge serious thought. Indeed, the DAP had heard rumours that Datuk Lee was toying with the idea of retirement. If Datuk Lee failed to respond to the challenge, he would only be adding to the myth of the DAP's invincibility in the Chinese-dominated urban areas. On the other hand, if Datuk Lee or another MCA leader took up the challenge and lost, it would be a clear indication that the MCA had little grassroots support among urban Chinese.

For months, Datuk Lee ignored Mr Lim's challenge. Then just five days before nominations closed on the 7th April 1982, he suddenly announced that he would stand in Seremban, the capital of southwestern Negeri Sembilan State, a constituency held by DAP national chairman and popular local physician Dr Chen Man Hin since 1969. In one of the toughest electoral battles in Malaysian history, Datuk Lee beat the incumbent by a mere 845 votes. Lee San Choon later claimed that he never doubted that he could win in any Chinese majority seat. He told one

journalist that "If I didn't think I had a good chance of winning, I would have never gone to Seremban." The MCA president's decision to take on the DAP in one of its urban strongholds undoubtedly had a snowballing effect on the MCA's popularity up and down the country.

For its part, Gerakan was also able to draw voters away from the DAP by getting two of Malaysia's most prominent Chinese educationists, Dr. Koh Tsu Koon and Ker Kim Tim, to join the party. Dr Koh and Mr Ker represented the influential United Chinese Schools Committee and the United School Teachers Association. Previously these organisations had supported the DAP.

When the election results became known on 22nd April, it was plain that there was a major swing of voters in Chinese-majority and racially mixed constituencies from DAP to Gerakan and MCA. DAP's share of votes in Chinese majority areas declined from 48.8% to 46.6% while the combined share of the two National Front components rose from 40.6% to 51.7%. National Front candidates, it appeared, took more votes from independents and PAS nominees in the Chinese areas, giving them an edge. Apart from Lee San Choon, another important MCA leader successful in the urban areas was Tan Koon Swan. He won in the Damansara constituency in the Federal Territory.

After the elections, Datuk Lee expressed confidence that since it obtained a mandate from both rural and urban Chinese, it would be better placed to fight for their basic rights. In his eight years as party president Datuk Lee had developed the MCA as a grassroots organisation with parallel political and social service agencies to broaden its appeal. However, the fact that the MCA failed to get even one extra seat in the cabinet despite winning seven more parliamentary seats showed clearly that it was destined to have no more influence after the elections than before.

The MCA could, of course, still argue that the fact that it was part of the government was still an important consideration. During the election campaign, Dr. Mahathir told the Chinese electorate that "if Datuk Lee (San Choon) whispers in my ear, I can hear him very well. If the DAP screams, I cannot hear anything." The message was very clear to the Chinese. UMNO needed the MCA and through the MCA the Chinese could get a great deal more than through anyone else. The Chinese obviously answered Mahathir's call in 1982, but the MCA and Gerakan knew that if they did not work closely with UMNO Mahathir was quite capable of expanding his appeal to the Chinese without the inconvenience of their parties' middlemen.

The Chinese dilemma was to determine whether it made more sense to get together and deal with UMNO through the MCA to get practical con-

cessions slowly or to join the opposition and demand political equality immediately in the full knowledge that the battle was already lost. The general consensus in 1982 was that the Chinese had given Mahathir a mandate for five years and the next election would see the reckoning.

In April 1983 Datuk Lee San Choon resigned as president of the MCA. His place was taken over by deputy president Datuk Neo Yee Pan. Datuk Neo was Minister for Housing and Local Government and a former university lecturer. Explaining his decision, the long-time MCA president insisted that he was stepping down from a position of strength. But the timing of the announcement, coming on the eve of an expected cabinet reshuffle, prompted much speculation. This included a theory that he had come under pressure from UMNO leaders.

"I have been a party member for over 28 years and a Member of Parliament for 24 years, with last ten years in the Cabinet. That's long enough for anyone to put up his legs and call it a day," said Datuk Lee. To some observers Datuk Lee's statement outlining his reasons for resigning read like a pious and rather unconvincing sermon. He said he had often told his party comrades that he would not stay on "a day longer than necessary" once he had achieved solidarity in the party. That time had now come. Datuk Lee said the MCA was now more stable than at any time since he had taken over the presidency

in 1974. The party enjoyed the goodwill of Malaysian citizens and had developed close ties with its senior partner in the National Front coalition, the United Malays National Organisation (UMNO). Leaving now, Datuk Lee claimed, would give his successor enough time to prepare for the party's next general assembly — due no later than October 1984 — and for the general election scheduled for 1987.

Datuk Lee said his resignation would be effective from 30th April 1983, but he added that he would be taking leave until then. He immediately left the 25th March central committee meeting to visit his sick father-in-law in Singapore. He planned to return to Malaysia shortly, then take a holiday. After that, Datuk Lee said, would come a few months' rest. Observers speculated that Datuk Lee would eventually go into business.

Although Datuk Lee San Choon had resigned while his popularity was at its zenith, news of the move was not entirely unexpected. Rumours of a change in MCA leadership had begun to circulate in late 1982 after Datuk Lee narrowly defeated Chen Man Hin, leader of the opposition Democratic Action Party in a battle for the DAP-held parliamentary constituency of Seremban. By September, it became apparent to some on-lookers that Datuk Lee's victory was a key link in a chain of events designed to lead the party to accept Datuk Neo as his successor.

Initially Datuk Lee San Choon had pressed his chief rival, MCA deputy president Richard Ho, to stand for election in Seremban where Richard Ho would have faced near-certain defeat. Richard Ho refused and was later removed from the MCA list of candidates. Datuk Lee, said some of his critics within the party, blocked his deputy's attempts to get a parliamentary seat because he himself faced an uncertain struggle in Seremban. A defeat for Datuk Lee there and a victory for Richard Ho elsewhere would have paved the way for Richard Ho to take over as acting president of the MCA.

In the event, Richard Ho was not allowed to run at all. In August he resigned as a deputy president and Datuk Lee persuaded the party central committee to name Datuk Neo Yee Pan in his place. Datuk Neo's rival, millionaire businessman Tan Koon Swan, head of the party's investment wing, Multi-Purpose Holdings (MPHB) and chairman of the Federal Territory Liaison Committee, was elevated to fill Neo's former position as MCA vice-president.

Datuk Lee's reputation as a master strategist prompted some to see the Richard Ho incident and the Seremban gamble as being all part of the same strategy.

According to this assessment Datuk Lee became president in 1974 not because Tun Tan Siew Sin wanted to retire, but because it was obvious that

Datuk Lee's supporters would remove him if he did not step down. In 1983 Datuk Lee wanted to get out quickly because he realised that the same thing could happen to him.

Sceptical observers outside the party looked for other reasons. "No man would climb down so easily at the height of his powers" was a common reaction. The double resignation was certainly an unconventional act by normal political standards. Under Datuk Lee's guidance, the MCA had triumphed in the April 1982 general election. Party membership had gone up from 200,000 in 1974 to more than 500,000 and a number of serious squabbles among the second-line party leadership had been resolved, at least temporarily.

Datuk Lee's own career also seemed secure. A member of Parliament since 1959, he had been in the Cabinet for the previous 10 years, taking on five increasingly senior portfolios – special functions, technology, labour, works and utilities and finally, transport.

Inevitably, rumours began to spread about the possible reasons for the MCA president's resignation. Some sources alleged that Datuk Lee was being investigated for corruption – an apparent revival of unsubstantiated report which first appeared in 1978. Two Members of Parliament of the opposition Democratic Action Party (DAP) brought up the subject of Datuk Lee's financial affairs in parliament on different

occasions that year and the next, but though the matter was officially tabled at the Privilege Committee, no further discussion took place. Later his name became vaguely linked in the public mind with the Bank Bumiputra involvement in the Carrian loan scandal in Hong Kong.

A more plausible analysis was that Datuk Lee was under pressure from UMNO. The MCA leader's reputation as a scheming politician, it was argued, did not fit Prime Minister Datuk Seri Dr. Mahathir's preferred image of a "Clean, Efficient and Trustworthy" government. Deputy Prime Minister Datuk Musa Hitam was also said to particularly resent Datuk Lee's allegedly close association with Finance Minister Tengku Razaleigh Hamzah, who had lost out to Datuk Musa Hitam in the election for the No. 2 spot in UMNO in 1981. Tengku Razaleigh himself was quoted in the Chinese-language *Nanyang Siang Pau*, as saying that Datuk Lee's resignation would be "a great loss to the country," since Datuk Lee was a "dedicated leader" with much still to contribute.

Datuk Lee San Choon denied suggestions that he had been pressured by UMNO. "I have never been an escapist," he said. "My record shows that I have never submitted to any pressure." He also indicated that he might re-enter politics "if help is needed." In fact, Datuk Lee did just that in early 1984 when he intervened briefly

in the divisive struggle between Datuk Neo Yee Pan and Tan Koon Swan in an unsuccessful attempt to promote a reconciliation.

To back up Datuk Lee San Choon's assertion that he had never submitted to pressure, his supporters cited as an example an incident which occurred in January 1983. Datuk Lee San Choon was said to have led an MCA delegation to the Prime Minister which succeeded in getting the government to back down on a proposal to introduce compulsory Islamic studies into all University courses.

MCA sources were also able to produce evidence that Datuk Lee was not making a hasty exit from politics. Some officials argued that he had been considering stepping down for up to two years. His first official move came late in 1982, when he resigned as chairman of the MCA in Negri Sembilan state and as head of the Seremban party division. On 14th December 1982 Datuk Lee went to the Prime Minister to offer his resignation from the cabinet. Far from putting pressure on Datuk Lee to go, Mahathir persuaded him to stay on. After the Lunar New Year in February, Datuk Lee again went to Mahathir, but again the Prime Minister told him to reconsider. Finally, on 12th March 1982 Datuk Lee San Choon told the Prime Minister that his decision was irrevocable. He informed the MCA's 12-member presidential council on 19th March, his cabinet colleagues on 23rd March and the 27-

member Central Committee on 25th March .

In a sense Datuk Lee San Choon's statement announcing his resignation seemed less like a testimony to his own achievements than as a prediction that the party would soon face problems. "The point is this," said one of Datuk Lee's aides, "Can things get any better? I wouldn't like to be in Datuk Neo's shoes". By 1982 it was already clear that tension was developing between the supporters of Tan Koon Swan and Datuk Neo Yee Pan. This factional struggle would be difficult to control even if Datuk Lee San Choon remained president.

Moreover, as the worldwide economic recession began to take effect, the MCA's electoral prospects could be expected to decline, particularly in the marginal Chinese dominated urban constituencies it had won in 1982. Any attempt by UMNO to speed up the implementation of the New Economic Policy as the 1990 deadline approached would also cut deeply into the MCA's grassroots support. Datuk Lee, it seemed, had decided to quit while he could still do so from a position of strength.

When Datuk Lee San Choon resigned as MCA president in 1983 the party was riding high, united behind a strong leadership and enjoying solid support from the Chinese community. Twelve months later, however, the MCA was more divided than at any other time in its history.

The party had once again demonstrated its talent for destroying its own credibility through damaging faction struggles.

2

The Gathering Storm

Of importance for later events was the fact that Datuk Lee San Choon appointed Datuk Neo Ye Pan to be his successor to replace Richard Ho. In doing this he ignored calls by several party officials, including Tan Koon Swan, that party elections be held. When Datuk Neo subsequently became acting party president in early 1983 it was not immediately obvious that Mr Tan would challenge Datuk Neo directly. Most observers believed instead that the main struggle in the 1984 party elections would be for the deputy president's position.

Of the MCA's six vice-presidents, Chan Siang Sun, the chairman of the Pahang MCA, was the most senior. Tan Koon Swan was also a popular figure but, as a comparative newcomer, Datuk Neo could justify withholding his support. When

Datuk Neo took over as acting MCA president he could have avoided aggravating the situation by leaving the deputy president's post vacant until the 1984 party elections. However, he decided instead to select Datuk Mak Hon Kam, chairman of the Perak MCA, as his acting deputy in an apparent attempt to shield himself from Mr Tan. The Perak state organisation of the MCA was one of the biggest voting blocks in the party.

Almost immediately reports began appearing in the press that many MCA members were dissatisfied with the new acting president's choice. It was felt that more suitable candidates had been overlooked. Some party members were also upset by reports that Datuk Neo was seriously re-considering the MCA's role in economic activities, arguing that politics and business should not mix. This attitude was then presented as one of the reasons why Mr Tan was not selected for the deputy president's post. By this time, Mr Tan was being pressured by his supporters to contest Datuk Neo in the party elections. According to them, Mr Tan was behind the MCA's revival in Kuala Lumpur, which had been previously dominated by the opposition.

By 1983 Tan Koon Swan was an important figure in the MCA. As managing director (Operations) of Multi-Purpose Holdings Berhad (MPHB), the corporate arm of the party, Mr Tan had been instrumental in transforming the company from a mere shell in 1977 into a large and diversified

conglomerate. MPHB was part of the Multi-Purpose Group of companies which included KSM (an MCA backed cooperative) and Kojadi (a study loan fund). Regarded as a brilliant corporate strategist and entrepreneur, Mr Tan's extraordinary business acumen was widely acknowledged. His leadership of MPHB during the political controversies that developed in 1981 over the company's attempt to take over the United Malayan Banking Corporation and the purchase of a British owned trading company (Guthrie Bhd) had also made him a symbol of Chinese economic aspirations.

Mr Tan joined the MCA in 1977 and in the general elections of the following year he successfully contested the Raub constituency on behalf of the MCA. Later he became chairman of the Party's Federal Territory Liaison Committee and established strong links with local hawkers' organisations. In the 1982 elections he won back the Damansara constituency for the MCA in Kuala Lumpur by defeating a DAP candidate.

Mr Tan's political fortunes were also boosted by his close links with several other influential MCA leaders. One of these was Datuk Lee Kin Sai, the party's Youth leader and a Deputy Minister in the Prime Minister's Department. His other associates included party veteran such as Deputy Information Minister, Chan Sian Sun, Malaysia's longest serving Member of

Parliament, and Deputy Finance Minister Datuk Ling Liong Sik. Another of Mr Tan's allies, who later disassociated himself, was Datuk Lew Sip Hon. He was appointed ambassador to the United States in October 1983. Mr Chan, Datuk Ling and Datuk Lew were in line for full cabinet posts for years but had been passed over by Datuk Lee San Choon. Datuk Neo Yee Pan continued this policy, thus incurring the wrath of many MCA members.

Tan Koon Swan's camp soon became convinced that they had no choice but to challenge Datuk Neo and his supporters. This was to avoid being isolated and eliminated before the next general election in the same way that Datuk Lee eliminated Richard Ho. Soon after Datuk Neo assumed office in May 1983 he began to remove Mr Tan's supporters and associates from positions of influence. Four Central Committee members — Senator Kee Yong Wee (Public Affairs Bureau Chairman), Datuk Ling Liong Sik (Publicity Chairman), Ng Cheng Kiat (Cultural Bureau Chairman) and Wong Mook Leong (Education Bureau Chairman) were neither reappointed to their posts or given alternative jobs in the party.

Challenging the MCA president seemed to be a matter of political survival. "This is a do or die battle for us," said one of Mr Tan's close aides. It was eminently clear that Datuk Neo had used his influence within the Central Committee to appoint Datuk Mak Hon Kam as his deputy.

Moreover, this was done in clear preference to Mr Tan. In doing so the acting MCA president was serving notice that he wanted Datuk Mak, whom he described as a "good number two" at all costs.

Some observers suggested that the only way to avert an impending clash would be for Mr Tan to become the deputy president. But this would mean the downgrading of Datuk Mak. Such a solution, was unacceptable to Datuk Neo as it would have placed Mr Tan in the position of being his deputy. As such, this would give Mr Tan the prospect of succession to the presidency — an event which was incompatible with the rivalry between the two men.

The suggested compromise also failed to take into account the fact that Mr Tan would find it equally unworkable. Given the fact that Datuk Neo and Mr Tan would remain rivals, Mr Tan's position as deputy president would almost certainly have been a hollow one without any real support from the Central Committee. This would give rise to a repetition of the party history of neutralising an unwanted deputy president before finally dropping him in the general elections.

In planning to challenge Datuk Neo in the 1984 party elections, Mr Tan's group were encouraged by the MCA's declining influence among voters and within the government itself. In 1983 a by-

election was held in Seremban as a result of Datuk Lee San Choon's resignation as a Member of Parliament. Chen Man Hin of the DAP crushed the MCA's candidate, Rosie Teh, by a margin of 6,393 votes. Datuk Lee's winning margin in 1982 had been about 800 votes. The MCA also lost by-elections for the Raub and Bukit Kepayang State seats.

The greatest slap to the party came when MIC leader Datuk Samy Vellu was called upon by UMNO to second the motion to amend the amendments to the Constitution in a special session of Parliament in January 1984. Since independence the MCA had been second only to UMNO in its role of seconding important motions in Parliament. The incident was seen not only as a 'lose of face' for the party but also for Datuk Neo. Questions were therefore raised about his standing with Dr Mahathir and Datuk Musa Hitam.

Rumours that Mr Tan would challenge Dr Neo in the party elections seemed confirmed in early February 1984 when it was reported that Mr Tan planned to cut his links with MPHB in the following month. Political observers speculated that Mr Tan's resignation was imminent because he wanted to be free from all encumbrances to pursue his political ambitions.

In the past Mr Tan had been accused by his critics of spending too much time being a corporate manager to the detriment of his role as

a politician and party member. It was thus prudent, said observers, that he step down to demonstrate his willingness to serve the party whole heartedly in order to win the necessary support.

Mr Tan had been managing director (Operations) of MPH B since 1977. In July 1983 he had also become chairman when Tan Sri Lee Loy Seng retired. The man tipped to take over as managing director was Wong Chew Swee, one of the company's two deputy managing directors. Senator Kee Yong Wee, managing director (Administration) was another senior MPH B official. However, he was considered unlikely to take over because he was as involved in politics as Mr Tan. In fact, Senator Kee was also expected to relinquish his executive functions with the Multi-Purpose Group. He was the executive director of Bandar Raya Developments Bhd, MPH B's housing development subsidiary, and an important corporate and political ally of Mr Tan. In the event, Mr Tan resigned as chairman of MPH B but remained as managing director. Datuk Lee San Choon became the new chairman.

The Penang State MCA liaison committee chairman, Lim Kean Siew, reacted to reports of Mr Tan's impending resignation by alleging that Mr Tan was attempting to "run away from the troubles of MPH B". He also said that the purchase by MPH B of shares in Supreme Corporation and Malaysian Resources Corporation

also needed to be explained. Supreme Corporation was the company in which most of Mr Tan's personal business interests were concentrated while Malaysian Resources Corporation was closely associated with Senator Kee.

Mr Lim, who was a staunch supporter of Datuk Neo, described Mr Tan as a "political lightweight" trying to get into the "heavyweight division." "Winning the MCA presidency is one thing but winning respect for the MCA is another," he said. The party leadership, he explained, was continuing the policies laid down by former president Datuk Lee San Choon.

Reacting to Mr Lim's allegations, Mr Tan denied that he was "running scared". "I am currently evaluating the progress of my work in the organisation and if it shows that my job has been done satisfactorily, I will make my exit," he explained. MPH B later announced that it planned to take legal action against Lim Kean Siew. Datuk Oon Seng Lee, the Multi-Purpose Group's executive chairman, also denied that MPH B bought shares in Supreme Corporation or Malaysian Resources Corporation. In addition, Datuk Oon rejected Mr Lim's allegation that MPH B was trouble-ridden. "In view of the serious and malicious nature of Mr Lim's remarks," he said, "MPH B has decided to take legal action against him".

This incident was obviously one of the opening shots in the battle between the two MCA factions

that would soon split the party apart. Tan Sri Chong Hon Nyan, the MCA secretary-general and a staunch supporter of Datuk Neo, responded by defending Mr Lim. Being a publicly quoted company, Tan Sri Chong argued, MPH B should be prepared to accept criticism from shareholders who were dissatisfied with the policies of its management. Referring to a call by an MCA Central Committee member, Chan Teck Chan, urging the party leadership to take disciplinary action against Mr Lim, Tan Sri Chong said he was not convinced that Mr Lim's remarks would split party unity. "As far as I know," he said, "Mr Lim has not breached party discipline by criticising the management of MPH B. Anyone can criticise the organisation".

The MCA branch elections were scheduled to be held by the end of March 1984, followed by the elections in all 114 divisions in mid-April. Finally, elections were planned for 2nd June to select the president, deputy president, four vice-presidents and 20 elected Central Working Committee members. Datuk Neo had a clear advantage over Mr Tan in that not only was he the incumbent, but he could fairly lay claim to being Datuk Lee's personal choice.

Datuk Lee made it clear before the 1983 general assembly that he stood by his choice. He pointed out that while Datuk Neo's style may have been different, "he is a fighter at heart and is committed to the MCA's cause." Mr Tan had

in September 1982 realised that he had lost the chance to succeed Datuk Lee when the former president pushed through Datuk Neo's appointment as deputy president after Datuk Richard Ho quit the post that year.

The Koon Swan forces, including Deputy Finance Minister Datuk Dr Ling Liong Sik and Federal Territory MCA leaders, had tried to get the party to hold an election at the 1982 Annual General Assembly to fill the No. 2 post. Datuk Lee, however, hit out at those calling for an election and in a compromise solution, proposed to the Central Working Committee that Datuk Neo be appointed the deputy president and Mr Tan a vice-president. That compromise did not go down well with either side. But neither faction wanted to openly challenge Datuk Lee's decision at the time, although the Central Working Committee went through a heated debate before approving the formula.

In April 1983, Datuk Lee proposed that Datuk Neo take over as acting president. The Central Working Committee gave its unanimous approval. Datuk Neo, in his first move as acting president, made it clear to the Central Working Committee that he wanted party vice-president and Perak MCA chief Datuk Mak Hon Kam as acting deputy president. The Central Working Committee unanimously approved the choice with Mr Tan and his other allies in the Central Working Committee going along as well. But after that, the

supporters of both Datuk Neo and Mr Tan began preparing for the real test — the 1984 party elections.

There were constant attacks against Datuk Neo and Datuk Mak by Mr Tan's supporters, some of whom claimed that Datuk Mak was the real "stumbling block" to party unity. Datuk Mak came out publicly with a statement slamming those behind such tactics. He said that he was prepared to quit if he was indeed preventing party unity and he pointed out that he was un-animously picked as acting deputy president by the Central Working Committee, which included Mr Tan.

MCA members were fully aware that a challenge by Mr Tan against Datuk Neo would cause an upheaval in the party such as it had rarely seen before. They pointed out that the last big contest for the presidency, between incumbent Datuk Lee San Choon and Datuk Michael Chen in 1979, was due mainly to a personality clash between the two. "Datuk Chen was ambitious and felt that if he did not take on Datuk Lee, he would never be able to gain the presidency as the Central Working Committee was dominated by supporters of Datuk Lee. He went for broke and after his defeat defected to the Gerakan. This time, the background to the contest would be different," they said.

They said that while both Datuk Lee and Datuk

Chen were longtime politicians, this time the contest would be between a politician and technocrat (Datuk Neo) and a businessman relatively new to politics (Mr Tan). "Datuk Lee and Datuk Chen were never allies and it was inevitable that one day they would clash. Datuk Neo and Mr Tan, however, were both Datuk Lee's supporters but with differing philosophies on the role of the MCA in Malaysian politics. About the only similarity to the 1979 contest is that Mr Tan, just like Datuk Chen then, also feels insecure and is concerned that he may never have the chance to go to the top, with Datuk Neo around," they said.

Some observers believed it was ironic that although Datuk Neo had been longer in politics than Mr Tan, he was regarded somewhat as a maverick in the MCA while Mr Tan appeared to be a throwback to the MCA old days when it earned the image of a "towkay's party". Datuk Neo consistently voiced his view that the MCA should place politics above economic interests and that the party should actively cultivate the support of the English-educated Chinese, the guilds and associations and become a grassroots party.

The acting MCA president was accused of moving the party "to the left" in that he deliberately played down the party's traditional links with the Chinese business community and worked to get rid of the "towkay" image it had earned because

of these links. Datuk Neo himself was said to feel that this accusation was a compliment rather than a criticism because the MCA's main struggle was the political field, and not the business or economic field. His supporters pointed out that present-day politics called for technocrats and "professional politicians who confine themselves to politics."

They believed that a Koon Swan victory in June 1984 would set the party back several years and again cut it off from the grassroots and bring back the "towkay" image. One of them said: "It is not that Datuk Neo feels that the MCA should not get involved in business. But his idea is that the MCA should restrict itself to setting the lead and then let the professional businessmen take over and run the show. He believes that politicians should confine themselves to politics and not meddle with business or use politics for business".

Mr Tan, however, believed that the MCA should be equally active in both economic activities and politics if it was to do a proper job of looking after the interests of the Chinese community. He strongly felt that the MCA could not afford to cut off links, and lose its influence, with the Malaysian Chinese business community. One of his supporters said: "It is how you use links that count. If you become a tool of the business community, then you are obviously not going to be a very successful politician and the

party could well lose support among the grassroots. But if you use such links to strengthen the party and contribute to the benefit of the nation and community, then what is wrong?"

Mr Tan's biggest liability, however, was that he had been a businessman all along and was comparatively new to politics. "He thinks like a businessman and is not too skilled in the ways of Malaysian politics, which sometimes seems like a minefield through which one has to tread very carefully," said one MCA leader. "There is a danger that by continuing to operate as a businessman, which he has been doing even while being active in politics, he could-if he became MCA president - be susceptible to pressures that could never be applied on someone who is a full-time politician."

Tan Koon Swan's supporters caricatured Datuk Neo as a leader without grassroots support, ill-tempered and worried more about his position in the party than the well-being of the Chinese community. They also claimed that Datuk Neo was not as dynamic as Mr Tan and did not have the ability to motivate people. According to them his insistence that Datuk Mak Hon Kam become acting deputy president showed "a lack of judgment" because the effect was to split the party. There were also innuendos about Datuk Neo's personal life and his family.

Datuk Neo's supporters did not take these attacks

lying down. There were also attacks on Mr Tan's personal life as well as uncomplimentary remarks about his business dealings. As Lim Kean Siew's attack indicated, even institutions started by the party for the benefit of the community were dragged into the conflict.

Datuk Neo's supporters claimed they were labouring under a major handicap. The efforts made by their man in the Cabinet to ensure that the legitimate interests of the Malaysian Chinese were taken care of could not be revealed publicly. This, they said, could leave him open to charges that he was not doing a proper job in the Cabinet.

On 11th March 1984 Mr Tan's camp received a major boost when Datuk Oon Seng Lee, the chairman of Koperasi Serbaguna Malaysia (KSM) and the Multi-Purpose Group, announced that Datuk Lee San Choon had been appointed executive chairman of MPH. In accepting the appointment Datuk Lee stressed that he wished to remain neutral in the party elections. He added that he met Datuk Neo and "other friends" before taking up the appointment. However, the fact that he had chosen to accept the position before the elections was a major psychological victory for Mr Tan. Datuk Lee, it seemed, was not prepared to give Datuk Neo the full support he had in the past.

In a statement released to the press Datuk Neo made the best of the new situation by describing

Datuk Lee's appointment as "most appropriate" because the company was set up when Datuk Lee was the party president. Datuk Lee, he said, was "a man of principle" who would "restore confidence and stability to the corporation," implying that under Mr Tan the company had been facing problems.

Many observers believed that Datuk Lee's statement that he would be neutral in the party elections was an indirect show of support for Mr Tan. "After all," said one analyst, "Datuk Lee supported Datuk Neo for the post of acting president, so he could not now show outright support for someone else".

Given the atmosphere of tension and distrust that had built up in the party since Datuk Neo became acting president in 1983, it was almost inevitable that the two factions would clash eventually. As it happened, the issue which brought on the clash were allegations that "phantom" members were being deliberately created by ambitious politicians. Voting in the MCA's elections was based on the delegate system. Each division was allowed to send one delegate to the general assembly for every 100 members registered in it. Therefore, the more members a division had, the more delegates it could send to the Annual General Meeting (AGM). The AGM in turn selected the president and other senior party officials.

By mid-February the number of "non-existent" MCA members registered in the membership lists of branches in the party's Petaling division was alleged to run into several hundred. According to sources in the Usaha branch of the division, which was the party's largest division in Selangor with 64 branches and more than 30,000 members, the leaders of some of the branches which had fictitious members in their lists wrote to the MCA headquarters asking for action to be taken to remove the false names. "We will wait til the party leaders have decided that action is to be taken before we issue a statement to tell the members who are responsible for the 'errors'," the sources added. The Petaling division had been in the centre of rumours circulating among the party's members that falsification of membership had been carried out in some of the divisions.

Earlier, the division's secretary, Dr Ng Khek Kiung, had been "removed" from his post by its chairman, Yeoh Poh San, who was also the MCA's deputy organising secretary and a staunch supporter of Datuk Neo. Dr Ng had claimed that he was investigating allegations that "non-existent" members had been enrolled in the party using Chinese names but identity card numbers belonging to non-Chinese before he was sacked by Mr Yeoh.

Datuk Lee Kim Sai, who was the Selangor MCA chief as well as MCA Youth leader, promptly reinstated Dr Ng. "The removal of Dr Ng from

his post by Mr Yeoh is against the party's constitution and as far as I am concerned Dr Ng is still the secretary for the division," Datuk Lee Kim Sai said. He said he had received a copy of Mr Yeoh's letter advising Dr Ng of his "removal" but the latter had, however, not yet made a written complaint to him. "If the division's chairman were to seek my advice I would tell him that his action is unconstitutional," he said.

Datuk Lee Kim Sai said that according to Article 83 of the party's constitution, "the honorary secretary and treasurer of a division shall be appointed by the chairman after consultation with the divisional committee and shall hold office until either they resign or are removed by the divisional assembly for any reason or when the chairman relinquishes his office." Therefore, he argued that the divisional chairman had no right to remove Dr Ng without the permission of the divisional assembly.

A few days later the leaders of four branches of the division declared in a joint statement that they had discovered the names of bogus members bearing the identity card numbers of non-Chinese in the list of members claiming to have attended one of the division's "orientation courses" on 28th December 1983 held by Dr Ng. They were the chairman of Lian Seng Garden branch, Kuan Ah Kan, chairman of the Usaha branch, Tan Chear Ping, chairman of the Kampung Landasan branch Mr Won Han Chai and secretary

of the Kampung Maha branch Mr Ho Huan Chuan. They claimed that irresponsible persons were registering false names to further their own political interests. The "orientation courses" held at divisional level were meant for members who had enrolled in the MCA for the first time. Dr Ng later denied in a statement that the course was held by him.

On 14th February 1984, two members of the MCA's Steering Committee, MCA Youth leader Datuk Lee Kim Sai and central committee member Datuk Ling Liong Sik, walked out of a meeting of the committee after a disagreement. The two leaders had asked the committee to provide them with up-to-date lists of all members who had attended the party's "orientation courses" but were told that the committee was not responsible for running these courses. Their proposal that the steering committee change one of its rules for the party's election so that ballot papers were given to the delegates in batches of 50 was also rejected.

The meeting was the second to be held by the Steering Committee since it was appointed by the Central Committee in January to look into all matters relating to the elections to be held at the branch, divisional and national levels. "We discussed the voting procedures at the meeting and it was decided by a majority of five members against the two that the system of voting adopted in the 1979 and 1981 party elections should

again be used," said Tan Sri Chong, the Steering Committee chairman.

The committee was made up of seven members. Besides Tan Sri Chong Hon Nyan, who was also party secretary-general, Datuk Lee Kim Sai and Datuk Ling Liong Sik, the others were Wanita president Datin Paduka Rosemary Chong, national organising secretary Datuk Loh Fook Yen, Mr Peter Chin and Mr Michael Wong. Datuk Ling, Mr Chin dan Mr Wong were also Central Committee members.

Tan Sri Chong said that the voting procedures had been tried and found to be in compliance with the party's election rules regarding secrecy by a court of law. This was a reference to the court case following the defeat of Michael Chen by Datuk Lee San Choon in the 1979 party elections. Tan Sri Chong added that under the procedure the ballot papers were handed out to the delegates while they were seated and the delegates could mark the papers at their seats or at the ballot boxes. "The majority of the Steering Committee members considered that there were no new circumstances arising for a change to be made. The present members of the Central Committee, including Datuk Lee Kim Sai and Datuk Ling Liong Sik were elected by the same procedures in 1981 — so what is the big problem now? Don't tell me they were elected by unfair procedures in 1981," he said.

He also argued that the existing voting procedures were adopted for logistical reasons as about 3,000 delegates were expected to attend the general assembly. "If each delegate is given one minute to cast his vote, the time needed will be 3,000 minutes. "But I don't think that one minute is sufficient because if all the posts are contested then there will be four sets of ballot papers to be marked, one each for the (posts of) president, deputy president, vice-presidents and Central Committee members," he explained.

Tan Sri Chong also said that at the meeting Datuk Lee Kim Sai and Datuk Ling Liong Sik wanted to know the names of all the new party members who had attended orientation courses since 1982. But the other committee members felt that the matter was not within the terms of reference of the committee. "As chairman I felt that this raises a major issue of policy and I could not agree that such a list be given out. We are now in the process of completing the master list of all members and hope to have it done in a week's time," he explained. The list was then to be sent to the branches, divisions and the various State chairman and it would contain only the names of their respective members.

Datuk Lee Kim Sai and Datuk Ling Liong Sik could not accept the views of the majority and left the meeting 20 minutes before it ended, Tan Sri Chong said. "We carried on until we finished our discussions on the agenda. The fact

that they left did not interfere with the working of the committee. I feel slightly disappointed that in a democratically appointed committee, a minority should express their feelings by walking out. The minority should respect the view of the majority," he concluded.

The supporters of Tan Koon Swan and MCA Youth leader Datuk Lee Kim Sai, however, regarded the deliberate creation of phantom members as a serious issue. According to them, these fictitious members bore Chinese names with identity card numbers of non-Chinese taken from the electoral rolls of the Petaling constituency.

"Those responsible for the practice, they said, found that while it was relatively safe to invent fictitious names, they realised that it was risky to write down any number as the bogus member's identity card number. This is because the fictitious number could be the same as one belonging to a genuine party member. If this happens the practice will be spotted as soon as the fictitious member's particulars are fed into the party's computer system," said the sources. When some of the members checked the particulars of the false members they found that some of their identity card numbers were those of non-Chinese listed in the electoral rolls".

Reacting to these allegations, Tan Sri Chong said he could not deny that "phantom" members

existed in the party. In a party as large as the MCA, he said, "anything can happen." However, it was up to the branch and division heads to report any such incidents. "We can only investigate the matter if there are specific allegations about a particular branch," he said. "It is up to them to bring up the facts and figures. How can we investigate unless they point to specific names?" Tan Sri Chong told reporters that it was normal for any party to be swamped with rumours, especially during election year. However, he appealed to members to remain calm and mature and not be distracted by "sideshowes".

Mr Tan's supporters, however, felt that it was unrealistic to expect branch chairman (who may themselves have been involved in the fraud) to report any discrepancies.

Datuk Lee Kim Sai called on the party's Central Working Committee to investigate the matter. He argued that the statement released by the four Petaling branches was "tantamount to admitting that false membership existed in the Petaling division." However, Tan Sri Chong said he had not personally received any complaints.

Datuk Ling Liong Sik said he would appeal to Datuk Neo's "sense of justice" concerning the dispute over the issuing of a master list of members by the Steering Committee. "I have drafted a personal letter to Datuk Neo and will send it soon. I will appeal to his sense of justice

and hope that he convenes a Central Committee meeting," he told reporters.

The day before, Tan Sri Chong had told reporters that it was the normal practice to only hand over to branch and divisional heads the updated lists of their own members. The lists were being prepared by computer at MCA headquarters and were expected to be sent out by the following week. Tan Sri Chong said he had no mandate to issue the master list to anyone who asked for it. To do so would mean a major change in policy, he added.

Datuk Ling explained that his group wanted the list of new members so that house-to-house checks could be made to ensure that there were no more "phantom" members. "We also wanted a list of all the orientation courses that were held — their time, date and place," he said. "If we find out that a course was held in a community hall with a capacity of 500 but 5,000 people had signed up, then it'll be easy to trace where these non-existent voters are. We are not just anybody. We are members of the Committee and I disagree that it is outside the purview of the Steering Committee to issue the list. If we have our own computer — bought with party funds — we should be able to get the list. It's only a matter of pressing a few buttons," he added.

Datuk Ling said he walked out of the meeting to express his regret over the committee's decision. He was unhappy that the others were making it

difficult for concerned members to act. "There was no point in staying if we couldn't talk sense. We wanted the full list so that we could investigate the allegations," he said. "We can't go to all the 1,400 branches to ask for membership lists. There isn't enough time if we are to nip the problem in the bud."

On the disagreement over the balloting procedure, Datuk Ling said he and Datuk Lee Kim Sai were only interested in improving the system. "I am not saying that it is a bad system but there is no harm in trying to improve it." He said he and Datuk Lee Kim Sai had proposed that ballot papers be distributed to delegates at the general assembly according to rows instead of en mass. This was rejected by the other Steering Committee members who voted five to two against the proposal.

It seemed at first that the acting party president was prepared to accommodate Datuk Ling. On 18th February 1984 he told the press that MCA branches with "phantom" members faced suspension and might find themselves barred from taking part in the party elections. This procedure, he said, had been followed in previous years when similar allegations had been made. The appeal from Datuk Ling to be given the master list would also be considered by the Central Working Committee.

Meanwhile, sources close to the Tan Koon Swan

and Datuk Lee Kim Sai faction began leaking additional information to journalists about the "phantom" member issue. According to these sources, the membership of the Petaling division officially stood at 30,000 to 40,000. If this was true, then it meant that one out of every two Chinese in the Petaling constituency had registered himself or herself as a member of the MCA. "At a time when many divisions have found the recruitment of new members an uphill task, it is hard to believe that the Petaling division finds it so easy to get new members," said the sources. "Moreover, the division seems to have experienced this 'meteoric' jump in membership from about 10,000 previously in only a year's time," the sources added. "Who would believe that half the Chinese voters in the Petaling constituency are members of the MCA?"

According to the sources, further checks made by some of the branches showed that the number of phantom members was considerably larger than "several hundred" reported earlier — and could run into "several thousand". Some leaders of the division also said they were unhappy with the lack of urgency on the part of the party's headquarters in dealing with allegations of phantom members. "If no action is taken soon, we will disclose the evidence we have to the members," they said. They wondered if the MCA headquarters' prolonged silence on the matter was meant to give the wrong doers time to rectify their faults by erasing the names of

phantom members from the party's computer.

The allegation of "phantom" members in the MCA's Petaling division was not the first controversy the division had been involved in. In July 1981, more than 150 members, who disputed the legitimacy of Yeoh Poh San's ascension to the post of divisional chairman, walked out of its annual assembly when his "appointment" was announced. The row in 1981 centred on whether Mr Yeoh's nomination was valid. However, this was considered by many members to be "minor" compared with the new outcry over foul-play by some of the division's members in having fictitious names put on the division's rolls in order to boost its voting power at the party's elections. Not only was the division's image at stake but, more so, that of the MCA.

The division served the Petaling parliamentary constituency, one of the largest constituencies in the country with more than 110,000 voters (based on the 1982 general election) of which about 70,000 were Chinese. It was also the MCA's largest division in Selangor with more than 60 branches.

In the row that took place in 1981, both the MCA Selangor Liaison Committee and the National Steering Committee were called in to settle the problem but the steps taken clearly did not satisfy many of the members. Mr Yeoh

was then one of the candidates for the divisional chairman's post, which was vacated by Mr Tong Kok Mau who had moved to contest in the Shah Alam division. The other aspiring candidate was Mr Yap Pian Hon, the State Youth chairman who still held the post in 1984.

Just before nomination deadline, the supporters of Mr Yap made a complaint to Selangor Liaison Committee chairman Datuk Lee Kim Sai that since Mr Yeoh was standing for the chairman's post, he should not also hold the post of secretary of the divisional Steering Committee. Datuk Lee decided that the nomination deadline should be postponed. This decision was passed on to Mr Yeoh a few hours before the expiry of the original deadline.

However, Mr Yeoh went ahead with the nominations. By doing so, he was returned unopposed as chairman. Mr Yap's supporters abided by the State Liaison Committee's decision and did not make any nomination. The matter then went up to the party's headquarters and the National Steering Committee was called upon to mediate in the feud. According to reports, after the intervention of the then party president, Datuk Lee San Choon, a "compromise" was reached by which Mr Yeoh's nomination as divisional chairman was accepted but control of the division was to be split between the two sides. Sources said that "strangely", the question of the constitutionality of Mr Yeoh's nomination

and the decision of Datuk Lee Kim Sai to postpone the nomination deadline was never discussed. The matter was thus allowed "to end without a conclusion".

The response of the top MCA leadership to the phantom members controversy in 1984 was that it was basically an election tactic of Mr Tan's faction designed to spread suspicion and disunity within the party. At a gathering organised by the MCA Bukit Bendera division in Ayer Itam, Penang, to celebrate Chinese New Year, Datuk Mak Hon Kam urged party members not to allow themselves to be influenced by "destructive" tactics.

"We must not allow the MCA to be hurt in the process of election. A weak and badly damaged party will not have the strength to play its role within the framework of National Front co-operation," he said. "We need to have a strong and united MCA to play a positive role in safeguarding the legitimate rights and position of the Chinese community. Without this strength, the MCA would not be able to meet the challenges ahead," he added.

Datuk Mak said aspiring candidates in the elections should not act and behave like members of Opposition parties as they form part of the machinery of collective leadership. They should refrain from attacking the party in an 'unprincipled' way and damage the position of the

MCA. He said the MCA had a long history of struggle behind it. It had achieved its present strength through the dedication of its leaders and the maturity of its members. He believed that the rank and file of its members should work together and contribute towards strengthening the position of the MCA within the political framework of the country. "In this way we will be able to contribute more positively towards nation-building and safeguard the position of the Chinese community in this country," he added.

The acting deputy president pointed out that in the process of campaigning, individuals who aspire to seek positions within the party should refrain from using tactics which could lead to confusion among party members and damage the position of the party. He said it was a healthy sign for the party to make adjustments from time to time as it had been the policy of the party to groom young and capable leaders to assume responsible positions and duties within the party. "However, it is regrettable that various groups have exploited the interest generated by the impending party elections and have embarked on a campaign which has, sadly, evoked confusion and hatred among the party members and the community at large," he alleged. "Such actions are not only mischievous but are also centred on selfish interest and personal glory."

On 20th February 1984 Chan Tse Yuen, the Petaling MCA division political bureau chief,

produced photocopies of membership application forms to back up his claim that the division was "riddled" with phantom members. One of the forms was made out for a Tang Tau Sing with identity card number 8396166. However, a check with the electoral roll, which he also produced, revealed that the identity card number belonged to a V. Ramalingam. Another form, made out for a Lee Fook Choh, had identity card number 8372140 which was the identity card number of a Miss K. Thanalachmy on the electoral roll. Both applications for membership at the Seri Aman MCA branch were dated June 1983.

Mr Chan said that vague rumours about non-existent members had started as early as September 1983 but he had dismissed them as hearsay. "At a division committee meeting last 31st October 1983 the chairman (Mr Yeoh) was asked about the number of members recruited from the six orientation courses held at the end of the year," Mr Chan said. "But when Mr Yeoh replied he was unsure of the number from the past nine orientation courses, the focus of questions shifted to the number of courses actually held." The division committee, Mr Chan claimed, had only been informed of six of the courses. He said this aroused his suspicions and he decided to investigate after he had heard more specific rumours that the identity card numbers were being copied from the electoral rolls.

Soon afterwards MCA organising secretary, Datuk Loh Fook Yen was reported to have officially confirmed that some cases of falsification of membership had been uncovered in party branches in the Petaling division. He also gave an assurance that those responsible would be brought to book. A probe was under way, he said, but it would not be possible to state the total number of bogus members in the division until investigations were completed.

Responding to allegations that those responsible for the fraud were being given time to eliminate the evidence of their misdoings from the party's computer, Datuk Loh said that this could not be done easily. He explained that registered members whose particulars had been fed into the computer had each been given a serial number and the party headquarters had computer print-outs of the details. Datuk Loh added that to erase one name, that of a bogus member, from the computer's memory, the serial numbers of members whose names follow that would have to be changed. A new set of computer print-outs would then have to be prepared.

Later, Datuk Loh denied that he had confirmed there were "phantom" members in the party. He explained that what he had said was that the party headquarters had not received any official complaint about the "phantom" members. All they had were some official complaints from the branches, including those in Petaling, that the

number of new members who turned up for the party's orientation course did not tally with the reported figures.

On the same day that Datuk Loh issued his original statement the situation took a turn for the worse when several MCA Central Working Committee members walked out the party's headquarters in a huff after having failed to get a master list of the party's members. Among them were party vice-president Tan Koon Swan, Central Working Committee member Kee Yong Wee and Youth leader Datuk Lee Kim Sai. Party sources said these leaders had gone to the Secretariat to obtain the list in accordance with a Central Committee decision to issue the list in the third week of the month.

Datuk Neo told the Press the previous week that the list would be sent to the branches before the end of the month. Party sources said the acting president and his men were "dragging their feet" over the list. "This sort of thing has never happened before in MCA history," said another source.

The Koon Swan - Kim Sai faction responded warmly to the news that an investigation would be conducted into the phantom member issue. However, hopes that the problem might be settled amicably soon faded as the attitude of Datuk Neo's group began to harden.

On 23rd February 1984, Tan Sri Chong told the press that neither the Central Working Committee nor the Steering Committee was authorised to issue the complete list of MCA members to anybody. He also said that neither the Central Working Committee nor the Steering Committee (set up to look into party election matters) had promised the master list to anybody. He was speaking at a Press conference called to clear the air over allegations about "phantom members." Also present was acting MCA deputy president Datuk Mak Hon Kam, national organising secretary Datuk Loh Fook Yen and Central Working Committee member Tan Sri Chong Hon Nyan.

Tan Sri Chong said the Central Working Committee at its 14th January 1984 meeting had decided that the list of members of a branch should be sent to the branch concerned when the party's secretariat completed its compilation by the end of February. Tan Sri Chong said that he, for example, as chairman of the Batu Berendam (Malacca) branch, would get the list of his branch and, as chairman of the State MCA, would get a complete list of members of the four divisions in the State. This was to enable branch leaders to know who their members were. He said a branch, division or State leader had no business to know who the members of another branch or State were.

Replying to charges that the Central Working Committee and Steering Committee were

dragging their feet over the issuing of the master lists because of allegations of "phantom" members, he said they were not authorised to give the complete list to anybody in the party. Tan Sri Chong, who was visibly angry, said: "We have never promised anybody anything, and yet some of the Central Committee members came to the party secretariat yesterday asking for the complete list. There is a lot of nonsense going on, with some Central Committee members going to the Press under the guise of 'sources'".

He said he had built up his reputation with 35 years of service to the nation and he was not prepared to let it be damaged by the allegations. "We have appealed to them to come to us with the evidence (about phantom members)," he said. "I am very angry over this because they made it appear that we are hiding something." Tan Sri Chong said that it was the responsibility of each branch to verify its new members and disciplinary action would be taken against any branch found to have phantom members. This system, he said, had been in use for years and was based on mutual trust between the branch leaders and the party headquarters. He said he would resent any move for a house-to-house check on the validity of members of his branch "even though I cannot pretend to know every member of my branch".

The wide publicity given to the alleged "phantom" members scandal in the MCA had a

profound effect on the Chinese community. At stake was not only the good name of the party as a whole but, more particularly, the credibility of the incumbent leaders who controlled the party machinery. Many observers, both inside and outside the party, viewed the whole affair with despair, disappointment and anger. There was a common feeling, despite the protestations of Tan Sri Chong and other leaders, that someone was trying to sweep something under the carpet.

The widely-read Chinese language newspaper *Ta Chung Pau* in its 24th February 1984 issue carried a banner front-page headline "False membership scandal causes complete loss of face for MCA." The thrice-weekly newspaper supported the heading with a lengthy sub-heading: "Incumbent faction challenges the intelligence of the entire Chinese Community." The paper went on to allege that "In the face of undeniable evidence of false membership, Datuk Neo Yee Pan and Tan Sri Chong Hon Nyan, as MCA top persons in charge, have held in contempt pressures and criticism from the public, have treated the entire affair lightly and have not taken immediate action to institute investigations and what is more, they have no intention of taking disciplinary action against the perpetrators".

Those who cared for the good image of the MCA must have been deeply disappointed that the party — which was the second biggest in the nation and had a history going back 36 years —

still experienced such malpractice. The retort of Datuk Neo's group, that the party had grown so big that it was not easy to keep track of the actions of all members, seemed unconvincing. For those who were already cynical of the role of the MCA, the controversy merely served to confirm their feeling that the party did not deserve their support.

The last time MCA leaders were accused of associating with anything close to phantom voters was during the 1982 general election when MCA leader Datuk Lee San Choon staked his political future by standing in the DAP stronghold of Seremban. Datuk Lee's victory was touch and go. His opponent, Dr Chen Man Hin, claimed his defeat was due to a large number of imported or phantom voters planted by the MCA. DAP election workers in Seremban, in fact, took pressmen to some of the homes of these phantom voters. In one house, for instance, which had 12 registered voters listed, only four people were found to have lived there over the years. A DAP worker who handled the case said: "We waited for the 'phantoms' to turn up to vote but they did not".

Rumblings within the MCA — not so much relating to "phantoms" as to questioning the credibility of the party machinery — were publicly aired and ended in a court battle three years before. A Raub delegate sought unsuccessfully to declare null and void the election of office-bearers

at the MCA 27th General Assembly in 1979. The occasion was yet another bitter 'fight to death' between Datuk Lee San Choon, the incumbent president, and Datuk Michael Chen. Although Datuk Lee won with a convincing 218 vote majority, the party itself emerged from the Assembly torn and scarred by claims of foul play.

The crux of the dispute was the method of balloting. For the first time that year, the system of balloting used was slightly different from previous assemblies. Ballot papers were distributed to delegates while they were seated. They were then given a choice to either mark their papers while seated (and probably watched over by their fellow delegates) or at voting booths placed at the front and back of the hall. (The party's rules governing the election of office bearers at all levels included a clause which stated that voting was to be by secret ballot only). In previous years, delegates went up to collect their ballot papers and then cast their votes individually at the booths.

The decision to modify the voting system was made unanimously by the party Central Working Committee before the elections to 'save time' after considering the seven hours or so spent in casting ballots at the 1977 assembly. But once Datuk Chen (political observers said he rather incautiously agreed to the Central Working Committee decision) announced his intention to

contest the presidential position, the mode of balloting became all important. When the Assembly began, more than an hour was devoted to arguments on the mode of election. The speaker, Datuk Wee Khoon Hock, let the delegates vote three times on the decision amidst shouting and noise.

He testified in the High Court that the first vote to the floor was to ask those in favour of the Central Working Committee decision to stand up. He then estimated 80 per cent of delegates complied. This was followed by much shouting so he put it to the vote again, asking those against the decision to stand up. He estimated only 20 per cent stood up. The crowd was still obviously not satisfied as the speaker had to put it to the vote a third time — an overwhelming majority in favour stood up. The balloting proceeded accordingly but there were allegations that pressure on the delegates was so great that many voted at their seats and dared not avail themselves of the opportunity to walk up to the ballot boxes to mark their papers. It was reported that one delegation, for instance, collected the votes of the delegates and handed them over in bulk.

In court, a Penang delegate, one of the plaintiff's witness, said he was threatened with assault if he did not vote for the incumbent. Later at the Assembly he was told by the delegate next to him to vote accordingly and he complied. The situation was made all the more tense by the

presence of Federal Reserve Unit men and party officials wearing red bands who were in charge of keeping order. Under a cumbersome arrangement, the meeting had to be conducted on two floors because of the large number of delegates.

Some 400 delegates were forced to follow the proceedings on another floor via closed circuit television where they could hear what was going on but had to go up to the floor above in order to participate. Allegations of not being allowed on the floor above and not being able to speak were a natural outcome.

In dismissing the suit, the court felt that the mode of voting adopted did not by itself take away the element of secrecy required in the voting process. However, the judge, Justice Hashim Yeop Sani, said that as the voting on the Central Working Committee decision was for voting on a matter pertaining to election, the voting should have been by balloting, according to the election rules. "However, he said, there is no doubt whatsoever from the evidence that a vast majority was in favour of the decision of the Central Working Committee and the court ought not to interfere now merely because the method of ascertaining the majority was not strictly complied with".

By the end of February 1984 it was clear that the MCA was heading for an even more serious faction struggle in which the central issue would

be the existence of "phantom" members. Datuk Lee San Choon still maintained considerable influence within the party, leading some to suggest that he might make a return to the party as interim president in order to prevent a potentially self-destructive party election. However, Datuk Lee was reluctant to become involved. It was to be several weeks later, when the conflict between the two factions threatened to split the party apart, that he attempted to play the role of mediator.

3

Expulsion!

Since its formation in 1949 the MCA has taken disciplinary action against its members on various occasions, with many of them being expelled. However, it was only after the disciplinary rules were amended following the 1969 election debacle that large numbers of members were sacked. The first mass expulsions took place in 1973 when the then president, Tun Tan Siew Sin, took action against a group of young leaders who seemed to be out to challenge his leadership. The key leaders of the reform movement – led by the then Minister in the Prime Minister's Department, Dr Lim Keng Yaik were expelled. Besides Dr Lim Keng Yaik, others sacked were Datuk Paul Leong Khee Seong, Senator Alexander Lee, Datuk Tan Tiong Hong and T.C. Choong. All of them joined the Gerakan shortly after their expulsion. Dr Lim Keng Yaik is now the Gerakan chairman

and a Perak State Executive Councillor. Datuk Tan Tiong Hong rejoined the MCA just before the 1982 elections.

The next wave of expulsions occurred in 1979 just before the Lee San Choon-Michael Chen fight for the MCA presidency. Datuk Lee San Choon, using the wide discretionary powers at his disposal as president, sacked about 100 members. But Datuk Michael Chen was untouched and was later defeated by Datuk Lee San Choon for the presidency. Datuk Michael Chen left the Cabinet and joined the Gerakan in 1981 together with several State Assemblymen.

The expulsion of 14 MCA leaders on 19th March 1984, however, clearly ranked as the most serious in the party's history. Three Members of Parliament (including two deputy ministers) and a senator were involved. Moreover, subsequent events showed that they had substantial support within the party. Datuk Neo Yee Pan's move thrust the party into crisis which threatened to create a permanent split. The task of this chapter is to show how the situation came about.

During the previous months the supporters of both Tan Koon Swan and Datuk Neo Yee Pan had realised that the support of Datuk Lee San Choon would be crucial in the expected battle for the party presidency at the General Assembly. It was not clear, however, how Datuk Lee San Choon would choose to exercise the considerable

influence he still had in the party.

Two statements by the former MCA president became a bone of contention in the MCA as Tan Koon Swan stepped up his campaign to oust Datuk Neo Yee Pan. The first of Datuk Lee San Choon's statements came at a dinner organised in his honour by his successor and attended by the delegates to the 1983 MCA General Assembly. In that speech, Datuk Lee told MCA members to give their full support to his protegee and added that "he is a fighter in his heart and truly committed to the cause". Datuk Lee, a man known for his few but carefully chosen words when making speeches, appeared to set the seal on Datuk Neo's appointment as party president.

The second statement came on 11th March 1984 at the Annual General Meeting of the Koperatif Serbaguna Malaysia (Multi-Purpose Cooperative). Tan Koon Swan announced that he was stepping down as Multi-Purpose chairman, a post he had assumed after he took over from Tan Sri Lee Loy Seng in July 1983. At the KSM meeting it was announced that Datuk Lee San Choon had been appointed executive chairman of Multi-Purpose Holdings. There had been rumours earlier that he would publicly declare his support for Mr Tan's bid to oust Datuk Neo and make it clear that he was accepting his appointment to relieve Mr Tan of the latter's "business concerns" and allow him to concentrate on the MCA battle.

Datuk Lee San Choon did neither. Instead, he reportedly threw away his prepared text and delivered an off-the-cuff speech which contained no political implications at all. Later, pressed by reporters on whether he was backing Datuk Neo Yee Pan or Tan Koon Swan he replied: "I have no intention of getting involved."

He had taken up the appointment because he wanted to do something for the 200,000 shareholders, he said. There was apparently some disappointment among the Koon Swan forces that no explicit statement of support had been made. But there was also some consternation among Datuk Neo's supporters on how the statement could be construed.

Tan Koon Swan's supporters later claimed, with some justification, that Datuk Lee's "non-involvement" remark was a big step away from his remarks the previous year urging MCA members to support Datuk Neo. They claimed that Datuk Lee San Choon could not have made it more clear that he was backing Tan Koon Swan than by accepting the appointment as chairman of MPHB and making such a remark.

But Datuk Neo Yee Pan's supporters looked at it differently. They claimed that "non-involvement" did not mean Datuk Lee San Choon was backing away from his choice of Datuk Neo as his successor. They also interpreted Datuk Lee's remarks about doing something for the share-

holders as an indirect censure of Tan Koon Swan and his running of Multi-Purpose and added that he had been asked to take on the appointment by some of his supporters inside Multi-Purpose who had differences with Mr Tan. Datuk Lee did not elaborate on his statements beyond saying to reporters not to *cucuk* (instigate). "We are old friends" he said when asked whether Datuk Neo had tried to oppose his (Datuk Lee's) taking up of the appointment.

There were two major reasons why Datuk Lee San Choon wielded such influence in the party despite his retirement. One was his popularity with the grassroots. The other was the loyalty he commanded from middle-level party leaders. Many of those elected to public office in the 1982 general elections together with the leaders of many divisions and branches still looked to him for guidance.

Political observers noted that Datuk Lee San Choon had always been a man with convictions and the courage to back them up. He had also shown that he was a shrewd politician. In the words of someone who had been associated with him for more than 10 years in politics and government: "A master chess player will tell you exactly what he thinks is safe to reveal to you. Only he will know the grand design he has in his mind". It was, in fact, to be several weeks before Datuk Lee would make a clear public stand in support of one particular faction.

Meanwhile, the MCA elections had been put back one month because the headquarters was unable to complete the master list of members by the original deadline. The General Assembly was rescheduled for 7th and 8th July 1984 with the Youth and Wanita Assemblies set for 6th July 1984. The original dates for the General Assembly were 2nd and 3rd June 1984.

On 14th March 1984 the party's chief executive secretary, Tan Chang Soon, announced that the master list had been completed. The branches, he said, would receive their respective lists within the following two days. Once the branch lists had been sent out, the computer would collate the lists of branch members for each division and then the divisions within each state.

Asked about the phantom members issue, Tan Chang Soon repeated earlier statements by the party leadership that it was up to the branches to check their own lists. He explained that the delay in completing the master list was due to power failures and water shortages which meant they could not run the computer because the air conditioning did not work properly. Besides these technical problems, he said, the staff had only two months to complete work that normally took three or four months. In previous years the MCA had contracted out the compilation of its master list. In late 1983, however, it had installed its own computer.

Tan Koon Swan's supporters prepared for the release of the master list by compiling a list of phantom members in several MCA branches. In this way they hoped to counter-check the membership list. According to party sources, the data compiled by the group included the identity card numbers of non-Chinese Malaysians and fake names that had been used to inflate branch membership figures. These identity card numbers were allegedly traced to the Petaling division, which had since been dubbed "the factory." The phantom members were "injected" into branches either in Petaling or other divisions. The sources said the data also included the names of members who had either died or emigrated but whose names had not been removed from the rolls.

Tan Koon Swan's supporters were believed to have narrowed down their information to key divisions important to Mr Tan and his backers in their bid for election to party posts. The divisions included Petaling, Damansara, Selayang, Kinta and Tangkak, according to one source. The counter-checking began once lists of the members for these divisions were sent to their chairman. Mr Tan was Damansara division chief while Youth leader Datuk Lee Kim Sai, touted as Mr Tan's most likely running mate, was chairman of the Selayang division. The sources declined to say what specific action the group would take if phantom

members were found in the master list. "There are several options . . . one is using this evidence to take the party headquarters to court," they said.

The showdown between the two factions came at a meeting of the MCA Central Working Committee on 17th March 1984. Having exhausted all other party avenues to have the "phantom" membership issue investigated, Tan Koon Swan's camp stunned Datuk Neo Yee Pan and his supporters by presenting a joint petition to the MCA president calling for an Extraordinary General Meeting (EGM) of the party to resolve the issue. The petition, Mr Tan said, was supported by 15 members of the party's Central Committee.

At a press conference after the meeting Tan Koon Swan said that the call for the EGM and the finalising of the membership list were matters that should be considered before making a final decision on the date for the party elections. He named the 15 who had signed the petition as himself, Datuk Lew, Mr Chee, Datuk Lee Kim Sai, Datuk Ling Liong Sik, Kee Yong Wee, Wong Mook Leong, Ng Cheng Kiat, Chan Kit Chee, Chan Teck Chan, Wong Chor Wah, Lee Jong Ki, Datuk Lee Boon Peng, Datuk Chan Siang Sun and Ngau Boon Min. They had invoked section 34.2 of the MCA constitution which said that an Extraordinary General Meeting of the General Assembly may be held at any time if requested in writing by at least one third of the members of

the Central Committee.

There were 34 Central Committee members, which made it necessary for only 12 members to call an EGM. Soon after Mr Tan's announcement two of the 15, Datuk Lee Sip Hon and Chew Hock Thye, sent letters to Tan Sri Chong Hon Nyan disassociating themselves from the petition. However, Mr Tan still had 13 members supporting the petition, thus satisfying the requirements of the MCA constitution.

At the press conference Tan Koon Swan said that since the release of the party membership list, his supporters had quickly found the allegations about that of "phantom" members – fictitious Chinese names attached to the identity card numbers of non-Chinese – to be true. He was unable to say how many bogus members had been detected, saying that the figure would not be representative as they had been counter-checking the newly released master lists for only a few hours. However, it was believed that about 10 "phantom" members had been found in the Kampung Maha and SS5 branches of the Petaling division. The identity card numbers used were apparently those of Indians and Malays on the Regam and Ulu Langat electoral rolls.

According to Tan Koon Swan's faction, all requests for the full party membership list for verification had failed. A similar reaction met Mr Tan's proposals for an independent party

commission to look at the problem. Datuk Neo also flatly rejected a suggestion by Datuk Tan Peng Khoon, who was seen by many as neutral in the struggle between the two camps. Datuk Tan had proposed that the Election Steering Committee be expanded and empowered to investigate the alleged membership list fraud.

Some observers sympathetic to Mr Tan's group noted that the fact that access to the membership list was being denied made a mockery of collective leadership. It was even worse, they said, when only party officials associated with the secretariat had access to the membership list while others on the Central Committee were denied it. Moreover, collective responsibility in leadership was understood as being shared by every committee member. Therefore, if access was the privilege of some and not others, it was not fair to the party as a whole because information was being withheld from some elected leaders.

Meanwhile, there were other reports of deficiencies in the MCA master list. Chan Teck Chan, an MCA Central Committee member, revealed that Ng Peng Hay, chairman of the MCA 7th Town Branch in Malacca, had been omitted from the master list of members released by the MCA headquarters. Mr Ng was, however, listed as an ordinary member of the 2nd Town Branch which was his former branch. Mr Chan also said that 33 other members, including 31 who had undergone orientation courses, had been omitted from the

list.

Chan Teck Chan claimed that he had received several similar complaints from other branches in the area. According to him the Ujong Pasir branch chairman Soon Kim Cheong, and the secretary, Lim Kok Cheng, had been removed from the branch's membership list for allegedly not paying their subscription fees since 1980. On the other hand, there were also members listed who had apparently paid subscriptions up to 1991.

Numerous MCA members in Alor Star also found their names missing from the computerised membership list. These included Oo Gin Sun, the Member of Parliament for Alor Star and Deputy Trade and Industry Minister. He was chairman and a life member of the Pekan branch. According to newspaper reports, names were missing in all 16 branches of the Alor Star division. In some instances, there was a mix-up with the names of members recorded in the wrong branches.

These reports had little effect on the party leadership. Instead, Datuk Neo Yee Pan decided to act against those he claimed were "trying to destroy the party in the name of democracy". On 19th March 1984 the MCA president stripped Tan Koon Swan, Datuk Lee Kim Sai and Chan Teck Chan of their party posts. Four hours later, two members of the party's three-man disciplinary committee (the absent third member, Datuk Lee Boon Peng, was a supporter of Mr Tan Koon

Swan) called their own press conference at the Wisma MCA. It was then that the committee's chairman, acting MCA deputy president Datuk Mak Hon Kam, and committee member, Lim Kean Siew, dropped the bombshell. Fourteen MCA members, including seven in the Central Working Committee, were being expelled because they had been "engaged in activities which are prejudicial and injurious to the party".

At a press conference announcing the sackings, Datuk Neo Yee Pan said he was exercising his presidential powers in removing Tan Koon Swan, Datuk Lee Kim Sai and Chan Teck Chan from their party positions. He said their replacements would be Datuk Mak Hon Kam, Datuk Tan Tiong Hong and Datuk Tee Cheng York.

The MCA president told reporters that he had been "liberal and tolerant" of the actions of Tan Koon Swan and his supporters in the previous months but finally decided to act because "enough is enough". On the "phantom" members issue raised by Mr Tan and his supporters in the Press, Datuk Neo Yee Pan said: "They well knew that no lists could be compiled until the branches have submitted their membership list and subscriptions. Thereafter, the headquarters had to go through, collate and compile the lists. Only then could the master list be compiled and printed out. After that, such lists would have to be sent out — which has just been done — for verification by the branches, divisions and states.

But they chose to go to the Press before that, fully knowing that there were no such lists. This was to give the impression that something was dastardly wrong with the party and that the leadership, excluding themselves, were trying to shield the culprits and committing wrongs in the manner of untrustworthy people in an untrustworthy society”.

Datuk Neo Yee Pan stressed that the issue, and others about which Tan Koon Swan and his supporters had been unhappy, had been discussed fully in all forums available within the party — the Election Steering Committee, the Presidential Council and the Central Committee. Datuk Neo Yee Pan said that in all these forums, the majority of the members of the respective committees had rejected the arguments put forward by Mr Tan and his supporters. “In a democracy and a democratic organisation, the minority must accept the decision of the majority. Yet, they asked for an Extraordinary General Meeting (EGM) to be held. I believe the spirit of the party constitution is that an EGM is to be held only if the Central Committee refuses to meet or the president does not call for meetings or the assembly. Having had their arguments rejected by the respective bodies, these people now want to hold an EGM to raise the same issue.

“Even then, if the EGM rejects their arguments, they are prepared to go to the courts to seek an injunction to prevent the party elections from

being conducted. What kind of attitude is this? Where's their sincerity in wanting to solve the problem? What is their ulterior motive? To me it is clear that they are trying to destroy the party in the name of democracy. They clearly don't want the party elections to be held."

"They have not only taken part in the deliberations in the Presidential Council and Central Committee but have also been informed that their action would have disastrous effects on the elections of the party. They should have first made their complaints through the proper channels. This they have not done," he said. Datuk Neo Yee Pan added that the group had "chosen to publicise and inflame the issue [of the alleged phantom members] and made use of the mass media and other means to advance their own interests and have therefore harmed the party".

Datuk Neo Yee Pan said that he had been tolerating their actions and been "liberal in allowing discussions to be held at all levels. If they have evidence, they should submit it to the headquarters so that it can act. They have made it appear that we are autocratic but the MCA is a political organisation representing the Chinese and not a business organisation where if you don't like it, you can buy it. This group has pushed the democratic process to the point of abuse and to the point of destroying the democratic process and the very party itself. Their intention is clear. If their proposal for an independent

committee is adopted, party elections at all levels cannot be held and party activities, including branch activities, will come to a stop and be frozen for a long time. The party will be crippled and the Chinese community's political representation will be destroyed and all our work all these years will come to nought".

Referring to the EGM petition submitted by Tan Koon Swan and signed by 11 other Central Committee members, Datuk Neo Yee Pan said that under the constitution, the Central Committee had the power to deal and decide on all matters except those pertaining to amendments to the constitution. While adding that the petition was now being studied by MCA secretary-general Tan Sri Chong Hon Nyan, he said that the petitioners were, in a way, appealing to the EGM to resolve the phantom members issue. "But the question is, can they when the Central Committee has dealt with the matter?" he asked.

One aspect of the expulsions which puzzled observers was the fact that only seven signatories of the petition calling for the EGM were expelled. The seven expelled Central Working Committee members were Tan Koon Swan, Datuk Ling Liong Sik, Wong Mook Leong, Ng Cheng Kiat, Chan Teck Chan and Senator Kee Yong Wee. The other signatories who remained members were Datuk Chan Siang Sun, Datuk Lee Boon Peng, Datuk Wong Chor Wah, Lee Jong Ki and Ngau Boon Pin.

The seven members expelled along with Tan Koon Swan and his supporters in the Central Working Committee included Wong Choon Wing (the Federal Territory MCA organising secretary), Dr Ng Khek Kiung (secretary of the MCA Petaling Division), Datuk Lee Kim Sai (MCA Youth president) and Chen Tse Yuen (Political bureau chairman of the Petaling division). The others were Wong Hock Aun, Quek Jin Teck, Lee Kee Foong and Wong Chew.

One possible explanation was that Datuk Neo Yee Pan was attempting to isolate Tan Koon Swan and his supporters from other senior party figures who were less closely associated with him. This explanation certainly seems plausible when one considers the fact that before the expulsions were announced Datuk Lew Sip Hon and Chew Hock Thye had already moved to disassociate themselves from Tan.

In justifying his actions Datuk Neo Yee Pan insisted that he was acting in the interests of the party rather than trying to protect his own political position. However, it is difficult to ignore evidence that the MCA president had experienced a significant decline in popularity in the previous months. By choosing to ignore the political ambitions of party stalwarts such as Datuk Chan Siang Sun, Datuk Ling Liong Sik and Datuk Lew Sip Hon, Datuk Neo had incurred the wrath of many MCA members. There was also circumstantial evidence to suggest that his relations with Prime

Minister Datuk Seri Dr Mahathir Mohamad had also cooled. When Datuk Lew resigned as deputy Trade and Industry Minister in 1983, Datuk Seri Dr Mahathir Mohamad made him ambassador to Washington and Minister without portfolio, an appointment for which MCA nomination was not necessary.

Datuk Neo Yee Pan's low profile in the government did not help matters either. According to one critic: "We have yet to see a single statement from Datuk Neo on education, employment and business, the three things that are of utmost importance to the Chinese community." Datuk Lee Kim Sai claimed that Datuk Neo, as MCA president and Minister for Housing and Local Government, had actually worked against Chinese interests. "Datuk Neo could have ruled on the question of taking down Chinese language signboards. Instead he declared that the matter was too small for him to decide," said Datuk Lee Kim Sai. Other critics also pointed to the MCA's by-election defeats as reflecting Datuk Neo's low standing within the Chinese community.

An even more serious allegation was that when Cabinet discussed the crucial Mid-Term Review of the Fourth Malaysia Plan, Datuk Neo Yee Pan and another MCA cabinet member were absent. By early 1984 complaints about the MCA president's performance began to feature prominently in Malaysia's Chinese language newspapers and few were refuted by Datuk Neo's camp. In the

week before the expulsions a poll by the respected *Sin Chew Jit Poh* put Tan Koon Swan 8:1 ahead in the race for the presidency, although Mr Tan had yet to declare his candidacy. In fact several newspapers predicted that Mr Tan and his political ally, Datuk Lee Kim Sai (expected to run for the deputy presidency) would defeat Datuk Neo. It was against this background of increasing support for Mr Tan that Datuk Neo made his move.

Tan Sri Dr Tan Chee Khoon, a retired opposition-party leader, noted in his weekly column in *The Star* newspaper that the MCA was "running true to form expelling the team vying for leadership". The difference this time, he said, was the threat of being removed before an election instead of after it. Dr Tan Chee Khoon noted that "this grabbing of power brings the Chinese here into greater disrepute. They say that they are doing these things in the name of Chinese unity, yet all the time they are cutting the Chinese image into pieces".

Politicians from all political parties were surprised by the news of the expulsions. Reporters who went to Parliament House looking vainly for Tan Koon Swan and the other expelled MCA Members of Parliament in order to get their comments found the Dewan Rakyat buzzing with news and speculation. Almost all the Members of Parliament were shocked to hear about the expulsions when they left the Dewan for a tea-break during debate on the constitutional amend-

ments.

After a meeting between Tan Koon Swan and the other expelled members, Mr Tan issued a statement to the press appealing to their "comrades" to keep calm and to "be optimistic" and "firm in your convictions". The convening of an EGM he said, was the best solution to the problem. The statement also added that "The MCA is our home and we absolutely will not allow a small group to do what they wish to do".

Later, at Parliament House, Datuk Lee Kim Sai told reporters that the main reason for their expulsion had been because "we tried to solve the phantom members issue". When asked whether he had expected the expulsion, Datuk Lee Kim Sai said: "Anything can happen in politics. I am not prepared to say anything more except that we will seek the advice of our legal advisors as to what action to take next". Earlier, Datuk Lee Kim Sai said that his expulsion from the party was only a "side issue". We are serious about wanting to clean up the party of the phantom members to make the party a clean, good and democratic party," he said.

Asked if he still considered himself a member of the party, he said: "I think so. It is possible (for us) to reverse [the order of events] and take over the party". Datuk Lee Kim Sai also said that the EGM, the petition for which he had also signed, was still underway. "It should be the forum to

resolve all these issues which have arisen. I am still cool and calm [about the expulsion] and as far as I am concerned the expulsion is illegal," he said.

Tan Koon Swan described his expulsion from the party as "history repeating itself". He did not elaborate. He said the petition to call for an EGM was in accordance with the party constitution. "By having an EGM, it means we are also solving the issue through the party," he said. He declined to say whether he and the others would go to court over the expulsion or whether they would appeal to the Central Committee. "All I can say is that this marks the end of one phase in life and the beginning of another," he said. He added: "The ultimate decision still rests with the party members".

The MCA constitution expressly prohibited expelled members from seeking redress through the courts. However, some legal sources believed that Tan Koon Swan and his associates had a strong case. For one thing they were never given warning or a "show cause" notice. Moreover, as Tan Sri Dr Tan Chee Khoon pointed out, both members of the Disciplinary Committee which expelled them were interested parties. Datuk Mak Hon Kam was expected to have to battle it out with Datuk Lee Kim Sai at the forthcoming party elections for the post of MCA deputy president while MPH had previously announced its intention to take legal action against Lim Kean

Siew regarding statements he made about the company.

Almost immediately after the expulsions were announced party members and officials began to openly take sides. Eighteen party divisions and ten members of the MCA Youth exco came out in clear support for the acting MCA president. At the same time nearly a thousand Selayang divisions members gathered at the Wisma MCA in a demonstration of support for Tan Koon Swan and Datuk Lee Kim Sai.

The 18 divisions which expressed clear support for Datuk Neo Yee Pan comprised 11 of the 21 divisions in Perak and 7 of the 11 from Selangor. The ten members of the MCA Youth exco did so after an emergency meeting at the Wisma MCA chaired by acting Youth president Mr Low Boon Hong. Of the 12 exco members who attended the meeting two — Heng Ching Yoke and Lee Seng Chye — did not sign the pledge. Four other members did not attend.

While this meeting was in progress a demonstration in support of the expelled leaders was also being held in and around the Wisma MCA. These members carried banners bearing slogans such as "Good men are being suppressed by the leaders". They cheered loudly when Tan Koon Swan and Datuk Lee Kim Sai, who had been on the 21st floor office of MPH B, addressed them for about 15 minutes. The two leaders then returned to the

MPHB office for a press conference.

At the press conference Tan Koon Swan and Datuk Lee Kim Sai slammed Datuk Neo and the party leadership. "Our expulsion was solely because we pushed for the clearing up of the "phantom" member issue and for asking for the master list of members", he said. Mr Tan went on to describe the recruiting of phantom members as a "plot" while Datuk Lee Kim Sai said that "Those who cooked up the phantom members still remain [in the party] and are protected by Datuk Neo but those who know and were trying to expose this plot were expelled". The two leaders claimed that busloads of their supporters visited them the previous night and that up to 3 a.m. to 4 a.m. the following morning they had also been receiving telegrams and telephone calls expressing support.

Tan Koon Swan and the other expelled members then explained that they had discovered evidence of the existence of 'phantom' members by using their own computer. Datuk Lee Kim Sai said that "In just three hours after the master list was released, we found out through our computer that the alleged 'phantom' members do exist and by the thousands". He said that, for example, the electoral roll number (077933) of one Halim Haji Din of Ulu Klang had appeared in one membership application form under the name Moy Fong Futt. "This member was proposed by Tan Tin Nam, a staunch supporter of Yeoh

Poh San (the Petaling MCA division chairman) and seconded by Wan Siok Wan, who is Poh San's personal assistant," he said.

Tan Koon Swan said that his group had discovered "thousands" of phantom members in the Petaling division alone, claiming that it meant that the division would be able to send more delegates to the MCA General Assembly in July than five other states combined. "This was just in Petaling", he said. "But what about the other divisions? We also heard that there were phantom members in Perak. But without the master list we can't check the actual membership for the genuine members and the phantoms. That is why we have repeatedly asked for the master list to be given out but our requests have been turned down in all the party forums".

Meanwhile, doubts were being cast on the legality of the petition for an EGM since several of the Central Committee members who signed it were no longer members. Publicly, Datuk Neo Yee Pan remained non-committal on the point, explaining that he was not a lawyer. Asked whether the EGM would be held as scheduled on 22nd April 1984 as requested, the acting MCA president also refused to give a direct answer. He said that according to the legal advice given to him he only needed to give 30 clear days notice to members for an EGM. "It does not mean that the 30 clear days must be given from the date requested by members. That is my interpretation," he said.

Both Datuk Neo and Tan Sri Chong refused to comment on the expulsions, saying that it might place them in an embarrassing position. This was because any appeal against the expulsions would have to be made to the Central Working Committee of which both Datuk Neo and Tan Sri Chong were members.

The reaction from the Tan Koon Swan camp to the expulsions was swift. Within 48 hours they had collected the signatures of 1,499 delegates to the 1983 MCA General Assembly calling for an EGM to investigate the phantom member issue and reinstate the 14 expelled members. Under Article 34.3 of the MCA constitution, an EGM can be called if requested in writing by at least one third (or 33.3 per cent) of the number of delegates appointed to the General Assembly. The total delegates to the 1983 General Assembly was said to be about 2,450. However, no official figures were available. The petition was submitted on behalf of the delegates by two lawyers, V. Krishnan and Kok Wee Kiat. They were accompanied by four of the petitioners. Lim Kui Sang, Ong Ka Teng, Hing Ching Yoke and Koon Pow Shyang, who went along to help carry files containing the signed petition forms.

Datuk Lee Kim Sai, asked to comment on the over-whelming response to the signature campaign for the EGM, said: "We are beginning to see the light at the end of the tunnel for our return to the MCA". On Tuesday, the day after they were

expelled, the 14 members met and prepared for the campaign. The following day the forms were sent out and that night the campaign got under way. By Thursday, most of the forms were coming in. The organisation involved in distributing and returning the forms all over West Malaysia was impressive, showing clearly that not only did Mr Tan's group have strong support, but that the expelled leaders commanded a committed and well organised following.

Commenting on a statement by acting MCA deputy president Datuk Mak Hon Kam that some members had received threats and had been compelled to sign documents (implying the petition forms), Tan Koon Swan said "Our boys on the ground, in fact, have received threats. We also had feedback that those who signed the petition forms had been asked to withdraw and were told that the withdrawal forms were available. We have all learnt from Gandhi — our boys are out there on passive resistance". He added: "I have been appealing for calm from the first day we were expelled and I would like to appeal once more to our supporters to remain calm. Violence cannot solve problems".

The petition calling for an EGM to be held at 10 a.m. on 29th April 1984 at the Nirwana Ballroom of the Hilton Hotel in Kuala Lumpur, gave three reasons for the request:

- o Allegations that members had been frau-

dently and improperly admitted to the MCA and that the chairman and secretaries of four branches in the Petaling division had openly admitted the existence of phantom members in their branches;

- o The publicity resulting from the issue had damaged the image and standing of the party and to prevent further detriment, an ad hoc committee be set up to investigate the issue.
- o That 15 of the Central Committee members had already petitioned for an EGM for the above reasons after having exhausted all possible party avenues but some were unjustly expelled.

Among the issues listed on the agenda were:

- o To resolve by secret ballot that the decision of the disciplinary board expelling the 14 members be annulled and declared null and void and that they be reinstated to their former official positions in the MCA with immediate effect.
- o To resolve by secret ballot that an ad hoc committee made up of a chairman and six other members be set up to investigate, among others,
 - a) all matters pertaining to the admission of new members in 1982 and 1983, to determine the validity of membership and to finalise the membership list as at 31st

December 1983;

- b) to recommend to the General Assembly, when necessary, steps and procedures that ought to be taken to prevent the recurrence of mistakes or falsification; and
- c) to control and, if necessary, to administer all coming MCA elections of office-bearers at all levels.

Apart from the successful result of the signature campaign there were also other expressions of support for the expelled leaders. The Kelantan MCA called for the withdrawal of the expulsion order against the 14 leaders. The State Youth wing made a similar call, urging the party's disciplinary committee to withdraw the expulsion order against its national Youth leader Datuk Lee Kim Sai. After an hour-long State working committee meeting, State MCA chairman Datuk Wee Khoon Hock told reporters two resolutions were adopted. The first resolution urged acting party president Datuk Neo Yee Pan to withdraw the expulsion order. The second called for the setting up of a neutral investigative committee to probe the phantom members allegation.

Many members were clearly dissatisfied with the leadership's action. On 23rd March 1984 alone a total of thirty-seven MCA branches throughout the country protested against the expulsions. Most of the branches called the sacking "undemocratic", and asked for the reinstatement of the

expelled; some also passed a vote of no confidence in the leadership of Datuk Neo Yee Pan. In Johore, 13 branches in the 14-branch Pulai division signed a joint statement disassociating themselves from the division chief Datuk Hee Cheng's pledge of support for Datuk Neo Yee Pan. The branches also expressed surprise over Datuk Hee's statement, about which they said they had not been consulted. Datuk Hee had said the day before that the Pulai division unanimously expressed support for Datuk Neo in the expulsion affair. However, the 13 branches in their statement said: "There was no meeting to discuss the issue, which means that Datuk Hee's pledge of support for Datuk Neo purely reflects his own stand and not that of the whole division".

Meanwhile, the Kebun Teh MCA branch became the sixth branch in the Johore Baru division to protest against the expulsion. The branch, together with its Youth and Wanita wings, resolved to un-animously deplore the "undemocratic action" taken by the MCA Disciplinary Committee. The branch, which held a meeting soon after the expulsion took place, requested that the expelled leaders be immediately reinstated, and also pledged support for a motion to hold an Extraordinary General Meeting of the party. The other five branches which protested against the expulsion were the Kim Teng Park, Wadi Hana, Century Garden, Johore Baru town and Air Molek branches.

In Kluang, the Kampung Gajah branch adopted a

vote of no confidence in the leadership of Datuk Neo Yee Pan. Branch chairman Yeow Chin An, who was a Kluang district councillor, said the branch deplored Datuk Neo's action as being "unjustified and high-handed". The branch committee also adopted three other resolutions. These resolutions called for the reinstatement of the expelled, the convening of an EGM, and appealed to all delegates to sign the written request calling for an EGM. In Muar, two branches — Bukit Kepong in the Segamat division and the Solok branch in Ledang division — passed votes of no confidence in Datuk Neo's leadership.

The Bukit Kepong branch also said the expulsion of the 14 was undemocratic and urged the party leadership to immediately reinstate the expelled as their services were badly needed by the community. The Solok branch called on all Chinese to speak out against the expulsions.

There were similar protests in Malacca. Twelve Youth branch leaders of the Alor Gajah division demanded in a statement that the party reinstate the 14 members. Spokesman for the group Foo Yoon Tien, who was the deputy chairman of the Alor Gajah Youth division, said only by reinstating Tan Koon Swan and his supporters could the party survive the crisis. The statement, which was signed by Mr Foo and 11 other youth chairmen and secretaries, cast doubt on State MCA liaison chief Datuk Tee Cheng York's assertion the day before that all divisions in the State

supported Datuk Neo's action. "As far as we know the Alor Gajah division has not held a meeting to discuss the expulsion and nobody was given the mandate to represent its views," the statement issued by the Alor Gajah division said.

In Pahang the Youth wings of two branches — Jerantut Town and Jerantut Garden — passed a vote of no-confidence in the leadership of Datuk Neo Yee Pan. The Youth leader of the town branch Mr Woon Poh Lin, who was also a State MCA youth secretary, said a vote was taken at an emergency meeting the previous night. Two other resolutions — one urging delegates to support the EGM signature campaign, and another calling on all Youth and Wanita wings to express their dissatisfaction over the expulsion were carried. Mr Woon said that it was unfair to expel the 14 before the party elections. "If Datuk Neo is a good leader, he should not be afraid of any challenge," he said.

In Penang 20 branches in the Mata Kuching division said that the disciplinary committee had not proved that the 14 had committed any act detrimental to party interest. The division, with a membership of 4,000, also said it expected more expulsions to foil the signature campaign calling for an EGM. The previous evening about 150 members and leaders of branches in the division met to condemn the dismissal of Tan Koon Swan and his supporters. One of the sacked, Deputy Finance Minister Datuk Ling Liong Sik

was the Member of Parliament for Mata Kuching.

In Kuala Lumpur, the chairman of Taman Kok Doh branch, Khoo Lay Hin, said he was not consulted over his appointment by Datuk Tan Tiong Hong as the acting chairman of the Damansara division. Datuk Tan Tiong Hong had been named the new Federal Territory chief by Datuk Neo Yee Pan after Tan Koon Swan was removed from the position. In a statement Mr Khoo said he was aware of his appointment only from newspaper reports the previous day. He said he was not present at the press conference when Datuk Tan Tiong Hong announced the new line-up for the Federal Territory MCA State liaison committee.

Datuk Neo Yee Pan's decision to expel Mr Tan Koon Swan and several of his close associates within the party plunged the MCA into a serious crisis. In the following weeks the battle raged over whether the petition for an EGM was legal and whether the party leadership would be forced to accede to the demands of Mr Tan's supporters who remained in the MCA.

| The Expelled Leaders | |
|----------------------|---|
| Name | Position At time Of Expulsion |
| Tan Koon Swan | MCA vice-president, MCA Federal Territory Chairman, Member of Parliament for Damansara, managing director (operations) of MPHIB |
| Datuk Lee Kim Sai | MCA Youth President, Selangor MCA Chairman, Deputy Minister in Prime Minister's Department |
| Datuk Ling Liong Sik | MCA Central Committee member, Deputy Finance Minister, Members of Parliament for Mata Kuching |
| Kee Yong Wee | MCA Federal Territory, Deputy Chairman, Senator; chief executive of Bandaraya Development |
| Chan Teck Chan | MCA Central Committee member; former special assistant to MCA president |

| | |
|------------------|---|
| Wong Choon Wing | Federal Territory MCA Organising Secretary Defeated in Kuala Lumpur Bandar seat in 1982 general election |
| Dr Ng Khek Kiung | Secretary of MCA Petaling Division, 'Sacking' earlier in 1984 ruled 'unconstitutional' by Datuk Lee Kim Sai |
| Wong Mook Leong | MCA Central Committee members, Lawyer |
| Ng Cheng Kiat | MCA Central Committee member, Lawyer |
| Wong Chew | Selangor MCA member |
| Quek Jin Teck | Member of Tiong Nam Branch Federal Territory |
| Lee Kee Fong | Member of Batu Gajah MCA Division |
| Chen Tse Yuen | Political bureau chairman, Petaling MCA Division |
| Wong Hock Aun | Selangor MCA member |

4

New Strategies

The Koon Swan-Kim Sai faction's call for an Extraordinary General Meeting (EGM) of the party was not the only course of action open to the expelled MCA members. However, this strategy offered considerable advantages over the other major alternatives. These were an appeal to the Central Working Committee in accordance with the provisions of the MCA constitution or legal moves in the courts to declare the expulsions null and void on technical grounds.

Any appeal to the Central Committee would almost certainly fail. Datuk Neo Yee Pan and his supporters would be unlikely to reverse a decision which had effectively ensured their success in the party elections later in the year by eliminating party rivals. At the same time, such an appeal by the Koon Swan-Kim Sai camp would involve

implicit recognition of the Central Committee's authority to deal with the matter, thus legitimising any decision the Committee might make.

Other pitfalls faced the expelled leaders if they decided to take legal action. Some legal sources believed that they had good grounds for seeking legal redress because they had not been informed in advance of the impending expulsions and were not given an opportunity to defend themselves before a decision was taken. The problem with this course of action, however, was that the MCA constitution expressly prohibited members expelled from the party from challenging their expulsion in any court. If the expelled leaders won their case Datuk Neo could still argue that they had defied the party constitution and expel them a second time on these grounds.

On the other hand, the call for an EGM offered several advantages. By taking their case directly to the delegates Tan Koon Swan's group could argue that the strategy was a demonstration of faith in the wisdom of the party membership. It was also an implicit attack on Datuk Neo as acting president and Datuk Mak, his acting deputy president. Neither of these men had been directly elected. Therefore, their claims to represent the party, as well as the moral authority which they exercised, were open to question.

The call for an EGM was essentially a continuation of the Koon Swan-Kim Sai group's earlier

strategy aimed at exposing 'phantom' members in the party. The refusal of Datuk Neo and Tan Sri Chong to release copies of the complete master list had already raised suspicious eyebrows in the Chinese community. By continuing to pursue this matter in the call for an EGM Tan Koon Swan's group was able to ensure that the 'phantom' membership issue and their expulsion were closely linked in the public mind.

By the same token Datuk Neo's camp realised that they would have to fight hard to prevent the EGM being held. Given the wide powers conferred on the MCA president by the party constitution, only an EGM or an Annual General Meeting (AGM) could effectively reverse the expulsions. Datuk Neo had the advantage of incumbency and in the following weeks he used it to its fullest extent.

One of the first moves of the party leadership was to try to turn the 'phantom' membership issue against the expelled leaders. On 24th March 1984, the day after supporters of Mr Tan handed the MCA headquarters a petition signed by 1,499 delegates or 62% of the delegates who attended the 1983 AGM calling for an EGM, Tan Sri Chong began to cast doubts on its authenticity. Some of the signatures, he said, did not tally with those in the party records. Party sources also claimed that the MCA had also received telegrams from members who denied signing, although their names were on the petition. Others allegedly claimed

they had signed without knowing what the petition was about.

Tan Sri Chong said that the details of members whose signatures were in doubt "are being keyed into the headquarters computer system to check on their status". The whole process of checking, he added, "will therefore take some time to complete". Supporters of Mr Tan claimed that this process was being deliberately employed just to delay making a decision on the EGM issue. But a source at the headquarters said that a preliminary check on the computer had shown that some who had signed had not been delegates to the 1983 General Assembly.

Sources at the party headquarters said that it was possible that those whose names appeared in the petition would be asked to personally verify the authenticity of their signatures.

Supporters of Datuk Neo also claimed that some members had been forced to sign documents calling for an EGM. According to Datuk Mak Hon Kam the possibility of violence was being taken seriously by the party leadership. He revealed that he himself had received several threatening phone calls from unknown persons. Moreover, during a demonstration by pro-Tan Koon Swan members at the Wisma MCA the Youth secretary-general, Chew Hock Thye, was assaulted inside the building.

Datuk Mak warned those who resorted to violence that "they cannot hope to achieve by violent means what they have failed to do democratically and constitutionally". He said that "some people" had gone to the houses of party officials to compel them to sign certain documents and the police had to be called in. Datuk Mak appealed to members to remain calm and not give in to threats.

Mr Tan's supporters denied that anyone had been forced to sign the petition. Datuk Ling Liong Sik argued that "it is inconceivable that we could have pressured almost 1,500 delegates to sign the petition within 48 hours". He said that in a mass petition of the type carried out by the expelled leaders there was no time to spend with people who do not want to sign. "Rather", he said, "we go for the people who will sign". Chan Teck Chan, who was also expelled from the party, said about 65% of Malacca MCA's delegates to the 1983 General Assembly had signed the petition. He refuted Tan Sri Chong's statement that some of the signatures might not be genuine by pointing out that "all the signatures were checked and witnessed by lawyers".

Meanwhile, Datuk Neo moved to have Datuk Ling Liong Sik and Datuk Lee Kim Sai removed from the Cabinet. Datuk Ling was Deputy Finance Minister while Datuk Lee Kim Sai was Deputy Minister in the Prime Minister's Department. One source described Datuk Neo's meeting with Prime

Minister Dr Mahathir and his request to remove the two from the government as another move to sever their links with the party.

Officially, the expelled members had seven days to appeal to the Central Working Committee after their expulsion. The fact that Datuk Neo attempted to have the two Deputy Ministers removed from their posts before this period expired strongly suggested that any appeal to the Central Committee would be unlikely to get a fair hearing.

For his part, Dr Mahathir did not agree to their removal immediately. He left for an official visit to Pakistan saying that the position of the two Deputy Ministers would be reviewed when he returned. Datuk Lee Kim Sai and Datuk Ling Liong Sik had little choice but to express their willingness to leave the decision up to the Prime Minister. When Datuk Ling was asked to comment on his and Datuk Lee Kim Sai's position in the government he said: "I think we will have to see him (the Prime Minister) before we can comment. The choice is his. He is the chairman of the National Front. As far as I am concerned and as far as those who were sacked are concerned, we stood as Members of Parliament under the dacing symbol. As such we are still National Front's Members of Parliament".

When Dr Mahathir returned from Pakistan the two Deputy Ministers met the Prime Minister. On the following day they agreed to hand in their

resignations. The incident was one of a series of tactical reversals suffered by the Koon Swan-Kim Sai faction after the expulsion of their leaders on 19th March 1984.

On 24th March 1984 Tan Sri Chong announced that he believed MCA would not acquiesce to the demand by some of its delegates for an EGM because this would be tantamount to a vote of no confidence in the party leadership. In a press statement Tan Sri Chong said that the matter of the validity of the membership list had already been discussed during party forums and that the consensus had been to reject the proposal of setting up an independent committee to check the list.

"Tan Koon Swan and his group have repeatedly defied party decisions although this matter and his request for an independent committee to investigate the validity of members was considered thoroughly in the Steering Committee, the Presidential Council and the Central Committee, and they continue to defy party consensus decisions," he said. "Now they want to take the matter to an Extraordinary General Meeting and perhaps later to a court of law on a matter already discussed and decided in the party.

"And if his request for an EGM is pursued the party will be crippled and will not be able to function. This we cannot allow. It would also be tantamount to a no confidence motion on the party leadership and acting president Datuk Neo

Yee Pan in particular. The party must be saved at all costs even at the sacrifice of ourselves.”

Tan Sri Chong maintained that the procedure for resolving the phantom membership issue had been decided upon by the Presidential Council of which Tan Koon Swan, Datuk Ling Liong Sik and Datuk Lee Kim Sai had been members. The Presidential Council, he said, had agreed to follow the old procedure to check false members. He explained that in the past when false membership was discovered by the branches and evidence was submitted to the Steering Committee, action was taken to strike these members off the list.

Action was also taken against the proposer and the seconder and if the problem was serious the branches or divisions were suspended. When the matter of the master list was brought up, the acting president referred it to the Presidential Council and advised its members that this matter was party matter and should not be used in the press nor should the issues be inflamed publicly especially to those not concerned or could not understand the problem, he said.

Tan Sri Chong said if the total master list was to be given as requested and to stop party elections for checking, it would take “years and years” and would paralyse the party at the grassroots level. “After lengthy discussions, the Presidential Council agreed not to set up the independent committee proposed. It was also agreed that the

old procedure be followed to check on false membership, if any did exist”

Tan Sri Chong said that at the party Central Committee meeting on 17th March 1984, the matter was brought up again. During the meeting the majority of the Central Committee members felt that if an independent committee was established to investigate the validity of every member on the master list, it would tantamount to a re-registration of the membership of the party.

“This would definitely cripple MCA as a political organisation as the exercise is complex and long. So by consensus again, the proposal was not accepted and Tan Koon Swan withdrew the motion when he was urged to do so by the Central Committee. Immediately after that he presented a written request for an EGM to discuss the same matter again to the secretary-general,” he said.

Meanwhile, the MCA headquarters continued to check on the veracity of the signatures in the petition in an apparent attempt to discredit Mr Tan's faction. Datuk Neo explained that telegrams had been sent to delegates informing them of the need for verification but he would not say how many “false signatures” had been found. Instead he gave two examples of non-delegates who had signed the petition. Both of them were former State Assemblymen but he requested that their names be withheld. He explained that there were also others who had signed in Chinese when they

attended the last General Assembly but had signed the petition in English and vice-versa.

Datuk Neo also claimed that the party had received letters from delegates to say they had been forced to sign the petition and therefore wanted to withdraw. Asked for the number of delegates who had withdrawn as signatories Datuk Neo said: "No . . . no . . .". He also declined to say whether the number of withdrawals, "false signatures" and non-delegates was more than half of the 1,499 delegates who had signed the petition for the EGM.

Stressing that it did not matter how many false signatures there were, Datuk Neo said: "The point is that they (Tan Koon Swan's group) have accused us of manufacturing phantom members and we have never denied that there is false membership — there may be. But these people are manufacturing petitioners". Datuk Tan Tiong Hong added: "It is the credibility that counts. Datuk Kok Wee Kiat (of Tan Koon Swan's group) claimed that all the signatures were witnessed by respectable community leaders and that they were 100 per cent sure of the signatures". He said even if one signature was found to be false, it was enough to discredit the group.

Datuk Neo also refused to comment on what would happen if after the verification exercise the petition still contained signatures of more than one-third of the delegates. He said the number of

petitioners left on the list was not the point. He also refused to comment when asked if one false signature was sufficient to invalidate the petition. He said that the party intended to call up some delegates to the party headquarters to verify their signatures.

Another problem, Datuk Neo said, was that the party had been confronted with two petitions for an EGM within a week. Mr Tan and 12 other Central Committee members had submitted the first petition on 17th March 1984. Five days later, the second petition was sent to Tan Sri Chong with 1,499 signatures. "What do we do?" he asked. "A decision has to be made on that too. We can't be holding two EGM's to decide the same thing". He added that one petition set the date for 22nd April 1984 while the other wanted 29th April, 1984.

When asked why the leadership did not call an EGM if it was sure of its support Datuk Neo replied, "We must look into the thing. We are not running a business corporation. We are a party and we must go by the party constitution and the guidelines on all actions, not like in a business where you can make all sorts of decisions as you like". The MCA president, in an apparent contradiction of Tan Sri Chong's earlier statement on the matter, said that a final decision on whether or not to call an EGM had not been decided. He argued, however, that an EGM could only be called by the party's secretary general. Some observers

believed that the party leadership could easily frustrate the aims of the expelled leaders by merely ensuring that the EGM be held after the Annual General Assembly in July 1984, thus giving Datuk Neo time to consolidate his position.

Tan Koon Swan's group did not share Datuk Neo's interpretation of the MCA constitution. On 25th March 1984 the legal adviser to the 14 expelled MCA members, Datuk Kok Wee Kiat, announced that the EGM would be held with or without the presence of the party leadership. He told a press conference that Article 34.3 of the MCA constitution had been satisfied when more than one third of the delegates to the General Assembly petitioned for the meeting. He said that the meeting would be held as requested at 10 am on 29th April 1984 at the Kuala Lumpur Hilton. Asked if the withdrawal of several signatories would affect the petition he said, "As a lawyer my opinion is that there will be no effects. He believed that the leadership could not stop the petition. "To stop the meeting would be unconstitutional", he said, "The delegates are exercising their rights".

A few days later Tan Koon Swan announced that the first petition for an EGM, which was signed by 13 Central Committee members, was being withdrawn. This, he said, was to make way for the second petition which dealt with the same subject. On 29th March 1984 the Koon Swan-Kim Sai faction also published in several Chinese

newspapers the names of the 1,499 delegates who signed the petition. Mr Tan said this was to tell members of the support the petition had received. He claimed that the delegates whose signatures were singled out as doubtful by Datuk Neo were prepared to sign again at the MCA headquarters.

Meanwhile, the expelled leaders kept up the pressure on the party leadership by ensuring that the "phantom" membership issue was kept alive. On 26th March a spokesman for the expelled group showed the Press sworn affidavits from individuals who disclaimed any association with the party, although they were members according to the master list. However, spokesmen requested that the names and particulars of the people involved be withheld for safety reasons.

A group of Mr Tan's supporters investigating the 'phantom' members issue had apparently found that phantom members in some branches included Chinese and non-Chinese. The group did not have the complete master list of members in all the branches and divisions in the country, but based on the master lists of several branches which they had received, the investigators found that in cases when Chinese names were used, addresses had been falsified and ages reduced. In most cases, these members had been approved for the MCA Youth section. The fact that the addresses and ages of these members were false was proven by the details obtained from a search at the registration department, the spokesman added.

The sworn statement from the "phantom members" said that "I have no knowledge as to how the said membership list contains my name, as I have never applied to become a member of the Malaysian Chinese Association. I also observe that the date of birth given in the membership list is false. I further declare that I have never lived in the address stated in the said membership list".

The spokesman said that acting MCA president Datuk Neo Yee Pan and his men had been accusing Mr Tan of making "mountains out of molehills" over the phantom members issue. But "we would like to stress here categorically that the evidence we have before us proves otherwise". For example he said, the computer print-outs of the membership list of certain branches showed that the identity card numbers of its members were arranged in numerical sequence, some 60 to 70 cards behind the other, while others were a few hundred behind. "Does it not strike you as how odd these people could have arranged to apply for membership in that sequence as well? On the other hand, while their identity cards show that these people were barely a hundred behind each other, their ages showed a difference of at least several years. Perhaps it will be clear to the members and the public in general now why the party leadership has refused to produce the complete master list. They say that the chairman of a branch will have a copy of the members in his branch and that the branch should complain to the headquarters if there are any omissions or

phantom members. If you are the chairman and you have fabricated members to boost your membership, would you complain to the headquarters? Surely you will not".

Throughout the country support for the expelled leaders continued to grow with several branches and divisions passing motions of no-confidence in the leadership of Datuk Neo. The Lumut MCA division, together with its Youth and Wanita sections, passed a no-confidence vote in the acting MCA president and his deputy. The division's chairman, Ng Cheng Kuai, said that Datuk Neo and Datuk Mak had "abused their power in expelling 14 party members, seven of whom were Central Working Committee members and were very respected in the Chinese community". Mr Ng also said that the division "expressed great consternation at party secretary-general Tan Sri Chong's statement that the EGM had to be prevented at all costs."

In Malacca the MCA 7th branch also passed a motion of no-confidence against Tan Sri Chong. The branch's chairman, Ng Peng Hay, said that if 70% of the delegates wanted an EGM to discuss issues facing the party, no one could refuse. In Kuantan, the Pahang MCA Youth added its voice to those already urging the delegates who signed the petition to remain firm in their stand.

There were also protests from Penang MCA secretary Lee Jong Ki. He claimed that deputy

Education Minister Datuk Tan Tiong Hong was "abusing his ministerial power by threatening teachers". The Deputy Minister had urged teachers who were MCA members not to be involved in demonstrations calling for an EGM. He had said that to carry out these demonstrations would not be in line with the Government's slogan of leadership by example. Several teachers, apparently disassociated themselves from Mr Tan's group after talking to the Deputy Minister. In making his protest, Lee Jong Ki also added that 97 Penang MCA delegates (out of a total of 120) had signed the petition calling for an EGM.

There were, of course, statements released in support of the incumbent leadership. The Perak MCA Publicity Bureau chairman, Look Kok Kong described the campaign by the expelled 14 to get delegates to sign the petition as "a vicious plot to establish a party-within-a-party".

According to him: "The signature campaign will split the political strength of the Chinese. If the dissidents had any respect for the party they should have appealed according to party regulations and resolved their problems within the party. Mr Look said that the dissidents had stirred up emotions "which has brought about street demonstrations. This group of people, who propose that political and economic power should go together, are now going ahead with plans to control the MCA. This is alarming because when there is conflict between self-interest and the

interest of the community. People who have both political and economic power may not be able to look after the whole community". He said it was 'improper' for the expelled group to "play with emotions and divulge party secrets" Mr Look said that by refusing to appeal to the Central Committee, the expelled members had automatically given up their rights to remain in the party. He urged all party members to stand firm and try their best to "save the party from being destroyed".

On 28th March 1984 Mr Tan's camp suffered what appeared to be a major setback. Deputy Prime Minister Datuk Musa Hitam publicly warned "certain leaders" of a political party facing a major crisis to stop making speeches which had racial undertones. Many observers believed that Datuk Musa's speech was prompted by the use of sensitive communal issues by some of Mr Tan's associates. These issues had been highlighted by several Chinese language newspapers in an attempt to stir up support for Mr Tan.

The Deputy Prime Minister said he was issuing this warning because this group of leaders were reported to have made speeches and statements which were provocative and which challenged the leadership of the Government, although they were themselves partners in the Government. "I am warning those involved in the party crisis to stop using issues which are based on race, which provoke racial feelings and create a negative

attitude towards the Government and its policies', he said. "What I regret most is that in the course of these speeches and statements, there are signs to show that there are anti-national, communist and left-wing elements".

These elements were not only continuing to exploit the situation through their speeches and statements but were also doing it on the pretext of championing the cause of a particular community, Datuk Musa said. Although he did not name the party, it was clear he was referring to the MCA.

Datuk Musa, who was also Home Affairs Minister, warned this group of leaders that they faced punishment if they continued to make speeches with racial undertones. He said the Government took a serious view of the matter, adding that he was making the statement on a directive from Prime Minister Datuk Seri Dr Mahathir Mohamad. The statement was aimed solely at safe-guarding the security of the nation, he said. "I am making the statement particularly in view of the consequences of the crisis and developments within the party, which are potentially explosive and can threaten national security".

Reminding the party leaders to be cautious in their speeches and statements against one another, he said they should ensure that provocative issues were not raised as they could get out of hand. "For us in the Government, there is no place for

those who use racial, extremist and negative issues more so among those who want to be accepted in the Government either as individuals, party members or in parties which they hope can represent the Government". He said the Government felt that the crisis should not be allowed to continue or be ignored.

Datuk Musa said the conflicting groups which tried to secure the support of the members made various speeches and statements. This was normal in any political process, he added. "But, what is unhealthy is that . . . racial sentiments which are provocative appear to have been used". He said members of the party had questioned various issues connected with government policies which had existed for a long time and had already been accepted by the people at large and component parties of the Barisan Nasional. "These are being used as issues to dig up the past in an effort to secure support in the party".

The MCA leadership was quick to exploit the situation by issuing a statement announcing that it shared the concern of Datuk Musa. A joint declaration signed by Datuk Neo, 19 other MCA Members of Parliament and five senators appealed to members "not to participate in meetings and functions which are organised by outsiders to further the movement against the party". The declaration also called on all MCA members to unite and "bring back calm and order" to the party.

Datuk Musa's statement slowed down the momentum of support that had been building up for Mr Tan since the expulsion of 19th March. In fact, Mr Tan was so concerned that he and Datuk Ling Liong Sik sought a meeting with Datuk Musa to clarify the issue. Later, Mr Tan described the meeting as "very cordial" saying that he was satisfied with Datuk Musa's explanation. At the same time observers noted that Mr Tan, Datuk Lee Kim Sai and Datuk Ling Liong Sik began to tone down their speeches and make declarations of support for the government.

One interesting aspect of this incident was the way it highlighted the important role of the Chinese press. The English-language *The Star* newspaper was clearly supporting Datuk Neo since it was controlled by an MCA holding company. More important, however, was the role of Chinese newspapers in influencing the Chinese community. *The Star's* sister newspaper, the *Tong Bao*, was at one point publishing unsigned commentaries strongly supporting Datuk Neo, to the point where some news vendors refused to sell it. Another newspaper said to be sympathetic to Datuk Neo was the *Kin Kwok Daily News*.

On the other hand several other Chinese newspapers were closely associated with Mr Tan's group. The *Shin Min Daily News* was one such paper. It was once partly owned by Mr Tan and he was believed to still retain some influence. The bi-weekly *Berita Awam* was also said to be

sympathetic to Mr Tan. Several other newspapers, such as the influential *Nanyang Siang Pau* and the *Sin Chew Jit Poh* were believed to be neutral. However, the editors of these newspapers (in common with many other Chinese papers) had to deal with large numbers of staff members who were supporting Mr Tan. A similar problem appeared to exist within the English-language *New Straits Times*. In this case coverage and bias seemed to vary with the reporter.

As things turned out, claims by Datuk Neo's supporters that they had the support of the Prime Minister and his Deputy did not last long. Soon after Datuk Musa's speech the Prime Minister announced that he did not intend to intervene in the crisis. Datuk Musa for his part openly stressed that the Government was not taking sides. The problem, he said, was for MCA members themselves to resolve. By making these statements Government leaders were, in effect, helping Mr Tan's supporters to regroup to meet the next hurdle — the Extraordinary General Meeting.

5

Datuk Lee San Choon Mediates

Throughout April 1984 support within the MCA for the expelled members continued to grow. Party secretary-general, Tan Sri Chong, together with acting vice-president and disciplinary chairman Datuk Mak Hon Kam, responded to these events by suspending leaders and branches which expressed strong support for Mr Tan Koon Swan and the other expelled leaders. But as more members began to express their support for the Koon Swan-Kim Sai faction, Datuk Neo and his supporters were soon faced with a dilemma. To expel or suspend more members invited more condemnation and loss of support. But not to take action could also encourage more members to support Mr Tan openly.

Given this situation it was widely believed that Datuk Neo was nearing the end of his career,

despite his repeated denials that he planned to resign. If Tan Koon Swan and his allies won their battle to recenter the party, Mr Tan's surging popularity in the wake of his expulsion would almost certainly result in a resounding defeat for Datuk Neo at the planned General Assembly in July 1984. The MCA Ministers who supported the acting president would also find themselves out of their jobs.

If Datuk Neo wished to hold on to his position, he had to fight tooth and nail to avoid holding an EGM. On the other hand, Mr Tan and his supporters were also fighting for their political survival. They were determined that the EGM would be held on 29th April 1984 regardless of whether the party leadership cooperated. Needless to say, the long drawn out power struggle, involving accusations of fraud and personal attacks by both sides, badly strained the party's credibility in the eyes of the public. It was in these circumstances that Datuk Lee San Choon made his ill-fated attempt to mediate in the crisis.

In early April the party leadership began to fight back by suspending branches whose leaders and members had helped organise meetings and press conferences in support of the 14 expelled members. On 1st April the MCA Disciplinary Committee suspended the Petaling Jaya, Salak South Garden and Overseas Union Garden branches of the party for alleged breach of discipline. "We cannot afford any breach of

discipline as this will jeopardise the stability of the party", said Datuk Neo. "We are doing everything to stabilise the situation in the party".

Soon afterwards, reports began appearing in the press that other branches were also suspended. They were the Kepong Baru, Kepong Seventh Mile, Kepong Garden and the Cheras Baru branches. The Salak South New Village, Overseas Union Garden and the three Kepong branches were the largest in the Federal Territory — Mr Tan's power base within the MCA. Altogether these five branches represented 40 per cent of the Federal Territory's delegate strength at the General Assembly of the previous year. To many observers it appeared that Datuk Neo was making sure that Mr Tan's supporters would not be able to reverse the expulsions at the EGM. This was so because suspended branches could not be represented at any such party function.

Seven Malacca MCA members were also suspended. They included Phua Jin Hock and Seah Kwi Tong who were Central Malacca Municipal Councillors. Tony Khoo Heng Peng, Lee Shen Foong and Yeo Sun Tong, members of the Seventh Town branch committee, and branch secretary Lim Kok Chin were also suspended. So too was Alor Gajah division deputy MCA Youth chairman Sim Kim Kee. There were also unconfirmed reports that Penang MCA chairman Senator Lim Kean Siew had removed Lee Jong Ki as secretary

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of the State Liaison Committee.

Meanwhile, related developments were taking place with MCA. On 3rd April three members of the MCA Youth Central Committee staged a walkout from an emergency meeting, claiming that acting chairman Jimmy Lau Boon Hong was "bulldozing his way" in order to appoint new members from his "camp". Youth treasurer Ngau Boon Min, Heng Ching Yoke and Ke-pong youth division chief Tan Chai Hoe later told reporters that the committee members were given extremely short notice that the meeting was being convened at 2.30 pm. Youth secretary-general Chew Hock Thye said that telegrams were sent out to the members at 10 am to their registered addresses, followed by telephone calls. However, the three said they did not receive any telegrams. Mr Ngau said he only received a call at 2.10 pm while Mr Tan found out about the meeting at 2 pm and informed Mr Heng. All three were in town. They rushed to the meeting at the MCA headquarters in Jalan Ampang and found other members from Ipoh, Kota Baru, Alor Star and other towns already present.

Mr Heng said they found that the items on the agenda for the emergency meeting were not urgent. "The items were to confirm the resolutions passed by the Youth Executive committee on 20th March 1984 (the day after the expulsion of the 14 senior members) and to appoint seven members to the committee," he said. "We said

the matters were not urgent and that all committee members should have been informed early enough for us to attend. We also said the meeting was not proper, neither was it fair to give so little time to the members. So we requested that the acting chairman postpone the meeting but he refused. That is why we walked out", he added.

What was unusual the three men said, was that some of the committee members from other States — those in Mr Lau's "camp" — had arrived early for the meeting, leading them to wonder whether they were informed well before hand.

"We found out that two of them, from Kelantan and Kedah, had arrived on early morning flights," said Mr Heng. He added that another committee member, Peter Tan from Pangkor, received the telegram at 2.30 pm and called up the headquarters to complain. Mr Ngau said the meeting started before 3 pm and they walked out about 20 minutes later. He added that when they left, 14 others remained. He did not know whether other members came later. However, Mr Chew, who spoke to reporters earlier, said 22 out of 42 members attended, which was enough quorum for the committee to carry out its meeting which lasted about an hour. Mr Heng claimed that a similar situation occurred at the 20th March 1984 emergency exco meeting. "I was not informed. At 12 pm I was in the youth executive secretary's room that day when somebody informed me of the meeting and I rushed to attend it," he said.

The MCA leadership, it seemed, was in the process of launching a major offensive against its opponents. Datuk Neo dismissed allegations that he and his associates were not representing the Chinese community's interests. "The leadership has remained true to the party's committed cause of representing Chinese interests in the Barisan Nasional Government," he told reporters. He claimed that the allegations had been spread by irresponsible elements. Although he did not name anyone, it was obvious he was referring to allegations made by expelled MCA vice-president Tan Koon Swan and his supporters. Datuk Neo said: "We have not deviated from this cause and we will continue to struggle for the legitimate interests of the Malaysian Chinese. In doing so, we have always practised the principle of collective responsibility laid down by our former president, Datuk Lee San Choon. We discuss many of the community's problems among ourselves in the party in various forums, such as the Presidential Council, the Central Committee and a special committee which comprises Ministers, Deputy Ministers and Parliamentary Secretaries".

Datuk Neo said issues such as the Mid-Term Review of the Fourth Malaysia Plan were thoroughly discussed in these forums. He added that the party's Socio-Economic Development and Research Advisory Council (SEDARA) had prepared a paper on the Mid-Term Review to be used as the reference point in presenting the case for the community in the Cabinet and Government.

Datuk Neo said Sedara consisted of professionals and academics – the “brains trust” of the party – and that its members preferred to work behind the scenes. He said: “Some irresponsible elements, who want to discredit the party and the leadership, claim that these serious matters were not discussed. But these people were members of some of these councils. Just because their views may not have been accepted by the majority in these forums does not mean that the views were ignored. Those are two different things and it depends on the words you use”.

Datuk Neo urged party members and the community not to be misled by irresponsible elements “who are casting aspersions on the leadership”. The party chief also said that party problems should not be turned into public issues. “Some of these problems may not be properly understood by the public and if you bring these up, you will only confuse the people,” he added. He said party matters should be kept within the party and believed that it was the leadership’s duty to inform members of its views while the members provided feedback during meetings. “For example, I have met grassroots leaders in two recent meetings – the first with divisional officials and the second with MCA Youth and Wanita MCA officials. They, in turn, voice the problems of the grassroots and help the leadership make decisions,” he said.

Datuk Neo added that he had recently met about

350 members of the MCA Shah Alam division during which he explained the issues which the party faced. "We had a fruitful dialogue," he said. Asked about the Extraordinary General Meeting petitioned for by 1,499 delegates, Datuk Neo said the secretary-general was still verifying the signatures. To another question, he said the party headquarters had received complaints from several branches over "phantom" members. These complaints had been referred to the Steering Committee overseeing the party elections and the problem was now being solved. "But this is nothing new. Every election year, the same problems crop up and we solve them through normal party channels. We are doing the same this year. Procedures and channels have always existed for solving such problems and that is why I have maintained that the proper way to resolve issues is through party channels," he explained.

Later, the acting MCA president strongly denied rumours that he planned to resign, saying that such rumours were being spread by irresponsible people who wanted to disturb the peace and tranquility of the party. It was, in fact, the first of many such denials Datuk Neo was to make in the coming weeks. One report in a Chinese language newspaper had said that a "long serving member" of the party would take over as acting president pending the Annual General Assembly on 7th July 1984. Although no names were mentioned in the report, it was widely believed that the "long serving member" referred to was

Johore MCA adviser Datuk Tan Pheng Khoon.

Meanwhile, the national leadership continued to suspend party branches. On 6th April the party's disciplinary board suspended twenty-four MCA branches in the Petaling, Selayang and Sabak Bernam divisions. Of the 24 branches, 18 were from the Petaling division. They were Petaling Jaya, Puchong 14 Mile, Kuchai, Taman Jaya, Serdang Jaya, Kuyuh, Wang Kong, Kampung Muhibbah, Serdang Lama, Sungai Besi Mines, Sri Serdang, SEA Park, Taman Bukit Kuchai, Kampung Baru Puchong 14 Mile, Section 17 Petaling Jaya, Section 51A Petaling Jaya, Section 51 Petaling Jaya and Taman Jalan Puchong. The other branches were Rawang Town, Batu Arang, Kundang, Taman Selayang and Ulu Klang in the Selayang division and the Sungai Besar branch in the Sabak Bernam division. The heads of the 18 Petaling branches told reporters of the suspension orders at the Wisma MPI, the operations centre of supporters of expelled MCA leader Tan Koon Swan.

To some observers, not all of these suspensions seemed justified, even if one accepted the argument of Datuk Neo's supporters that those who challenged the party leadership on the expulsion issue should be silenced. The deputy chairman of the Section 17 Petaling Jaya branch, Mr Teng Luen Foong, said the suspension order came as a surprise. "Our branch has been neutral in this crisis," he said.

As the suspensions continued it soon became clear that the party leadership could no longer claim the support of the majority of the party membership. The strength of Mr Tan's support was reflected not only in the struggles for power between supporters of the rival factions at the branch and divisional levels of the party, but also within the top ranks of the party's major organs.

On 9th April more than half of the 42 MCA Youth Central Committee members called on the Disciplinary Board to expel their secretary-general, Chew Hock Thye. Led by treasurer Ngau Boon Min, the 23 said in a joint statement that they no longer had confidence in Mr Chew who had acted "against party interests". Appealing to the Disciplinary Board to take a neutral stand and sack Mr Chew, they said the secretary-general had acted undemocratically and without regard for the party constitution when he called for a Youth exco meeting on 20th March 1984. They claimed that he again acted in contempt of the party and the Youth wing when he called for an emergency meeting of the Youth Central Committee on 2nd April.

They said they rejected the resolution "adopted" at the 20th March exco meeting which was endorsed by the 2nd April meeting. Among other things, the resolution had expressed support for the party leadership under acting president Datuk Neo Yee Pan and confirmed the expulsion of Youth chairman Datuk Lee Kim Sai. The

group expressed support for the convening of an Extraordinary General Meeting of the MCA on 29th April 1984, as called for by delegates who were backing Mr Tan Koon Swan.

Meanwhile, several senior party members began to appeal to Datuk Lee San Choon to mediate in the crisis. On 6th April MCA Treasurer-general Datuk Choo Ching Hwa and organising secretary Datuk Loh Fook Yen said they both felt that intervention by Datuk Lee San Choon was the only way to solve the conflict. "As senior members of the Central Committee we both feel that mediation by Datuk Lee San Choon is the only way to solve the present crisis," they told a joint Press conference at Wisma MCA. They said they had tried to get the two factions — one led by acting MCA president Datuk Neo Yee Pan and the other by expelled vice-president Tan Koon Swan — to come to a compromise at various Central Committee Meetings but it was not good enough". In a short statement they said: "We deplore the current conflict in the party. We have, after careful deliberation, decided to jointly call upon our former president to help settle the present conflict in the party for the sake of the party and the future of the Chinese community".

Datuk Choo and Datuk Loh had maintained a neutral stand in the crisis and thus their appeal to Datuk Lee seemed to mark a new turn of events. There were also indications that Datuk Lee had

been consulted and had given his consent for the two to make the appeal publicly. Datuk Loh said they meet Datuk Lee when he returned from Hong Kong and spoke to him about the matter. However, that was probably not the first time that they had approached Datuk Lee to mediate. As Datuk Choo said, they were in close touch with Datuk Lee since he had become the chairman of Multi-Purpose Holdings. Both Datuk Choo and Datuk Loh were officials of KSM, MPHB's sister company.

Datuk Lee San Choon had initially planned to be away for three to four weeks, visiting Hong Kong and Britain, but returned instead after only two weeks. Datuk Choo and Datuk Loh refused to comment on why Datuk Lee cut short his holiday. In their opinion, Datuk Lee San Choon was the most appropriate person to mediate given his integrity, status, experience and the high respect he commanded in the party. "We are also confident that Datuk Lee will be able to accomplish this task successfully. We hereby appeal to all party members and leaders to give their full support to Datuk Lee San Choon". They also pointed out that they were not the first to appeal to Datuk Lee to step in. Several MCA branches in various States had also done so. Asked if they had drawn up a compromise formula, they replied: "The important thing is for him to agree to mediate first. After that we will sit down and work out the details. How can we talk of the second step when we have not accomplished the

first?"

Two days later the MCA speaker, Datuk Wee Khoon Hock, added his voice to a growing chorus of appeals that Datuk Lee San Choon mediate in the crisis. "I hope Datuk Lee San Choon can do his best to mediate between the two sides for the sake of party unity," he said. However, Datuk Wee added that the former MCA president had to consider "very carefully all the factors involved" before coming to a decision. He then went on to express confidence that Datuk Lee San Choon would be able to mediate successfully "judging from his past record and reputation". MCA vice-president Datuk Chan Siang Sun also echoed the call for Datuk Lee to intervene, as did former secretary-general Datuk Kam Woon Wah and numerous party branches throughout the country.

Mr Tan's faction was believed to be generally in favour of Datuk Lee San Choon playing the role of mediator. The attitude of Datuk Neo's camp, however, was not clear. One source said that Datuk Lee himself preferred to stay out of politics since he had already retired the previous year. "Unfortunately", said the source, "the present crisis in the party has reached such a stage that Datuk Lee cannot but try to help find a solution". However, it was not clear what formula would be acceptable to both sides. Mr Tan's group would almost certainly insist on the reinstatement of the 14 expelled members and an investigation of the "phantom" member issue.

Datuk Neo seemed unlikely to concede either of these points.

The acting MCA president was clearly under intense pressure to accept mediation by Datuk Lee San Choon. The State Assemblyman for Segamat, Datuk Tan Peng Khoo, who was also a senior Central Committee member of the MCA, told how he unsuccessfully tried to mediate in the party crisis soon after the 14 were expelled in March 1984. Datuk Tan said he spent two and half hours with former president Datuk Lee San Choon on 21st March 1984, two days after the expulsion, urging him to intervene. "After a lot of persuasion, he finally agreed but only if Datuk Neo Yee Pan (acting MCA president) was agreeable to the idea. I met Datuk Neo the next day and spent more than one hour with him and with acting deputy president Datuk Mak Hon Kam, trying to impress on him, the necessity for a compromise. All I asked of him was his blessing to approach Datuk Lee to be the mediator".

Datuk Tan, a close friend and confidant of Datuk Lee, said he did not tell Datuk Neo that he had already spoken to Datuk Lee on the matter because he thought it would not be fair. However, Datuk Neo's response was that Datuk Tan should not bother the former president since he (Datuk Lee) had told the press that he wanted to stay out of the issue. Datuk Lee was informed of Datuk Neo's response and he then said that the matter be allowed to rest. Datuk Tan said the situation

had worsened so much since then that "I think he should come out to mediate now".

Meanwhile, support for Mr Tan's faction continued to grow. On 10th April 30 of the MCA's 52 State Assemblymen and 4 of the party's 20 Members of Parliament threatened to resign if their call for the reinstatement of the 14 expelled leaders and a thorough investigation of the "phantom" membership issue was not heeded.

In a joint statement issued at a press conference the group condemned "the high-handed and arbitrary actions of the party leadership" in expelling the 14 and said that they should be reinstated for the sake of the party and the Chinese community. We also call upon the party leadership to be present at the EGM called for by more than one-third of the delegates which is in accordance with the party constitution.

The Assemblymen and Members of Parliament also insisted that a thorough investigation be conducted into the "phantom" members issue to enable them, as elected representatives, to carry out their duties with honour and dignity. "Failing all these, it will be difficult for us, under the circumstances, to continue to serve under the present MCA leadership," they said in the statement. Copies of their statement were also sent to the Prime Minister and the respective Mentris Besar. The statement was signed by the four Members of Parliament, Datuk Chan Siang Sun

(who was also Deputy Information Ministry), Datuk Lee Boon Peng, Ban Non Keong and Ng Cheng Kuai, and 27 State Assemblymen, including nine executive councillors from Johore, Selangor, Penang, Terengganu, Perlis, Pahang, Malacca and Negri Sembilan.

Asked if they would draw the attention of the Barisan Nasional leaders to the matter, Datuk Tan Peng Khoon, the spokesman for the group said: "If the need arises we will see the Barisan Nasional leadership but we want to keep it within the party as far as possible". Datuk Tan said that as elected representatives of the people they had been following the crisis closely and felt that it was not time for them to speak up. "We will be failing in our duty if we do not issue the statement," they said. The group also deplored the dismissal of 14 divisional executive secretaries, the suspension of more than 65 branches and the "arbitrary" suspension of numerous branch leaders since the expulsions of 19th March.

Datuk Neo's camp was not in a mood to take this attack without some form of retaliation. Later the same day, four MCA Ministers came out with a strongly worded attack on Tan Koon Swan, accusing him of making statements on 25th March which they claimed were "blatant lies, highly inflammatory and slanderous". Mr Tan, they said, had accused them of "selling out Chinese interests by not attending the Cabinet meetings to consider the Mid-Term Review of

the Fourth Malaysia Plan". The Ministers who issued the statement were Datuk Neo Yee Pan (Housing and Local Government Minister), Datuk Mak Hon Kam (Labour Minister), Tan Sri Chong Hon Nyan (Transport Minister) and Datuk Chin Hon Ngian (Health Minister).

The Minister quoted an extract from Mr Tan's speech which they said was given in Malacca on 25th March 1984. It read: "When we came to know that the Mid-Term Review on the Fourth Malaysia Plan was coming out, we found that a lot of the statistics were incorrect. We are not suspicious of anybody but these figures are not fair to the Chinese community. A few members of the MCA Central Committee (seven of us) sincerely asked the acting president and requested Tan Sri Chong Hon Nyan (secretary-general) to call for a meeting to discuss all these matters. Fellow members, it is not that bad that no meeting has ever been called. What is bad is that they did not even attend the Cabinet meeting concerned. Can we leave our future to them? Over the past 10 years, everyone said that I have been very tolerant. Yes, I am very patient. But for these matters, I have no patience". The Ministers said that these sorts of statements could "provoke disquiet and dissatisfaction among the Chinese community and in our multi-racial society. They can create a fertile ground for subversion by the leftists, anti-national and anti-social elements". They added: "On the matter of us not attending Cabinet meetings on the Mid-Term Review of the

Fourth Malaysia Plan, the Cabinet records will show the truth".

Mr Tan's critics also seemed to be adopting another line of attack by casting doubts on his business integrity and that of his close associates. According to KSM chairman Datuk Onn Seng Lee the society had become the target of "malicious rumours". "We will not hesitate to take legal action against anyone who makes untrue statements and spreads malicious remarks about the group," he said after chairing an emergency meeting. Datuk Oon's warning came in the wake of an allegation that \$10 million from KSM had "disappeared" and controversial statements about Kojadi's purchase of shares in Supreme Corporation, run by Mr Tan, and Malaysian Resources, a company closely associated with one of Mr Tan's political allies, Senator Kee Yong Wee.

Datuk Oon said the \$10 million was given to KSM by the late Chang Meng Thiam in December 1981 for the setting up of a charitable foundation. "Lately, there have been rumours that the money has disappeared. This is not true and the money has not left the Group," he said. "It was deposited in the bank and has to date accrued interest amounting to \$1.9 million. The total amount for the setting up of the foundation now stands at \$11.9 million," he added. Mr Tan, who was the managing director of MPH, added that there had been a delay in the setting up of the foundation because KSM was still "identifying the proper

projects for implementation”.

On Kojadi's purchase of shares in Supreme Corporation and Malaysian Resources, Datuk Oon said the investments were nothing secretive as it was reflected in the annual report. He said Kojadi bought 105,000 shares in Supreme Corporation at \$282,000 and 500,000 units in Malaysian Resources at \$833,000. The Supreme Corporation shares were now valued at \$465,000, recording a profit of \$185,000, while the shares in Malaysian Resources, which had been liquidated, netted a profit of \$630,000. "The purchase of shares in these two companies has been singled out by the rumour-mongers because they [the companies] had something to do with Mr Tan and Mr Kee Yong Wee," Datuk Oon said.

Datuk Oon explained that the decision to buy the shares in the two companies was taken by a five-member investment committee in Kojadi. He said that Mr Tan and Senator Kee were not involved in the decision making and that the registrar-general of cooperatives was informed of the decision to buy the shares.

By mid-April 1984 reports began appearing in the local newspapers that Datuk Lee San Choon was attempting to mediate between the two factions. However, it was not immediately known whether he had made any progress. Believers and cynics alike watched this latest development in the MCA crisis with varying degrees of interest. Those who

believed in the former MCA president's political acumen naturally had faith that he would come up with a solution to what appeared to be a firm stalemate. Cynics simply shrugged off the reported efforts with little more than passing interest.

According to one source, Datuk Lee put forward a proposal to both the acting MCA president and Tan Koon Swan in the course of several meetings with them. Datuk Lee's proposal called for the stepping down of Datuk Neo as acting president and the appointment of an interim acting president until the party elections. The source said that should this proposal be acceptable to both factions, there was a possibility of Datuk Lee himself being co-opted into the Central Committee and subsequently assuming the post of interim acting president.

Alternatively, Datuk Lee suggested that a "caretaker committee" be formed to administer the MCA until the party elections were over. The source, who was close to Datuk Lee, said that should either proposal meet with the approval of the two factions, a committee could then be set up to look into the allegations of "phantom" members before the party elections (which were scheduled to be held in July 1984) were allowed to proceed. While Tan Koon Swan's group had agreed in principle to Datuk Lee's proposal, Datuk Neo had not indicated his views, according to the source. The source said that Datuk Lee was convinced that this formula was the most

"gentlemanly one" conceivable and had told Datuk Neo that he should respond within a few days as any delay would not be in the interests of the party.

While these negotiations took place in private, both groups continued to attempt to outmanoeuvre the other in order to win support from within the Chinese community. On 13th April 1984 the MCA leadership announced the establishment of an Education Foundation and appealed to all Malaysian Chinese to contribute towards it. Datuk Neo told a press conference that the main aim of the Foundation was to "receive and administer funds" for the repair of Chinese schools, especially primary schools, and award scholarships to needy students. He said several organisations had already pledged to donate £3.25 million towards the Foundation. A Central Committee member of the party, Michael Wong, was appointed the secretary of the foundation committee.

Datuk Neo said he had received a letter from the Prime Minister informing him that the Government had no objections to the setting up of the foundation. "I wish to thank the Prime Minister personally for this gesture which was made in the true spirit of the Barisan Nasional. The memorandum of association and articles of association of the foundation as a company limited by guarantee and not having a share capital have been approved," he said. He added that another

objective of the foundation was to give scholarships to pupils, undergraduates and graduates of all races and to maintain scholarships, chairs at schools, colleges and universities. He said he hoped that all those who had chosen to shout loudly about their dedication to the interests of the Chinese community would join hands with the MCA to make the foundation a success.

Establishing an MCA Education Foundation was one of the 10 major projects of the party initiated by its former president, Datuk Lee San Choon. Since the MCA already had an education fund under Kojadi, a cooperative associated with the Multi-Purpose Group of companies, some observers saw the move as yet another means of attacking Mr Tan and his supporters.

Datuk Neo was clearly determined to fight hard in order to maintain his position. On 15th April he again refuted speculation that he would step down as acting president. Datuk Neo said in a statement that there had been a lot of rumours and speculation in the newspapers that "I will be stepping down as acting president or resign from this post. These rumours are mischievous and I have no doubt they are spread by irresponsible elements to cause confusion and chaos so as to create a situation for the leftists and anti-national elements to exploit and to de-stabilise the country. By spreading such rumours, these irresponsible elements hope to achieve their evil design which is to topple the present MCA leadership.

I wish to state categorically that the question of my stepping down or resignation does not arise at all. The present top MCA leadership, including the four Ministers, is united as ever and we will see through the crisis".

Datuk Neo called on MCA members to remain calm and to do all they could to help stabilise the party. "The party must survive the crisis and MCA members at all levels must unite to fight these elements who are out to topple the present leadership and, eventually, to destroy the party. The MCA must survive to provide the political umbrella for the Chinese community and a stabilising force in our national affairs," he added.

The issue of the existence of "phantom" members in the party was clearly the weakest aspect of the MCA leadership's case. In March 1984, Datuk Ling Liong Sik claimed that he could prove that there were "thousands and thousands" of phantom members in the Tanjung Malim division in Perak headed by Datuk Mak Hon Kam. Datuk Ling dared Datuk Mak to produce the full membership list of the division and the State so that he could prove his point. He also accused Datuk Mak of side-stepping the issue of phantom members, describing it as "symptomatic of dishonesty". When asked how he would respond to the challenge Datuk Mak rather unconvincingly replied that he was "too busy with party work".

Other incidents suggested that the MCA leader-

ship was hardening its position. Datuk Neo, addressing an estimated 5,000 party supporters at the Ipoh Town Hall on 16th April 1984, warned that any notice for an EGM had to be signed by the party's secretary-general in order to be valid. Members who attended the EGM organised by the Koon Swan-Kim Sai faction, he warned, would have to "face the consequences". The acting president also challenged Mr Tan to show evidence of his claim that there were some 70,000 to 80,000 'phantom' members in the MCA. The expulsion of the 14, he said, was done by the MCA Disciplinary Committee and not by him personally. What the expelled members should have done was to have appealed to the party's Central Committee, but they failed to do this.

Datuk Neo claimed that the MCA Education Fund, which was proposed to the Government more than six years previously, had only been recently approved by the Prime Minister after a meeting between him, Datuk Neo and three other MCA Ministers, Tan Sri Chong Hon Nyan, Datuk Mak Hon Kam and Datuk Chin Hon Ngian. "How can anyone then say that we [the new party leadership] have not done anything for the good of the community?" he asked.

The following day Tan Koon Swan announced that he was accepting Datuk Neo's challenge to prove there were 70,000 phantom members in the party. But he had a condition. He wanted Datuk Neo to first produce the lists of all members

admitted through orientation courses within the following 48 hours and 'I promise that we will work 24 hours a day to produce a reply as soon as possible'. Mr Tan said that his group had already found 22,000 false members in the MCA, based on the limited membership lists they managed to obtain.

On criticisms from Datuk Neo and the three other MCA Ministers that he had blatantly lied that they had not attended the Mid-Term Review meetings, Mr Tan said his statements had been "distorted". He claimed he had pointed out that the acting party president was absent at the National Planning Council meeting in December 1983. "We expect the acting party president to attend and not delegate the responsibility [to secretary-general Tan Sri Chong Hon Nyan] as he went on leave," Mr Tan said. He also said he had never mentioned any of the other Ministers and that he had only directed his remarks at Datuk Neo and his style of leadership.

He added that there was only once when he mentioned Tan Sri Chong, who should have arranged a meeting for members of the Presidential Council and the Central Committee to discuss the Fourth Malaysia Plan. Mr Tan also said that he had sought to explain the circumstances leading to the expulsion of seven Central Committee members and seven other members on 19th March in his public speeches. He said his group had been unhappy with the way Datuk Neo

"brushed aside" three important issues — the Constitution amendments issue, the proposed Constituency Delineations and the Fourth Malaysia Plan — as "small matters". Mr Tan said there were no in-depth discussions on the issues at the Presidential Council or the Central Committee and there was no directive from the headquarters to help members act on these important matters.

The party crisis deepened further following the resignation of the party's deputy secretary-general and national organising secretary, Datuk Loh Fook Yen on 17th April. Datuk Loh told a press conference that he decided to quit because he was "utterly disgusted" with the dismissal the day before of Datuk Tan Peng Khoon as a party Central Committee member by the acting president, Datuk Neo Yee Pan. Datuk Loh's statement read: "My resignation today is to protest against this high-handed action of the acting party president and to expose the dictatorial and arbitrary manner in which party affairs are being conducted. Datuk Tan is one of the most senior and respected members of the party and the Central Committee. He has for more than 20 years played a leading role in the party, especially in my State of Johore," he said.

"In the present crisis, Datuk Tan sought to use his good offices, both as a Central Committee member and party elder, to encourage dialogue between the contending parties and help find a solution acceptable to both sides. For all his efforts,

he has been rewarded by being expelled from the party's highest policy-making body. Such is the nature of democracy and justice as practised by Datuk Neo Yee Pan," Datuk Loh said. "I had no prior knowledge nor was I consulted about the decision to expel the 14 party leaders on 19th March 1984 and till today I still do not know why some members and branches have been suspended by the acting president". Datuk Loh said he had stayed on in his positions in the hope that matters would improve but instead "decision-making in the party has become more and more secretive, less and less consultative, and certainly some of the decisions taken cannot be justified". On the following day the party's treasurer general Datuk Choo Ching Hwa, also resigned in protest at the removal of Datuk Tan Peng Khoon.

Meanwhile, the party leadership continued to suspend branches who opposed Datuk Neo Yee Pan. On the same day that Datuk Loh announced his resignation, three branches in Klang received suspension notices. They were the Sementa, Bandar Maran and Jalan Kem branches. As in many other similar cases, the reaction of these branches was open defiance. A spokesman for the branches, Beh Hang Koh, said they did not recognise the suspensions. He said the reason given for the suspensions was that there were irregularities in their administration and that they had violated the party constitution. The branches held an Extraordinary Meeting and agreed that the suspension orders, signed by

MCA secretary-general Tan Sri Chong Hon Nyan, were not in order. Mr Beh argued that according to the party constitution only the Disciplinary Committee could suspend branches and not the secretary-general.

He said the MCA flag at the three branches had been hoisted at half-mast and all members were wearing black arm-bands. The three branches also called on acting president Datuk Neo Yee Pan to resign for the sake of party unity. "Datuk Lee San Choon handed over to Datuk Neo a strong and united party one year ago but now we have a party that is destroyed by leaders who are using it for personal benefit," Mr Beh said.

After the resignations of Datuk Loh Fook Yen and Datuk Choo Ching Hwa, Datuk Neo again moved to consolidate his position in the party. He removed Datuk Lee Boon Peng from the Central Committee, claiming that article 166 of the MCA constitution allowed him to do this. Article 166 stated that if any committee member was absent for three consecutive meetings without valid reason, he ceased to be a member. The acting MCA president also appointed Tan Sri Chong as one of the party's four vice-presidents.

He also told the press that Senator Lim Sean Lean, a Central Committee member, had been appointed party national organising secretary and deputy secretary-general. These two posts were vacated by Datuk Loh Fook Yen when he resigned.

The following members were also appointed to the Central Committee – Tan Kok Hoi, Senator Wong Seng Chow, Senator Loo Swee Mok, Datuk Dr Hee Tian Lai and Lim Ik Kim. Datuk Neo said the Committee would meet soon to ratify the appointments. Datuk Tan Tiong Hong was appointed to replace Datuk Lee Boon Peng as member of the Disciplinary Committee.

As the days slipped by it became increasingly obvious that Datuk Lee San Choon would find it almost impossible to bring the two groups together. On 21st April 1984 the MCA's Central Committee, now almost completely dominated by Datuk Neo's supporters, finally rejected the petition for an EGM signed by 1,499 delegates to the 1983 General Assembly. Datuk Neo said that the Central Committee's decision was made in accordance with the power given to it under the party's constitution. "The last General Assembly had, pursuant to the provision of Article 42.5 of the constitution, delegated all its powers except the power to amend the constitution, to the Central Committee. Further, by virtue of Article 31, all executive functions of the General Assembly are exercisable by the Central Committee," he said.

One of the reasons for the rejection, Datuk Neo said, was the discovery of "cases of non-delegates, false signatures and evidence of pressure being brought to bear upon some of the signatories". He declined to say how many such cases had been

discovered. "Every one of the 14 expelled members was informed by the secretary-general of his right of appeal ... To date no appeal has been lodged. They have chosen to ignore the proper procedures of the party and the provisions of the constitution," he said.

Datuk Neo noted that the petition called for the establishment of an ad hoc committee to investigate the admission of new members and to determine the validity of membership as at 31st December 1983 and to control and administer all coming MCA elections of office-bearers at all levels with full powers to effect investigation, determination, finalisation and administration. "To give the ad hoc committee the powers mentioned in the petition is tantamount to such a committee taking over the powers of the president and the secretary-general under Article 28 and 29 of the constitution," he said. "The party constitution does not provide for the Extraordinary General Meeting to be the forum for purposes of appeal against decision of the Disciplinary Board, Presidential Council and Central Committee. We view the petition as nothing more than an attempt by a group to grab power and overthrow the present leadership by unconstitutional means," he said.

However, even after the various expulsions and resignations, there were still several Central Committee members who opposed this and other moves of Datuk Neo. Nine MCA Central Com-

mittee members did not turn up at the committee meeting after they were reported to have indicated their intentions to boycott it. The nine were Datuk Wong Chor Wah, Lee Jong Ki, Ngau Boon Min, Chan Kit Chee, Datuk Chan Siang Sun, Datuk Loh Fook Yen, Dr Gan Kong Seng, Datuk Choo Ching Hwa and Oo Gin Sun. The group was reported to be boycotting the meeting to protest against the "dictatorial" tactics of MCA acting president Datuk Neo Yee Pan. However, Datuk Neo said Mr Oo had asked to be excused as he had gone to Singapore. Meanwhile, it was announced that Datuk Chin Hon Ngian had been appointed the new treasurer-general of the party. The Central Committee Meeting which rejected the petition for an EGM was attended by 22 Central Committee members, six of whom were appointed on the same day. The Central Committee then had 32 members with one vacancy remaining to be filled.

Meanwhile, when expelled officials Tan Koon Swan and Datuk Lee Kim Sai were informed of the committee's decision, they said they would go ahead to convene the EGM. All arrangements for the meeting had been made, they added.

The polarisation of the party, and the Chinese community in general, was clearly illustrated with the resignation of six members of the MCA's Socio-Economic Development and Research Advisory Council (SEDARA). They were Dr Paul Chan, Dr Lim Lin Lean, Yeo Beng Poh, Philip

Khoo, Dr Cheong Siew Yoong and Yong Poh Kon. A spokesman of the group, Dr Pual Chan, an associate professor in the Faculty of Economics and Administration of the University of Malaya, said they wanted to dissociate themselves from further statements on SEDARA coming from the MCA leadership. "We are deeply concerned with the recent impression given to the public that Chinese socio-economic issues generally and economic issues relating to the Mid-Term Review of the Fourth Malaysia Plan in particular have been properly addressed and evaluated by the MCA leadership through consultation with the SEDARA council," he said. "As a non-partisan professional group [among the six, only Mr Yong was an MCA member], we wish to point out that this in fact has not taken place".

The academics stated that they had become "discouraged and disenchanted by the lack of dialogue with participation by, and feedback from the top leadership during the whole course of SEDARA's existence". Dr Chan said the council had met less than 10 times over the previous year and only the last two meetings dealt with the Mid-Term Review. He added that MCA acting president, Datuk Neo Yee Pan, did not attend any of the meetings. When asked for his comment later, Datuk Neo said the council members requested that they be left alone in their discussions. He said he "got sick" on the day of the inaugural meeting which he was supposed to attend with Tan Sri Chong Hon Nyan, adding that further

queries should be directed to the chairman of the council, Michael Wong.

Meanwhile, Datuk Lee San Choon had run up against a stone wall in his efforts to mediate in the crisis. In fact, some MCA members even began to question his motives for stepping in, suggesting that the former MCA president merely wished to become president again himself. Others, such as Wong Chan Shin, a Central Committee member, publicly expressed their suspicions that Datuk Lee was no longer neutral.

According to MCA sources close to Datuk Neo's camp, Datuk Lee put forward two formulas but both were rejected by the party leaders because they felt the formulas "were patently biased towards Koon Swan's group". The first formula, offered by Datuk Lee on 9th April 1984, was believed to be a "take-it-or-leave-it package deal" consisting of four parts.

- 1) Going back to the status quo, which meant reinstating the 14 expelled members and the re-appointment of Datuk Ling Liong Sik and Datuk Lee Kim Sai as Deputy Ministers.
- 2) The calling off of the Extraordinary General Meeting (EGM) in support of Mr Tan scheduled for 29th April.
- 3) A moratorium on statements and activities to help cool down emotions.

- 4) An arrangement worked out among the principals involved to prevent the top posts from being contested at the party's General Assembly on 7th July.

Tan Koon Swan's group agreed to the formula, which would get them back into the party again. But acting president Datuk Neo Yee Pan and party leaders, while agreeing to the other conditions, balked at the first one – the return to the status quo. Some observers pointed out that the appointment of Ministers and Deputy Ministers was the prerogative of the Prime Minister, who – when removing Datuk Ling Liong Sik and Datuk Lee Kim Sai as Deputy Ministers – had said clearly that it was his decision and that there was no pressure from Datuk Neo on him. "It would hardly be possible for Datuk Neo to now go back to the Prime Minister and ask him to re-appoint the two as Deputy Ministers," these observers said. "What kind of response would he have got bearing in mind that Datuk Seri Dr Mahathir Mohamad has repeatedly stressed that he does not play fast and loose with his Cabinet or appointments of Deputy Ministers. Second, how can you reinstate 14 expelled members who have not even appealed to the Central Committee over their expulsion? Datuk Neo pointed out that the expulsion was by the Disciplinary Committee and not by the president," they said.

These observers added that Datuk Neo's group had consistently claimed that Tan Koon Swan

and the 13 others were expelled because they had breached party discipline and not because the leadership was afraid of a contest for the top post. "The counter-proposal put forward by the party leadership was that since the expelled 14 had not appealed to the Central Committee as provided for in the party constitution, their reinstatement could only be considered by the party's General Assembly. If the majority of the delegates at the assembly want the expelled 14 to be reinstated, this would be done. Not only would this be within the party constitution but nobody would suffer any loss of credibility," they argued. Such a solution however, ignored one of the main issues which led to the crisis in the first place. Mr Tan's group found this counter-proposal unacceptable simply because they believed the number of 'phantom' members in the party would result in any such General Assembly not being truly representative of the party as a whole.

Subsequently, another formula was put forward by Datuk Lee San Choon — that Datuk Neo step down as acting president, with Datuk Lee himself taking over for three to six months to "put things in order" before leaving the scene again. The party leaders, when presented with this somewhat radical proposition, did what any others in their position would have done — they said it was unacceptable. It was pointed out to Datuk Lee that nothing would be achieved by such a solution; there would be no guarantee that the crisis

would not break out again once he left after six months. "And asking Datuk Neo to step down would mean that the party's acting president was implicitly to be blamed. That would destroy his credibility," said the one party leader.

Datuk Neo's supporters felt that what Datuk Lee San Choon meant by "putting things in order" was the reinstatement of the expelled 14 and perhaps even strengthening their hand before he leaves. "And when he does retire again, the way would be open for Mr Tan to take over the party," they said.

The crux of the whole matter lay in whether one perceived Datuk Lee's efforts as "mediation" or "intervention on behalf of one side". Mr Tan and his supporters felt that Datuk Lee was a "mediator", but many in the party leadership believed Datuk Lee was stepping in to "save Koon Swan and is willing to go to any lengths to do this". Mr Tan was believed to have given Datuk Lee a letter saying that he would abide by whatever formula the former president worked out but the party leaders obviously felt they could not give such a "blank cheque". The undertaking by Mr Tan was believed to have been given, significantly, only after the first formula was drawn up. Earlier, when Datuk Lee was considering stepping in, Mr Tan and his supporters said privately that they could not give such an undertaking without first seeing what the former president proposed.

Supporters of Datuk Neo and the party leadership began to claim that Datuk Lee's efforts were just an attempt to wring whatever concessions he could to save Mr Tan and the expelled 14. "Either that, or despite his statements that he has no political ambitions, he still wants to come back as evidenced by the second formula he presented," they claimed. This suspicion of Datuk Lee's motives — that he either wanted Mr Tan to take over the party or that Datuk Lee himself wanted to return to the helm — was deeply embedded in the minds of many of Datuk Neo's supporters.

In an apparent contradiction of earlier statements that Datuk Lee supported Datuk Neo as MCA president, the acting president's followers claimed that as far back as 1978, Datuk Lee was already touting Tan Koon Swan as the next MCA president, although Mr Tan was then a newcomer to the party. Three years previously, Datuk Lee was alleged to have privately mentioned this to some close friends. The rumour even got back to other component parties of the Barisan Nasional. Datuk Neo's supporters said that Datuk Lee, however, had no choice but to pick Datuk Neo to succeed him when the former president stepped down in 1983. "Picking Mr Tan, a relative newcomer, would have caused a rebellion in the party's Central Committee," they said. According to them, when Mr Tan launched his bid for the leadership earlier in 1984 Datuk Lee not only knew what was about to happen but did not discourage Mr Tan. "The fact that he didn't but

only stepped in after Mr Tan had been expelled and is now trying to get Mr Tan back into the party seems to indicate that he wants Mr Tan to continue in the party even at the risk of destroying the party leadership," Datuk Neo's supporters claimed.

Sources close to Datuk Lee, however, argued that Datuk Neo and the other party leaders were being obstructionist. "They are not willing to give in on anything. You can't blame Datuk Lee for appearing to be biased towards Koon Swan. The latter appears to be more amenable towards Datuk Lee," said several aides. They claimed that Datuk Lee had, in fact, helped Datuk Neo in the past and was only stepping in now because of the latter's handling of the party over the previous year. "When Datuk Richard Ho quit as deputy president in 1982, Koon Swan and his men wanted an EGM to be held to enable delegates to elect a new deputy president. Datuk Lee, however, felt that if such an election were to be held, Koon Swan would defeat Datuk Neo and decided that since the party constitution gave the Central Committee the power to appoint a deputy president, there was no need for such an EGM. Datuk Neo was subsequently appointed to the post by the Central Committee but as a compromise, Datuk Lee nominated Koon Swan for a vice-presidency. The Central Committee, after a stormy debate, agreed with the compromise," they said. They added: "Datuk Lee left on his own accord. That is something which some

people refuse to accept. They cannot seem to understand that a man would give up power willingly but these people don't seem to know Datuk Lee well".

Those supporters of Datuk Neo who insisted that there was a "conspiracy", claimed that a distinctive pattern was emerging in the actions of Mr Tan and his supporters which indicated "orchestration by a hidden mastermind". "The personalities involved and their actions clearly indicate this. Those backing Koon Swan are party members close to Datuk Lee who either felt uneasy with Datuk Neo or went along with him until Datuk Lee stepped in. People like Datuk Lee Kim Sai, Datuk Ling Liong Sik and recently, Datuk Tan Peng Khoo, Datuk Loh Fook Yen and Datuk Choo Ching Hwa are all identified closely with Datuk Lee," they said. They added that their suspicions grew when Datuk Loh Fook Yen and Datuk Choo Ching Hwa publicly urged Datuk Lee to mediate and then subsequently resigned as organising secretary and treasurer-general respectively. "Both men privately told Datuk Neo and some of the other leaders that they were being forced to resign. There is only one person who can get them to resign and that is Datuk Lee," they insisted.

They claimed that their suspicions were confirmed when Datuk Lee offered the two formulas and when pressure was put on Central Committee member C.S. Wong and some others to persuade

them from siding with the acting president publicly. Datuk Lee's aids dismissed the "conspiracy" belief as unfounded and claimed that he only allowed himself to be persuaded into stepping in "very reluctantly". "He initially felt that since he had left the political scene, he should not get involved again but some party members continued to persuade him and claimed that if he did not step in, the party and community would be split. It was only after deep consideration that he agreed to mediate. He realised right from the beginning that he may upset some people and that he risked getting his good name tarnished," they said.

On 23rd April 1984 Datuk Lee San Choon dramatically announced that he had failed in his mediation efforts and urged party delegates to attend the Extraordinary General Meeting (EGM) scheduled for 29th April. Asked about the party leadership's rejection of the EGM petition he replied: "With what authority? As acting president? If so, the acting president must first enjoy the confidence of the delegates". He added that he would not be attending the EGM since he was not a delegate. However, he said that the speaker of the party's General Assembly, Datuk Wee Khoon Hock, had telephoned him on 16th April and told him that if his mediation efforts failed he (Datuk Wee) would chair the EGM.

The following is the full text of Datuk Lee's

speech which was released to the press: "As you may be aware by now, I have for the last two weeks been engaged in trying to mediate in the present MCA crisis. Before I report to you on the outcome of my efforts, I like to explain the context and the circumstances which serve as the background to the events of the last two weeks. You may recall that when I resigned from the party presidency on 1st May 1983, I stated that my decision to quit politics was irrevocable and final. I also resigned as a Minister of the Government and subsequently gave up my parliamentary seat in Seremban. I had also at that time recommended to the Central Committee the appointment of Datuk Neo Yee Pan, the deputy president, until the General Assembly made their own choice. My recommendation was accepted and I left the political scene for what I had hoped would be a good rest".

"But despite my self-imposed semi-exile lifestyle, it was not possible for me to be oblivious to what was happening to the MCA during the last few months. The split in the party was becoming obvious and the threat of a life-time of work going down the drain was real. I was under tremendous pressure to step in to bring the two contending groups together and it was in these circumstances that I began mediation efforts two weeks ago. I first began to sound out leaders of both sides about a possible compromise formula to resolve the dispute. The feedback was not encouraging, especially as a number of events —

such as the campaign for an Extraordinary General Meeting, the expulsion of the 14 leaders, and the suspension of various branches – had drastically reduced the room for negotiation and accommodation”.

“The ultimate objective of any mediation effort must be to provide an environment in which normal party processes and institutions can continue to function. Given the complexity of the problem as well as the competing objectives of the factions involved, it was clear to me that any formula which could possibly find acceptance by both sides would have to take note of the following:

- A political solution dictated by political will and reflecting broad political considerations, was called for. Certainly a legalistic approach circumscribed by detailed rules and procedures, would not be practical in the circumstances.
- The proposed formula would have to be comprehensive in scope, and address all the principal issues raised by the contending parties.
- It would have to be a package deal, with acceptance of any part incumbent on acceptance of the remaining parts.
- Finally, it would have to be a compromise

formula, requiring both sides to make sacrifices and exhibit goodwill.

The formula I finally proposed to both sides consisted of five points:

- The Extraordinary General Meeting scheduled for 29th April 1984, to be called off.
- The status of branches and individual members to be restored to the position they were in before the campaign for the 29th April 1984 EGM begun, and before the recent spate of suspensions and expulsions were undertaken.
- A cooling-off moratorium to be observed by all contending parties for a period to be determined.
- Immediate postponement of all party elections not yet held to a date to be determined.
- To strive for a no-contest election at the Central Committee level.

I also indicated to both sides that the machinery to implement the above package deal was to be determined following agreement to this five-point plan".

"This formula was communicated to leaders of both sides, and was received with caution and suspicion. Tan Koon Swan's group was particularly adamant about proceeding with the EGM on 29th April 1984 and bringing to book the culprits responsible for organising the phantom members. Datuk Neo Yee Pan and his colleagues were reluctant to consider reinstating the expelled 14 as members as this would affect the integrity of the existing party leaders. They also indicated that those who had instigated the crisis should be punished. I emphasised to both parties that we could not proceed on the assumption that one side was completely right and the other completely wrong. There had to be a spirit of give-and-take, and a *quid pro quo* would be a sensible compromise in most instances. If the EGM was to be called off, naturally the expelled members would expect to be reinstated and vice versa. The question of seeking retribution of any group should not arise as we were seeking a political solution".

"Not surprisingly, both sides maintained a deep suspicion of each other and wondered how the formula was to be implemented. Tan Koon Swan's group said I was acceptable to them as an interim president, but wondered what would happen after that. Datuk Neo himself invited me to return as party president to head off this problem – either on an interim temporary basis, or at least to complete one more full term. In no instance did I say yes to this suggestion by both sides. I emphasised that it was a matter which can be

considered subsequently provided they first agreed to all the five points of the formula. After numerous rounds of discussions with both groups, it was finally made clear to me that although they had deep reservations about the package deal, Tan Koon Swan's group was prepared to accept it in toto. The response from Datuk Neo's group, however, was less encouraging. I got the distinct impression that they did not want to confront the issues and that there was a deliberate attempt to delay making a decision. In the end, it was obvious to me that Datuk Neo was not prepared to compromise and accept my proposals. Neither did he suggest any alternative proposals which had even a remote chance of being accepted by the other side. This is the state of affairs as of now and I regret to report that I have not achieved the objectives I had hoped to accomplish when I began two weeks ago. I am, therefore, terminating this mediation effort today".

Later, when he was asked to comment on speculation that he might have orchestrated the crisis in order to stage a come-back, Datuk Lee laughed and said: "A lot of people are shadow-fighting and seeing the image of Datuk Lee San Choon everywhere. I want to stress here, that I have never talked about MCA politics or intra-party politics even though I have openly admitted to being saddened by the crisis. Asked if he considered himself neutral after all that he had said Datuk Lee replied: "I think whatever I have said is fair. As to whether it is neutral — it depends at

which angle you are looking from”.

The following day the MCA's four Ministers, Datuk Neo, Datuk Mak Hon Kam, Tan Sri Chong Hon Nyan and Datuk Chin Hon Ngian, launched a scathing attack on the former MCA president. “For some time now,” they said in a joint statement, “we have been told that Datuk Lee was behind the movement to create conditions in the MCA to stage a comeback. Initially, we could not believe it. However, Datuk Lee's actions and statements yesterday confirmed that we are not fighting shadows and seeing images as claimed by him”.

They said acting party president Datuk Neo Yee Pan and his acting deputy, Datuk Mak Hon Kam, met Datuk Lee at his house for three hours on 7th April 1984 to discuss the five-point formula he proposed. The Ministers charged that Datuk Lee had not told the public the complete truth with regard to one point in his proposed formula – the reinstatement of the 14 expelled leaders. Datuk Lee has not told the public that it meant not only reinstating the 14 expelled members but also the reinstatement of the two deputy ministers. During the discussion Datuk Neo and Datuk Mak felt that this was not acceptable as it would affect the prerogative of the Prime Minister.

“Then there was a discussion about the possibility of Datuk Lee coming back as acting president. It was felt that this would affect the credibility of

the party and also the functioning of the four MCA Ministers in the Government. The discussions came to no conclusion," the statement said. The Ministers said that two days later Datuk Lee met all of them in Datuk Neo's office for almost two hours and his five-point formula was again discussed. "The Ministers could not accept the formula in toto as they felt the conditions demanded by Datuk Lee were more severe than those asked by Tan Koon Swan's group in the so-called Extraordinary General Meeting. The four Ministers felt that if the 14 expelled members were restored, their credibility would be lost and, therefore, they could not function and represent the party and the Chinese community effectively in the Cabinet," they said.

They added Datuk Lee San Choon then proposed that if his formula was not acceptable in toto, then he would return to the party as its acting president provided that this move was initiated by Datuk Neo. To this Datuk Neo responded by stating that he had first to resign as it would be impossible for him to carry on in the Cabinet and in the party.

The other Ministers agreed with Datuk Neo. "Discussions on this ensued and this was also eventually not agreed upon because this would have severe repercussions on the credibility of the party and the leaders in the government. We did, however, offer to resign if he came back as we thought this is the only proper thing to do. How-

ever, again no conclusion was reached. After this meeting, it became clear to us that instead of mediating he was attempting to create a situation for him to come back. This is clear from (one of) his conditions which, if accepted, would have not only reinstated the 14 expelled members but also surrendered the presidential powers to him," they said. The four Ministers said it was their conclusion that Datuk Lee in his mediation effort gave the distinct impression he would like to stage a comeback for reasons only known to himself.

In another development, the MCA Central Committee met and adopted a resolution expressing shock at Datuk Lee's statement calling on all the party delegates to attend the Extraordinary General Meeting scheduled for 29th April. The committee accused the former leader of imposing his will on the party and said: "The bedrock of the party, as with any political party, is the constitution. No one is above it, including Datuk Lee". In a statement issued after the meeting, the Central Committee charged that Datuk Lee's statements "confirmed the suspicion that he is behind the movement to topple the present leadership and stage a comeback as president of MCA to serve his own purpose". Wanita MCA leader Datin Paduka Rosemary Chong and her secretary-general Senator Lim Sean Lean, also hit out at Datuk Lee San Choon charging his proposed formula "was in favour of a certain faction".

Despite these condemnations of Datuk Lee's

mediation efforts, the fact that he came out in support of Mr Tan's call for an EGM boosted the morale of the expelled leaders and gave their cause added legitimacy. One indication of this was the announcement that several more state assemblymen had joined the Koon Swan-Kim Sai group. They were Fang Chook Seong, Yong Pau Chak (both from Kedah), Dr Gan Kong Seong and Oh Her Sang (Negeri Sembilan) and Madame Wu Lian Hua (Perak). With the addition of these names Tan Koon Swan could then claim that a total of 35 of the party's 54 state assemblymen were united in their protest against the party leadership.

By late April 1984, therefore, the split within the MCA had widened to become an unbridgeable gap. Twenty of the original 34 members of the party's Central Committee had expressed no confidence in the acting president or had disassociated themselves from him. The same was true of 29 of the original 45 members of the party's Youth Committee and 21 out of the 27 members of the national Wanita Central Committee. And to top it all off, Mr Tan's group was able to claim by the end of April 1984 that the call for an EGM was supported by 1,648 out of the 2,517 delegates to the 1983 General Assembly.

The only question to be decided was whether or not the enormous support generated for the expelled members could be given some form of legal expression which would force the party

leadership to concede defeat. For Tan Koon Swan and his associates the EGM offered the best chance of doing this.

6

The Extraordinary General Meeting

With the failure of Datuk Lee San Choon to find a formula acceptable to both factions the stage was set for a major battle that was to paralyse the already crippled MCA for months to come. Cooperation between the MCA leadership and its associated organisations had already collapsed. Several days before Datuk Lee's announcement that he had failed in his mediation efforts, it was announced that the MCA headquarters had cancelled all bookings made by the Multi-Purpose Group of companies to hold functions in the auditorium and penthouse of the Wisma MCA in Jalan Ampang. Among the functions affected by the cancellations was a buffet dinner which was to be held on 27th April where Datuk Lee was to be formally introduced to the company's directors and senior management staff as MPH's executive chairman.

Meanwhile, Mr Tan's group announced that they would be going ahead with the EGM despite the objections of the party leadership. One important factor in the calculations of both factions was whether the police would allow the EGM to proceed. Strategists in both camps were also concerned about the attitude of the Prime Minister. Apart from Datuk Musa's earlier warning, there had also been problems in some branches in Johore where the police had declared at least one meeting to be an illegal assembly.

Generally speaking, the UMNO leadership had been silent on the issue. This was interpreted by some as being the result of UMNO's attitude that it should not interfere in MCA politics. But the fact that Dr Mahathir met with Datuk Neo and Mr Tan several times during the controversy suggested that this argument was hardly creditable. A more persuasive argument was that UMNO leaders had their own problems as the UMNO General Assembly approached. Finance Minister Tengku Razaleigh was expected to make a bid for the party deputy presidency. In these circumstances UMNO leaders were probably happy that public attention was being focussed on the MCA rather than on factional rivalries in their own party.

On 23rd April Datuk Kok Wee Kiat, the legal adviser to the Tan Koon Swan group, announced that he had secured the verbal approval of the police for the MCA EGM on the following Sun-

day. He said that he was called for an official meeting with City CPO Haji Zaman Khan and was informed that the police had no objections to the EGM being held. "In fact, he asked us to proceed. As far as the police were concerned, they would not stop the meeting since it would only be confined to MCA members who are delegates to the General Assembly," Datuk Kok said. However, when asked whether he had received a written police permit, he replied that it was sufficient that the CPO had given his verbal approval. He added that if MCA acting president Datuk Neo Yee Pan — who had announced repeatedly that an EGM not called by the party secretary-general would be illegal — wanted to prevent the meeting, it was up to Datuk Neo to ask the police to stop it. "The police say that the EGM is an internal MCA matter. If Datuk Neo wants to stop us, he has his avenues, so let him try those avenues. But at the moment, the police are not objecting to the EGM," he said.

Datuk Kok also said that he had assured the police that there would be security measures to ensure an orderly meeting. Besides a team of MCA members who were to be present at the EGM to be held at the Nirwana Ballroom in Hilton to help in registration of delegates, security guards would be engaged. "But I do not expect any disturbances and I told the police that we would be the last people to want any disturbances because we called for the EGM," Datuk Kok said. He added later that he met Haji Zaman Khan

again and handed in a letter to confirm the meeting. The letter also contained a list of the names of all the known 2,517 delegates, and the names of the MCA members helping out together with the name of the security firm.

Datuk Kok also said that he had met the Registrar of Societies, Puan Zakiah binti Hashim, twice to keep her informed on the situation. He added that at the second meeting, he handed over two letters — one to inform her of the impending EGM and the other as an official complaint about the phantom members found in the MCA membership lists supported by evidence found so far. "In our letter we suggested that she go through our findings and do what's best in her capacity as the Registrar of Societies. Under the Societies Act, I think her duty is quite clear," Datuk Kok said.

The Koon Swan-Kim Sai group also began to campaign for a revision of the party's constitution. Earlier, on 9th April, the Johore Bharu town branch (the biggest in Johore) passed a resolution calling for amendments to the MCA constitution to limit the powers of the president and those of the MCA's Disciplinary Board. Speaking at a "Save the MCA" campaign dinner in Malacca on 23rd April 1984, Tan Koon Swan echoed these proposals. He suggested that the "unlimited" powers of the president be curbed to prevent the post being abused. In addition, the Disciplinary Committee should have five, and not just three

members. He also wanted the post of secretary to be elected by the Central Working Committee rather than appointed by the president.

The next move in the dispute came on 26th April when the Speaker of the MCA General Assembly, and Kelantan MCA chairman, Datuk Wee Khoo Hock, announced that he had issued notice to the MCA delegates to attend the EGM on 29th April. He also said that acting president Datuk Neo and secretary-general Tan Sri Chong would also be notified of his decision to convene the EGM.

In his statement Datuk Wee said that in convening the EGM he was exercising the powers granted to him under Article 175 of the party constitution. Datuk Wee also said that he did not agree with the reasons given by the MCA Central Committee the previous week in rejecting the demand for the EGM. The Central Committee had claimed that it had found false signatures and signatures of non-delegates in the petition calling for the EGM. However, the number of such signatures found by it was not disclosed. It also claimed that any EGM required the approval of the secretary-general and that as the body carrying out the executive functions of the party under the authority of the General Assembly, the Central Committee could reject the call for an EGM by the delegates.

The group led by Tan Koon Swan disputed this, saying that nowhere in the party constitu-

tion was it stated that the secretary-general had to give his approval for an EGM to be held. They also said that under the constitution the Central Committee had to carry out orders of the General Assembly as the assembly was the supreme body of the party. Their contention was that the party constitution provided that an EGM must be held as long one third or more of the delegates requested it.

In his statement, Datuk Wee said that after having seen the petition signed by the delegates he was satisfied that no less than one-third of the delegates to the General Assembly had called for the EGM. "In spite of that it is regrettable that neither the acting president nor the secretary-general has correctly responded to the call. To ensure that the present MCA crisis ends at the soonest possible time, and this can only be done by the delegates at a General Assembly expressing their views and resolving them, I have decided to exercise my prerogative as the Speaker of the General Assembly under Article 175 of the MCA constitution to call for an Extraordinary General Meeting of the General Assembly on Sunday, 29th April," he said. Article 175 of the party's constitution stated that the chairman of any assembly, liaison committee, ad hoc committee or sub-committee could call a meeting of the body over which he presides at any time.

The four MCA Ministers, acting party president Datuk Neo Yee Pan (Housing and Local Govern-

ment), acting deputy party president Datuk Mak Hon Kam (Labour), secretary-general Tan Sri Chong Hon Nyan (Transport) and treasurer-general Datuk Chin Hon Ngian (health) said they were "shocked" that Datuk Wee had given notice of the EGM under Article 175 of the MCA constitution. The Ministers also said that no police permit had been issued for the meeting and advised party members not to take the law into their own hands. They claimed that the move by Datuk Wee was an "act of desperation" which involved by-passing the MCA constitution so that the Koon Swan-Kim Sai group could "achieve their evil design to topple the MCA leadership".

Predictably enough, the party leadership responded to Datuk Wee's call for an EGM by suspending him. In a hand-delivered letter to Datuk Wee, Tan Sri Chong said: "In my capacity as secretary-general under Article 129 of the MCA constitution, I am directed to inform you that the MCA Disciplinary Board has suspended you as a member of the party with immediate effect". The suspension was backdated to 25th April 1984.

Meanwhile, the MCA leadership was busy preparing for a rally at the Wisma MCA which was timed to coincide with the EGM. Datuk Neo and other leaders were expected to speak at the rally. Datuk Neo needed such a show of support because the EGM was likely to censure the actions he and his supporters had taken in the previous two months against the Koon Swan-Kim Sai

faction.

By this stage the battle between the two factions revolved around the issue of whether the EGM was legal. Datuk Wee's call, argued Tan Koon Swan's supporters, was legal since he was exercising his powers under Article 175 of the party constitution. Article 175 read, in part:

The chairman of any assembly, liaison committee, ad hoc committee or sub-committee may call a meeting of the body over which he presides ... Notice of any such meeting shall be in writing setting out the agenda for discussion and the length of notice shall be as follows ... 175.1 – Any annual meeting of the General Assembly at least 21 days notice.

The supporters of Datuk Neo, however, argued that the EGM was *ultra vires* (beyond the powers or legal authority of) the party constitution. They also claimed that the speaker had no power to call an EGM. This, they said, was clear from articles 34 and 35. Article 34 read:

An Extraordinary Meeting of the General Assembly may be held at any time: 34.1 – if directed by the president; 34.2 – if requested in writing by at least one-third of the members of the Central Committee; or 34.3 – if requested in writing by at least one-third of the number of delegates appointed to the General Assembly.

Article 35 read, in part :

An Extraordinary Meeting other than that directed by the president can only be convened if the reasons are given in writing to the secretary-general and at least 30 days prior notice must be given of the date and time of the meeting and agenda for discussion.

THE EXTRAORDINARY GENERAL MEETING

According to Datuk Neo's camp the EGM required the approval of the secretary-general. Moreover, the Central Committee had the power to reject the call for an EGM by the delegates.

Other aspects of the MCA constitution were also in dispute. According to one group of Chinese professionals, the MCA leadership had misinterpreted the party's constitution when it expelled vice-president Tan Koon Swan and his supporters. They claimed that the leadership had used the Chinese translation of the constitution which they said was inaccurate in many parts. The group consisted of lawyer Arthur Lee Meng Kuang, Jenpatrick chairman and managing director Patrick K.K. Ong, tax consultant Ng Chet Chiang, economist Ho Ha Yin and accountant Soon Teck Kuan.

Mr Lee, who acted as the spokesman, alleged at a Press conference in Johore Bharu that the Chinese community had been misled by a faulty translation of the constitution from the English version. "For example, article 127 under which Mr Tan and his supporters were expelled, has not been accurately translated," Mr Lee said. The English version read: "To maintain party discipline, there shall be established a Disciplinary Board to initiate action to deal with all recommendations for the suspension or expulsion of party members". Mr Lee claimed that the Chinese translation read: "The Disciplinary Board can expel or suspend members flouting the party's regula-

tions without recommendations from the Central Committee". He said a thorough study of the constitution showed that Disciplinary Action could only be taken when a State liaison, divisional or branch committee to the Central Committee recommended it. He said there was no such recommendation to warrant the expulsions.

As the 29th April date for the EGM drew closer it was clear that in some respects the acting MCA president still had an edge over his opponents. At the party really organised by Datuk Neo's supporters Datuk Neo would have ample opportunity to impress on party members that his actions were constitutionally correct and were carried out with the sole objective of protecting the party's interests. He was also expected to emphasise Mr Tan's business background and stress the belief of the party leadership that business and politics should not mix. Mr Tan's alleged attempts to buy support with money were also expected to be aired.

However, Mr Tan and the other 13 expelled members faced an important handicap at the EGM. Since they were not delegates, they could not demand the opportunity to speak before the resolutions affecting their expulsions were put to the General Assembly by secret ballot. Instead, they would be forced to rely on their supporters who were attending as delegates to speak on their behalf and obtain the support of the uncommitted delegates.

On Saturday 28th April, as tension mounted in Kuala Lumpur over the planned meetings between rival groups, the acting Inspector-General of Police, Tan Sri Mohamed Amin Osman, created a sensation by ordering that both meetings be cancelled. RTM repeatedly announced the cancellation order over all its radio and television networks soon after his statement was released. The gatherings, said the acting Inspector-General, were cancelled because they could lead to trouble.

Tan Sri Mohamed's statement said that in view of the prevailing tense situation such gatherings could lead to troubles that would threaten public security. Both sides were called by the Kuala Lumpur Chief Police Officer and firmly told to cancel plans to hold the gatherings. They were also asked to cooperate by advising their supporters not to converge at the appointed venues. Haji Zaman Khan said that as both meetings were private gatherings on an internal party matter they did not need police permits. But because the situation had become sensitive, the police decided to ask both groups to cancel their plans. "If the affected parties decide to hold the EGM and rally on other days and if the tense atmosphere still prevails, I will not hesitate to ban them as well," he said. The police, he added in reply to a question, acted only 24 hours before the meetings because they wanted to assess the situation thoroughly.

The order to cancel only referred to the meetings planned for 29th April, but it was clear that future meetings and rallies might also be banned. This move, although appearing to favour neither side, dealt a heavy blow to Mr Tan's camp since it appeared to deny them the opportunity to legitimise their claim for readmission into the party. Not surprisingly, Datuk Neo's supporters reacted to the acting Inspector-General's announcement by claiming victory.

Mr Tan accused the MCA leadership of deliberately creating a tense situation in order to force the police to intervene. He said that certain members of the party leadership booked seminar rooms and studios in Hilton Hotel (where the EGM was to be held) for the same day that the EGM was to be held. "Why should they book such facilities in the same hotel when they have a big hall in Wisma MCA? We believe they did so to create tension and give enough grounds for the police to call off the EGM," he said. The six function rooms were booked individually by Wong Seng Chow, Ipoh Member of Parliament Peter Chin, Petaling Member of Parliament Yeoh Poh San, MCA Youth acting chairman Jimmy Low Boon Hong and Lim Kean Siew.

Mr Tan and his colleagues appeared drawn and shaken at the Press conference where Mr Tan made his allegation. Unlike previous Press conferences, it was brief and Mr Tan and his supporters were unusually tight-lipped. Asked what

the group's next move was, Mr Tan said they had a "series of contingency plans". He declined to elaborate except to say that these plans were a continuation of their present series. Asked whether the EGM would still be held but at another venue, Datuk Kok said they would like to "comply with the spirit of the police directive". He added that many delegates had already arrived in the city and others were believed to be on the way. "They have already booked rooms in the hotels. But just because we won't be having an EGM it doesn't mean they can't stay in Kuala Lumpur," Mr Tan said.

Despite the police ban on the mammoth rallies in support of Datuk Neo and the EGM called by Mr Tan's group, the crisis in the MCA showed no signs of dissipating. The ban may have prevented any untoward incidents but it had not dampened the ill-feelings both sides had against each other. In obvious retaliation of the alleged sabotage of the EGM by the party leadership, 1,580 delegates turned up at the Harlequin Room in Merlin Hotel on 29th April and passed a resolution calling for the immediate dismissal of Datuk Neo from all his party positions. The delegates breakfast meeting was also attended by the expelled 14.

At the meeting 'chaired' by Datuk Chan Siang Sun, the delegates also unanimously resolved to suspend all powers of the Disciplinary Board and that of the president to suspend and expel members, branches and divisions under Article 127 of

the party constitution. Also present at the meeting was Deputy Trade and Industry Minister and Kedah MCA Chief, Oo Gin Sun who finally made public his stand in support of the call for an EGM. Mr Oo said 90 per cent of Kedah's delegates attended the meeting.

While this was going on, the legal advisor to the petitioners, Datuk Kok Wee Kiat, together with 10 other delegates met at the Nirwana Ballroom in the Hilton Hotel at 10 am and waited till 10.31 am before declaring the meeting had to adjourn until the following Sunday (6th May) because of a lack of quorum. They needed to stage this formality in order to invoke Article 170 of the party constitution. The petitioners invoked Article 170 because not doing so would mean a new petition for an EGM had to be initiated and this could have led to complications and a further delay because of the 30 days notice as required under Section 34.4 of the party's constitution. Datuk Kok quoted Article 170 of the MCA constitution: "Provided that on any meeting at any level of the Party organisation, where there is a lack of quorum 30 minutes after the meeting is scheduled to commence, such meeting shall stand adjourned for one week at the same place and time as the meeting for which notice has been given and the adjourned meeting thereafter shall proceed irrespective of the existence or otherwise of a quorum and any resolution arising therefrom shall not be invalidated by reason of lack of a quorum." The same Article stipulated that a

quorum was at least 50 or one-third of the number of members entitled to attend the meeting.

To prevent any attempts at "sabotage" by the MCA leadership, Mr Tan's faction booked all of the conference rooms at the Hilton Hotel. However, there was still no guarantee that the EGM would be held as the police had warned that they would not allow such meetings if the tense situation continued. Unfortunately, there was no sign of reconciliation. In fact, the rift had actually widened as evidenced by the resolution calling for the dismissal of Datuk Neo that was passed at the unofficial breakfast meeting in the Merlin Hotel.

Datuk Lee San Choon also began to hit out strongly at the party leadership. He criticised Datuk Neo and his supporters for making "constitutionally and morally wrong" and "politically unacceptable" appointments to the Central Committee. Datuk Lee said a Central Committee where only a few elected members remained was meaningless. "Democracy is totally lost when those who are appointed can expel the elected representatives," he told about 700 MCA leaders and members from Perak and Johore at a special luncheon. He said that when the Central Committee, with only nine of the original elected members left, could sack the elected people, "the world is topsy turvy".

He cited several examples to support his contentions. He said Datin Paduka Rosemary Chong and

Jimmy Low Boon Hong were appointed vice-presidents by virtue of their positions as MCA national Wanita leader and Youth acting chairman respectively. "They are in the Central Committee because they are supposed to represent the Youth and Wanita. They must therefore constitutionally, and morally, enjoy the support of the Youth and Wanita members," he said. "But if the majority of both wings have expressed no-confidence in them, how can they be in the Central Committee? That's why I say it's constitutionally and morally wrong and politically not acceptable".

Datuk Lee added that a person could not interpret only those parts of the MCA constitution which suited him. He also pointed out that it was not right for party acting president Datuk Neo Yee Pan to appoint Lim Ik Kim to the Central Committee when Mr Lim had lost his chairmanship of the Mersing branch to a challenger the previous day. Datuk Lee also said "something must be wrong somewhere" if Datuk Wee Kfoon Hock, who was unanimously elected the speaker of the General Assembly by the delegates, could be suspended "just like that" by the Disciplinary Board.

He described the police request to cancel the scheduled Extraordinary General Meeting (EGM) as a "small setback" and urged the delegates not to be discouraged by it. Replying to questions by reporters, he said that in a political struggle, there were always setbacks. "This is especially so

with good politically leadership. They must be able to overcome them," he said. Datuk Lee then quoted a Chinese proverb which, loosely translated, said that political leaders must be able to take thousands of beatings on the anvil.

Naturally, the party leadership did not see things this way. The four MCA Ministers — Datuk Neo, Datuk Mak, Tan Sri Chong and Datuk Chin — issued a statement appealing to party members not to challenge the law or its authority. Members, they said, should not be influenced by empty rhetoric and take part in activities or assemblies outside the ambit of the party constitution and the law. "The party constitution is the supreme document through which members act and by which members are governed. It is only open to one interpretation and that interpretation arises from the spirit in which it was drafted. The spirit is for the unification of the Chinese in the country and their economic, social and cultural well-being," they argued. The Ministers stressed that members of all rank should hold that spirit sacred.

Saying that they were not trying to cling to power, the Ministers added that they had for years stood by the constitution. The Ministers also claimed that they had never challenged the constitution or encouraged others to flout the law. They added that they had stood on the side of the party and the law throughout the tumultuous period of the "Revolutionary Movement"

in the 1970s. "We have also stood firmly on the side of the leadership in the struggle against those who have tried to topple the duly elected leaders. And many of us have had impeccable service integrity for nearly all our working lives, such as Tan Sri Chong Hon Nyan. And we are standing firmly together again to ask you not to consider yourself above the law".

The statement said that history had shown it was only desperate men who took desperate measures and their measures were very often unlawful, violent and frightening. "To attempt to show strength by unconstitutional means, to attempt to coerce, to use excuses to build up a case when these excuses are invalid and if put into practice, unlawful, are the tools of desperate men", they warned. The MCA was part of the Government and many MCA members held responsible positions in the Government and because of this, MCA functions had become accepted as respectable functions. "Yet, many of our members have been asked to challenge not only the law and our constitution but also to show disrespect and disregard the essentials that go to make a peaceful society", the Ministers claimed.

They said members should not challenge the law or its authority because by doing so, they were only supporting and encouraging anarchy. These actions, the Ministers said, were also contrary to the "aspiration of most citizens which is a lawful, peaceful and well-organised society". They added

that during the previous few weeks, suspended members and branches had been encouraged by a few to flout suspension orders and take part in party elections and still hold office. This, they claimed, was not only against the party constitution, but also against common law.

The Ministers said that "ghost membership" issue had been used as a means to embarrass and discredit the leaders, bringing the party into public ridicule and should be viewed as a means to take over control of the party by unconstitutional means. False and wild accusations had been made regarding the membership but preliminary checks had already refuted most of the claims. They said a report would be prepared soon and the truth would be revealed. "No doubt, not only will we see how much the matter has been grossly exaggerated but how involved the accusers have been," they said. However, the Ministers did not give details of these preliminary checks or explain in what way they expected the accusers to be involved in the membership frauds.

In early May 1984 both sides held meetings with Prime Minister Dato' Seri Dr Mahathir Mohamad to explain their side in the crisis. On 1st May the four MCA cabinet Ministers, led by Datuk Neo Yee Pan, met with the Prime Minister for about half an hour. Details of the meeting were not available but it was understood that the discussions centred on the on-going crisis in the MCA. Informed sources said that the MCA officials

explained to Dato' Seri Dr Mahathir Mohamad the latest developments in the party and the steps they hoped to take to resolve the two month old crisis. According to one source, the meeting was at the request of the Prime Minister but this could not be confirmed. The continuing bickering in the MCA with no solution in sight was apparently begining to cause some concern to the Government. "It is being viewed as causing instability," noted one informed observer.

The following day Tan Koon Swan met the Prime Minister for about an hour. During the meeting Mr Tan presented his side of the story to Dato' Seri Dr Mahathir Mohamad and explained the issues in the crisis. Mr Tan also showed Dr Mahathir documents to substantiate the support he had from 1,640 delegates to the General Assembly. These were delegates who had signed in favour of eight resolutions passed at the "breakfast gathering" on the previous Sunday. One of the resolutions called for the dismissal of the acting party president.

Speaking to reporters at Wisma Supreme on his return from the Prime Minister's office, Mr Tan said he conveyed to the Prime Minister the feelings of the delegates and grassroots members. "I also explained our case, the issues involved and our course of action. I also took the opportunity to reply to some of the charges and allegations made against me by the other side in the papers." The Prime Minister, he said, took note of all

these. According to Mr Tan, the one-to-one meeting was conducted in a "very cordial" manner. Asked whether he was pleased with the outcome of the meeting, Mr Tan said: "I am smiling, right?" He said he would meet the Prime Minister again if it was necessary. Referring to whether the EGM, which had been postponed for a week, would go ahead as planned, he said: "We have not announced any change in plans yet, have we?" Many observers believed that Mr Tan had sought an appointment with the Prime Minister to request him to allow the EGM to be held without interference.

Meanwhile, the MCA leadership began to re-emphasise earlier allegations that Mr Tan was playing "money politics". MCA Central Committee member Yeoh Poh San accused the Koon Swan-Kim Sai faction of trying to "buy out some of our supporters. When that failed these people resort to intimidation," he added in a statement. He said that the leadership was aware that a large number of the members had been silent in their support and that they (the leaders) understood their silence. "At the same time," he said, "our members must not be misled by the exaggerated support that the rebel faction is trying to project in order to demoralise them".

The MCA Ministers said in a statement that they would continue to serve the interests of the Chinese community in Government. They also reiterated that they not would bow to pressure

from any quarter. "We will continue to work resolutely as a united team to restore stability to the party. We seek cooperation of all our members to assist us in the task. We have said that the MCA wants to have a clean, efficient and trustworthy leadership. The question that lies before us is whether MCA should be business oriented or politically oriented. We believe that political interests should supercede business interests. The political struggle of a party should be based on principles, conviction and the dedication of its members and not on using money to influence support," they said.

Supporters of Datuk Neo also revived an earlier issue regarding a \$10 million donation towards the development and maintenance of Chinese schools. This money was entrusted to the Multi-Purpose Group by the late Chang Min Thien, a millionaire philanthropist, in 1981. Ipoh MCA River Bank branch chairman Ho Cheong Sing (a supporter of Datuk Neo) claimed that this money was intended for the MCA Education Foundation but was diverted instead to a foundation named after the philanthropist.

He said: "We are surprised to hear that the money has been diverted to the Chang Min Thien Foundation which we believe has only been set up since the start of the MCA crisis. We want Mr Tan or his group to show us proof that the Chang Min Thien Foundation was formulated on 15th December 1981, when the money was received".

Mr Ho claimed that the interest accumulated on the money should be more than \$1.9 million. He said if the \$10 million was deposited in a bank in December 1981, then by December last year, the interest earned, if calculated at a compound interest rate of 9.5 per cent per annum, should be \$1,990,250. Mr Ho asked Mr Tan to show proof of the fixed deposit certificate or bank statement because he wanted to know whether or not he was wrong, or whether the depositor was really the Chang Min Thien Foundation. He also wanted to know if the interest earned was declared for income tax purposes. Mr Ho then asked why the Chang Min Thien Foundation was managed by the Multi-Purpose Holdings Bhd and not by MCA members.

He also asked the Koon Swan group;

- If there were any members of the late Chang Min Thien's family on the Foundation's board;
- To display the memorandum of the setting up of the Foundation, "so that we can go down to the Chinese schools and explain to them how they can qualify for the fund"; and
- To name the trustees of the Foundation

Mr Ho said that as the Foundation was set up more than two years previously, he wanted to know what plans Mr Tan had for the Foundation. "We respect Mr Tan as a corporate master. Surely

he must have plans to invest the fund instead of leaving it in fixed deposit," he said. Mr Ho asked if the fund would be in fixed deposit forever to receive interest. He said his branch would be awaiting a reply from Mr Tan so that the party members could answer queries from the grassroot level.

Datuk Neo's camp also cited other reasons to support their contention that the forthcoming EGM was illegal. Tan Sri Chong said in a statement that Mr Tan's faction could not invoke Section 170 of the party constitution. This was because the "cancelled EGM" was called off at the request of the police. "A meeting that has been called off is cancelled and, thus, cannot be adjourned. The meeting is illegal and *ultra vires* the constitution", he concluded.

Responding to the determination of Mr Tan's supporters to hold the EGM on Sunday 6th May, the MCA leadership announced that they would celebrate the party's 35th anniversary on the same day. The theme of the celebrations was to be a call for a renewal and restoration of the "Spirit of 1949", the year the party was formed. Sources close to Datuk Neo's camp told the press that the leadership expected about 20,000 party members to attend the function at the Wisma MCA. Close circuit television was to be used so that all those present could follow the proceedings.

In arranging for the EGM on 6th May 1984, Mr

Tan's group faced a potentially serious problem. The Nirwana Ballroom at the Hilton Hotel – the place where the EGM was to be held – was booked by a local travel agent for a mass wedding on the same day. Since Article 170 of the constitution stated that the meeting had to be reconvened "at the same place and time", Mr Tan's group had to get the tour agent to hold the mass wedding at another venue.

On Friday 4th May, Mr Tan was finally able to announce that the tour agent had agreed to the change. The mass wedding, he said, would be held at the Hotel Merlin's Harlequin Ballroom instead. The executive director of the tour company was Kong Weng Hing, a member of the Sri Kembangan MCA branch. This branch was one of those suspended by Datuk Neo's camp. At a press conference with Mr Tan, Mr Kong said that his company had contacted the 35 couples involved and most of them had agreed to the change of venue. "Most of the couples were very understanding, although there were a few who protested. But we felt the EGM was more important," he said.

Tan Koon Swan also took the opportunity to reply to criticisms of his opponents regarding the Chang Min Thien Foundation. He said that Mr Chang had specified that his donation was for the establishment of a fund to be named after him. "It was given to us specifically as part of the agreement signed in a letter of undertaking,"

Mr Tan said, adding that he had shown documentary proof of this the previous month. "How can the money be meant for the MCA Education Foundation when the letter specifically states that the \$10 million is for the setting up of a Chang Min Thien Foundation?" he asked.

While these events were taking place, reports began appearing in the local press that the Prime Minister had suggested a "formula" to both sides which was aimed at ending the crisis. Although details of the formula were not divulged, one source spoke of an interim caretaker for the party with steps taken to clear up the "phantom" members issue plus the expulsion or suspension of party members and branches. These two issues — the ghost members and the expulsion and suspension of party members and branches — formed the crux of the party crisis. The source indicated that negotiations over the formula were underway between the two camps and that it would have to be worked out within the following two or three days. Time, they said, was running short as Tan Koon Swan had not called off the EGM of the party, re-scheduled for 6th May. Unfortunately, Mr Tan's side was not likely to call off the EGM, because it was their trump card over Datuk Neo.

However, Dr Mahathir denied that he gave the MCA any formula. "I do not have any formula to offer," he said, "Maybe Datuk Neo has one. You should ask him," the Prime Minister told

reporters. Dr Mahathir made it clear he had also not proposed the setting up of an interim caretaker, adding that he met Datuk Neo and Mr Tan merely to listen to their points of view on the two-month old party crisis. "They met me separately and each of them presented his set of proposals to resolve the crisis. I gave them the necessary advice but I never forwarded any formula," he said.

As the date for the rescheduled EGM approached Mr Tan made it clear that Datuk Neo was "welcome" to attend. Mr Tan said that if Datuk Neo turned up then "he can have the floor and he can explain to the delegates why he sacked the 14 of us. If he does not show up then he has something to hide," he added. The party's headquarters and Datuk Neo had been informed of the EGM to be held at the Nirwana Ballroom of the Kuala Lumpur Hilton, he said. He stressed that the EGM was the only way out of the party's crisis in accordance with the party constitution. "We are all very eager to bring this crisis to an end as early as possible but it is unfortunate that we are dealing with stubborn people. In an apparent reference to speculation that negotiations had taken place with the Prime Minister acting as mediator, Mr Tan said, "Over the last two days we had hoped that there would be a turn of events but ...".

When asked whether a speaker had been found to replace Datuk Wee Khoo Hock (who issued

notices calling for the EGM but was suspended) for the EGM, Mr Tan asked: "Do you want his head to roll too?" Asked to comment on MCA's 35th anniversary celebrations planned by the party's headquarters, he said that his group would be glad to attend had adequate notice been given as in past years. Referring to an accusation by an MCA Central Committee member that he had been spending large sums of money in his "campaign", Mr Tan said that his lawyers had sent the member a "letter". However, he did not identify the Central Committee member concerned.

Mr Tan's faction was well prepared for the re-scheduled EGM. Not only were all the conference and seminar rooms in the Hilton Hotel booked in order to prevent "sabotage" by the leadership, but Mr Tan's supporters were also able to get a police permit. Deputy Prime Minister and Home Affairs Minister Datuk Musa Hitam said that the police had studied the situation carefully before deciding to allow the two functions to be held. "I am not in any way involved with the police decision but am kept informed on all matters pertaining to peace and security," he explained. Datuk Musa, however, made it clear that it was the responsibility of both organisers to ensure peace and order at both gatherings. According to him, "the political aspect is a different matter and we are only concerned with the security aspect". On the MCA crisis, Datuk Musa said he was not involved in any settlement attempt. "But

I am kept informed by both sides as they are my colleagues and friends," he added.

Meanwhile, the party leadership had lodged a police complaint regarding the use of the MCA flag and badges at the EGM. Datuk Neo told a press conference at the Wisma MCA that the flag and badges could not be used at the EGM as "we are having our 35th anniversary celebrations tomorrow so we can't be holding an EGM as well. As far as the party is concerned, our flag and badges can't be used".

Tan Sri Chong, who was also at the press conference, read out a statement on behalf of the four MCA Ministers. They declared that the EGM was illegal and that Mr Tan's group was "attempting to extend the life of the old delegates elected in 1981, many of whom no longer enjoy the confidence of the party members". The party leadership believed that from the time branch elections were held (between 22nd April to 20th May) to the day of the Annual General Assembly the delegates were being changed and hence no EGM could be held during that period.

Mr Tan, however, argued that one of the five resolutions before the EGM would be to declare all the elections null and void and that fresh elections would only be called after an investigation had been carried out to clear the party of "phantom" members. "The delegates elected under the present system cannot receive the full confi-

dence and faith of the party members because the [membership] list as of now is a dirty one," he said. He added that even if the delegates were to be recognised, they could be "born" only after 20th May, that is, the last day of the divisional elections. He called the EGM a "turning point" in the party's history. The petitioners' legal adviser, Datuk Kok Wee Kiat, said that under the re-scheduled party elections, the notice for the divisional elections had to be sent out by the party headquarters 21 "clear days" in advance. This meant that the notices could only be sent out on 22nd April, after the branch elections ended, and the "birth" of the new delegates could only then start from 12th May.

On 6th May, the two rival camps held their respective shows of strength and each side subsequently claimed that its successful meeting proved that it had majority support in the party. Both groups also announced that they would begin a series of similar rallies throughout the country. At the Wisma MCA only about 3,000 of an expected 20,000 members turned up to participate in what turned out to be an emotional 35th anniversary celebration expressing support for the party leadership. Simultaneously, at the Nirwana Ballroom in the Kuala Lumpur Hilton, 1,616 delegates of the last General Assembly held an EGM whose legality had been questioned and which had not been sanctioned by the party leadership. The EGM passed seven resolutions, two by secret ballot and the others by a show of

hands. The two passed by secret ballot were opposed by only seven of the delegates present. The two were that the 14 party members, including Mr Tan Koon Swan, Datuk Ling Liong Sik and Datuk Lee Kim Sai, expelled in March be reinstated to their respective party positions and that an ad hoc committee be set up to investigate the "phantom" members issue.

At the end of the day, it appeared that there had been little real change in the status quo. Datuk Neo reiterated that the party leadership considered the EGM illegal and would not, therefore, implement the resolutions passed there. Mr Tan, however, said the resolutions would be implemented "in the shortest possible time" but declined to elaborate how this would be done. He said: "If they [the leadership] don't implement the resolutions, they will not be carrying out their duties. Likening the MCA to a company, he said that if the leadership did not want to implement an order "given by the board of directors and shareholders, the next step may be to remove them". Asked if he would go to the courts to seek implementation of the resolutions, he replied: "We will cross that bridge when we come to it". He also announced that he would lead a delegation of 45 MCA State Assemblymen and Members of Parliament to Dato' Seri Dr Mahathir to brief him on the matter.

In anticipation of having to go through legal tussles to court to settle the two-month long

crisis, the organisers of the EGM made sure the manner in which the meeting was carried out left no avenues for anyone to cast doubt on its legality. From the registration of the first delegates as early as 7.30 am to the moment the speaker of the assembly, Datuk Chan Siang Sun, declared the meeting closed at about 4 pm, nothing was left to chance.

The 1,616 delegates had to go through three "screen tests" before being allowed to enter the hall. On arrival, they had to register themselves under the watchful eyes of 10 volunteer lawyers. Once they had been verified as genuine delegates they were given an identification tag. They then proceeded to the hall where they had to produce their identity cards for cross checking with their tags before being allowed to enter. Finally, as they entered the hall, security guards put them through a metal detection routine. Reporters covering the event had to go through the three screen tests as well.

Once inside, nobody was allowed to leave the hall till lunch break at about 12.45 pm. Everyone went through the same motions when they re-entered the hall at 2 pm. During registration, delegates who encountered complications like having names spelt differently in the party's delegates list from their identity cards or differing identity card numbers, were required to make statutory declarations in the presence of a commissioner of oaths that they were genuine delegates. The

moment the meeting was opened by Datuk Chan, two formal resolutions, to declare that the EGM was constitutionally legally and properly convened and to resolve and determine that the venue of the meeting, the KL Hilton, be the place of meeting of the party, were passed by the Assembly. Fifty-five delegates, including party stalwarts, Datuk Tan Peng Khoo and Lee Jong Ki, who had been suspended or expelled were not allowed to take part in the deliberations until resolution 5 (b) to annual their suspension and expulsion was passed. Similarly, Tan Koon Swan and 13 who were expelled by acting party president, Datuk Neo Yee Pan, were only allowed into the hall after the counting of votes to pass a resolution calling for their reinstatement were completed and carried by a vote of 1,607 for and 7 against. Loud applause and the rendition of the Mandarin version of the battle hymn "Glory Hallejulah" greeted both groups on the two occasions when they made their entrance.

To ensure that the EGM stuck to the resolutions laid out in the agenda, Datuk Chan disallowed a motion proposed by MCA Youth treasurer Ngau Boon Min to dismiss acting president Datuk Neo Yee Pan from his party post. However, he ordered that the feelings of the delegates on the leadership of Datuk Neo be put on record. Lastly, in order not to run foul of the law, the EGM was adjourned at 4 pm, the deadline given by the police.

The day after the EGM, Tan Koon Swan and 45

MCA Members of Parliament, State Assemblyman and Senators met the Prime Minister to outline the decisions taken at the EGM. Mr Tan told a press conference later that it was a "courtesy call" and declined to reveal what transpired during the meeting. He added: "We are satisfied with the Prime Minister's response". Datuk Ling Liong Sik then chipped in and said it was "private advice". Asked whether they had requested the Prime Minister to reappoint Datuk Ling and Datuk Lee Kim Sai as Deputy Ministers, Mr Tan replied: "The matter did not arise. That [the appointments of Deputy Ministers] is the Prime Minister's prerogative".

Mr Tan said that the group had conveyed the "feelings as well as wishes" of the delegates and the resolutions passed at the EGM to the Prime Minister. When asked why he needed to take along a delegation of 45 for the meeting, Mr Tan said that it was to brief the Prime Minister on the "actual position in each State" and also to "give him the true picture". He also said that as leader of the National Front, the Prime Minister should be briefed on what was happening. Besides, the 45 members also wanted to meet the Prime Minister, he added.

Commenting on the 35th anniversary celebration held at Wisma MCA yesterday, he said that it was "supposed to be a celebration to respect past leaders but they [the leadership] chose to attack past president Datuk Lee San Choon. This clearly

shows that they say one thing and do another. All the leaders had nothing to say but to attack past and present leaders," he said. He said that the party leadership should have used the occasion to state the party stand, party policy, its future direction and what they had in store for the Chinese community.

Mr Tan also said that he was prepared to meet Datuk Neo in a public debate "anytime, any place and on any subject". Datuk Lee Kim Sai, stressing that he was now also back in his former position of MCA Youth president, said that he would "hold a meeting" after consulting the movement's Central Committee and Exco members. He also issued a challenge to Datuk Neo to hold a function at the same time as one held by Mr Tan's group in Kuala Lumpur "and let us see which side has got the more support".

Datuk Neo and his supporters remained firm in their rejection of the decisions taken at the EGM, although by then their position had been considerably weakened morally, if not legally. Addressing 2,000 supporters at a dinner organised by the Penang MCA two days after the EGM, the acting MCA president urged MCA members not to "sell" the interests and dignity of the Chinese for money. He said "money politics" would never last long but the interests and integrity of the Chinese community would remain forever. Stating that "money is the root of all evil," Datuk Neo urged MCA members not to succumb to such

temptations. "The MCA represents the Chinese in the country and the party must always strive to uphold the dignity of the community," he said. Datuk Neo criticised the Tan Koon Swan faction for practising "money politics" to woo supporters for short-term gains. "The Koon Swan faction is throwing away money to gain more followers. Look at how evil money can be," he said to the applause from the members. "But that won't last long. Once the money is gone, the supporters will fade away".

Datuk Neo also criticised the Koon Swan group for spreading false propaganda and attacking the party leadership. "They have made a mountain out of a molehill and distorted the whole phantom members issue out of proportion," he insisted. He said it was inevitable that phantom members would surface whenever party elections were near. "But this is a family affair and can be solved. Instead, they [the Koon Swan group] took the opportunity to discredit the party leadership," he said. Datuk Neo said as far as the party leadership were concerned, they had abided by the party constitution. He said party members should decide whether they wanted to follow the path of protecting the dignity of the Chinese community or be influenced by money for short-term gains.

Datuk Neo also called on the Chinese to unite behind the MCA to consolidate the political strength of the community. He said that, for

example, the MCA in Penang should cooperate with the Gerakan to ensure that political leadership in that state would not be eroded. "In this respect, I am very disappointed with Lee Jong Ki whom I had groomed to become the next Chief Minister of Penang. But what has he done? He has insulted and abused the party leadership". Later, Penang MCA deputy chairman Lam Wu Chong led the 2,000 members to pledge support for the eight resolutions in support of the party leadership adopted by members at the 35th anniversary celebrations in Kuala Lumpur. They also unanimously pledged support for State party chief Lim Kean Siew and condemned the actions of Lee Jong Ki.

The Koon Swan-Kim Sai faction announced that they would give the MCA leadership "reasonable time" within which to implement the resolutions adopted at the EGM. In the event of a negative response from Datuk Neo, Mr Tan said that a two pronged approach would be followed. A political solution would be pursued but legal action was also possible. "Nothing will stop us from implementing the resolutions adopted at the EGM," he said. "The General Assembly has made a decision. If the party leadership does not bow down to the wishes of the General Assembly, the General Assembly will meet again to make further decisions".

Observers viewed Mr Tan's statement about convening another General Assembly as a veiled

threat to the leadership that this time around the delegates might call for the expulsion of Datuk Neo and his group. The apparent reluctance of Mr Tan and his supporters to take legal action immediately was believed to be because the legal process could well become a long drawn out affair. Already there were signs that opposition to the acting MCA president was beginning to lose its momentum despite the success of the expelled leaders in convening the EGM.

Mr Tan said the ad hoc committee voted for by the EGM would soon swing into action. It would begin investigations into allegations of "phantom" members — the issue that sparked off the crisis. The resolutions would also be conveyed to Datuk Neo although it had not been decided that they be sent to him directly. He warned that his faction would ensure that the MCA General Assembly and party elections scheduled for July would not take place unless the resolutions adopted at the EGM were first implemented.

With the persistent refusal of Datuk Neo, Tan Sri Chong and other MCA officials to recognise the legitimacy of the EGM, Mr Tan's group was left with no alternative but to take the matter to the courts.

7

Going To Court

For Tan Koon Swan and the other 13 expelled leaders, the successful holding of the EGM was a major milestone in their quest for justice as they saw it. The EGM was clearly executed with consummate planning with no effort being spared to project an image of legality and political shrewdness. But incumbency is a powerful thing. In any political system it takes a special and unusual set of circumstances to overthrow a determined leader. In the case of the MCA, where the president enjoyed powers much greater than those of an UMNO, MIC or Gerakan leader, the incumbent had shown his ability to withstand a siege. For two months Datuk Neo's faction had been firmly entrenched within its walled city while the expelled leaders did all they could to break down the city gates.

Datuk Neo repeatedly stated that he would not resign, saying he felt the intentions of Mr Tan's faction were improper. On the other hand, with the successful holding of the EGM, the expelled leaders had a new and powerful base from which to launch further attacks. With little room left for negotiation the only obvious course left seemed to be to take the matter to court.

Meanwhile, the Prime Minister continued to avoid becoming involved in the controversy. "They have to solve it themselves. It's their own problem," the Prime Minister stressed. Dr Mahathir said this solve-your-own-problem advice was given explicitly to Mr Tan who led a 45-member delegation comprising eight Members of Parliament, 35 State Assemblymen, two Senators and legal adviser Datuk Kok Wee Kiat, who met him at his office. "That was the only advice I gave them when the Koon Swan group came to see me to present the results of the EGM," he added. The Prime Minister went on to say that he had not met Datuk Neo since the MCA anniversary celebrations. "Even if he were to meet me, I would also tell him what I feel, that is that he himself should solve his own party problems," he said.

He made it clear that he did not want to interfere in MCA internal affairs, adding that it was up to the party to determine its next course of action. Dr Mahathir said that during the one-hour meeting, he merely listened to Mr Tan who conveyed to him the feelings and wishes of the 1,616 dele-

gates who attended the EGM. On the two vacant Deputy Minister's post following the resignation of Datuk Ling Liong Sik and Datuk Lee Kim Sai, the Prime Minister said the posts would be left vacant until he decided otherwise.

On 9th May the MCA leadership was officially presented with the resolutions of the EGM, including one reinstating the expelled leaders. In his capacity as speaker of the EGM, Datuk Chan Siang Sun, who had earlier been removed from his post as chairman of the Pahang MCA by the party leadership, presented a copy of the resolutions to Senator Tan Chang Soon, the MCA's chief executive secretary. Senator Tan received the documents on behalf of the party's secretary-general, Tan Sri Chong.

Datuk Chan told newsmen later that besides the minutes and the resolutions, the documents included the names of the 1,616 delegates who attended the EGM as well as the notices calling for the EGM. "I also handed in a covering letter asking the secretary-general to implement the resolutions of the EGM," he added. Asked to comment on the fact that a headquarters official had accepted the documents relating to the EGM — which the headquarters held to be invalid — Datuk Chan said: "I take it that they [the resolutions] have reached the proper authority".

However, a statement issued by MCA headquarters in the evening said that the party stood

by its decision taken in accordance with the party constitution that the so-called EGM was illegal and unconstitutional. "Therefore, the whole proceedings, including decisions taken at the so-called EGM, are null and void", it said. The statement added that the party had directed that divisional elections were to proceed as scheduled. The party leadership also decided to call the newly-elected delegates for a special meeting in order to brief them on the latest development in the party. The meeting was to be held after the divisional elections were over, that is, after 20th May. The statement also said that the attendance list of the EGM, handed in by Datuk Chan, was unsigned.

On 10th May, no more than 24 hours after the minutes and resolutions of the EGM had been officially delivered to the MCA headquarters, the court actions began. Three supporters of Tan Koon Swan went to court to seek an injunction to freeze the MCA's divisional elections that were then in progress. They also wanted the court to declare the suspension of 32 Petaling and Kuala Lumpur Bandar MCA divisional branches null and void.

The three suits were filed with the Appellate and Special Powers Division of the High Court by Datuk Kok Wee Kiat, Choo Choong Hee and Wong Chwee Lai alias Wong Chew. They named as defendant MCA secretary-general Tan Sri Chong Hon Nyan on behalf of the party. Datuk

Kok represented himself in his suit while his assistant, Darryl Goon, assisted Raja Aziz Addruse for Mr Choo and Mr Wong. Datuk Kok was the chairman of the Kuala Lumpur Municipality branch and vice-chairman of the Kuala Lumpur Bandar MCA division. Mr Choo was the chairman of the 14th Mile Puchong branch and vice-chairman of the Petaling division while Mr Wong was an ordinary member of the Kuchai branch.

Apart from seeking a declaration that the suspension of their branches by Tan Sri Chong was null and void and ultra vires the party's constitution, the plaintiffs also wanted a declaration that any elections carried out by the unsuspended branch assemblies in the respective divisions were similarly invalid. They also sought an injunction to stop the party, its members, agents or servants from holding any divisional assembly to elect divisional delegates to the party's General Assembly (scheduled for 7th July). Alternatively, they wanted injunctions to restrain:

- The party and the Petaling and Kuala Lumpur Bandar divisions, its members, agents or servants from holding any divisional assemblies to elect delegates to the General Assembly;
- The party, its members, agents or servants from issuing any notice calling for any divisional assembly and/or making any nomina-

tion of divisional delegates to the General Assembly;

- The party, its members, agent or servants from holding elections at the 32nd Annual General Assembly or any other General Assembly; and
- The party, its members, agents or servants from continuing to enforce the suspensions of the branches.

In addition, Mr Wong sought a declaration that his expulsion as an ordinary member was null and void and/or ultra vires the party constitution. All three also wanted a declaration that the register of members of the Petaling division kept as at 31st December 1983, carrying 22,000 names was incorrect. They claimed that some of the names which appeared were fictitious Chinese names with identity card numbers of Malays or Indians or which belonged to persons who were deceased.

In their statements of claim, they argued that the party had contravened the constitution by suspending the branches. They claimed that:

- The suspended branches of the Petaling division were wrongly informed that they were suspended;
- The members of these branches generally

supported their intention to contest the elections at both branch and divisional assemblies to enable them to be delegates to contest the elections at the 32nd Annual General Assembly scheduled for July;

- They were not given any prior notice of any intended suspension nor any reason for the suspension nor were its members given the right to be heard;
- That two members of the Disciplinary Board which suspended the branches, MCA acting deputy president Datuk Mak Hon Kam and Central Committee member Lim Kean Siew, had a direct interest in favour of the suspensions and were therefore biased or likely to be biased.

The plaintiffs also claimed that the Disciplinary Board was not the proper party under the constitution to suspend them. They also argued that the Disciplinary Board was not properly constituted in accordance with the party's constitution because of its three members, only Datuk Mak and Mr Lim were present when the suspension decisions were made. The party, they said, had breached the rules of natural justice. They also claimed that party acting president Datuk Neo Yee Pan and secretary-general Tan Sri Chong Hon Nyan had breached the party constitution by refusing to implement the resolutions passed at the Extraordinary General Meeting.

The judge, Justice Wan Hamzah Salleh, noted the importance of the matter and ordered the suits to be heard *inter-parte*. This meant that both plaintiffs and defendants would be given the chance to present their arguments in court. Originally the case was to be heard on Saturday 12th May but it was postponed until the following Wednesday on the grounds that a substantial number of documents were only served on Tan Sri Chong's counsel on 11th May.

Meanwhile, Datuk Chan Siang Sun also filed a civil action against the MCA. He wanted, among other things, a declaration that the party's EGM held on 6th May was legal. Datuk Chan, who was suing the party on behalf of the 1,499 delegates who petitioned for the EGM, also sought a mandatory injunction forcing the MCA to implement the resolutions passed at the EGM. Pending the determination of these requests Datuk Chan also wanted an interlocutory injunction restraining the party from holding elections at the divisional level. As in the case of the other three suits, Tan Sri Chong was named defendant in his capacity as the public officer of the MCA.

Legal action by suspended MCA branches and members soon spread throughout the country. In each case the suits sought declarations from the courts nullifying their suspensions and restraining the MCA from electing delegates to the forthcoming General Assembly. These suits, all similarly worded, were filed against the party in Penang,

Ipoh, Malacca and Johore Bharu.

While these events were taking place, confusion reigned supreme at the party's branch and divisional levels. In the Selayang division, for example, it was reported that two annual meetings of the division had been called on the same date but at different venues. One was to be held at the MCA headquarters while the other was to be held at the party's Kuala Garing branch in Rawang.

According to the Selayang division, only the one to be held at Kuala Garing was valid. The chairman of the division's election Steering Committee, Tang See Hang, who was also the State Assemblyman for Rawang, told newsmen that the case of the two AGMs came to light when a member received a notice from the Selangor MCA stating that the divisional AGM would be held at the MCA headquarters on 20th May at 8 pm. The notice also stated that nominations were to be submitted to the MCA headquarters by 13th May. "The notice was dated 28th April but the post mark on the envelope was dated 9th May," he said. "Under the party's election regulations, it is the division that fixes the dates for its AGM unless the division had been taken over by the State MCA. Until now no such thing had happened to our division which has fixed the nomination date for 13th May and the AGM from 20th May at 7.30 pm. We will be having a meeting of branch chairmen and secretaries tonight to discuss the matter and to take the necessary action". He

urged the delegates to attend the meeting fixed by the division.

Mr Tang also said that there was some confusion over the number of delegates that the division could send to the MCA General Assembly in July. "When we received the first membership list our division had 10,259 members which means that we can elect 102 delegates," he explained. "However, a few days ago we received a letter from the secretary-general, Tan Sri Chong Hon Nyan, stating that we can elect 103 delegates. The notice sent by the Selangor MCA stated that the division could send 104 delegates. Which is the right figure?" He also confirmed that Dr Lim Aun Koon, the State Assemblyman for Kajang had been suspended by the party. Dr Lim, a supporter of the Tan Koon Swan faction, was understood to have received his suspension notice a few days earlier.

There were also disputes at the branch level. 11 branches of the party's Shah Alam division announced that they planned to boycott the division's AGM scheduled for 12th May. They claimed that the division had not complied with the requirement that 21 days notice be given for a meeting. The chairman of the Bukit Rajah branch, Tan Chin Gan, who spoke on behalf of the branch chairmen, said notices were only issued on 22nd April and as such the AGM should be held on 16th May and not 13th May. He said

the branches were also protesting against the disqualification of four branches from the elections in the division. Mr Tan said all the delegates of the 13 branches would not attend the meeting and would not recognise those who were elected. "In fact we will seek legal action to nullify the elections of office bearers," he said.

In Penang the Bukit Bendera division held two separate Annual General Meetings and the rival factions later declared the other's AGM null and void. One group of 120 Tan Koon Swan supporters held their meeting at the Rifle Range Community hall. It was conducted by former Penang MCA secretary Lee Jong Ki. Another group of 42 supporters of acting president Datuk Neo Yee Pan held a separate AGM conducted by the chairman of the State MCA Steering Committee, Lim Kah Pin, and MCA Central Committee Member C.S. Wong. It was held at the divisional office in Lorong Sempadan Dua, Rifle Range. Lim Kah Pin claimed most of the Koon Swan supporters had been suspended. Lee Jong Ki, however, contended that the members' suspensions were unconstitutional.

Mr Lim said he and Mr Wong were directed by the MCA headquarters to carry out the AGM because "some unruly elements were causing party disunity". "We have passed a resolution to fully support the present leadership of Datuk Neo and we are behind any action to be taken by the Central Committee against the rebel elements,"

he added. However, Mr Lee said the majority of the party members neither agreed with nor accepted the "high-handedness of the present party leadership". "The party's open-door policy has encouraged a number of people to wrest power from the divisional leadership. These people are those who joined the MCA after being expelled from their own opposition party," he said. Mr Lee mentioned the DAP as the "opposition party". Goh Lim Eam was elected the chairman of the Bukit Bendera division by the Datuk Neo group while Goh Ewe Lit was elected chairman by the pro-Koon Swan camp.

Many newly suspended branches flatly refused to recognise their suspensions. Five MCA branches in Kepong suspended on 12th May, for example, insisted that they would go ahead with branch elections despite the order. The EGM, they argued, had put a stop to such suspensions.

The legality of Tan Sri Chong's position as secretary-general of the party was also questioned. The controversy arose after Tan Sri Chong suspended the Malacca Third Town branch. The chairman of the suspended branch, David Lao Kee Peng, said the suspension of the branch, of which Tan Sri Chong had been a member since 1974, meant that he had "suspended" himself from the party and was no longer entitled to carry out party activities. As such, he said, Tan Sri Chong should no longer hold office in the party. Mr Loa told a Press conference at the State MCA headquarters

that according to the party's constitution when a branch was suspended, its members could not carry on with party activities. "We feel that it is very funny that our branch has been suspended by our secretary-general who at the same time has suspended himself. He should not be allowed to take part in party activities, just as we are," he added.

A statement issued by the MCA headquarters, however, claimed that the position of Tan Sri Chong as secretary-general was not affected by the suspension. The statement did not deny that Tan Sri Chong was a member of the Malacca Third Town branch. Instead, the MCA headquarters insisted that the suspension order "does not affect the position of Tan Sri Chong as secretary-general of the party. He has not been suspended as a member of the party. His status therefore remains unchanged".

Meanwhile, the party leadership continued to suspend branches as the party's divisional elections were about to begin. According to Datuk Lee Kim Sai, 191 branches with a total membership of 70,000 had been suspended by 14th May. Of these, 42 had been suspended since the EGM. "The total number of MCA members affected by this suspension action is about 20,000," he said. Claiming that the affected members were indignant over the arbitrary action taken by the headquarters, he added: "They said no reasons were given by the headquarters for the action taken;

neither did the branches so affected receive any 'show cause' letters from the headquarters". He said that one of the resolutions unanimously adopted by the EGM called for the suspension of the headquarters' power to suspend branches and individual members. But in spite of this, the headquarters still continued to suspend branches.

According to members of the Tan Koon Swan group, the legal moves initiated against the party leadership were part of a series of actions to achieve a political solution to the party crisis. "What we have done during the crisis has been constitutional, legal and proper," said Datuk Kok Wee Kiat, the group's legal advisor. "Had the Neo Yee Pan faction sincerely thought we acted outside the law and outside the MCA constitution, would they not have gone to court long before we did?" Datuk Kok said the Neo Yee Pan faction was like a "bandit" waving a flag and saying that the Koon Swan faction had acted outside the law. He said they had always maintained that the solution to the crisis was a political one. Datuk Kok also said that Malaysian Chinese who believed in democracy and the rule of law as a basis for a happy and prosperous multiracial Malaysia would be proud to take court action against their own party for the country's well being. However, he said, they would not burden the courts with too many actions to stop the divisional elections because of the many divisions in the country.

Datuk Kok explained that the suit filed by Deputy Information Minister Datuk Chan Siang Sun in the High Court was to seek the implementation of the resolutions passed at the Extraordinary General Meeting (EGM). "The resolutions are valid and we are not going to court to legitimise them. The party headquarters had made statements that they refused to recognise the resolutions. This has left us with no alternative but to do what we believe is the right thing," he added.

The hearing of applications by the four Tan Koon Swan supporters began in the High Court on 16th May. Speaking on behalf of Wong Chew, an ordinary member of the suspended Kuchai branch of the MCA and Choo Choong Hee, vice chairman of the Petaling division, Counsel Raja Aziz Addruse contended that if the MCA Disciplinary Board sat with less than its three members "then the decision of such a board is not valid".

He made the submission while having regard to the fact that the MCA constitution did not provide a quorum for the sitting of the board. He, therefore, contended that the Disciplinary Board's decision to expel Wong Chwee Lai alias Wong Chew (one of the 14 members, including Mr Tan Koon Swan, Datuk Lee Kim Sai and Datuk Ling Liong Sik, who were expelled on 19th March and had been reinstated by the controversial Extraordinary General Meeting of 6th May) was a nullity. He added that for the same reason the

decision of the Disciplinary Board to suspend the branches (referred to in the suits before the court) were also null and void.

Earlier, counsel said that between 6th February and 28th March 1984 only two members attended the meetings of the Disciplinary Board. He added that Datuk Lee Boon Peng, a member of the board at that time, did not attend the meetings. The board was headed by MCA acting deputy president Datuk Mak Hon Kam with Senator Lim Kean Siew, the Penang MCA chief, as another member of the board. In April, Datuk Lee was replaced as a member of the board by Datuk Tan Tiong Hong, the new MCA Federal Territory chief.

Raja Aziz also contended that the Disciplinary Board failed to observe the requirements of natural justice. He then referred to a paragraph in Mr Wong's affidavit in which he stated that he had never at any time been given any grounds for his expulsion and he had also not been given any notice of any disciplinary proceedings proposed to be taken against him or any reason thereof. Mr Wong further stated that he was never at any time given any opportunity to be heard by the Disciplinary Board. Raja Aziz said that the affidavits of MCA secretary-general Tan Sri Chong Hon Nyan and MCA chief secretary Senator Tan Chang Soon did not deal with these matters. "There was no dispute," he added. Counsel submitted that on the basis of Mr Wong's statement, the Disciplinary

Board's decision was null and void for it had not observed the rules of natural justice.

Raja Aziz also submitted on the effects of the so-called expulsion of Mr Wong. In this connection he again read a part of Mr Wong's affidavit in which Mr Wong stated that he had been intending to stand for the Kuchai branch election and for election as a delegate to the Divisional Assembly. Mr Wong further stated that his aim had been to stand for election as chairman of the Petaling division and when successful to stand for election for a Central Committee seat. He also stated that he had been deprived of the support that he would have got from the members of the Kuchai branch and of his right to support Mr Tan Koon Swan and other MCA members who intended to stand for election to the Central Committee. Counsel, therefore, contended that Mr Wong had been deprived of certain rights as a member of an association. "Among them is the right to participate as a vote or candidate in the elections," he said.

The next point counsel referred to was a contention that the plaintiff could not come to court to seek redress without first exhausting all remedies provided for by the party. Counsel quoted part of Tan Sri Chong's affidavit which he said was the basis of that argument. In it, Tan Sri Chong stated that he had been advised in law by their solicitors and believed that the failure on the part of the various suspended branches referred to in

the writs of the plaintiffs, and the failure on the part of Wong Chew to exhaust the domestic remedies within the party structure as provided for in the MCA constitution "is fatal to their institution and maintenance of the writs". Raja Aziz, however, submitted that the MCA constitution did not contain provisions which stated that they must exhaust all domestic remedies before they could come to the court. He argued that since the Disciplinary Board was not properly constituted and it had failed to conform to the rules of natural justice, the course taken by the plaintiffs to come to the court even without appealing to the authority provided for in the MCA constitution, was the proper one. "If our not having exhausted the domestic remedies is not fatal, then this is a proper case for an interim injunction to be given because of the adverse effect of the elections in the next few days will have on the plaintiffs," he said.

Earlier Raja Aziz submitted that a basic principle of an election was there should be a procedure which provided for fairness and ensured that it was held in a democratic way. That was why the question of 'phantom' voters became painful, he said. This question, he argued, should be looked at in two ways — from the point of view of those who were entitled to vote and from the point of view of those who stood as candidates. "What is the implication of 'phantom' membership? Were these branches and these members who were suspended and expelled ... were they suspended and

expelled properly in a legally acceptable manner?" he said. He also asked if a decision of the Disciplinary Board represented by two out of three members was valid. "Can the Disciplinary Board suspend or expel without complying with the rules of natural justice?"

On the phantom voters, Raja Aziz said membership to the MCA was an elaborate procedure. "It seems virtually impossible for 'phantom' members to have got into the list [of members] without collusion," he said. It would have been a different situation if one or two members had a different name in their identity cards, however. He cited as an example a "member" who was said to have joined the MCA in 1983 but had died in 1977. Raja Aziz said one of the requirements was that the members had to be Chinese and they should be citizens but some of the identity card numbers listed belonged to Malays or Indians. There were also some Chinese members whose birthdays were different to what was mentioned in their identity cards. "It is difficult to imagine how so many 'phantom' members came to pass," he added.

Raja Aziz submitted that the dissident faction was told to sort out the issue of 'phantom' members within the party but it had decided to make a public issue of it. He said that 'phantom' members were widespread and that the MCA leaders knew about it as seen in the affidavit of Tan Sri Chong Hon Nyan, but the

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elections of the branches still went on. On the Disciplinary Board, Raja Aziz in certain cases a body could be empowered to make recommendations and not to suspend or to expel, it would have to comply with other requirements, he said. "Two out of three members sitting will not constitute a proper Disciplinary Board," he said. "The committee must be properly constituted and it must comply with the rules of natural justice. If it does not, the court can intervene". Raja Aziz said the letters from Datuk Mak Hon Kam (the board chairman) arranging for a meeting were very general and did not state the purpose of the meeting. "It did not say that there were disciplinary proceedings against anyone," he said.

On the following day counsel Cecil Abraham, appearing on behalf of Datuk Chan, made his submission to the court. He outlined seven areas to be considered by the court:

- Was the suspension of the Kuala Lumpur MCA Municipality branch in accordance with the party constitution?
- Were the rules of natural justice complied with when the branch was suspended?
- Was the party's Disciplinary Board properly constituted within the meaning of the constitution for the consideration of the suspension?

- Was notice of a meeting given to the third member of the Disciplinary Board (Datuk Lee Boon Peng)?
- Even if notice was given was there no agenda for the Disciplinary Board meeting?
- Can the plaintiff be deprived of his contractual and constitutional right to be elected by the branch and then to the division and to the General Assembly in a unilateral fashion?
- Were the provisions in the election rules regarding notice for convening meetings complied with?

Also to be considered was whether the other two members of the Disciplinary Board (its chairman, Datuk Mak Hon Kam and Lim Kean Siew) were biased or if there was a likelihood of bias, he said. Mr Abraham said the court also had to determine whether the membership registers were accurate for the purpose of the branch elections and the consequences that would follow if the elections were conducted on an inaccurate register.

He then referred to an affidavit by Tan Sri Chong Nyan, the MCA secretary-general, in which Tan Sri Chong stated that the request by some members for the EGM of 6th May was misconceived, and unless they were re-elected they

could not be considered delegates. Mr Abraham said requisition for the EGM had nothing to do with the triennial assembly. "They are delegates until they are replaced," he added. Mr Abraham also submitted that the court would have to determine whether the plaintiffs were right when they said that more than two-thirds of the membership had wanted the EGM or whether the defendant was right in saying that 768 delegates had wanted the meeting. He said what the defendant wanted was for the court to rule that only the party could convene an EGM, "but there is nothing in the constitution to say so". In any case the defendant refused to call the EGM.

He said the delegates could convene an EGM provided it was called in accordance with the constitution, which they did. On an allegation by the defendant that the EGM was unconstitutional and invalid because it was not held at a designated venue, Mr Abraham said the meeting was held in a hotel but the assembly could resolve where the meeting was to be held. Mr Abraham said it was for the court to interpret the rule in the MCA constitution regarding meetings and decide on the validity of the EGM originally convened for 29th April but adjourned to 6th May.

Touching on membership, Mr Abraham said the defendant had so far suspended 49 delegates to the General Assembly. This excluded the 14

who were expelled, of whom 12 were delegates. Also, 121 branches had been suspended. This would result in disproportionate representation at the General Assembly, he added. Stressing that the General Assembly could be held after the membership register was investigated and clarified, Mr Abraham said the defendant had claimed that the lists had been rectified, but the plaintiffs had found that they contained several underaged members. Mr Abraham said those assemblies were never held in July. In 1981 it was held on 19th September and 20th September. In 1982 it was held on 3rd October and last year it was held on 16th October. He added that if the interim injunction was not granted immediately and the plaintiff succeeded in the main action, there was no way in which one could undo what had been done.

Appearing on behalf of the MCA and Tan Sri Chong as secretary-general, C.V. Das told the High Court that the MCA constitution was not silent on who could call an EGM. It was clear under Article 35 that the secretary-general was the convening authority, he argued. He quoted Article 35 which read: "An Extraordinary Meeting other than that directed by the president can only be convened if the reasons are given in writing to the secretary-general and at least 30 days' prior notice must be given of the date and time of the meeting and the agenda for discussion". He said an EGM could be called by the president or by at least one-third of the Central Com-

mittee members or by at least one-third of the delegates appointed to the General Assembly. If the EGM was called by one-third of the Central Committee members or one-third of the delegates, then that requisition must be given in writing to the secretary-general and the reasons must also be given, he said.

"In other words," he argued "The secretary-general would be exercising a filter mechanism to ensure that a General Assembly of the party is not convened just like that". This was because a lot of mobilisation was involved in the holding of such a meeting, he said. He said that the function of the secretary-general in receiving the notice and that the notice be given in writing clearly showed that the secretary-general the convening authority under Article 35.

Counsel said the constitution also provided for the place where meetings of the party could be held. He contended that the reasons for making provisions as to who could convene meetings and where they could be held was because "the MCA is a democratic set-up". "If there are no checks and balances, then you can have 100 or 200 members gathering at a street corner, passing resolutions and then asking the party to implement them. If this is not done then they go to the court," he said. "One of the first principles of the law of meetings is that the convening of the meeting must be done by the proper person.

If this is not done then the meeting and the decisions taken are null and void," he argued.

Referring to the EGM called by the delegates, he said that in this case the meeting was not called by the secretary-general but by the speaker who had no executive authority under the constitution. He also said that at the EGM, the meeting elected a speaker (Datuk Chan Siang Sun) as the speaker (Datuk Wee Khoon Hock who was elected speaker at the General Assembly in 1981) was suspended. He added that this further raised the question as to whether the right person presided at the meeting.

On the following day C.V. Das continued his submission. If the court granted the interlocutory injunctions sought by the four Tan Koon Swan supporters, he argued, it would create uncertainty and confusion in the party. "The purpose of an injunction is to maintain stability, but if it is going to cause instability, then the court should send the plaintiffs for trial to prove their claims". Referring to Tan Sri Chong's affidavit, he said there was political strategy being used to bring pressure upon the incumbent leadership and seize control of the party. The status quo, he said, had to be maintained in order to prevent chaos.

Submitting on the plaintiffs delay in coming to court, Mr Das said that the delay itself disqualified them. Their *ex-parte* writ for the injunctions

was filed on 12th May but their notice of action was given on 7th February and renewed on 9th March. Referring to the 'phantom' members, he said that if the plaintiffs had been sure that there were fictitious names in the registers, they should have applied to the court then to stop all elections. "Unless they have a cogent explanation for this tardiness, the injunctions should not be granted," he argued.

Mr Das said the injunctions, if granted, would have far reaching implications and the relief asked for by the plaintiffs went beyond the causes of action. Contending that the injunctions were not parallel to the cause of action outlined in the writ, Mr Das said the facts in the pleadings were insufficient. Mr Das also submitted that the resolutions adopted at the EGM of the Koon Swan faction on 6th May amounted to the setting up of a rival leadership within the MCA. A committee parallel to the Central Committee of the MCA was set up and expelled persons were taken back into the party. "This has resulted in a state of absolute chaos," he added.

Mr Das said the EGM was originally fixed for 29th April but it was postponed to 6th May. The reason given was that there was no quorum on the first occasion. But it was the contention of the defendant, he said, that the first meeting did not go on because of a directive from the police. "Should an injunction be issued when there is so much doubt about the 6th May meeting?" he

asked. Mr Das said the MCA was a political society which practised the principles of democracy. "The court should be most reluctant to interfere in the affairs of a voluntary body by issuing injunctions," he said. Already so much passion had been generated in the association. Mr Das said two major resolutions adopted at the EGM were by way of secret ballot, one of which pertained to the reinstatement of 14 members, who had been expelled, to their former positions. "The assembly, by passing this resolution, was usurping the function of the Central Committee," he concluded.

Mr Abraham, replying to points raised by the defendant, said that it was "a figment of somebody's imagination" to contend that the granting of the injunction would lead to chaos in the party. "All that has to happen is that the elections will come to an end and this can be brought about by an administrative action from the hand of the secretary-general. I am sure the secretary-general will not have difficulty in writing the appropriate letter to that effect," he argued. He also denied that if the injunction is granted it would be a difficult one to administer. "The injunction being asked for does not require any supervisory function to be exercised by the court. All the defendant has to do is to ensure that the divisional elections are not held pending the hearing of the suits. The injunction will not affect the elections already completed. The defendant can continue in office and carry on with normal business and

functions". He also said that the present incumbents could continue in office. However, counsel said one consequence of the injunction being granted was that it would defuse the situation. "The present trial by newspapers, seminars and meetings would cease pending the outcome of the trial," he pointed out.

He denied the contention that the plaintiffs were interfering with the democratic process of a voluntary political association. On the person designated under the MCA constitution to convene an EGM, counsel submitted that it was not necessarily correct to say that it was the secretary-general. "Technically the secretary-general should call the EGM, but on the facts in this case, he refused to call one. What were the requisitioners to do?" He submitted that the requisitioners were entitled to convene the meeting themselves.

He also contended that the speaker could call for the EGM in the absence or defiance of the defendant doing so. He said that as the speaker (Datuk Wee Khoo Hock) was suspended just prior to the EGM, the delegates at the meeting then acted within the provisions of the constitution, in that the General Assembly has the same powers, duty and responsibility as that of the Central Committee, and proceeded to appoint a new speaker (Datuk Chan). He added that, as the General Assembly had the same powers as the Central Committee, it could also resolve the place and time of the meeting.

On another point raised, counsel contended that a delegate to the last triennium continues to be one until the next annual divisional meeting when elections are held. In the case of the EGM, he said it was held on 6th May when no divisional general meetings had yet been held "so the question of they [the delegates who attended the EGM] not being delegates does not arise". On the question of the validity of the EGM, he said it was a question of law for the court to decide. "If your Lordship at this stage is in difficulty to determine it, then that in itself raises a triable issue and the injunction should be granted," he said.

Datuk Kok Wee Kiat, in his submission, contended that there were two basic principles in approaching the interpretation of the party constitution. He said the first was that the majority should prevail and the minority wishes should be protected. The second is that the rule of law means "fair play and justice". He also said in interpreting the constitution, one had to look at it on the whole and not pick out clauses and attach meanings as "we can't use double standards. We can't read the constitution as a whole when it suits your purpose and then clause by clause or phrase by phrase when it doesn't. We are asked to accept the wide powers of the Central Committee but asked to ignore the even wider powers of the General Assembly".

On the Disciplinary Board, he contended that until such time as there was a recommendation

for disciplinary action to be taken and the recommendation was placed before the Central Committee, the Board could not initiate action to deal with a disciplinary matter. However, he said they had no evidence, if there was any, of any recommendations being made to expel or suspend the members and branches. "The proper procedure would be for the recommendation to be made and the person concerned to be informed and then he would come before the Disciplinary Board to answer the charges so that fair play and justice can be done," he said. He also contended that the Disciplinary Board did not have the power to suspend a branch but to dissolve it. Datuk Kok said 189 branches in 42 divisions have been suspended before and after the EGM, affecting 99,000 members.

Raja Aziz Addruse submitted that unless there was a specific provision in the party constitution to state that a member has to exhaust all the domestic remedies, that member could come to the court. He contended that there was no such express provision in the constitution. Earlier, Raja Aziz Addruse, replying to Mr Das on the 'phantom' members issue, said the defendant had maintained that such members did not exist in all the branches and divisions. But in the opinion of the plaintiffs the matter was serious. In some branches there was 100 per cent phantom members and in other branches more than 50 per cent. "How can one explain the large number of fictitious or phantom members?" he asked. "How is

that possible?"

On the defendant's contention that the problem was not rampant, Raja Aziz Addruse said: "The defendant cannot really be serious. What to they call rampant if this is not rampant?" He said the evidence produced by the plaintiffs was only a sample of what has been going on. "The defendant says there were some errors in the membership lists but they are glaring errors," he said. "It would not be right to belittle the serious mess of this problem and the effect it will have on the elections if allowed to proceed on the basis of membership registers which do not represent the true membership". Raja Aziz Addruse submitted it was imperative for the plaintiffs to examine the membership lists. Even if only one branch had phantom members, the effect would not be confined to that branch alone. "The effect goes upwards to the divisional assemblies and to the General Assembly," he said.

The hearing lasted three days before a packed court with many people standing throughout the proceedings. It was obvious that the court's decision would vitally affect the outcome of the battle between the opposing factions.

On 18th May the High Court granted the applications by Mr Tan's supporters interlocutory injunction restraining the MCA from holding any divisional meetings for the purpose of electing delegates to the party's General Assembly. By that

time 34 of the MCA's 114 divisions had held their elections. Mr Justice Wan Hamzah Salleh also granted to three of the plaintiffs — Datuk Kok Wee Kiat, Choo Choong He and Wong Chew — two other injunctions restraining the MCA from:

- Issuing any notice calling for any divisional meetings and/or making any nomination of divisional delegates to the General Assembly; and
- Holding elections at the 32nd Annual Assembly or any other General Assembly.

In granting the injunctions, Mr Justice Wan Hamzah said that there were several serious issues to be tried. "I also find the plaintiffs' claims are not frivolous," he said.

The supporters of Tan Koon Swan certainly appeared to have won the first round in the court battles. Apart from the suits brought by the High Court by Datuk Kok, Mr Choo, Wong Chew and Datuk Chan, the High Court also granted interlocutory injunctions to Tan Koon Swan supporters filing separate actions in several states. The first MCA division to have its AGM stopped by interlocutory injunctions to Tan Koon Swan supporters filing separate actions in several states. The first MCA division to have its AGM stopped by court action was the Ipoh division. The Ipoh High Court granted the injunction on 13th May. A similar injunction was granted in Penang on

17th May by Mr Justice Edgar Joseph Jr preventing the Jelutong division from holding its AGM.

In Johore Bharu Mr Justice Mohamed went further by ruling that the party's Disciplinary Board could not suspend 11 branches in the Johore Bharu division. The branches said they had been suspended from the party on 12th April and had been informed of this by telegrams from Tan Sri Chong. The branches were represented by Chua Jui Leng who contended that the MCA's Disciplinary Board had no constitutional right to suspend the 11 branches. Mr Justice Mohamed said he was satisfied with the plaintiff's argument and granted an interlocutory injunction preventing the Johore Bharu division holding its AGM.

In effect, these interlocutory injunctions freezing the MCA divisional elections were designed to maintain the *status quo* while the court considered the main issues. These were the validity of the EGM and the suspension of party branches by the national leadership. Publicly, the war of words between the factions then settled into a relative lull. Both sides had to prepare for the worst – a court ruling in favour of the other. Options for the loser included forming a new political party or taking over an existing one.

It was in this atmosphere that allegations were made that Tan Koon Swan and his associates planned to take over the People's Progressive Party (PPP). The PPP was formed by the late Se-

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nivasagam brothers in the early 1950s and had its headquarters in Ipoh. Later, in May 1972, it joined the National Front coalition government. However, the PPP did badly in the 1974 elections and, with the death of its President (Dato Sri S.P. Seenivasagam) in 1975, the party faded into relative obscurity. Since the PPP was still on good terms with the National Front leadership it seemed an ideal base for any defeated MCA faction which still hoped to remain part of the government.

The PPP national president, Senator Pramjit Singh, would not confirm or deny that negotiations were going on between his party and the Tan Koon Swan faction. "The PPP will accept any of the factions currently involved in the MCA crisis. The party has an open mind about the matter and if it is in the long term interest of the party, it would give it a serious thought," he said.

Yew Foo Weng, the MCA Member of Parliament for Menglembu, challenged Tan Koon Swan to make public his "undercover" methods and state categorically that he had been planning the takeover of the PPP. "It is very evident that Tan Koon Swan and his gang are not sincere in their claimed desire to uphold the interest of the party and the Chinese community, other than to further their own personal interest," he said. Datuk Lee Kim Sai denied Mr Yew's allegations. He said the Tan Koon Swan group had not had discussions with any political party. "We deeply believe that the

MCA is the only vehicle for our political struggle for the community," he insisted. "I advise Mr Yew not to play a guessing game and not to confuse the whole issue".

Despite the court actions it was clear that substantial sections of the Chinese community preferred a political rather than a purely legal settlement of the dispute. A group of more than 1,000 Chinese industrialists, professionals and businessmen in Johore Bharu, for example, took out a full page advertisement in one Chinese language daily newspaper suggesting that a referendum be held among members to resolve the dispute. They suggested that the referendum, provided for under article 185 of the party constitution, should be held under the auspices of the Chinese Chamber of Commerce, guilds and associations.

Tan Koon Swan and several other leaders in his group, such as Datuk Loh Fook Yen, indicated their agreement in principle to the proposal, although it was not clear what arrangements would be made to eliminate 'phantom' voters. Many Chinese guilds and societies, however, were known to be sympathetic to Mr Tan so his supporters could be reasonably sure that adequate precautions would be taken. The viability of the referendum proposal also seemed assured when the president of the influential United Chinese School Committes Association, Lim Fong Seng, indicated his willingness to help if both sides agreed.

However, Datuk Neo's camp was less than enthusiastic. According to Lim Kah Pin, the Bukit Glugor branch chairman in Penang, the move went against the idea that the delegates should elect the party leadership. He said that Article 185 was applicable only if the leadership could not arrive at a decision on any party matter. "But so far all the party decisions made were clear, categorical and unambiguous," he said. "Decisions on the 'phantom' members issue, suspension of branches and expulsion of the 14 MCA leaders have been made public. There is not a single instance where the party leadership was unable to make a decision. The call for a referendum, therefore, is redundant as it does not serve any purpose". Mr Lim said he believed the MCA leadership would be glad to meet all those who have concern for the party. "These quarters should not hesitate to approach the party leadership and meet them face-to-face. They should not communicate their proposals by placing advertisements in the mass media," he said.

Also indicative of the party leadership's attitude to the proposal was the fact that there was no immediate move by the Central Committee to discuss the matter. According to one source close to Datuk Neo, the Central Committee still believed it could solve all the party's problems by itself. "The Central Committee will only call for a referendum when it finds there is a need," the source said.

MCA Youth secretary-general Chew Hock Thye said that it was too late for a referendum to be held among MCA members to resolve the crisis in the party. He told reporters that the MCA Youth was grateful to members of the public who had shown concern about the dispute. "However, since the party dispute at this juncture has been brought to the court, we think all issues should be resolved by the court. To have a referendum now is not practicable and is unrealistic. It is also a bit too late as right from the beginning we maintained that all party issues should be resolved within the party," he said.

Given this unenthusiastic response it was not surprising that news of further mediation attempts were greeted with pessimism in both camps. This was particularly so after the failure of Datuk Lee San Choon's efforts.

In early June it was reported that Tan Sri Wee Boon Ping, the president of the influential Associated Chinese Chambers of Commerce and Industry (ACCCIM) had held several discussions with Tan Koon Swan in an apparent attempt to heal the rift in the party. He also reportedly had a lengthy discussion with Datuk Neo. Another business leader said to be involved in the discussions was Datuk Wong Tok Chai, the president of the Selangor Chinese Chamber of Commerce. ACCCIM sources declined to disclose the contents of these two discussions other than to say that Tan Sri Wee, a business tycoon

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from Sabah, sought to get a clearer picture of the party crisis from both Mr Tan and Datuk Neo. Sources in the Tan Koon Swan faction, however, said that Mr Tan told Tan Sri Wee that he agreed in principle to his mediation. He also explained his stand on the party crisis. The sources described the talks as "very satisfactory". It was understood that at his meeting with Tan Sri Wee, Datuk Neo briefed the ACCCIM president on the stand of his faction.

Soon afterwards, Datuk Neo confirmed he had met Tan Sri Wee Boon Ping but denied they had discussed the latter's mediating role in the MCA crisis. Datuk Neo acknowledged he had met with Tan Sri Wee for lunch two weeks before. Present also were Datuk Mak Hon Kam and Datuk Tan Tiong Hong. "During lunch, he [Tan Sri Wee] expressed his views on the MCA crisis and I told him how I looked at the problem," Datuk Neo said. It was more or less a mutual understanding of the problem. There was no mention of any mediation to the crisis," he said. However, when pressed further, Datuk Neo said: "You know my view, if there are any mediation efforts, it should not be mentioned in the Press". He also reiterated his belief that the problems of the MCA should be resolved within the party.

For his part, Tan Sri Wee appeared unhappy about the publicity given to the alleged mediation effort. He was said to have told reporter that "he would be happy to help resolve the

crisis if asked to do so by the leaders of the two factions" implying that he had never initiated any mediation. Tan Sri Wee was also reported to have said that he had never been approached by the leaders of either faction on the matter and that he had no formula to end the crisis. Observers expressed surprise at Tan Sri Wee's statement. According to some sources, statements made by both factions had rendered Tan Sri Wee's position "untenable". It therefore appeared that a longer cooling off period would be required before any mediation could be pursued.

Meanwhile, Malaysia's Chinese community had no choice but to await the outcome of court battles which could hardly be calculated to achieve unity. The MCA, for several months the butt of jokes regarding the 'phantom' member issue, was more divided than at any time in its history.

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