

Chapter IV

It has been suggested that organizational development is strictly conditioned by the relations that the party establishes in the genetic phases and after by its interactions with other organizations and societal institutions. As such the relation between collective incentives (one participates because one identifies with the organization; one participates because one shares the political or social goals of the other participants; one participates because one identifies with the cause of the organization) and legitimacy is complicated. Collective incentives depend on the official goals. The official goals, however, in order to be credible, must be accompanied by an indication of the means to be used.¹

Because UMNO was founded during the upsurge of Malay political and ethnic consciousness that accompanied the Malayan Union, the party attracted support from nearly all the elements that compose the Malay community. However, with the passing of time, UMNO developed very varied goals and interests. Nevertheless, UMNO was designed to be the political expression of Malay opinion (collective incentives) and in order to maintain its credibility as a Malay party *par excellence*, the party consistently advanced case for the Malays in the intra-Alliance negotiations on public policy. In one form or another, communalism has been a recurring issue that was particularly difficult for the Alliance Government. In part, this may be ascribed to the peculiar structure of the Alliance, composed as it was of communal political associations that took communal stands on political issues, but were generally willing to compromise their position to preserve the unity of the Alliance.

In this chapter, I will attempt to illustrate the “strains” and “stresses” of the long process of give-and-take negotiations between the three partners in the Alliance.

¹ Angelo Panebianco, Political Parties: Organization and Power (London: Cambridge University Press, 1988) pp.40-42.

Particular attention is given to the racial riot of May 1969 because “if you examine the May 13 riots, you will find that one body is making more economic demands whilst the other body is trying to exert demand for greater political rights. It so happens that these two groups are Malays and non-Malays. Viewed from that aspect it is also an economic and political clash because it is not so physically easy to identify this aspect which has been ignored by many people. Therefore, the struggle is still economic and political rather than racial except that it appears to be racial.”²

This chapter sought to demonstrate how UMNO was pushed to choose a political strategy of either adaptation or domination in its relation over its external environment. Panebianco has pointed out that every organization must, at least to some extent develop a strategy of domination over its external environment. Such a strategy is generally manifested in a sort of disguised imperialism whose function is to reduce environmental uncertainty that is, to safeguard the organization from surprises, for example the challenges made by other organizations which may come from the environment. As such, every organization will thus be pushed by its relation with the external world in two different directions at the same time: it will be tempted both to colonize its environment through domination, and to “reach a pact” with it through adaptation.³

Post-colonial Erosion of Ethnic Cooperation

In Politics in Plural Societies: A Theory of Democratic Instability, Alvin Rabushka and Kenneth Shepsle underscore the importance in multiethnic settings of colonial rule and elite cooperation for stable and democratic regimes. According to

² This statement was made by Lim Kean Siew, a member of the Labor Party, shortly after the May 13th race riot in Bob Reece “Under the Skin”, Far Eastern Economic Review September 18, 1969 p.697.

³ Angelo Panebianco, Political Parties: Organization and Power p.58.

Rabushka and Shepsle “an ethnically divided society requires some external force to hold it together. Colonial rule is a prime candidate.”⁴ With decolonization, Rabushka and Shepsle argue that elite restraint and ethnic peace are inevitably eroded, albeit at variable speeds: gradually in what they conceptualize as bipolar, balanced ethnic configurations (for example: Malaysia, Guyana, and Belgium), and rapidly and rapidly in skewed configurations involving dominant majorities (for example, Sri Lanka and Northern Ireland) or dominant minority segments (for example South Africa and Rhodesia). Hence Rabushka and Shepsle assert that democratic breakdown may be delayed by such conditions but that elites are unable to stave it off indefinitely. Indeed in their view, elites serve usually as the agents of divisive ethnic forces, ambitiously spearheading the corrosive process.⁵ In the Malaysian case, they claim that this fated march on democratic breakdown was completed after twelve years of independence, culminating in the ethnic rioting of May 13 1969.⁶

Rabushka and Shepsles’s seminal study on democratic breakdown in plural societies has successfully identified an overall progress toward post-colonial destabilization in post-colonial plural societies that resulted in a regime form that is basically unstable and fully authoritarian. However, as William Case has successfully argued, while elite relations in Malaysia were doubtless tested at several junctures by ethnic tensions and power struggles, the longer record shows that these crises were largely resolved, that elites adjusted their relative statuses and game rules, and that regime stability and openness were renewed and extended.⁷ While Case’s observation

⁴ Alvin Rabushka and Kenneth Shepsle, Politics in Plural Societies: A Theory of Democratic Instability (Columbus Ohio: Charles E. Merrill, 1972).

⁵ Ibid. p.12.

⁶ Ibid. p. 217.

⁷ William Case, Elites and Regimes in Malaysia: Revisiting a Consociational Democracy (Clayton, Victoria: Monash Asia Institute, 1996) p. 88.

rests largely on the ability of the governing elites in Malaysia to make the necessary adjustments to avoid the breakdown in consensual elite unity, he fails to address the issue of how UMNO as the backbone of first the tri-party Alliance, and later the multi-party Barisan Nasional was pushed to choose a political strategy of domination. This strategy was necessary in light of increasing ethnic polarization in the 1960s because as Rabushka and Shepsles assert, once local elites have together wrested independence from the colonial power, they will wheel to confront one another over the ethnic divide.⁸ This is a phase specified by Rabushka and Shepsle as the steady escalation of ethnic demands into open communalism at the elite, subelite, and mass levels. They identify two opposing behaviors: first, ambitious politicians arousing ethnic grievances and pushing for access to decisional committees and second, the tendency among elites to pare their committees to a minimum proportion consistent with winning.⁹

What this chapter sought to demonstrate, however, is how UMNO as a political party which defines the Malay community as its “hunting domain” that is, the portion of the environment in which the party stakes its claims, and with respect to which its organizational identity is defined reacted to the pressures of communalism in the 1960s. These pressures came both from within the party as well as from the opposition. The most successful challenge to UMNO at the 1959 parliamentary elections came from the Pan-Malayan Islamic Party (PMIP).¹⁰ Under the leadership of Dr. Buhanuddin Al-Helmy the PMIP began an extensive campaign to extend the base of its support and win voters away from UMNO. As such, UMNO and PMIP were

⁸ Alvin Rabushka and Kenneth Shepsle, *Politics in Plural Societies: A Theory of Democratic Instability* p. 74-75.

⁹ Ibid. p.81.

¹⁰ For further readings on the origins of PMIP and its successor Parti Islam – SeMalaysia or PAS see John Funston, *Malay Politics in Malaysia: A Study of UMNO and Pas* (Kuala Lumpur: Heinemann Educational Books, 1981).

involved in what Panebianco has identified as competition in the same domain, that is the party's conflictual relationships based on competition for the same resources, (in this case their appeal to the Malay community) were established.¹¹ Under the leadership of Burhanuddin, PMIP played upon the two themes of Malay chauvinist nationalism and the political obligations of the state to preserve and promote Islam. According to Burhanuddin:

First and foremost it should be emphasized that Malaya belongs to the Malays and they are the masters in this country. It is to the Malays as the rightful owners that this country should be returned. The Malays should not be asked to pay for the mistake of the imperialists in bringing non-Malays into the country. This does not mean that we must push non-Malays out, but there must be a distinction between the aliens and the masters.¹²

According to Gordon P. Means, under Burhanuddin's direction, the PMIP began a systematic campaign to win over the support of the Malays who could be roused on communal and religious issues. For example, during the protracted negotiations and debate over the Merdeka constitution, the PMIP attacked the Alliance for its communal compromises and for abandoning the Malays. It campaigned in favor of very restrictive citizenship laws which would have required at least fifteen years of residence as a first step to naturalization of the non-Malays. On repeated occasions the party demanded that the constitution include a statement that "Malaya belongs to the Malays" and sought to have Malayan citizenship defined as "Melayu" citizenship.¹³ In the 1959 state elections, which preceded the federal elections of that year, the PMIP won control of the state governments in Kelantan and Terengganu by capturing 41 out of a total 53 seats at stake in those two states. In other states, the PMIP had scattered

¹¹ Angelo Panebianco, *Political Parties: Organization and Power* p. 13.

¹² Dr. Burhanuddin as quoted in *Straits Budget*, March 28 1956.

¹³ See Gordon P. Mens, *Malaysia Politics* (London: Hodder and Stoughton, 1970) pp.226-229.

support, primarily in Pahang, Perak, Selangor and Kedah, but was only able to elect one other state assemblyman in the Krian district of Perak. In the federal elections of 1959, the PMIP won 13 out of the 14 parliamentary seats in Terengganu and Kelantan, but was unable to win anywhere else.¹⁴ While the PMIP argued that the constitutional contract granted too many rights to non-Malays in a Malay country, another opposition group, the Socialist Front, insisted that it reserved too many privileges to the Malays in the newly independent Malayan state. The Socialist Front was a coalition of the *Party Raayat* (People's Party) and the Labor Party. The former was primarily a Malay party, relying on the support of fishermen and rural workers. Conversely, the Labor Party support came from urban areas, particularly from Chinese workers. What the Labor Party and *Party Raayat* shared was a common socialist ideology. They argued that communal groups existed but should never be recognized as the basic components of the political systems. They also held that the constitutional contract was a travesty and communal cleavages were fostered by the political leaders of all the major communities of the country in order to distract the masses from realization that they were being exploited. Indeed, the real issue was class differences. The masses of rural Malay farmers and fishermen has a common cause with the masses of Chinese urban workers. Together they were separated from their natural antagonists, the handful of Malay traditional leaders, and Chinese capitalists. Malays could share in prosperity if the working classes of all communities joined together and gained control of the government.¹⁵ Hence, the political situation in the country had altered considerably by the 1959 elections. As Diane K. Mauzy has argued, first, independence had been granted in 1957, thus sweeping away an issue which had served to unite large portions

¹⁴ Ibid. p. 231.

¹⁵ For further readings on the Socialist Front see K.J. Ratnam, Communalism and the Political Process in Malaya (Kuala Lumpur: University of Malaya Press, 1965).

of all the communities, and which had especially benefited the Alliance Party in 1955. Second, the percentage of non-Malay voters had been greatly increased as a result of the citizenship provisions of the 1957 constitution. On that account, the electoral roll for the 1959 federal elections constituted approximately 36 per cent of Chinese voters and 7 per cent of Indian voters. Third, in March 1958, there was a leadership change in the MCA, when Dr. Lim Chong Eu defeated Tan Cheng Lock for the presidency. Although Dr. Lim was a fairly moderate compromise candidate, he had been supported by a new group of MCA “new bloods” (also sometimes called Chinese-firsters) who captured most of the important positions in the MCA. The new group wanted to alter the political balance of the Alliance by challenging UMNO’s supremacy. They were prepared to insist on a larger seat allocation and they wanted revisions in language and education policies.¹⁶

The UMNO-MCA dispute heightened when Dr. Lim Chong Eu, MCA president, made public a letter to Tunku Abdul Rahman asking for 40 seats. Dr. Lim had feared that “Malayans of other racial origins – Chinese, Indians, Eurasians – is simply one of fear of Malay communalism, the fear still remains and its is kept alive by the provision of the constitution, which allows amendment of the constitution with a two-thirds majority.”¹⁷ In addition Dr Lim demanded that “if we do not succeed in getting what we think is fair the MCA general committee will decide on July 12 whether we fight under the Alliance banner or on our own. The MCA will stand absolutely firm on the issue of Chinese education and the allocation of seats for the MCA. As a compromise, we are prepared to accept 35 seats-nothing less.”¹⁸

¹⁶ See Diane K. Mauzy, *Barisan Nasional: Coalition Government in Malaysia* (Kuala Lumpur: Marican & Sons, 1983) pp.26-29.

¹⁷ Dr. Lim Chong Eu’s letter to the Tunku as reproduced in the *Straits Times*, July 10, 1959.

¹⁸ Ibid.

The above crises correspond to Rabushka and Shepsle contention that once local elites have together wrested independence from the colonial power, they will wheel to confront one another over the ethnic divide. They identify this stage as a steady escalation of ethnic demands into open communalism at the elite, subelite, and mass levels.¹⁹ In the case of UMNO-MCA crisis of July 1959, the Tunku responded to the MCA demands by demanding that a complete withdrawal of all MCA demands, a purge of certain radicals, and complete authority for himself to allocate personally all seats and select all candidates for the federal election.²⁰ According to Funston, the Tunku's ultimatum to the MCA did a great deal to lift his sagging prestige both within UMNO and amongst Malays generally.

It has also been suggested that the crisis was a demonstration of the natural stresses inside the Alliance which were exacerbated as a result of "outbidding" by an opposition party. It also showed that the political balance in the Alliance could not be altered to the disadvantage of UMNO without threatening to break up the coalition. UMNO leaders desired and believed in a multi-ethnic coalition, but UMNO's participation was based on two tenets of its existence: supremacy inside the Alliance, and thus control of the top officers of government, and the maintenance of solid Malay support. In 1959, PMIP outbidding was bothersome, and UMNO moved to protect its flank by pronouncements and promises which catered more to Malay opinion.²¹ We may now put into perspective Panebianco thesis that every organization will thus be pushed by its relation with the external world in two different directions at the same time: it will be tempted both to colonize its environment through domination, and to

¹⁹ Alvin Rabushka and Kenneth Shepsle, Politics in Plural Societies: A Theory of Democratic Instability p. 66 and 83.

²⁰ For A full account of the UMNO-MCA July crisis of 1959 see Gordon P. Means, Malaysia Politics pp.212-215.

²¹ Diane K. Mauzy, Barisan Nasional: Coalition Government in Malaysia p.28.

“reach a pact” with it through adaptation. UMNO, as such, had to grapple with two opposing forces simultaneously. First, UMNO had to counter the PMIP and secondly, it had to handle the increasing demands made by the Chinese community both within the Alliance and from the opposition.

In addition, UMNO also had to handle internal difficulties from within the party when Malay nationalists in UMNO began pushing for programs to overcome Malay economic problems. For example, Abdul Aziz bin Ishak who was Malaya’s first Minister of Agriculture had built an image of being the champion of the rural Malays. In October, 1958, Aziz announced plans to form rural cooperatives which would be granted monopoly over the rice trade.²² He accused Singapore merchants of exploiting the Malay fisherman on the East Coast. In a broad indictment at a meeting in Sungei Kembong, he told the Malays that they had an average income of RM60 to RM70; “why should this be so, the reason is that you work hard and your actual earnings are being exploited by the “middle-men”. What you should therefore do is to do away with them.”²³ Hence, he felt that the cooperative movement held the key to successful Malay competition with non-Malays in the field of agriculture, trade and industry. He believed that the padi middlemen system should be instituted with a cooperatives program such as padi purchasing and marketing by the co-operatives of North Malaya designed to improve the standard of living for the rural Malays. Aziz, however, felt that “the Alliance government had chosen to portray the peasants-middlemen conflict as a communal one. This is not a communal question but one between peasants and middlemen, and yet the Alliance government has chosen to present this case as a case of conflict between Malay privileges and non-Malay

²² The Straits Times, October 11, 1958.

²³ Aziz Ishak as quoted in the Malay Mail, November 14, 1961.

rights.”²⁴ In pursuing the task of improving the economic conditions for the Malay peasantry, Aziz had alienated the UMNO and MCA leadership. According to Aziz:

The fact was that in Selangor and in Malacca where private middlemen were eliminated, rural income increased. Is therefore the MCA middlemen a group of people who should forever be placated whilst the padi planters in Krian remain perpetually in poverty and economic slavery? Now that we have after a great trouble worked out a solution which can be a panacea to their [rural Malays] economic ills, it will be most distressing if Government in the face of its promises to the people decides to throw its weight on behalf of the few middlemen. What about Malay privileges about which so much noise is made inside and outside Parliament? Are these just something to dangle before the eyes of the Malay people while in practice we do something else? How much longer can the people be dazzled by the construction of fine roads, magnificent buildings in Kuala Lumpur and such things as wells and community halls? Empty stomachs and crying children will soon open their eyes to the true state of affairs and then it may be too late.²⁵

The MCA leadership, in particular, deeply resented his persistent attack on Chinese middlemen.²⁶ He transgressed, they felt, the terms of the constitutional contract, as he not only established cooperatives to aid the rural Malays but also granted them monopoly and thus for all practical purposes expropriated Chinese businesses. The MCA lost all patience with him when he pushed his campaign of cooperative rice mills into northern Perak and then in clear violation of the Constitution began to revoke the licenses of some 350 Chinese middlemen. To stop him, Dr. Lim Swee Aun, a member of the Cabinet, led the campaign to remove Aziz from the Ministry of Agriculture. For that reason, Aziz Ishak's expulsion²⁷ from the cabinet was partly the

²⁴ Aziz bin Ishak as quoted in *The Straits Times*, May 29 1963.

²⁵ Letter from Abdul Aziz bin Ishak to Tunku Abdul Rahman, May 10, 1962 as reproduced in Karl von Vorys, *Democracy Without Consensus: Communalism and Political Stability in Malaysia* (Kuala Lumpur and Singapore: Oxford University Press, 1976) pp.177-178.

²⁶ *The Straits Times*, April 18, 1960.

²⁷ Before the frontal conflict with the MCA leadership both the Prime Minister and Deputy Prime Minister were inclined to be patient and forgiving. After the head on confrontation between Aziz and

consequence of his efforts to transfer the ownership of rice-mills in Perak and Province Wellesley from private to co-operative hands. Lim observes that "The Malayan Chinese Association threatened to leave the ruling Alliance Party over the issue, as capitulation would result in a loss of confidence by Chinese businessmen in the ability of the MCA to protect their interests. The MCA won the case, and the Aziz was removed from his post for unconstitutional practices."²⁸

The above scenario highlighted the ambivalent position of UMNO leaders. On the one hand, tradition and the pressures of their constituencies pushed them toward the maximization of Malay interests. On the other hand, their loyalty and commitment to the tri-party Alliance coalition drew them toward recognition of the aspirations of other communities. However, one of the bitterest reverberations of communal politics occurred in Malaya during the 1964-1965 conflicts between the ruling Alliance and the People's Action Party (PAP) of Singapore. This happened when Malaya extended its territory and increased its population in 1963 when, together with two former British colonies Sarawak and Sabah (the former British North Borneo) it formed Malaysia. Singapore joined as well, but political and economic tensions led to its peaceable expulsion in 1965. The motives behind the formation of Malaysia, announced by Tunku in May 1961 were complex²⁹ and it need not concern us here. What is more important, however, is the repercussion of PAP's participation in Malaysian politics. Even though the PAP's participation in the Peninsular elections

the MCA, the former was transferred to another portfolio as Minister of Health as announced on the July 15 1962 cabinet reshuffle. Aziz, however, refused to accept the decision and he was subsequently removed from the cabinet. The Tunku claimed that Aziz was removed from the cabinet because of his mismanagement and of wasting million of dollars in hastily conceived schemes to promote cooperatives. In 1962, the cabinet had also rejected Aziz's proposal to construct a cooperative urea fertilizer plant as the cabinet felt that the plan was too costly and impractical. See Malay Mail, July 16, 1962, The Straits Times, April 20, 1962, The Straits Times, April 28, 1962.

²⁸ Lim, D. , Economic Growth and Development in West Malaysia, 1947-1970, (Singapore: Oxford University Press, 1973) p.191.

was minor (only 11 candidates filed nomination papers for Parliamentary contest, and 2 of these did not campaign, on PAP orders)³⁰ – the bitterness created by PAP participation exceeded the strength of the challenge, and in the end, only one PAP candidate was elected.³¹ However, it was the nature and the style of the PAP attacked which precipitated trouble. For Lee Kuan Yew, then head of the City State and leader of the PAP, he and his party entered the 1964 elections determined to replace the MCA. At stake were personal ambitions economic questions, communalism, political ideology and questions of federal power versus state autonomy. His actions had taken the Tunku by surprise because in 1963 Lee Kuan Yew had stated that the PAP would not enter the elections.³² At first, the PAP appeared to be in competition with the MCA for the support of the Chinese electorate. The PAP had attacked the MCA whom it called “effete and corrupt, and centered its appeal almost entirely on the urban Chinese community.”³³ The PAP manifesto observed: “The UMNO can deal with the PMIP in the rural areas. In the urban areas, because the ineffectiveness of the MCA, the PAP has to help in the battle against the anti-Malaysia Socialist Front.”³⁴ Nevertheless, the MCA fared well in the 1964 elections. When the possibility of replacing the MCA seemed unlikely, Lee Kuan Yew and the PAP changed their strategy. They sought to persuade the Tunku to accept a PAP-Alliance coalition. The Tunku firmly refused,

²⁹ For an insightful discussion on the formation of Malaysia see R.S. Milne and Diane K. Mauzy, Malaysian Politics Under Mahathir (London and New York: Routledge, 1999) 19-21.

³⁰ See R.S. Milne and K.J. Ratnam, Malaysia – New States in a New Nation (London: Frank Cass, 1974) p. 139.

³¹ Ibid.

³² Tunku Abdul Rahman, “Looking Back”, The Star, March 31, 1975.

³³ See Diane K. Mauzy, Barisan Nasional: Coalition Government in Malaysia p.31.

³⁴ PAP manifesto as reproduced in R.S. Milne and K.J. Ratnam, Malaysia – New States in a New Nation p.140.

though he assured Lee that he would be consulted on all-important matters.³⁵ In any case, the UMNO leadership had a shrewd suspicion that Lee Kuan Yew as the leader of the Chinese community comprising nearly 40 per cent of the population of the states on the Malayan peninsula might assume a decidedly revisionist posture, and destabilize the internal distribution of power of the Alliance. Explaining his views, the Tunku did not mince words: "The PAP wants to teach us what is good for us. We know what is good for us, and what is bad. What the PAP really wants is to discipline the MCA. They say they want to join the UMNO, but we don't want them."³⁶ The rebuff notwithstanding, Lee Kuan Yew was firm in purpose:

If all the nine [parliamentary candidates] win, an agonizing reappraisal will have to be made. In the heat of the elections, it is said that even though there are only five MCA MP's left, UMNO will carry on with the MCA. That may well be. But can UMNO leadership go through the awful predicament of pretending for the next five years that these five MCA MP's really represent the urban Chinese? The Tunku knows that good leadership is reconciling of ideal solutions with the realities of life. If the urban areas, constituting more than half the people of Malaya give their verdict for the winds of change, no leader can afford to ignore it.³⁷

Lee Kuan Yew must have been taken aback by the election results as the MCA won eight out of nine parliamentary constituencies. As a result, Lee became very critical of the Alliance Government, the concept of the Alliance, and the terms of the constitutional contract, offering instead an alternative nation-building formula. Lee called it democratic socialism which called for a "Malaysian Malaysia," with political equality for all rather than a "Malay Malaysia", which gave the Malays political predominance. We have noted in chapter two how the British wanted to "forge

³⁵ Diane K. Mauzy, *Barisan Nasional: Coalition Government in Malaysia* p.33.

³⁶ The Tunku as quoted in R.S. Milne and K.J. Ratnam, *Malaysia – New States in a New Nation* pp.146-147.

democracy” onto the Malay States in the guise of the Malayan Union scheme and how it had failed. According to Lee Kuan Yew:

Would a multiracial Malaysia be achieved more quickly and better through communal bodies meeting at the top or through inter-racial political organizations at all levels? The political structure of the segregated communal parties is brittle and unstable, because cooperation is only at the top between a few individuals, and it is an unequal cooperation. The leaders of the dominant communal party are unlikely to have the same regard for the views of the leaders of other communal parties when they are in effect appointees of the dominant communal party. But, even worse, if communally organized party were genuinely so organized and all leaders of the various groups were leaders as of right of the different communal bases, it would still be dangerous and unstable arrangement, fraught with constant strife, because the three different communal bases would be kept separate and distinct, having different attitudes and values, and being fed different and often conflicting communal sentiments. In the end only multiracial politics, in which the ground is integrated not along racial, religious or language lines but along economic and social interests will provide a permanent basis for sound popular government in Malaysia.³⁸

It could well be argued that Lee Kuan Yew’s “Malaysian Malaysia” had, at its core, challenged the political power of the Malays. Since UMNO’s support from the Malay community depended upon its ability to project the image of fighting for the Malay cause (collective identity), Lee Kuan Yew’s “Malaysian Malaysia” invited strong criticisms from UMNO. For example, Dato Harun bin Idris, *Menteri Besar* of Selangor, described Lee Kuan Yew as an enemy of Malaysia.³⁹ An editorial in *Utusan Melayu* observed: “Now it is known who is trying to cause a clash between the Malays, and the non-Malays, particularly the Chinese. Only those who wished to

³⁷ Lee Kuan Yew as quoted in R.S. Milne and K.J. Ratnam, *Malaysia – New States in a New Nation* p. 147.

³⁸ See Lee Kuan Yew, *The Battle for Malaysian Malaysia* (Singapore: Ministry of Culture, 1965) pp. 354-355.

³⁹ Dato Harun as quoted in *Utusan Melayu*, July 9, 1965.

cause disorders shouted against the special rights of Malays.”⁴⁰ As Means has pointed out, what had begun as a friendly test of strength between the Alliance and PAP in the Singapore and Malayan elections had, by mid-1965 become an undisguised effort to mobilize all non-Malays, with the promise of “equal rights for all” and the end of a “Malay Malaysia”.⁴¹ The upshot of PAP’s challenge was when PAP Deputy Prime Minister Dr. Toh Chin-chye announced the formation of a united opposition front.⁴² Five parties, the PAP, the Sarawak United People’s Party, the United Democratic Party, the People’s Progressive Party, and Machinda of Sarawak met in Singapore to form the Malaysian Solidarity Convention and jointly pledged to build a Malaysian Malaysia. All these parties were known for their preponderant Chinese composition, and all but the PAP had been outspoken critics of Malaysia.⁴³

Karl von Vorys has observed that all along, inter communal tensions was increasing. On the one hand, Chinese-English educated professionals and workers saw Lee Kuan Yew as a hero. Indeed, he alone seemed to satisfy their needs of modern leadership since the Communists were defeated. The Malays, on the other hand, especially those living in urban areas, perceived him as a villain. They were very much afraid that Lee Kuan Yew would get his way and then, as in Singapore, the Malays would be dominated by the Chinese. Tensions rose in fact to a point where inter-communal violence was flaring up.⁴⁴ The Malay paper *Utusan Melayu*

⁴⁰ *Utusan Melayu*, July 9, 1965.

⁴¹ See Gordon P. Means, *Malaysia Politics* p.345.

⁴² *The Straits Times*, April 28 1965.

⁴³ Gordon P. Means, *Malaysia Politics* p.347.

⁴⁴ During July and September communal passions in Singapore erupted into serious racial riots. These disorders were a by-product of the intense competition between the PAP and the Alliance. The PAP had defeated all UMNO candidates in the 1963 elections. Meanwhile, the Alliance sent the then Secretary-General of UMNO Syed Ja’afar Albar to Singapore to rebuild UMNO after its total defeat in the Singapore elections. To regain Malay support, Syed Ja’afar began playing on the theme that the PAP was a Chinese party hostile to Malay interests. PAP also invited 114 Malay organizations to

responded to PAP's call for "Malaysian Malaysia" by stating: "that to be a co-owner of Malaysia, the people should be converted into Muslims and adjust their way of life to that of the Malays."⁴⁵ On the other hand, Malay politicians within UMNO who were been branded by Lee Kuan Yew as "ultras" for their image of reacting to any real or imagined threat of Chinese encroachment became alarmed by the possibility of political realignment. They began to press harder for measures that would reinforce their position in government. For example, a number of top UMNO officials were successful in their demands that they be given a more important role on policy-making within the government. In addition, some UMNO branches proposed constitutional amendments to provide for uniform administration throughout Malaysia – a move designed to eliminate administrative autonomy in troublesome states controlled by opposition parties.⁴⁶ In this context, we can put into perspective Rabushka and Shepsle contention that elites (in this case UMNO and PAP politicians) serve usually as the agents of divisive ethnic forces, ambitiously spearheading the corrosive process.⁴⁷ The implications were clear, one ethnic group (Chinese) was pressing for more political equality while the other ethnic group (Malays) was in a mood of increased hostility due to what they perceived as a challenge to their political preeminence.

discuss programs to assist the Malays. On the day of the PAP sponsored Malay convention, two people were killed, but the worst rioting began two days later. An incident during a procession of Malays celebrating the Prophet Mohamed's birthday triggered off pitched battles between pro-Indonesians Malay extremists gangs and pro-Communist Chinese extremists. Over in the Malay Peninsular, riots occurred at Labuan and another in Bukit Mertajam. The worst broke out on July 21 1964 when a procession of Malay youths attacked a Chinese policeman who was alleged to have pushed a Malay steward. For further readings on ethnic relations in Malaysia see Goh Cheng Teik, The May Thirteenth Incident and Democracy in Malaysia (Kuala Lumpur: Oxford University Press, 1971)

⁴⁵ Utusan Melayu as quoted in The Straits Times, June 14, 1965.

⁴⁶ Straits Budget, September 9, 1964 ; The Straits Times, May 14, 1965.

⁴⁷ Alvin Rabushka and Kenneth Shepsle, Politics in Plural Societies: A Theory of Democratic Instability p.217.

R.K. Vasil has pointed out that several UMNO leaders were convinced that Lee Kuan Yew should be held accountable for the increased communal tension both in Singapore and Malaysia. They suggested that he be arrested and a new government should be installed in Singapore. Syed Ja'afar Albar was particularly fond of this "solution". Among Malays it would have been perceived as an inter-communal victory of Malays over Chinese.⁴⁸ The PAP, on the other hand, continued to make comments in Parliament admonishing the federal government for its failure to include in the speech a promise to progress toward a "Malaysian Malaysia".⁴⁹ On his part Lee Kuan Yew warned that if the Alliance Government were to use unconstitutional methods to stop "Malaysian Malaysia", then Singapore would consider "alternative constitutional arrangements." He went on to mention Sabah, Sarawak, Malacca and Penang as states which might get together with Singapore to form a "Malaysian Malaysia."⁵⁰

According to Gordon P. Means, Lee's statement provide convincing evidence that he was confident a stable non-Malay majority could be formed to end Alliance rule and seemed to believe that this eventually could be prevented only by unconstitutional rule by force.⁵¹ It could arguably be said that the country was on the verge of a full-blown ethnic conflict. This situation was saved by the fact that in January 1963, Indonesian Prime Minister Subandrio announced that Indonesia was pursuing a policy of "confrontation" against Malaysia, and as a result the Alliance

⁴⁸ See R.K. Vasil, Politics in a Plural Society: A Study of Non-Communal Political Parties in West Malaya (Kuala Lumpur: Oxford University Press, 1971) pp.23-24.

⁴⁹ The censure motion expressed "regrets that the Address by His Majesty did not reassure the nation that Malaysia will continue to progress in accord with its democratic constitution to a Malaysian Malaysia; on the contrary, the Address had added to the doubts over the intentions of the then Alliance Government and to the measures it will adopt when faced with a loss of majority popular support." The Straits Times, May 28, 1965.

⁵⁰ Lee Kuan Yew as quoted in The Straits Times, June 5, 1965.

⁵¹ Gordon P. Means, Malaysia Politics p. 348.

Government had managed to hold the country together by appealing to the public for loyalty and patriotism in a time of crisis. Nevertheless, PAP's challenge to the Alliance supremacy and the special position of the Malays was a cause for concern, and if not properly dealt with, could destabilize the constitutional bargain that was reached by the various ethnic groups in the country prior to independence. The Prime Minister, Tunku Abdul Rahman, mindful of the Alliance defeats in Singapore, wanted to know two things before he would decide on the course of action: (1) the consequence upon public order (2) the consequences for the MCA.⁵² The first question was directed to Tun Razak and Tun Dr. Ismail; and the second question to Tun Tan Siew Sin. None of the responses rejected the idea of arresting Lee Kuan Yew; all implied it was unwise as it would create a difficult law and order situation in Singapore as well as in Malaysia; it would alienate Britain which still had substantial forces in the area; it would grant a serious advantage to Indonesia in its confrontation, especially in East Malaysia; and finally, it would not only not strengthen the MCA, but further discredit it. The alternative suggestion was the expulsion of Singapore from Malaysia.⁵³

The Tunku who was then in London for medical treatment decided to ask Tun Razak to have a talk with Lee Kuan Yew to determine whether the latter would tone down PAP's heavy politicking. However, Lee Kuan Yew was not prepared to make any pledges to keep out of Malaysian politics. According to the Tunku:

It was clear some action had to be taken. It is odious for us to take repressive measures against Singapore Government, for such action is repulsive to our concept of parliamentary democracy. Even then it would not have solved the problem before us because as I said just now, there is not one problem but many, and one that gave us the most concern with communal issue. This is the matter

⁵² Karl von Vorys, Democracy Without Consensus: Communalism and Political Stability in Malaysia p.170 *ibid.*

⁵³ *Ibid.*

which concerns me most, because the peace and happiness of the people in this country depend on the goodwill and understanding of the various races for one another. Without it this nation will break up, with consequential disaster which we have seen and read about happening elsewhere. We feel that this repressive actions against a few would not therefore solve the problem because the seed of this contempt, fear and hatred has been sown in Singapore, and even if we try to prevent its growth, I feel that after a time it will sprout out in a more virulent form. Things are getting worse everyday. Irresponsible utterances are made by both sides which, reading between the lines, is tantamount to challenge, and if trouble were to break out innocent people will be sacrificed at the alter of belligerent, heartless and irresponsible troublemakers of this country. So I believe that the second course of action we are taking – the breakaway – is the best and the right one, sad as it may be.⁵⁴

The decision to expel Singapore from Malaysia was made by the Tunku on July 25 1965, while he was still recuperating in London. However, official pronouncement was only made on August 9, 1965 when parliament was called to order. At the same day, simultaneous announcements were made from Kuala Lumpur and Singapore to the press and over the radio that Singapore was seceding from the Federation.⁵⁵ Even though the separation of Singapore abruptly terminated the Alliance-PAP conflict, the repercussions from the PAP attack lingered on, with important political consequences.

First and foremost, the Tunku had alienated the call by UMNO “ultras” particularly from then secretary general of UMNO Dato Syed Ja’afar Albar and the UMNO Youth led by Senu Abdul Rahman urging the arrest of Lee Kuan Yew and other PAP leaders. Syed Ja’afar Albar registered his displeasure with the Tunku’s decision to expel Singapore from the Federation by resigning from his post as UMNO’s secretary general. Second, many young non-Malays, too young to

⁵⁴ The Tunku as quoted in *The Straits Times*, August 10, 1965.

⁵⁵ A Constitutional Amendment Bill was approved unanimously in the Dewan Ra’ayat (lower house) by a vote of 126 to nothing. Later in the day, the Dewan Negara (senate) also passed the bill

remember the wanton ethnic violence at the end of the second world war or the slow process of ethnic accommodation which produced “the bargain” and led to independence, remained committed to the notion of a “Malaysian Malaysia”. To be sure, the Chinese and Indians had already received the fruits of the compromise. Nearly all were citizens, their properties were protected and most of all, they were eligible to vote. The Malays, on the other hand, were waiting for their benefits both in economic and cultural terms. As such, the most hotly contested communal issue was the controversy of the national language. Article 152 of the constitution established Malay as the national language, but allowed English to remain an official language for at least ten years after independence. With the expiry of the interim period in 1967, a number of Malay politicians under the leadership of Syed Nasir bin Syed Ismail formed the National Language Action Front (*Barisan Bertindak Bahasa Kebangsaan*) to press for legislation that would ensure thorough conversion to Malay as the sole national language. As Malay chauvinist demands intensified, non-Malays became mobilized to defend the continued use of English, Chinese, and Indian for various purposes. In this endeavor, the MCA became the primary vehicle for the representation of non-Malay demands. A select committee headed by Khir Johari, then Minister of Education, worked out the government’s position. Communal chauvinists on both sides were dissatisfied with the final proposals which were incorporated into the National Language Bill of 1967. While Malay was affirmed as the “sole national language”, English was permitted to continue for some official purposes as deemed appropriate by federal and state governments, or by action of the Yang di-Pertuan Agong. Similarly, Chinese and Indian were tolerated for non-official

unanimously. See Mohamed Nordin Sopiee, *From Malayan Union to Singapore Separation: Political Unification in the Malaysian Region* (Kuala Lumpur: Penerbit Universiti Malaya, 1976) pp.212-215.

and non-governmental purposes.⁵⁶ In addition, Malay firster politicians within UMNO had hoped that conversion to Malay as the sole national language would create new economic opportunities for Malays in both public and private sectors, and that the government would utilize the national language legislation as an instrument to break non-Malay supremacy in various sectors of the economy. They argued that tolerating continued use of other languages would ensure that non-Malays would retain their dominant position in the economic and professional life of the country. Although Malays were being aided by the system of Malay special rights to acquire employment in government and to secure entrance to higher educational institutions, the net effect of special rights upon the ethnic redistribution of economic roles and on the re-allocation of national income had been a disappointment to those who hoped to ensure for the Malays a dominant role both in government and the economy. For that reason, the Malay “ultras” in UMNO harbored a resentment against Tunku Abdul Rahman and top Alliance leaders for conceding too much to non-Malays and for pursuing policies which threatened to relegate the Malays permanently to a secondary position in the economic and cultural life of the country.⁵⁷

For the importance of national unity and racial harmony, the Malays who are sons of the soil (*bumiputeras*), have agreed to compromise with non-*bumiputeras*, especially the Chinese, on the question of their language, one of the few remaining properties. They agreed to compromise and allow citizenship rights to these non-Malays and agree to uphold the status of the Chinese language and other non-official languages, where the question of compromise need not arise at all, because the question of Malay becoming the National Language and the official language of this country is a logical fact and a right of the language [*Yang paling logik dan hak bagi bahasa itu*].⁵⁸

⁵⁶ See R.K. Vasil, The Malaysian General Election of 1969 (Singapore: Oxford University Press, 1972) pp.14-15.

⁵⁷ Gordon P. Means, Malaysia Politics 391-392.

⁵⁸ Excerpts from *Pengorbanan Orang Melayu* (The Malay's Sacrifice) as reproduced in Karl von Vorys, Democracy Without Consensus: Communalism and Political Stability in Malaysia p.204.

Here we see the political situation developing into a steady escalation of ethnic demands into open communalism at the elite, subelite, and mass levels. As Rabushka and Shepsle have pointed out, in an atmosphere of ethnic tensions, political ambitiousness and exclusionary pressure, otherwise moderate ethnic leaders must succumb to the temptations of ethnic appeals in order to stake out warring positions because “ethnic preferences are intense and are not negotiable. To promise less for one’s group in the name of harmony and accommodation is to betray that group’s interest.”⁵⁹ The spillover effect of PAP challenge was that politics had become intensified, many new controversial issues had been raised, and the “political system has become overloaded with seemingly irreconcilable demands.”⁶⁰

The post-independent period from 1964 to 1969 was one of unprecedented ethnic political militancy, partly the result of the PAP’s articulation of the “Malaysian Malaysia” theme, partly because the Indonesian confrontation was winding down and ended in 1966 and partly because one of the pro-Malay parts of “the bargain” came due – the National Language Bill of 1967. As such, the 1969 general elections were heated with communal issues. This was due to the fact that when Singapore left Malaysia, the remnants of PAP still in the Malay Peninsular reconstituted themselves as the Democratic Action Party (DAP).⁶¹ Continuing the slogan of building a “Malaysian Malaysia”, the DAP attracted substantial urban support from the Chinese community. The DAP also formulated “The Setapak Declaration” as its manifesto for the 1969 elections. As its first objective, the party stated its commitment “to the ideal of a free, democratic and socialist Malaysia, based on the principles of racial equality,

⁵⁹ Alvin Rabushka and Kenneth Shepsle, Politics in Plural Societies: A Theory of Democratic Instability p.66 and 83.

⁶⁰ R.S. Milne, “Malaysia and Singapore, 1975”, Asian Survey, Vol. XVI No. 2 (February 1976), pp. 186.

and social and economic justice, and founded on the institutions of parliamentary democracy.”⁶² The principle of racial equality and cultural pluralism was stressed throughout the manifesto, while the “idea of racial hegemony by one community” was attacked as inimitable to nation building in a multi-racial society. For that reason, the DAP program presented an attack on the entire structure of Malay special privileges and political predominance. On the other hand, the DAP had in effect proposed equalitarian policies and national integration on the basis of the common economic of the have-nots of all races.⁶³

Similarly, The peoples Progressive Party (PPP), with its power base among the Chinese and Indian communities in the Ipoh area, enunciated a political program for the 1969 elections very similar to that of the DAP. The PPP adopted the common slogan of a Malaysian Malaysia asserting that it meant “the nation and the state is not identified with the supremacy, well-being and the interests of any one particular community or race.”⁶⁴ In its manifesto, it criticized Malay special rights as “a constant irritant to non-Malays disrupting the unity of the people and perpetuating racial prejudices” while failing to better the condition of the poor and peasant Malays. The PPP proposed socialism and welfare state based on principles of equality. In education the party supported the continuation of the four language streams of education, and “equal treatment for all educational institutions irrespective of race” as well as equality “in the matter of selection of jobs, irrespective of whichever school

⁶¹ The Registrar of Societies declared that the Peoples Action Party had become illegal because it was a foreign political party. Consequently, a new organization had to be formed without ties or support from political parties outside the country. See The Straits Times, September 15, 1965.

⁶² See Democratic Action Party, DAP General Elections Manifesto, Out Triple Objective Towards a Malaysian Malaysia (Kuala Lumpur: Democratic Action Party, 1969) p.17.

⁶³ Ibid. p.22.

⁶⁴ See R.K. Vasil, The Malaysian General Election of 1969 p.66.

or college they were educated in”.⁶⁵ The PPP also promised Chinese and Tamil as official languages along with Malay.⁶⁶ The Pan-Malayan Islamic Party (PMIP), on the other hand, elicited support of the Malays by appealing to their Islamic faith and their identity as an ethnic and culturally community. On most issues, the PMIP stressed that further efforts should be made to help the *bumiputera*. The party proposed constitutional amendments that would strengthen the guarantees and the rights of the *bumiputera* but did not specify what these additional Malay special rights were to be. It also proposed more comprehensive federal laws to strengthen Islam, and promised to make Islamic laws the basis of economic development.⁶⁷

The May 13 Riots and UMNO's Strategy of Domination

Diane K. Mauzy has observed that the 1969 campaign was conducted in an atmosphere of ethnic militancy and hostility that have vent to unbridled appeals to ethnic emotions on all sides. Outbidding was rampant and there were few legal checks against calculated incitement of the ethnic groups.⁶⁸ When the election results were returned the Alliance won 66 of 103 parliamentary seats, with 48.5 percent of the popular vote – a dropped about 10 percent below its 1964 showing.⁶⁹ UMNO had won 51 of 67 seats it contested, the MCA 13 of 33, and the MIC 2 of 3 seats. In the opposition DAP won 13 seats, PMIP 12, Gerakan 8, and the PPP 4. In the state elections, the Alliance won a total 162 of the 277 seats, but failed to recapture Kelantan from PMIP, lost Terengganu, lost Penang, and did not have a majority in

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ See Persatuan Aislam Sa-Melayu [PMIP], Menghadapi Pilihan Raya Umum 1969 [in Jawi script], (Kuala Lumpur: PAS, 1969).

⁶⁸ Diane K. Mauzy, Barisan Nasional: Coalition Government in Malaysia p.36

either Perak (19 of 40 seats) or Selangor (14 out of 28 seats).⁷⁰ The Malays were not alarmed about losing Penang, since it had been a part of the Crown Colony and never a Malay state with a Malay ruler, and Penang was generally viewed as a “Chinese” state. Nevertheless, the prospect of UMNO and the Alliance not controlling either Perak or Selangor, and the spectre of a non-Malay *Mentri Besar* in either, greatly heightened Malay anxieties. In addition, the “victory” celebration organized by Gerakan and DAP supporters the day following the election during which racial tensions were aroused even further by the jeers and epithets directed by some boisterous Chinese and Indian demonstrators against Malay onlookers helped to heighten Malay anxieties and rage. In the belief that Malay power in government was being challenged, Malay demonstrators who had earlier participated in a pro-government counter demonstration organized by the Selangor *Mentri Besar* Dato Harun Idris, were determined “to teach the Chinese a lesson.” Very quickly the assembled Malay demonstrators began a rampage of killing, looting and burning directed against Chinese who lived in Kuala Lumpur. The May 13th riots were confined mainly in Kuala Lumpur and its surrounding that lasted for four days.⁷¹

A blow-by-blow account of the riots has been addressed elsewhere and need not be repeated here. However, for the purpose of this study, what is more important is to see how UMNO reacted to it. First of all, Malay firster politicians within the party made a move in opposition to the Tunku because the “ultras” had blamed the Alliance losses on the Malayan Chinese Association, which had suffered the defeat of

⁶⁹ Ibid.

⁷⁰ R. K. Vasil, The Malaysian General Election of 1969 pp.58-62.

⁷¹ For an official account of the May 13th race riots see Government of Malaysia, The May 13 Tragedy: A Report of the National Operations Council (Kuala Lumpur: Government Press, 1969) For a useful analysis see Felix V. Gagliano, Communal Violence in Malaysia 1969: The Political Aftermath (Athens, Ohio: Center for International Studies, 1970). Tunku Abdul Rahman, May 13 Before and

20 out of its 33 candidates on the Alliance ticket. With such a weak mandate from Chinese voters, and under pressure from Malays in UMNO, Tan Siew-Sin announced on May 13 that the MCA would not be represented on the federal cabinet or on any Executive Councils of State Assemblies.⁷² Led by Dr. Mahathir bin Mohamed the “ultras” blamed the Tunku for UMNO and Alliance poor showing in the election. According to Dr. Mahathir:

Your “give and take” policy gives the Chinese everything they ask for. The climax was the commuting of the death sentence, which made the majority of the Malay angry. The Chinese on the other hand regarded you and the Alliance government as cowards who could be pushed around. That was why the Chinese and the Indians behaved outrageously toward the Malays on the 12th May. If you had been spit in the face, called dirty names and shown obscene gestures and private parts, then you could understand how the Malay felt. The Malays whom you thought would never rebel went berserk, and they hate you for giving too much face. The responsibility of the deaths of these people, Muslim or infidels, rests on the shoulders of the leader who holds views based on wrong assumptions. I regret writing this letter, but I have to convey to you the feelings of the Malays. In truth the Malays whether they are UMNO or PMIP supporters really hate you, especially those who had lost homes, children and relatives, because of your “give and take” policy.⁷³

Most of all Mahathir’s letter had requested “that its is high time you resign as our Prime Minister and UMNO leader.”⁷⁴ In essence, Mahathir’s letter to the Tunku had implied that the latter had lost the legitimacy because the Tunku’s strategy of “give and take” had endangered the party’s survival. This implies, as Panebianco has pointed out, a close relationship between political strategy and the leadership’s legitimacy. Once a political strategy has been formulated and accepted by the party,

After (Kuala Lumpur: Penerbit Utusan Melayu, 1969). Goh Cheng Teik, The May Thirteenth Incident and Democracy in Malaysia (Kuala Lumpur: Oxford University Press, 1971).

⁷² The Straits Times, May 14, 1969.

⁷³ Dr. Mahathir bin Mohamed’s letter to Tunku Abdul Rahman June 17, 1969 as reproduced in Karl von Vorys, Democracy Without Consensus: Communalism and Political Stability in Malaysia p.373.

the elites ability to distribute identity incentives to its followers depends on its application: if the political strategy loses credibility, the party's identity suffers, at least until a new political strategy is adopted.⁷⁵ In the case of UMNO, Tunku Abdul Rahman's accomplishments were great – up to April 1969. Past performance, however, was not sufficient for continued leadership. After all, Dato Onn was the chief architect of UMNO, yet he had to go when he was no longer representing the best interests of the party. On that account, The Tunku conceded, “it was true enough that Datuk Seri Dr. Mahathir's open letter, which was widely circulated, did me a lot of harm.”⁷⁶

According to Dr. Mahathir, his letter was directed at the Tunku's idea that the only way to have racial harmony in the country was to give in to Chinese demands. The Tunku, Mahathir pointed out, had not stuck to the original agreements made with the Chinese at the time of independence, Rather, the Tunku had gone on to placate the Chinese by giving in on the question of language, and on the question of the number of Chinese who should be in the administration.⁷⁷ In addition, Dr. Mahathir felt that the fault of the government all along was that whereas it had kept on repeating that the Malays have privileges, it had never explained to the Chinese why these privileges were there in the first instance. They were just protective measures to

⁷⁴ Ibid.

⁷⁵ See Angelo Panebianco, Political Parties: Organization and Power (London: Cambridge University Press, 1988) 40-41.

⁷⁶ See Tunku Abdul Rahman Putra, Contemporary Issues in Malaysian Politics (Petaling Jaya: Pelanduk Publications Malaysia, 1984) p.184.

⁷⁷ Dr. Mahathir gave these views after he was expelled from the UMNO Executive Council in an interview with the Far Eastern Economic Review. See Bob Reece “Alliance Outcast” Far Eastern Economic Review September 18, 1969. p.698.

ensure that the Malays had a fair share in the life of the country – in the administration and in the economy.⁷⁸

In aftermath of the race riots of May 1969, UMNO was faced with only two choices. A swing might occur towards an authoritarian Malay-dominated government or the more difficult alternative would be a swing back to the former liberal coalition's policies which won the confidence of the outside world by achieving a balance between the Malay desire to obtain a bigger share of the national wealth and the Chinese basic desire to be allowed to go on making money with a reasonably stable framework.

During the twenty months of emergency rule (Parliament was suspended as a result of the May riots), the state was basically run by a civilian-military National Operations Council (NOC), headed by then Deputy Prime Minister Tun Abdul Razak. Tun Abdul Razak had directed that Malaysia's economic plan should be reappraised. He was of the opinion that the government would play a positive role in launching new and would move into industrial projects itself. A larger government role meant a larger Malay role. The government would thus influence employment policies, which must reflect. "from top to bottom, the multi-racial composition of our country."⁷⁹ In other words, industry will be encouraged to employ more Malays. The government would also disperse industries from the largely non-Malay towns to Malay rural areas. Tun Razak added: "I must make it very clear that this increase in prosperity is not for any particular group or community...only in this way can we correct the imbalance that exists and rebuild trust and confidence."⁸⁰ Hence, Tun Razak's views appeared to coincide with the views of UMNO "ultras" that the root of the May riots

⁷⁸ Ibid.

⁷⁹ Tun Abdul Razak as quoted in Derek Davies "The Racial Balance Sheet", Far Eastern Economic Review, July 10 1969 p.119

was Malay economic resentment, and his policies seem geared towards propitiating this demon. We can now put in perspective Panebianco thesis that there exists a relationship between a party's political strategy and the leadership's legitimacy. The Tunku's strategy of "give and take" and the basis of these proposals was an ethnic *quid pro quo* package deal, often called the "Bargain" was terminated. Under the "Bargain", the elite compromises gave the non-Malay revisions in citizenship regulations and, most important, the granting of *jus soli* after independence. In return, the non-Malays accepted Malay "special rights", Islam as the state religion, Malay as the sole official language from 1967, and the continuance of the functions assigned to the Malay Rulers. The "Bargain" consisted of another, unwritten but acknowledged, level as well. At the elite level, the non-Malays recognized that the Malays should, by virtue of their indigenoussness, be politically supreme, and by having, eventually Malay as the sole official language. In return Malay the Malay elites recognized the right of the immigrant races to make Malaya their home and primary source of national loyalty, and agreed that the non-Malays should not be unduly subject to restrictions disadvantageous to their economic activities, although they were to give assistance to the Malays to help them catch up economically. As we have discussed earlier, The Tunku's political strategy of "give and take" was under fire by the UMNO "ultras" and this has led to his retirement both as Prime Minister and UMNO president.

When Tun Razak came to power, he had in effect call for a "new realism" in the country. What this translated into was a reformulation of the terms of the "Bargain". As such, the "new realism" meant accommodation on essential Malay terms. Tun Razak stated on several occasions that UMNO could rule alone, but in the

⁸⁰ Ibid.

interests of national unity preferred to share power.⁸¹ In other words, under the leadership of Tun Razak, UMNO “strikes out on a new course”. What this translated into was that UMNO, as a political party, had to choose whether to reach a “pact” or adopt a strategy of domination in its relation with the environment. Panebianco has suggested that the environment, from the organization’s point of view, is the primary source of uncertainty.⁸² In this case, it could well be said that UMNO had chosen the latter strategy as a course of action. In order to reduce environmental uncertainties, Tun Razak announced that democracy could only be restored once Parliament had passed changes in the constitution. The amendment would ensure the depoliticization of the system as far as possible by entrenching ethnically sensitive issues such as citizenship, the national language, Islam, Malay special rights, the Rulers in the constitution and prohibiting the questioning, even in Parliament, of these issues.⁸³

In the aftermath of the May 13 incident, UMNO’s leadership had to re-establish the party’s political strategy and in order to maintain its credibility in the eyes of the Malay community it must be accompanied by an indication of the means to be used. One cannot identify with a “cause” if there are not at least credible proposals as to the paths to be taken for their realization.⁸⁴ In essence, the top UMNO leaders had concluded that the underlying cause of the May riots was Malay economic dissatisfaction. To correct ethnic economic imbalance and identification of race with economic function, a New Economic Policy (NEP) based on preferential

⁸¹ The Straits Times, January 25, 1971.

⁸² Angelo Panebianco, Political Parties: Organization and Power p.34.

⁸³ See “ Sensitive Issues Must Be Avoided: Return to Democracy Only After Parliament Has Passed Changes In Constitution” The Straits Times, January 22, 1971.

⁸⁴ Angelo Panebianco, Political Parties: Organization and Power p.41.

ethnic policies would be instituted.⁸⁵ Under the twenty year NEP, a number of socio-economic targets were proposed for the *Bumiputera* (but in reality primarily for the Malays). The most widely quoted goal was for the *Bumiputera* to manage and own a least 30 percent of the total corporate commercial and industrial activities in all categories and scales of operation by 1991. Under the NEP, the government would actively intervene to help the *Bumiputera* achieve these targets. As a key strategy, the state would actively acquire the assets of existing businesses, which it would hold in trust for the *Bumiputera* until such time that these assets could be turned over to *Bumiputera* individuals. Institutions were set up to help the Malays get business training and advise, secure loans and accumulate capital, and buy shares of businesses.⁸⁶

According to Diane Mauzy, the justifications for the NEP were two-fold. First, the new nationalist Malay political elite, brought into prominence by Tun Razak (such as Dr. Mahathir Mohamed, Musa Hitam, Abdullah Ahmad, Razaleigh Hamzah), strongly believed that the non-Malays had never lived up to a condition of the "Bargain", that they were actively to help uplift the Malays economically. Second, the imperative of national unity required a more equitable ethnic distribution of wealth. However, the Malays would not confiscate the wealth of non-Malays, and a

⁸⁵ For an official account of the NEP see Government of Malaysia, *Second Malaysia Plan*, 1971-1975, (Kuala Lumpur: Government Printing Office, 1971). For a useful analysis see Jomo K.S., *A Question of Class: Capital, the State, and Uneven Development in Malaysia* (Singapore: Oxford University Press, 1988). Jomo K.S., *Growth and Structural Changes in the Malaysian Economy* (London: MacMillan, 1990).

⁸⁶ Among the public corporations formed to implement the public sector segments of the economic plans have been the following: the Rural Industrial Development Authority (RIDA) which was reorganized in 1966 and renamed Majlis Amanah Ra'ayat (MARA); PERNAS, an investment holding company which has formed over a dozen subsidiary companies to engage in insurance, foreign trade, construction, engineering, off-shore mining and participate in numerous joint ventures with private firms; the Urban Development Authority (UDA) to plan and implement urban renewal and development; the Malaysian Industrial Development Authority (MIDA), to plan industrial development and make loans to industry and the Federal Agricultural Marketing Authority (FAMA) to assist farmers and peasants with marketing problems. In addition, each state has formed State Economic Development projects at the state level. See Gordon P. Means, *Malaysia Politics* p.416.

key feature of the NEP would be that preferences would be instituted only in an expanding economy, so that while the Malays would be catching up proportionately, all groups would experience growth absolutely, and hence no group would be deprived.⁸⁷ However, from organizational development perspective, UMNO was pushed in Panebianco's words, to develop a strategy of domination in its relation with the environment. First and foremost, this was done by replacing the Alliance with the Barisan Nasional – a considerably expanded grand coalition (from three to nine, then to fourteen parties) that brought into the fold the major Malay opposition (PMIP, for several years only, as it transpired) although not the main non-Malay opposition party. In addition, under Tun Razak's "new realism" in the cabinet, after parliamentary rule was re-established in 1971, proportionality in a qualitative sense became less meaningful: the Chinese lost the Commerce and Industry portfolio, and then in 1974, they lost Finance. UMNO held all key portfolios - thus the beginning of UMNO's political hegemony and intended to remain so at any cost for the foreseeable future.⁸⁸

UMNO Internal Structure and Centralization

In the aftermath of the May riots, UMNO's organizational structure reflects the party's "disguised imperialism". In order to reduce any uncertainties coming from its relations with the environment such as challenges from the opposition, UMNO "announced a new set-up to bring the party closer to the government".⁸⁹ On that account, UMNO took a major step to streamline the party and improve its dialogue

⁸⁷ Diane Mauzy, "Malaysia: Malay political hegemony and coercive consociationalism" in John McGarry and Brendan O'Leary, The Politics of Ethnic Conflict Regulation (London: Routledge, 1993) pp.106-112.

⁸⁸ Ibid.

with the government by creating six bureaus. This was done to ensure that the government kept in line with party policy (policies to be carried out by the government must first be approved by the central executive committee and guidelines to carry out the party's wishes must first be worked out by the central executive committee).⁹⁰ The six bureaus were political, headed by then party president Tun Abdul Razak; finance headed by then deputy party president Tun Dr. Ismail, economics headed by the party vice-president Ghafar Baba, social bureau headed by another party-vice president Syed Nasir Ismail, education bureau headed by then Minister of Education Hussein Onn and finally, religious bureau headed by Wan Abdul Kadir.⁹¹ The creation of these bureaus entails greater control by the party headquarters over its divisions and branches, as its main aim was to streamline the party machinery.⁹² In addition, this development points to the fact that UMNO had become highly institutionalized party, possessing an extensive central bureaucracy and can achieve autonomy from its environment as well as high internal structural coherence. Structural coherence is, in turn, correlated with level of bureaucratization because of centralizing tendencies inherent in bureaucratic development: in a strong bureaucracy the "center" possesses a very efficient tool with which to control the organizational periphery.⁹³ In this instance, the bureaus were headed by top UMNO hierarchy and were staffed by full time officers. The UMNO headquarters would in its turn appoint full-time working member to each UMNO division, executive

⁸⁹ The Sunday Times, March 14, 1971.

⁹⁰ The Straits Times, September 24, 1971.

⁹¹ The Straits Times, February 14, 1971.

⁹² Ibid.

⁹³ Angelo Panebianco, Political Parties: Organization and Power p. 220.

secretaries at state level to monitor the setting up economic and political bureau at the divisional and state level.⁹⁴

Steps were also taken under the UMNO constitution of 1971 providing for a three-year term of office for top party leaders. Those who will serve for the three-year term are: President, deputy president, three vice-presidents and 20 members of the central executive committee (under the old constitution, top party officials were elected for one-year term). Other features of the constitution were – a two-year term for divisional leaders instead of annual election and a seven-men disciplinary committee at national level to replace former regional committees. In addition, the central executive committee (later renamed UMNO Supreme Council) gained complete authority over the selection of electoral candidates (parliamentary and state elections) and gained new powers to call meetings at the divisional, and branch levels.⁹⁵ The reason given for these amendments was to prevent conflict within UMNO divisions and branches on the choice of candidates and to streamline the party machinery.⁹⁶

The crisis in Malacca UMNO best describes the powers vested in the party's central executive committee over its divisions and branches. In July of 1972, UMNO president Tun Abdul Razak announced that a special committee chaired by then Education Minister and UMNO vice-president Hussein Onn would be set up to investigate the possibility of splitting up the one UMNO division in Malacca into four.⁹⁷ Malacca UMNO exco member Mohamed Abdul Rahman made the proposal for the split up of Malacca UMNO to the UMNO central executive committee.

⁹⁴ The Straits Echo, October 31, 1971.

⁹⁵ The Straits Times, September 24, 1971.

⁹⁶ The Straits Times, May 2, 1971.

⁹⁷ The Star, July 16, 1972.

Mohammed suggested that the Malacca division be divided into four – Malacca Town, Alor Gajah, and Jasin and Malacca Tengah divisions.⁹⁸ However, before a decision was reached by the UMNO's central executive committee on the matter, an action committee to split UMNO Malacca at the state level announced the setting up of Malacca Tengah and Bandar Malacca UMNO divisions and sent a telegram to then secretary general of UMNO Senu bin Abdul Rahman. On his part Senu maintained that the recognition of a division according to Clause Seven of Article 11 of the party's constitution depended on the central executive committee. As a result, the UMNO headquarters ruled the formation of Malacca Tengah and Bandar Malacca as invalid because the formation had not obtained the approval of the party's central executive committee as required by the UMNO constitution. Again, we see the central headquarters had in effect tightened party discipline and as a result had an upper hand in its relations with its divisions and branches.⁹⁹

Other important changes in UMNO's organizational structure were revealed in 1974. In this instance, the beneficiary was the already all-powerful central headquarters executive committee because UMNO divisional committee members could no longer be able to expel their leaders by merely passing a "no confidence" vote on them. The expulsion could not take effect unless the party's central executive committee concurs.¹⁰⁰ Explaining this move by the party's central executive committee, then party president Tun Razak explained that small groups had in the past used various tactics to gain power in the divisions, such as influencing committee members to put up a no-confidence vote on their leader to replace him with a new leader. The amendment was necessary to prevent such occurrences from spreading so

⁹⁸ Ibid.

⁹⁹ The Star, May 7, 1972.

¹⁰⁰ The Star, June 26, 1974.

that democracy would be maintained within the party.¹⁰¹ However, this move by the party's central executive committee entails a highly centralized decision-making structure. Another important amendment to UMNO's constitution was limiting representation in future party assemblies to a maximum of 10 delegates per-division and representation in divisional delegates conference to five delegates per branch.¹⁰² With this amendment, divisions with as high a membership as 20,000 will be able to send only 10 delegates, as will divisions with only 5,000 members (prior to the amendment, delegation sizes were based on membership without any limit). As such, delegates from Bukit Bintang and Setapak divisions of UMNO queried the purpose of the amendment.¹⁰³ The delegate from Bukit Bintang, Radin Supatan suggested that the party's central executive committee was "afraid of shadows" by sponsoring the amendment. Explaining the move by the party's central executive committee to limit the number of representatives to the general assembly, party vice-president Abdul Ghafar Baba said that when the re-alignment of UMNO divisions was completed, there would be 114 divisions and if each were represented by 10 persons, there would be 1,140 people and if the number was not limited, a time would come when 3,000 and 4,000 people would be present at the assembly. In addition, he pointed out that the limitation would also help vote buying.¹⁰⁴

According to Michels, the party's magnitude is the primary variable explaining the formation of oligarchy. In this perspective, organizational size both directly and indirectly affects power relations within the party. Directly because the organization's growth influences its leaders' degree of maneuverability. In theory, the leader is

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ The Star, June 30 1974.

merely an employee bound by the instruction he receives. He has to carry out the orders of the man, of which he is no more than the executive organ. But in actual fact, as the organizational increases in size, this control becomes purely fictitious. The members have to give up the idea of themselves conducting or even supervising the whole administration, and are compelled to hand these tasks over to trustworthy persons specially nominated for the purpose, to salaried officials.¹⁰⁵ Above a certain numerical threshold,¹⁰⁶ any assembly inevitably succumbs to control by the few. Michels pointed out that this is partly due to mass psychology (the “manipulatability” of the crowd) but also partly due to technical-organizational factors: The regular holding of deliberative assemblies of a thousand members encounter the gravest difficulties in respect of room and distance; while from topographical point of view such an assembly would become altogether impossible if the members numbered ten thousand.¹⁰⁷ This explains the necessity of the delegate system and, in time, the end of democracy. But organizational growth also has an indirect effect on the distribution of power within the party, bringing about an increase in its complexity: growth in size is correlated with growth in internal division of labor, multiplication of hierarchical levels, and bureaucratic development. An increase in organizational complexity also leads to centralization of the decision making process.¹⁰⁸

¹⁰⁴ Ibid.

¹⁰⁵ Robert Michels, Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy translated by Eden & Ceder Paul (Gloucester, Mass. Peter Smith, 1978) p.71.

¹⁰⁶ On this point see C. W. Cassinelli, “The Law of Oligarchy,” American Political Science Review, XLVII (1953), p.783.

¹⁰⁷ Robert Michels, Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy p.65

¹⁰⁸ Ibid. 188.