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The Chinese in Malaysia: Politics of a troubled identity

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University of Hawaii, 1992
THE CHINESE IN MALAYSIA: POLITICS OF A TROUBLED IDENTITY

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE UNIVERSITY OF HAWAII IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

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BY

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Many of the interviews conducted are on the understanding that the name of the source would be held in confidence. This is because some the interview material from these sources is still liable to arouse feelings, ethnic or otherwise, in the country. With this in mind, no list of interviewees will be given - it seemed awkward here to list even those persons who did not mind being publicly associated with their private remarks. Conclusions drawn from their remarks are, of course, the responsibility of the author. A work such as this inherently cannot please all of them, but hopefully there is more clarification than obfuscation in it.

Finally, my studies could not have been completed without the sponsorship of the East-West Center in Honolulu, Hawaii. Special thanks to Institute of Culture and Communication director, Larry Smith, for his encouragement and friendship, and to my advisor, Dr Meheroo Jussawalla, for her support and guidance. I also appreciated the morale support of several friends at the Center, in particular, Tamara Echter, during times when the going was rough.
ABSTRACT

"Malays see themselves as the owners of the land who asked of the carpenters (the Chinese) to build a house. They are angry that the carpenters eventually wanted to take over the house" - an apt depiction of the aged-long ethnic animosity between the Malays and the Chinese in Malaysia by history professor Khoo Kay Kim (quoted in Hong Kong Standard:6, May 15, 1988). Starting with the facts and events surrounding Chinese immigration to the Malay Peninsular until their present day status, this dissertation illustrates the processual aspects of ethnicity as a troubling phenomenon within the country’s political and economic framework.

During the colonial era, the Chinese did not find it to their advantage to articulate their ethnicity in the "host" country. Their subordination to the British authorities was then a useful strategy to the exigencies of survival as immigrants. Why they chose to exploit their Chineseness in one time period and not in another is best understood in terms of the social forces arising from the political economies of each particular time period. When the overwhemingly dominant cultural segment was European-based, particularly British, the Chinese tended to downplay their ethnic chauvinism toward the ruling power, hence de-emphasizing their Chineseness. Chinese aloofness from the
local community assured them of the ability to live within an imagined "ethnic wall."

When the economic and political power was more shared or "pluralistic," following independence, the Chinese found it more in their interest to exploit their ethnicity. As soon as the Chinese abandoned their position as ethnic "strangers," they took up the new status as members of the "exploiting class." However, their enthusiasm from subscribing to a chauvinistic discourse was shortlived. Malay political dominance proved impregnable, and following the May 13, 1969, racial outburst, preferential socio-economic policies provided the impetus for Malay capitalism. The latter development, coupled with Malay political supremacy, has resulted in the articulation of their Chineseness as a self-defeating ideology.
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"Within the four seas, all men are brothers."

Confucius
CHAPTER I
STATEMENT OF PROBLEM AND METHODS

Introduction

The Chinese in Malaysia have never felt at home in the country (1). For the past 34 years since Malaya achieved independence, some have left for other countries; several have participated in politics, either in the government coalition party (2) or in the opposition, to try to make a difference, while the rest have remained silent but troubled. Regardless of the action they took, the Chinese have yet to resolve their sense of "homelessness" in the multi-ethnic country (3).

This feeling of "homelessness" or insecurity as Malaysians is heightened with the claim of indigeneity in the country by the Malays, who view the Chinese as "more or less permanent guests originally brought in as transients by the tin and rubber interests" (Rabushka 1973:19). With indigeneity, they claim, comes special rights, such as ethnic quotas. To the Chinese, special rights based on ethnic origins runs contrary to the spirit of democracy and equality as professed by the Malaysian constitution. Thus, the Chinese feel alienated and antagonistic because of their powerlessness in the face of a Malay-led coalition government and the perceived abuse of the special rights as a result of arbitrary implementation.
This dissertation is concerned with a controversial and politically delicate problem: the quest for identity on the part of the Chinese in a Malay-dominant Malaysia. There is no simple solution to the identity problem. Ethnic identity in Malaysia, a powerful phenomenon which touches on the sensitivity of different ethnic groups in various ways, is perceived and interpreted differently by individuals and groups, and is consciously manipulated by political leaders in accordance with demands of particular situations (4). Indeed, it is because of these manipulations that ethnic identity issues are manifest, thus complicating the search for possible solutions.

The manipulations take the form of the various government preferential policies, economic, social or cultural, which were introduced following the May 1969 racial riots (5). As the country developed economically, the policies would enable intergroup cross-cutting cleavages to develop and deepen, thus providing a mitigating influence on the divisiveness of parallel and reinforcing intragroup communal patterns. Indeed, by ensuring that "the Malays be given a stake in the middle and upper economic classes more nearly in proportion to the group's percentage of the population, this would help counter the present reinforcing ethno-economic image of cleavage between groups of "poor

Therefore, if the government's intentions in introducing the preferential policies is accepted to mean what it says, the policies should have had the effect of greatly reducing the ethnic divisions, hence tensions and conflicts over the years (6). In Clifford Geertz's (1963:105-157) terminology, the aim was to "domesticate primordialism" and "modernize ethnocentrism." However, the fact is that communal tensions have intensified with each passing year, and racial polarization is more evident than ever before. How did this come about and why? I believe there is a political logic, deeply rooted in the historical, economic, political and cultural formations of Malaysian society. A critical examination of this logic is central to this inquiry.

This inquiry is by no means new to anyone studying race politics in Malaysia. Today there is a new generation of young Chinese in the country. Unlike their parents, these Chinese, born and bred in a Malaysian environment, need not be caught up with "identifying with Chinese [Kuomintang] nationalism and with Chinese communism - of pretending either that they are only accidentally in Malaysia and really at home in China..." (Pye, 1985:251). Instead they should feel at home in Malaysia and should not see any need
to legitimize their presence in the country (6).
Unfortunately, this has not be the case, hence the dilemma that confronts the Chinese community.

Many possible solutions have been suggested for the identity crisis of the Chinese in the country. This dissertation will address the findings of some of the earlier works in light of the present push by the government towards modernization. As announced by the Prime Minister Dr. Mahathir Mohamad in his visionary development plan, national unity (or nationalism) is the key ingredient "to enable Malaysia to become a fully developed nation by the year 2020" (New Straits Times:1, July 11 1991). The premier, however, is unclear how to fit the means, national unity, into the goal of modernization.

In light of the modernity that is rapidly transforming the fabric of the Malaysian society, the bumiputra/non-bumiputra dichotomy is crucial (in understanding the ethnic problems). The term bumiputra literally means "princes of the soil" but is usually translated more prosaically as "sons of the soil" or native and is used to designate the Malays and other indigenous peoples of Malaysia (8).

The Chinese disagree with the claim of the Malay's indigeneity: apart from the orang asli or native aborigines, most other races, including the Malays, arrived as immigrants. Historical records indicate that the Malays had
their origins in the Indonesian archipelago (Andaya & Andaya 1982). However, despite this disagreement, the Chinese reluctantly accept the interpretation by the government that the indigeneity of the Malays can be seen in the highly politicized status of bumiputra. Although the Chinese say they want to see complete equality for everyone, they have been subdued when it comes to challenging the legitimacy of the bumiputra status in order to avoid open racial confrontations.

In fact, the government has deemed the matter a sensitive issue and thus has made it illegal for anyone to raise publicly the question of Malay rights. With this contradiction in viewpoints between the Chinese and Malays, each group seems preoccupied with the idea of convincing the other of its legitimate presence and position in the country and its corresponding rights and status. It is therefore not surprising that Malaysians' (Malays, Chinese, Indians, and other peoples of the country) attitudes toward themselves and others tend to be communally and antagonistically-based. It must be emphasized that such a preoccupation indicates a problem in ethnic relations which surpasses that of economic inequalities per se. To quote Horowitz (cited in Ong:325 1990), "economic grievances do play a role in ethnic hostility, but they are operative in some connections and at some level, far more than others. A
This dissertation looks at one strand of the complicated web of antagonisms - the identity of the Chinese community as a case study in the polity of multiethnic societies. In doing so, it attempts to shed light on relationships and issues that seem both obvious and obscure. It is obvious that in the bifurcated Malaysian society, the bumiputra/non-bumiputra dichotomy is a key aspect of the dynamics of a Malaysian pluralistic society. However, what remains obscure in the dichotomy are the ideologies of the Chinese population with regards to the quest for their identity. To focus on the ideologies, this study uses the ideas developed by economist Albert Hirschman in Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States (1970). In adapting Hirschman's categories of exit, voice, and loyalty to the ideological domain of the Chinese, this study attempts to humanize the conflicts and illuminate the fears that have not only become an integral part of the political process, but also deeply ingrained in the attitudes of the different ethnic groups in the country.

Hirschman contrasted two modes of response to decline in social organizations (or repressive regimes) - the options of exit and voice. Exit, central to the operation
of the classical market economy, is exemplified by the customer who, dissatisfied with the product of company X, switches to the product of company Y. The exit mechanism, which is neat and impersonal, operates by the movement of what Adam Smith coined as the "invisible hand". Voice, however, tends to be messy, cumbersome and direct as it "graduated all the way from faint grumbling to violent protest" (Hirschman, 1970:30). He describes voice as the political action par excellence, carrying with it the potential for "heartbreak" by substituting the personal and public articulation for critical opinions for the private, secret vote (ibid:37).

Besides "exit" and "voice" as the two principal roles in his drama of societal change, Hirschman puts forth a theory of loyalty to explain the conditions for their optimal collaboration (ibid:78). Loyalty, he says, is the "member who cares," activates voice by holding exit at bay, while sustaining in the implication of disloyalty the possibility of exit as the option of last resort (ibid:83). To the economist's view of the individual as motivated by profit and to the political theorist's view of the person seeking power in social organizations, Hirschman introduces loyalty as another dimension to stem decline and promote recuperation. In his work, he illustrates across a wide range of situations how the presence of "loyalty" holds
"exit" and "voice" in tension and thus changes the meaning of both leaving and speaking.

Translating Hirschman's paradigm (9) for this study, "exit" connotes the position of the Chinese leaving the country, "voice" represents the protests of opposition Chinese parties, while "loyalty" refers to the cooperation of the Chinese component parties - the Malaysian Chinese Association (MCA) and the Gerakan - in the national party, Barisan Nasional (BN). In the Malaysian polity, Hirschman's three categories are options available to the Chinese - a subordinate race - who have been afforded the luxury of open, organized, political activity. The "exit" option is only available for a handful of economically well-to-do or professionally qualified Chinese who leave for better career opportunities rather than political motivations.

For most of the Chinese, leaving the country for another is not a viable option. As such, the majority of the Chinese that remain are less interested in changing the larger structures of the state and law than in what Hobsbawm has appropriately called "working the system...to their minimum disadvantage" (1973:3-22). Formal, organized political activity is mainly the preserve of the middle class and the intelligentsia in the subordinate race - which clearly typifies the position of the Chinese community in Malaysia. For those who use politics as means for their
business ventures, they subscribe to the "loyalty" option by working hand-in-glove with the Malay-dominant government. The "voice" option consists of the disagreements and protests of the opposition parties.

But what option is available to those who remain outside such a domain? Are they considered a political nullity? Is there an option for them to manifest their protest in the repressive regime? I believe there exist a fourth category which Hirschman, as an economist, may have ignored. This category, whom I call "defiance," consist of those who resort to issues that concerns all ethnic groups - environment, health, human rights, social justice. The groups, such as the Consumer Association of Penang, Aliran, and Sahabat Alam, claim to be non-political in orientation and usually play role of a watchdog on the government's handling of the non-ethnic concerns. The groups defy the government's dislike for criticisms by highlighting issues of corruption and inefficiency in the administration through the media and other publications. These groups are relatively powerful and popular especially with the educated middle class and the poor. So far, the efforts and operations of the groups are on a small-scale with a limited budget. Many of the groups make use of implicit understandings and informal networks to gain support from the public, and they have been vocal in their viewpoints to
political leaders, and at times, engaged in direct, symbolic confrontation with the government. A possible transformation of Hirschman's work into the political-ideological context can be diagrammatically represented:

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<th>Groups</th>
<th>Correlates</th>
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<td>Exit</td>
<td>professionals</td>
<td>upper-class</td>
<td>economic self-interest</td>
</tr>
<tr>
<td>Voice</td>
<td>opposition parties</td>
<td>middle-class</td>
<td>political democracy</td>
</tr>
<tr>
<td>Loyalty</td>
<td>MCA; Gerakan</td>
<td>businessmen-politicians</td>
<td>political/economic interests</td>
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<td>Defiance</td>
<td>Aliran; Consumer Associations</td>
<td>middle-class/poor</td>
<td>social justice</td>
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Based on the theoretical framework, this dissertation discusses the identity dilemma faced by the Chinese with respect to the political, economic, and social/cultural agenda of the day. How do they see themselves as Chinese? As Malaysians? Do they share a common identity with the other ethnic groups? Why is there a constant need to justify their legitimacy to the Malays? What future do they see for themselves as Chinese in Malaysia?

It is the objective of this dissertation to find explanations to the questions confronting the age-old dilemma faced by the Chinese community with regards to their
identity in the country. And it is this dilemma itself, namely, the difficulty of finding an optional role in Malaysia, that constitutes the research problem of the present dissertation.

To proceed with the inquiry into the stated problem, Chapter II of this dissertation will highlight the historical specificities that contributed towards the evolution of the present-day ideology of the Chinese community. Since their pre-colonial involvement with patriotism towards mainland China to the present day Malaysian-centered Chinese identity, one agenda remains unchanged: the need to assert their Chineseness. Throughout their history in the country, this need has taken the form of their chauvinism expressed by the various Chinese political and social institutions. However, in the face of radical Malay nationalism, particularly in the period beginning in the 1960s and extending to the present, there is now only the fear of the dilution of this Chineseness. Under such circumstances, the Chinese leaders, who in earlier days effectively served the community, have become emasculated and marginalized in the Malaysian polity.

Chapter III provides a theoretical perspective on the ethnic dilemma faced by the Chinese. From the assumption of the existence of an authentic Chinese identity, based on two widely held models classifying Chinese political identity in
Malaysia, this chapter argues the contrary. By raising some theoretical positions on ethnic identity, the authentic identity of the Chinese will be shown to be merely a constructed myth. In actuality, many of the Chinese have "gone native" in the host culture or become peranakanized, to use anthropologist David Wu's (1991) term. With this in mind, an attempt is made to show what models of race relations exist in Malaysia.

Chinese adherence to a constructed ethnic identity has lead to the emasculation of their political role in the Malaysia polity. Chapter IV shows that Chinese political culture has always been and continues to be Sino-centric in its orientation. Prior to the 1969 racial crisis, the Chinese political parties had been forthright in their chauvinistic stance towards protecting the community's interest. However, with the rise of Malay political supremacy, Chinese ethnocentrism is being asserted under the guise of multi-racialism. In Malaysia, multiculturalism is a fallacy, politically, and an illusion, in reality.

As politics is closely tied with the economic factor, the Chinese business sector also suffered. Not only did the Chinese community lack political power but today their share of the economic cake is being threatened. Evidence presented in Chapter V will show that the Chinese economic
role is gradually being marginalized in the wake of Malay capitalism.

Finally, Chapter VI provides a summary of the conclusions made from the earlier findings. Whenever the paradigms of political, economic and social systems are going through a period of change, there will be a period of disorientation. The Chinese identity in Malaysia, is undergoing such a process, remains a troubled one. Unless Chinese come to terms with the transformation of power in the society, communalism prevails and their future in the Malaysia polity continues to be bleak.

Methods

The study is based on a single case study approach. The single case has both limitations and virtues. It is not designed, like the comparative method, to generate explicit causal inferences because it suffers from a "lack of variation in possible causes and effects" (Smelser, 1976:199). The single case, however, provides plenty of scope for exploring existing notions and theories, pointing out inadequacies of existing approaches, refining new relations among variables, and, not least, telling a good, theoretically informed story (10).

My case study method shares a strategy similar to what Theda Skocpol calls "interpretative historical sociology"
(1984). It attempts to interpret the past from the vantage point of the present and from the present, a speculation of the future (see also Thompson 1966; Genovese 1976). As noted by Skocpol (1976:368), the three key attributes of "interpretative historical sociology" are (a) careful attention is paid to the culturally embedded intentions of individual or group actors in the given historical settings under investigation; (b) the study as well as arguments should be culturally or politically significant in the present; (c) concern with matters of conceptual reorientation and conceptual clarification. It is the attention to conceptual clarity that precludes the use of a hypothesis-testing approach to establish causal generalizations about large-scale structures and patterns of change. In other words, the method of historical analysis is useful for identifying and analyzing the linkages, conflicts and differences in perceptions of identity between the present political reality and the social, economic, and political past of the Chinese in Malaysia.

In addition to relying on an interpretative framework of analysis, I admit to a strong Marxian leaning in my methodological strategy. In order to gain an effective understanding of the Chinese identity in Malaysia, the ethnic factor must not be seen in isolation but in totality within the pluralistic Malaysian society. Clammer (1986:3)
notes that ethnicity is not a fixed or static entity but "a dialectical phenomenon...in a continuous state of tension between the influences of tradition and the demands of modernization." As pointed out by Lukacs (1978:32), in Marxist methods "concrete totality is the fundamental category of totality."

According to Marx, the manifest forms of the interdependence between parts, of their autonomy, are to be conceived dialectically, as the dynamic moments of a whole which is, itself, equally dialectic and dynamic (Lukacs 1978:35). Reality must be seen in terms of totality, that is, the dialectical interrelatedness between the whole and parts, the general and the particular (11).

Marx maintains that there is a need to go beyond the level of "appearance", what he calls the "fetishism" or "reification" of things, in order to understand reality. What is needed is to go the essence of social relationships among human beings, and between human beings and nature within the process of material production and reproduction (Marx and Engels 1968:28). Hence, facts by themselves do not constitute the social reality of the day. There is a need to "penetrate behind the historic conditioning of the facts; one cannot accept them as given and immediate. In short, the facts must be submitted to a historical dialectical treatment...If the facts are to be known
accurately, we must understand the difference between their immediate appearance and inner core with clarity and precision" (Lukacs 1978:29). This approach, I believe, is what Marx refers to as the discovery of "the rational kernel within the mystical shell" (Marx 1978:29).

It is this realization of the difference between the phenomenal manifestation and determining relationships of events that explains the interpretative nature of this dissertation. This dissertation, through the accumulation of data, facts and events, will provide a theoretically informed reading and interpretation of the cultural, political and economic processes of a historically constituted society. No hypothesis is present to provide guidance. It is through pursuing exploratory questions and raising issues that this study will proceed in the search for patterns. Therefore, the identity of the Chinese in Malaysia will be studied in the context of its relationship to the historically constituted ethnic conflicts, power struggles and nation-building.

Thus, I follow the tradition and social inquiries established by social philosophers and theoreticians who tend to give primacy to interpretative analyses (Geertz 1963; Giddens 1976, 1977; Foucault 1977; Habermas 1979). I also analyze the statistical data which are relevant in explaining the social and economic performances of the
Chinese community. The data, collected from government bureaus of statistics, political parties, and chambers of commerce, shed light on the power structure and relationships between class and ethnic groups in a growing economy.

A large part of information was also obtained through interviews with 40 politicians, academicians, businessmen and journalists from the Chinese and the Malay communities. Opinions expressed from interviewees of one political party or ethnic group were counter-checked with those from another political party or another ethnic group. This was to determine the consistency, representativeness and, to some degree, the truthfulness of the opinions expressed on matters of ethnicity, conflicts and party politics. Two styles of interviewing were used -- the flexible structured (Whyte 1984) and open-ended interviewing. In the former, the "interview is structured in the mind of the interviewer who follows a plan regarding the kind of information being sought but who is flexible about the order in which the various pieces of information are brought out" (Whyte, 1984:57).

My interviews were extremely useful for this study, which touches on an issue that the Malaysian government considers extremely sensitive many Chinese and Malay leaders when interviewed formally leave some questions unanswered,
avoided or respond vaguely. I am of the view that no matter how irrational, unrealistic or chauvinistic the opinions expressed may appear to others, they are necessary and important in order to reach a more comprehensive and realistic understanding of the Chinese community.

For the more casual conversations with individuals in private or public settings, the open-ended interview is used. This style of interviewing is good for obtaining specific information and for developing close and trusting personal relationships with the interviewees. This trust is important in order to elicit an honest and frank answer on topics deemed highly sensitive (12). Besides obtaining data from the primary sources, relevant secondary sources are also checked. Written sources, from newspapers to historical archives to government documents provide valuable information for this study.

For my textual analysis, the approach used is known as the discursive practices method. Commonly found in works by Foucault, Derrida and other post-structuralists, this approach sees a text as no longer standing independently of the speakers and objects. At the same time, the text is a presentation of the existing discourse within society (13). As defined by Foucault, “discourse is not simply that which expresses struggles or systems of domination, but that for which, and by which, one struggles; it is the power which
one is striving to seize" (quoted in Terdiman 1985:55). Consequently, the text becomes another site of struggle and far from being frozen, it is open to interpretation.

A text, analyzed as a site of power struggle, will produce and reproduce particular discourse and power relations. Through the text the ideological views of ethnic parties in conflict are revealed. The complex production and reproduction of discourse is one form of discursive practice (14). The discursive practice method is used to interpret the underlying meaning structure of the text. Deciphering the presentation and deployment of power within the text can provide an insight into the ethnic discourse in the Malaysian society and a clue into how ethnic groups perceive their power relationships.

Before proceeding, it must be mentioned that this study uses ethnicity rather than class as an analytical entry point. Studies taking ethnicity seriously are usually regarded as phenomenological while those analyses based on class appear more structural. Since ethnic events are observable, their analysis constitutes "obvious" sociology. Class analyses promises to reveal hidden, deeper dimensions of social life.

In the case of Malaysia, ethnicity cannot be reduced to class. If one excludes the ethnicity factor, a critical and crucial element would have been left out of an understanding
of Malaysian politics. This study takes ethnicity and class into account, although it consciously gives privilege to the former. Ethnicity is emphasized because it cannot be wished away and is essential in establishing a more comprehensive understanding of the political, economic and social practices of the Chinese community in Malaysia.
ENDNOTES

1. Malaysia is a multiracial country with about 17 million people out of which 57.8 percent are Bumiputras (Malays and indigenous people), 32.9 percent are Chinese, 8.5 percent are Indians and 0.8 percent others (The Second Outline Perspective Plan, 1991-2000. 1991:118). Prior to attaining independence, all Malays became citizens of the Malayan Federation from 1948 onwards, as they were subjects of their respective Malay kings or rulers. As for the non-Malays, they only became citizens of an independent Malaya when it was agreed "that all who are those born in the Federation on or after Merdeka Day (Independence Day) should be citizens by operation of law" (Federation of Malaya, 1957:36). This decision helped maintain continuity in the criteria and development of Malayan citizenship and nationality.

2. The first government coalition party, the Alliance, was formed between the United Malay National Party (UMNO), the Malaysian Chinese Association (MCA), and the Malaysian Indian Congress (MIC), in 1952 to contest in the Kuala Lumpur municipal elections. Their electoral successes encouraged the UMNO, MCA and MIC to make their alliance permanent and this cooperation became the sine qua non of the nationalist movement towards independence. Following the 1969 elections, the top leadership realized the need to broaden the political base of the Alliance to ensure racial harmony. With the co-optation of several parties - Sarawak United People's Party, Gerakan, People's Progressive Partai Islam Se Malaysia - into the Alliance, the National Front or Barisan Nasional came into being and it was formally registered on June 1, 1974 (see Milne and Mauzy 1978; and Means 1976).

3. A common theme in this dissertation is that cultural pluralism and ethnicity are worldwide phenomena of increasing importance. "Many third-world multi-ethnic societies have attempted to structure themselves as independent nation states in the period since World War Two. A similar phenomenon - the solidity and stolidity of mutually abrasive communal groups within their boundaries - has proved the greatest stumbling block to creating relatively stable and durable governments" (Snider 1970:1). Malaysia, with its three ethnic groups, provides an especially instructive case study of this phenomenon.

4. Malaysians themselves tend to accept the different ethnic categories, consciously or subconsciously, and use them on many levels and different aspects of their lives.
These communal groups often are seen as mutually antagonistic due to differing and strongly held "primordial attachments," to use Clifford Geertz's phase (1963:109).

5. The May 13 riots were sparked off by the victory parades of the opposition parties and the counter-demonstrations by UMNO supporters following the 1969 elections. Although the Alliance party had won the elections, the opposition parties held their parades as they were elated at the improvement of their position. The riots left 196 dead, 439 injured, 1,019 reported missing, and 9,143 arrested (Comber 1983).

6. To Geertz, the period is that of "integrative revolution" and it is "the process of searching for ways and means to integrate societies, or to create a more perfect union between the disparate parts of the society" (1963:105-157).

7. Many of the Chinese born after the post-Independence years also grew up harboring a real fear of not being at home in Malaysia, and at the same time, lacking any political ties with mainland China or Taiwan.

8. This study will use the term "Malay" and "Bumiputra" interchangeably. By constitutional and legal definition, a Malay is and must be a Muslim (Second Malaysia Plan 1970:2). For the Malays to abandon Islam would be a renunciation of their way of life and loss of all legal and political rights accorded to them "on their basis of their claim of being indigenous people (bumiputra)." Thus constitutionally the Malay is a person who speaks Bahasa Malaysia, practises Islam and follows Malay customs. However, there are Indian Muslims or Chinese Muslims. These converts are considered not Malays or bumiputras.

9. It must be mentioned that Hirschman's paradigm of problem solving, based on an assumption of independence and competition, obscures the reality of interdependence and masks the possibility for cooperation. Furthermore, the terms exit, voice and loyalty suggest clear categories but in reality, there exist multiple hybrids of the three in any society. The variants and recombinations reflect not only the inherent complexity of human responses to change but also the dynamics involved in dismantling a particular repressive system.

10. Eckstein (1975:118) advances the "crucial-case study" as one type of case study. Its basic aim is to test existing theories - for example, invalidating a theory by taking a case that ought to fit a theory, but which does
not, then proceeding (if possible) to suggest a counter theory. The converse is also valid—confirming a theory by taking a case that ought not to fit the theory, but which actually does.

11. In his Preface of the Communist Manifesto (1968:182), Marx writes: "My investigation led to the result that legal relations as well as forms of state are to be grasped neither from themselves nor from the so-called general development of the human mind, but rather have their roots in the material conditions of life, the sum total of which Hegel...combines under the name of "civil society," that the anatomy of civil society is to be sought in political economy."

12. In his field work in the Philippines, Ben Kerkvliet (1977:182) has shown that open-ended interviews have been useful to produce indepth information because of its unobtrusiveness and because it can be done through casual and informal. However, much patience and experience is needed from the observer.

13. According to Terdiman (1985:54), discourse is "the complexes of sign and practices which organize social existence and social reproduction. It is what gives differential substance to membership in a social group or formation, which mediates an internal sense of belonging, an outward sense of otherness."

14. Other sites are in techniques of power, institutions, social relations and behaviors, various forms of transmission and diffusion, and in pedagogical forms, which "at once, impose and maintain them" (Foucault 1977:200).
CHAPTER II

HISTORICAL PERSPECTIVES: THE ROOTS OF SYMBOLIC SUPERIORITY AS A SELF-DEFEATING IDEOLOGY

Introduction

Ethnic and cultural differences are not inevitably associated with division and conflict. A country with different ethnic and cultural groups, however, naturally has a potential basis of cleavage that would not exist if the country were ethnically homogeneous. Communal divisions in Malaysia clearly have their roots in the pre-independence era. Under the colonial leaders, the ethnic cleavages became closely linked to employment patterns, educational advantages and the exposure to modern economic activities. Following the post-independence years, the divisions were aggravated and further sharpened by the political and economic policies of the Malay-led government.

The central focus of this chapter is to show how historical events have shaped the Chinese role in the country's communal developments. The Chinese community in Malaysia has experienced a number of different encapsulating political and social environments. The national political system has gone from pre-war laissez faire mercantile colonialism to military rule (1) to the Malay-dominated sovereign state, and each political system has required a very particular sort of incorporation for the ethnic
Chinese. Local-level Chinese social groupings have ranged from squatter settlements to forced relocation camps (new villages) to densely populated urban centers. In each context, Chinese ethnic identity has a specific meaning and a particular order of ethnicity underlies the sense of commonality of purpose that defines Chineseness.

Subscription to the commonality of Chineseness cuts across the controversy as to whether Chinese identity has changed from that of an overseas Chinese or hua-chiao to an indigenized Chinese or a marginalized Chinese. It is true that the large-scale emigration of the nineteenth and twentieth centuries included impoverished coolies, petty and not-so-petty traders, and particularly in this century, members of the intelligentsia. Despite their diversity, not just in terms of social standings but dialects and location, all the Chinese, even the poorest who hardly knew the written characters for their own names, carried an indisputable sense of their cultural heritage of being Chinese. "Being Hakka or Cantonese never stand in opposition to being Chinese, for one is always both simultaneously" (Strauch 1986:261).

The focus on a broadly "Chinese" culturalism has been well-nurtured and has sustained the Chinese community's edge, imagined or real, over other ethnic groups throughout their history in Malaysia. But in recent years, the rapid
rise of Malay political and economic supremacy has shaken the Chinese, who have adopted a self-defeating ideology that has led to the Chinese community's retreat in confusion and internal dissension, as noted below.

**The Pre-Colonial Days: The Chinese from China**

In the course of world history, the Malay Peninsula was a land-bridge by which migrant peoples of pre-historic period moved southwards from the Asian landmass to Indonesia and Australia. The original settlers were the Negrito aboriginal groups, who moved from the coast into the interior jungles following the arrival of the first wave of Malay immigrants between 2,500 and 1,509 B.C (2). "...the first wave of migration of the proto-Malays was believed to occur from Hunan (in southern China) to the coastal areas of the Malayan Peninsula. In about 300 B.C the second wave of Malay migration (mostly the Minangkabaus and the Bugis) took place from south-central Sumatra, Java, and Celebes into the southern part of the Peninsula" (Tae, 1973:3) (3).

It is well known that the Malayan peninsula owed her historical importance to the geographical position. But it was not until the formation of the Melaka Sultanate in the five hundred year that the region became an active trading area. Located between the two great markets - China and India -, numerous trading ports developed along the
peninsula's long coastline to service regional and Asian trade (Courtenay 1972:42). Through trade, the rulers in Melaka came into substantial contact with Chinese and Indian traders.

Chinese influence in these early days was fairly slight in comparison with that of India, at least until the nineteenth century. And although the peninsula does lie halfway between China and India, it was India much more than China that affected the whole region before the nineteenth century. It was from India that the Malayan peninsula received her early civilization and two religions, Hinduism and Islam. "As of 1510, some four or five thousand Gujarati seamen from India were reported to be residing in the Malayan peninsula. These Indians, through their increased wealth as a result of trade, apparently had a noticeable impact on the Malayan political culture as they introduced much of their Hindu cultures of kinship, Hindu ceremonial and royal regalia, among others" (Tae 1973:3) (4).

Despite the strong Indian influence, it must be mentioned that the Melaka Sultanate was under the nominal protection of the Emperor of China. On occasions this political relationship brought Melaka protection against her enemies and often brought trading contacts but relations never became very close except for the Ming voyages. These long sea voyages of explorations were infrequent, as the
general attitude of the Celestial Empire was that if foreigners wanted goods from China, then they would have to go to China to get them. The arrogance of the Chinese, hence a sense of superiority over others, is subscribed to by the overseas Chinese with respect to other ethnic groups in the host country they are trading. Cultural arrogance, which has been transformed through the years into a mental state of symbolic superiority (hence the need to belong to a Chinese race) is still present today among immigrant Chinese, although it is blatantly denied. It is the essence of their superior attitude of the immigrant Chinese that has set the tone of the structure of racial dynamics in Malaysia's history.

The Early Chinese Community: Baba/Straits Chinese

Historical records shows that Melaka was probably the first and certainly the largest place of any Chinese settlement in Peninsula Malaya. It has been documented by several scholars (Wang 1959; Simoniya 1961; Purcell 1967) that the travel journals of Chinese admiral Cheng Ho, who visited Melaka during the fifteenth century, dates the history of Chinese settlements in Malaya to after the establishment of the Melaka Sultanate circa 1400 (5). These Chinese, mainly Hokkeins from the southeastern Chinese province of Fukien, were engaged in maritime trade, and it
was their offspring who formed the nucleus of what later, during the nineteenth century, became known as the "Straits Chinese" or Babas (6).

Much controversy, however, surrounds the identity of the Babas, as there are no records, such as marriage certificates or other documents or veritable accounts of their social history (Chia 1980:viii). It has been widely asserted that the Baba culture and society is a synthesis of Chinese and Malay elements that originated from intermarriages between Chinese males and local Malay women (see Purcell 1951; Edmonds 1968; Png 1969). "Even during the period of the Malacca Sultanate, there were few Chinese residents in Malaya, and these were mostly later absorbed into the Malay population and culture" (Edmonds 1968:59).

Clammer (1979) has disputed this view, stating that Babas are a political, rather than a cultural, phenomenon - that is, they were originally a product of the social relations of a colonial society based on a rigid system of stratification which, however, encouraged a certain degree of accommodation from groups who were prepared to take the step of identifying their interests with those of the colonialists. In Malaysia and Singapore, it was those who were to become known as Babas who rose to this challenge" (ibid:16-17).
According to Clammer, a **Baba** is by descent Chinese but is "Straits born" (born and reared in the Strait Settlements - Melaka, Penang, and Singapore), and is regarded as the possessor of a syncretic culture, partly Chinese and partly Malay in its inspiration. He questions the claims of intermarriages, since **Baba** men "either married within their fairly balanced community or married Chinese girls who were assimilated into **Baba** society" (ibid:3). He does not deny that there is a possibility that Malay wives or concubines were acquired or that Malay children were adopted by **Baba** families but at the end of the day, **Babas** regard their identity as essentially Chinese (and indeed purer than that of the peasant immigrant from China) (7). Furthermore, as there is a strong tendency among the Chinese in the early days to be "racial purists," Clammer asserts that the absence of Malay ancestors is probably a fact rather than a distortion resulting from changing **Baba** perceptions of the past, and of ethnic boundaries. "Below the seemingly Malay exterior (other than in terms of physical appearance, which is distinctly Chinese) one finds a basically Chinese identity. The **Babas**, in other words, possess a Malayanized culture but a fundamental Chinese ethnic affiliation" (ibid:10).

The author leans towards Clammer's approach to **Baba** identity. Clammer suggests that in defining ethnic groups,
or in describing their formation, "primordiality" is far less significant than the specific historical and politico-economic factors. The general concept of ethnicity, for example, Barth's well-known definition of ethnicity as "a membership which identifies itself and is identified by others, as constituting a category distinguishable from other categories of the same order" (Barth 1969:9-38) may be universal, but particular instances will vary greatly within the field of this general definition. "A geographically mobile Chinese, whether an imperial bureaucrat or an emigrant merchant or laborer, never severed his ties or his identification with his (or his ancestors) native place, but instead added additional levels of identification with each move" (Gale 1986:244; see also Skinner 1976, 1977).

Furthermore, the concept of "race," and in this case the concept of being a Chinese, is an important folk category used to defining membership in an ethnic group, quite regardless of anthropological doubts about scientific validity or content of the term. As such, regardless of whatever evidence of assimilation of the Straits Chinese into the Malay culture, there exists the need to ascribe themselves to an unequivocally Chinese identity, and Chinese will point not only to cultural features but also to their ancestry or in folk terms, their "race."
The Chinese Coolies in the Colonial Period

The arrival of thousands of Chinese immigrants and eventual control of the tin and agricultural industries after the 1820s eclipsed Baba predominance of the economic life in the Straits Settlements. Furthermore, outnumbered by the incoming Chinese coolies, the size of the Baba community was proportionately diminished (8).

Mass migration was prompted as much by the economic opportunities created by the British mercantile and administrative presence in the Straits Settlements and encouragement by the Malay authorities of the tin-rich states, as by adverse social and political conditions in China. During the 1820s in China the economy broke down, political conditions were unstable due to the decline of the imperial Manchu authority, and there was mounting administrative inefficiency in the over-populated areas of South China (9). With regards to Chinese immigration into the Malay States, it has been claimed that the "Chinese followed the fray" and that "as soon as British power was extended over the Western Malay States, thousands from South China poured into them until a generation, from being a small minority they formed about two-thirds of the total population" (Wang 1959:8) (10).

Before discussing the dynamics of the Chinese community during the British administration, it must be stated that
colonial rule in Malaya was more than a system of government, alien and transient. Colonial rule was a powerful agent of change that left a mark on the country in many places - in the constitutional and administrative structure, in the economic development and the multiracial communities, in the political setup, and in the educational and legal systems. Of concern to this dissertation is the colonial administration's contribution or, to be more precise, strategic manipulation that led towards the emergence of ethnic occupational differentiation in the country, and hence, a plural society (11).

A controversy persists among scholars on the pattern of occupational division amongst the various ethnic groups under the British administration, especially the way in which official policies and practices worked for or against the creation and maintenance of the pattern. One school of thought, in establishing a model of colonial exploitation, argues that the British systematically excluded non-Malays from rice cultivation. According to Kratoska (1982:280), "...the British administration undertook to maximize revenue and to serve the needs of British capital by pursuing a policy of ethnic division of labor, with Chinese working in mines and Indians on the estates of Malaya and with indigenous Malay population producing food for mine and estate workers." A second position is that the British
permitted the non-Malays to plant rice, and that the Malays were not expected to feed the non-Malays mine and estate workers.

I subscribe to the former viewpoint. By supplying cheap rice and other crops, the Malay peasants were subsidizing the cost of reproduction of labor, and hence, the wage bill of the colonists. At the same time, from a political point of view, it was safer to keep the Malays as yeoman peasants than to proletarianize them (Sundaram 1978:195). I do not suggest here that the British "controlled...the economic behavior of the population" (Kratoska 1982:314) or that the British shaped the structure of the economy by forcing the various races into different types of occupation and by compelling them to remain there. What I suggest is that the colonial government must bear an important, and perhaps the main responsibility for the emergence of the pattern of ethnic occupational differentiation.

The British were responsible for bringing in the immigrants, which led to the birth of a multiethnic society in the country. Although it was within their power to control the arrival of the Chinese and Indians to Malaya, the British did not do so for what they perceived to be in their economic interest (12). By introducing policies that favored various ethnic groups in education, settlement,
labor, government employment and other major areas, the foundation was laid for ethnic specialization or isolation in different sectors of the economy and the emergence of a plural society. I do not mean that the colonial leaders were solely behind the making of the plural economy and society; other factors, such as ethnic variations in culture and values, might have contributed to the tendency for the ethnic groups to gravitate to different sectors. What I imply is the decisive and manipulative role played by the British government in shaping the plural economy and society was to their best capitalistic advantage (13).

The Roots of Stereotyping: British Racist Notions

Having established that the ethnic differentiation of labor was a convenient and profitable way of running the colony, what is of more importance is how the British established the occupational pattern. I am of the opinion that it was racial stereotypes that guided British thinking in determining the internal division of labor (14). The categorization of different ethnic groups stem from the colonial master's notion of the different "inherent" characteristics and abilities of the "natives" and immigrant groups, which has its roots in their own deeply felt sense of racial superiority (15).
The racist ideology of the British is rooted in the Western world's world view of race relations during that period. Referred to by Haas (1991:52) as the "plurality-of-humanity" theory, the British evidently believed that "races are unequal because hereditary endowments are unequal; some are born superior, other are inferior." Plurality-of-humanity theorists believe that God made the Europeans hereditary superior, thus the "the chosen race" to rule the world and to uplift the rest of the primitives to the advanced state of Western civilization - even if it resulted in racial inequality through exploitation. Haas asserts that the plurality-of-humanity theory, which "...argues in favor of racial segregation,...sought to legitimize imperialism, slavery, and other forms of exploitation."

According to Mason (1962:15-16), "Britain was soberly and seriously imperialist on the conscious level, smugly aware of Kipling's idea of "the white man's burden," so "by the end of the nineteenth century racism has come into the realm of popular writing and the talk of the streets; it has invaded government policy."

The superior attitude of the British is blatantly obvious if one reads the popular writings of the nineteenth century colonial authors. Phrases like "new-caught, sullen people, half-devil and half-child," "the indolent natives," "noble savage," who made up for Rudyard Kipling, the white man's burden are some
examples (see Moore, 1968). Furthermore, the British ascribed to themselves superior racial characteristics like the Europeans in such colonies as South Africa, Kenya and Australia (16). Less obvious in Malaya, there is no doubt that such views formed an important factor conditioning British colonialism.

Colonial rule, therefore, felt justified in institutionalizing the ethnic occupational specialization in Malaya. The colonial officers, in resorting to potent images to account for the performance of the various ethnic groups in the competitive economy, only reinforced - in Horowitz's (1985) terms - the economically backward group's sense of unworthiness and weakness. The British administration's high regard for the economic role played by the Chinese in Malaya is best summed up by a quote from colonial officer Frank Swettenham (1920:232-23):

"Their energy and enterprise have made the Malay States what they are today, and it would impossible to overstate the obligation which the Malay Government and people are under to these hard-working, capable, and law-abiding aliens."

As for the Malays, the British were impressed with certain qualities like loyalty, honor, and generosity, but they thought little of their capability "for really hard and continuous work, either of the brain or hands" (Swettenham
1920:137). As noted by Swettenham of the Malay, "he is...lazy to a degree, is without method or order of any kind, knows no regularity even in the hours of his meals, and considers time of no importance. His house is untidy, even dirty, but he bathes twice a day, and is very fond of personal adornment in the shape of smart clothes" (Rabushka 1973:65). For much of the colonial era, the Malays were basically resigned to their fate (19). Some turned to British paternalism to protect their rights and welfare, while reformist groups turned introspective, searching for those aspects of Malay culture and religion that stood in the way of progress (Roff 1967:254).

The British had also a low opinion of the Indians, who were considered as "generally docile and rather apathetic" (Gullick 1965:66). Brought to work in the plantations, colonial policies towards the Indians ensured that they remained within the plantation so that they could "work harder, longer and more continuously" (Loh 1975:46). Sandhu, in writing on the Indian community, says this of British policy:

"They [colonial administration] welcomed, or were prepared to tolerate, as the case may be, Indians as laboring or a subordinate class, but not as that which one day conceivably compete with European interests. In Malaya, although not a declared policy, this bias or discrimination nevertheless, appears to have been frequently practised"
These notions of the "natives" and immigrant groups were translated into a division of labor that the British administration felt best facilitated the accumulation of capital by private entrepreneurs from home. To enforce the division of labor, the British administration introduced policies that further reinforced the racial stereotypes among the various ethnic groups themselves. The occupational and "racial" pluralism provided the colonial government with the most expedient and inexpensive way of controlling the local labor (Jackson 1961:104). However, in so doing, the British pitted the ethnic groups, especially the Malays and Chinese, against each other through a divide-and-rule policy. Thus, as the population of the Chinese became larger and got involved in their own political movements, they "transformed Malay attitudes towards the Chinese from one of envy but toleration, to distrust" (Andaya and Andaya 1982:253).

In Rabushka's study of Malaysian ethnic stereotypes in the early 1970s, he found a high degree of consensus about stereotypes among races (Rabushka 1973:66). Malays, for example, regarded the Chinese as very intelligent, very ambitious, and quite active, which was close to the Chinese self-portrait. The Chinese, on the other hand, most consistently cited cleanliness and lack of ambition as the
Malays' chief qualities, giving low marks for intelligence, thrift and honesty. Such group evaluations became a powerful part of the Malay and Chinese subconscious.

The Chinese Domain: From Secret Societies to Kapitan China

Under the British, the immigrant Chinese were permitted a high degree of internal self-rule with little interference. Upon arrival at the Malay peninsula, the immigrants "followed their natural proclivities to join together with their native-place fellows who spoke a common language and had common cultural habits, preferred the same foods, propitiated the same gods..." (Gale 1986:246).

Bringing with them a distinctive way of life, the immigrants established community patterns in Malaya that were extensions of their lifestyles in their home villages and towns. As a majority of the immigrants are from Southern China, mainly the provinces of Kwangtung and Fukien, three types of socioeconomic organizations that existed in the provinces were also established in Malaya. They were the lineage system, the voluntary organizations and the secret society (20).

The lineage system meant that when people moved out of their villages, they sought to congregate in organizations which would serve similar mutual aid and protection functions. Usually only the more destitute or adventurous
members of the lineage would leave their home villages in search of better future overseas. In the case of voluntary organizations, the people are brought together by their different lineages and diverse dialect groups (21). The three major types of voluntary organizations that developed included the dialect/territorial association, the trade guild, and the clan or surname association. The secret society, the most powerful socioeconomic organization (22), had a rigid hierarchical order as seen in the quasi-patriarchial powers of its leaders, the judicial sway it exercised over members and the esoteric nature of its ceremonial rituals. The organizational rigidity of the secret society enabled the leaders to augment members' sense of absolute identification and loyalty.

The political conditions in Malaya facilitated the establishment and growth of these socioeconomic organizations. Malay political power in the Malay States was decentralized, and the forces of government were at best rudimentary in most of the areas where Chinese pioneering activities were carried out. Furthermore, the Chinese immigrant community continued to enjoy cultural and economic autonomy in the management of their activities due to the colonial practice of indirect rule based on the Kapitan China system (see Skinner 1969) (23).
Under the Kapitan China system, a Chinese headman was appointed by colonial authorities to act as an intermediary between the British and the Chinese communities. The need for such a person was because the British administrators had difficulty understanding the structure of the Chinese community and its workings (Wong 1963). As an intermediary, the Kapitan China was "required to collect revenue from taxes imposed on local goods (tin, gambier and pepper) produced by the immigrants and to operate revenue-generating excise farms related to gambling and pawnbroking activities and the sale of pork, spirits and opium" as well as "maintain law and order and to attend to the general welfare of their local communities" (Heng 1988:15).

As the Kapitan China had much power, it was only a matter of time before the secret societies took control of the headman's job. With this development, the British administrators saw secret society leaders as men with authority within their own communities. They settled disputes, provided mutual aid and protection to the new immigrants (Jackson 1961:49). With time, the secret societies emerged as the dominant organization in recruiting coolies [as the secret societies cut across such barriers as commonality of dialects and territorial origins, surname or craft affiliations]. "When sworn brotherhood binds Triad membership together, dialect differences are naturally de-
emphasized, and the clan system is consigned to a secondary position" (Mak 1981:32).

The secret societies proved to be effective in the beginning, as they enforced their own system of law and order throughout their membership. Secret societies were believed to aim at establishing an *imperium in imperio*, and they governed the Chinese community as they pleased. In doing so, clashes and riots among members of the secret societies became a constant disturbance, although at no time were any of them directed at the colonial administrators (Blythe 1969:77) (24).

As economic and political life of the Chinese became disrupted by the outbreak of the secret society feuding, the British authorities attempted to control them. A Chinese Protectorate, appointed in 1877 to combat secret societies and their power (see Jackson 1965), was not very successful. In time, the secret societies became more of a liability than an asset in performing the functions of the *Kapitan China* (Purcell 1967:169) Failing to realize that the voluntary associations filled a meaningful role in indirectly ruling the Chinese community, the British enacted the Societies Ordinance of 1889, which effectively made the secret societies illegal organizations. The ban forced secret societies to go underground, but, since they controlled considerable wealth and power, they remained
extremely influential and "their support was covertly sought by the leaders of the Chinese community after 1900 (and up to the present)" (Heng 1988:18) (25).

The purpose here is not to assess the relative merits and demerits of the Chinese secret societies. What concerns me is that the organizations that ran the early Chinese community greatly reinforced their sense of superiority over other ethnic groups in general, and the Malays, in particular. "In keeping with the xenophobic and sinocentric attitude adopted by Chinese towards all foreigners, who were traditionally regarded as 'outer barbarians' and 'foreign devils,' the Chinese tend to look down on Malays, and criticize them for being lazy, backward and pleasure loving" (Comber 1983:5). Other than their sinocentric outlook, the Chinese community's low opinion of the Malays is rooted in the stereotypes held by the British (based on the plurality-of-humanity theory). Rabushka's study (1973) has shown that the stereotypes from the colonial period are still being used today by the different ethnic groups.

The transient status perceived by the Chinese immigrants also kept them apart from the other ethnic groups. Until the 1930s, many Chinese still regarded themselves as sojourners who came to seek their fortune and would return to China one day. Emerson (1966) records that their average stay in Malaya was not more than seven years,
as most "had the intention of saving a modest sum sufficient to purchase land in their ancestral village and of returning to China" (Comber 1983:3). Since Chinese believed that their stay was only temporary, British administrators left the Chinese alone. The Chinese appeared neither as a threat nor possessed any interest in the politics of the country (26). The Chinese community thus remained aloof from the Malay community, and the two communities lived completely separated social and economic lives. Furthermore, spatially the Chinese tended to congregate in the urban settlements, whereas the Malays traditionally lived in their villages around the lower reaches of the river. As a result, large Chinatowns grew up in the business centers. The British tacitly encouraged the spatial separation, as seen in the old town plans prepared by British architects and engineers of that period. In those plans, provisions were made for clearly demarcated sectors of each town reserved for the Chinese, European and Arab quarters (see McIntyre 1961). Residential segregation, in turn, facilitated the British divide-and-rule policy.

The Kuomintang Movement and Communism: Being Chinese in Malaya

By virtue of the migration patterns of the Chinese and the organizations formed in host countries, expressed in terms of place of origin or by their dialects, differences
abounded, resulting in separate communities. As such, the Chinese have been characterized as not a homogeneous group in Malaysia. The many internal differences explains why the Chinese community is divided and why its unity is constantly in question (Wang 1967:6) (27).

I argue that although the Chinese cannot be considered as a single community, it is these very differences that constitute the oneness of the Chinese identity (outside mainland China). In a glance it may appear irrational that despite superficial differences there exists one common Chinese identity. As noted by George De Vos and Lola Romanucci-Ross:

> With respect to the controversy about the saliency of rational versus the irrational components of ethnicity, we maintain that an ethnic identity is composed of both. On the one hand, there are rational expediential usages of a political and economic nature which one finds today in many ethnic groups. On the other hand, there are certain irrational features which can be demonstrated to be counter to the group's immediate or ultimate best interests. It is the fact that there is this tension between the rational and irrational that creates internal conflict in many individuals - the dilemma of continuity versus change (1982:xiii).

That oneness of the ethnic identity of being Chinese transcends the obvious differences is best demonstrated during the rise of the Kuomintang movement in Malaya and in
the Japanese occupation of the country. In the first few years after the close of the nineteenth century, the Chinese community rapidly increased in numbers (28). With the increased in the number of female immigrants after 1911, a sexually balanced community was established, with a higher percentage of locally-born persons (see del Tufo 1949). The growth of the modern commercial sector, based on wealth generated by the tin and rubber industries in the period of 1900-1941, led to the development of urban centers and urban-based Chinese middle and working classes. However, at the early part of the twentieth century, most of the Chinese were still apathetic about politics, locally or in their homeland. They fall in Prof Wang's Group B (see Chapter III), as they "are concerned with the low-posture and indirect politics of trade and community associations....modest in its aims and frequently appears non-political" (29).

By then, with the suppression of the secret societies by the British authorities, the voluntary associations gained importance and influence in the Chinese community. Of the several types of voluntary organizations, the Chinese Chamber of Commerce was to be the most effective as a pan-Chinese vehicle for generating Chinese nationalism (30). As the Chinese Chamber of Commerce was not a political party, promotion of Chinese nationalism was eventually
overshadowed, and championed by the Kuomintang Malaya (formed in 1912) and the Communist Party of Malaya (formed in 1930) (Heng 1988:291-293) (31).

The Kuomintang (KMT) movement gained considerable support from the Chinese immigrants, following the successful Revolution of 1911, led by Dr. Sun Yat Sun. With the replacement of the Manchu Dynasty by the Chinese republic, the KMT set up branches outside China to garner support. In Malaya, it was reported that about thirty branches were known to have been registered (Ting 1976:134). "The appeals of the founding fathers of the Republic of China were given an enthusiastic reception...with handsome financial contributions, moral support and active enlistment of cadres for the revolutionary cause" (Heng 1988:20; Silcock & Aziz 1950:9).

Communism entered the KMT movement in 1923, when Dr. Sun reorganized the party along the Soviet Communist cell system in hope of reuniting China under his leadership (32). The participation of the Communists split the KMT into two camps, the left and the right. The Communist presence also influenced the KMT movement in Malaya, where such organizations as the South-seas Provisional Committee of the Committee Party and the South-seas General Labor Union were being formed (33). More important, Ting points out, the Chinese in Malaya "were already ideologically divided
between the left and right...and that Chinese politics in Malaysia was still largely an extension of China's politics" (1976:138).

In Malaya, one of the institutions effectively used to spread nationalist propaganda was the Chinese school. Silcock and Aziz (1950:9) notes that this is not surprising, as most of the Chinese school teachers came from China and were members of the intelligensia. Furthermore, by pushing the importance of the Chinese cultural heritage in the school curriculum, the teachers were able to instill a sense of Chinese nationalism in the students (34). The Communist cadres also manipulated the schools but instead of using teachers, they tended to organize political activity among students, thus undermining school discipline through the organizing of strikes (Silcock & Aziz 1950:11) (35). In the beginning, there was little interference by the British authorities in regulating the sinocentric activities of the Chinese schools, as the colonial administrators were too busy with financing free Malay education and subsidizing English education. There were also no Chinese-speaking administrators to supervise the Chinese schools. When the fervor for the Chinese revolution became intense, more parents were motivated to send their children to Chinese schools (36).
However, between 1924 and 1927, a spate of anti-British agitation, disturbances and strikes resulted, organized by the leftwing of the KMT. The colonial government "was extremely concerned at the propagation of anti-imperialist and class struggle teachings by leftist and Communist elements of the party" (Heng 1988:31). Heng points out that the British authorities had always been hostile to the Communist movement prior to the disturbances: "Following signs of organized Communist activity in Malaya, the police kept a close surveillance on the movement. Pro-Communist schools were closed, premises of trade unions sacked, and Communist school teachers and strike leaders arrested or deported" (ibid: 1988:32). Before long, the British felt threatened by the KMT, just as they had feared the secret societies, and banned the organization in 1930 (37). The ban did very little good, as the KMT continued its activities under the cover of educational and charitable organizations. It was only after 1937 that the KMT was allowed to operate openly by the British in aid of China's anti-Japanese war effort (Leong 1976:249).

It is true that under the 1929 KMT Nationality Law, by application of *jus sanguinis*, all Chinese, local born or not, were treated as Chinese citizens. This conjured in the British administrators' minds China's ambition to expand its empire to form a Second China. The British insecurity was
uncalled for, as China was never interested in territorial occupation. What interested the KMT was the wealth of the overseas Chinese, which was needed for economic reconstruction and national development after the 1911 revolution (38).

More important than the imagined fear of the British was the increasing suspicion of the Malays towards the Chinese. As the Chinese became involved in their own political movements, the Malays began to question Chinese intentions in the country. Although Chinese political activities in Malaya were connected with events in China, nevertheless these events did not pass unnoticed by the Malays. The political awakening of the Chinese "only served to increase Malay doubts about the sincerity of Chinese protestations of loyalty to Malaya" (Comber 1983:19). The Malays were getting upset with the constant support shown by the Chinese for China. "Now and then, these Chinese were asked to show their loyalty to Malaysia by keeping China politics out of the nation" (Ting 1976:141). Malay distrust turned to anger, as the Chinese was perceived to be controlling the economic life of the country (Comber 1983:appendix 3). The impact of the world depression between 1929 and 1932 further affected the overall economy of Malaya, as it had a serious impact on the tin and rubber industries. With the economic hardship, the Malays'
perceived fear that the Chinese were beginning to pose a challenge to their political primacy became more real. They felt that the British had betrayed their interests and saw a need to assert their political influence so as not be overrun by the Chinese.

Malay fears escalated during the Sino-Japanese war in 1937. Chinese patriotism was roused to its apogee as seen in slogans such as "Save the Nation." Ting notes that between 1937 to 1940, M$146 million was accumulated to help fight the Japanese; in some cases, Chinese even returned to China to fight the war (ibid:140). For the Chinese community, the war was a time to close ranks, and China-oriented nationalism provided the immigrant Chinese with a sense of national identity apart from their host countries. The presence of the KMT branches further strengthened a sense of patriotism and nationalism towards China and being Chinese.

The Second World War: The Japanese Menace

The Japanese occupation of Malaya from 1941 to 1945 further undermined the decaying relationships between the Chinese and Malays. By manipulating the existing anti-Chinese sentiments of the Malays, the Japanese were able to rule the country with a tight rein, pitting the ethnic groups against each other. The Malays, disillusioned with
the invincibility of the British, had to rely on themselves. In times of distress and uncertainty, the Malays played into the hands of the Japanese against the Chinese. To quote Tae (1973:7), the Japanese rule "hardened the communal hatred, as the Malays cried for 'Malaya for the Malays'." The Japanese cultivated the Malays, placing them in relatively high administrative positions, using them in paramilitary forces to fight the Chinese resistance. A Japanese-sponsored Malay army, led by radical leaders of the Association of Malay Youths, was formed (39). To boost Malay nationalism, the Japanese encouraged the concept of Indonesia Raya, which envisaged the amalgamation of Indonesia and Malaya into one political unit (40).

During the presence of the Japanese in Malaya, the KMT quickly disintegrated, with many of its leaders fleeing the country or going into the jungles. The KMT organized underground groups and activities, but their efforts were small and ineffective compared to that of the Malayan Communist Party (MCP). The anti-Japanese guerilla warfare was carried out mainly by the Malayan People's Anti-Japanese Army (MPAJA) which was under the control of the MCP (41). In time, the MPAJA became a powerful focus of loyalty among the Chinese, who were brutally treated by the Japanese. Means (1976:6) notes that when Singapore fell, it was reported that 50,000 Chinese were executed. As most of the
Chinese entered into the resistance movement, they had to battle the pro-Japanese Malay armies, thus making the war appear communal in nature. In fact, following the surrender of the Japanese, several communal clashes resulted, following retaliation against Japanese collaborators who happened to be Malays (42).

For the Chinese, the Japanese occupation brought about several realizations. For one, the Japanese initial military victory over British forces destroyed the belief of the general population in the "superiority" of the colonial masters. In fact, the Chinese-led forces that challenged the power of the Japanese further reinforced the Chinese's sense of superiority as a race. The war also strengthened the sense of nationalism, solidarity and communal identity of the Chinese. The Chinese realized that if they would have to take a more direct role in local politics to protect their interests. The collaboration of the Malays with the Japanese not only brought Sino-Malay relationship to a low point but also portrayed the Malays as the enemy. Due to these realizations, there was a shift in leadership within the Chinese community. The young leaders of the MCP quickly received the support of the masses and replaced the pre-war merchant-dominated elite, who had either fled or were executed during the Occupation. Under the MCP, Sino-Malay relations were to take a turn for the worse.
Chinese Communism and the New Villages: Seeds of Discontent

When the British reoccupied Malaya in 1945, the MCP emerged as the single most important political force in the society. The MCP, even during the war, had been multiracial in approach but was 95 percent Chinese in membership. Although the MCP leadership tried to be woo the Malays, it was not very successful, as Chinese members were too preoccupied with developments in China and issues of immediate concern to the local Chinese community. As such, the struggle became interpreted in racial terms as between the Chinese Communists supported by China, and the Malays backed by the British (43).

Matters became worse when the MCP refused to be incorporated into the British administration. Instead, the MCP became disruptive, and eventually embarked on a revolutionary road to power in 1948 (44). A State of Emergency was declared on June 18, 1948, and although the Emergency years ended in 1971, the fear of a Communist insurgency continued until 1990, when the MCP finally laid down their arms. The emergence of a powerful Communist regime in China in 1949 further complicated matters. For one, it made the Chinese appear as the enemy within the country in the eyes of the Malays. It led to the generalization that all Chinese are Communists or sympathizers.
To fight the Communist menace, the British administration had to cripple the influence and support for the MCP. The British forces knew that most of the Chinese squatters were sympathetic or forced to support the Communist cause. To cut off this support link, the British authorities decided to resettle Chinese squatters living on the fringes of the jungle into "new villages" (45). About half a million squatters, 85 percent whom were Chinese, were spread over "new villages" along the west coast through a four-year period (46). Although the new villages scheme managed to cut support for the Communist movement, crippling their source of supply, it severely soured Sino-Malay relations. Many of the Chinese saw themselves as singled out by the British for hardship and discomfort, as they saw the villages as "concentration camps." This action confirmed their suspicions that the British were pro-Malay (48).

To beef up the military forces to combat the Communist threat, conscription was introduced in 1951 for Malayan youths between ages 18 and 24. As a result, there was a mass exodus of Chinese youths to Indonesia, Singapore, Hong Kong and China in 1952. Thompson (1955:33) notes that many of the Chinese youths expressed their desire to serve the "New China" instead of their host country, hence their departure for China. Despite the passing of an Emergency
Bill in 1951 and the National Service Bill on July 3, 1952, to conscript manpower for the police and armed forces, responses from the Chinese youths "was abysmally poor" - as of October 31, 1952, Chinese youths comprised only 0.003 percent and 0.4 percent of the Federation Regiment and police force respectively (Heng 1988:120). This development clearly showed to the Malays where the allegiance of the Chinese community was focused.

With memories of the war, resentment against Malays, and the Communist insurrection of 1948 still fresh in the minds of the Chinese, there is no doubt the Chinese have always harbored a sentimental attachment to the homeland (48), which, is interpreted by the Malays to be anti-Malaya. The Chinese distrust of the Malays could not easily be removed in spite of the repeated guarantees by Chinese leaders, such as Tan Cheng Lock, that the Chinese considered Malaya as their home and the sole focus of their allegiance. The fact that the two communities have so far been kept physically apart meant that assimilation was unlikely. To maintain the status quo, the creation of Chinese "new villages" in the first few years of the Emergency also served to divide the two communities into separate residential compartments (Dobby 1952:163).

In rural communities where the Malays and the Chinese live close to one another, studies have found that contact
between the two ethnic groups is minimum despite proximity: "...fellowship between the Chinese and people of other ethnic groups living nearby is...occasional and casual. Cross-cultural friendships are rare, though contacts between individuals of different groups are superficially pleasant and little open antagonism has been witnessed" (Nyce 1973:157; see also Newell 1962). Working relationships, according to Nyce, are "brief and perfunctory from which few friendships evolved" (ibid:159) (49).

A closer examination will disclose that there is a deeper reason for the separation between the two ethnic groups other than politics and physical distance. The most profound factor is one ethnic group's feeling that it is much better racially than another - a symbolic sense of cultural superiority. Besides having minimum dealings with the Malays, Chinese ethnocentric attitude are sustained by their links with China. Nyce (1973:120) notes that the people in the new villages still maintain contact with family and friends in China and on occasion return to the homeland. The younger generation among the new villagers, however, has less interest in China, but their sense of identity was kept alive by the dialect and territorial associations, hence making them Chinese-centric, rather than China-centric in their outlook on life.
Within the new villages, new structures were formed to transcend the traditional differences that have made the Chinese heterogeneous. The clan associations and other group affiliations, with the exception of the secret societies, largely disappeared with no local clan or dialect organizations replacing them. The sense of identity of the Chinese in new villages evolved through "marriages within the community. Localism is organizationally reinforced by temple associations...and by political youth groups. And such ties are spontaneously fostered by children's play groups, and the association of classmates, buddies, girlfriends, neighborhood women, men of the coffeeshop crowd, and neighboring families who share the leisure hours" (Nyce 1973:1974).

In other words, faced with alienation, a stronger sense of community was being achieved in terms of their Chineseness. In the new villages, the basic unit in establishing a stable and cohesive community is attributed to the concept of family. By tradition, the ideal family organization in Chinese society is the extended system, made up of the household head, his wife, two or more children, and the grandchildren (see Hsu 1949). The family arrangement, commonly found in the new villages, is responsible for providing the foundations of their oneness in thought and action for Chinese in a Malay country. And
it is with this mental state of mind that the Chinese community entered the foray with the Malays towards the attainment of the country's independence from the British empire.

The Road to Independence: Chinese Chauvinism on the Rise

After the war, the Chinese saw an opportunity to establish their edge over the other ethnic groups, especially the Malays, in Malaya. The Chinese came out of the war triumphant; their leadership qualities had the admiration of the British government. Going back to China was no longer an attractive alternative after 1949 (O'Ballance 1966:62). This new spirit of the Chinese community was given a boost with the proposal to set up the Malayan Union (see Allen 1967; Sopiee 1974). Under this new political order, apart from creating a unitary state (leaving out Singapore), citizenship would be extended to all locally-born residents as well as residents living locally for a specified number of years. All citizens would enjoy political status irrespective of race, and the royalty would retain their positions.

Although the Malayan Union proposal undermined the position of the Malays, several authors have suggested that the Chinese had a lukewarm reaction as well (Ratnam 1965; Allen, 1967; Vasil 1980). "By and large, apathy was the
keynote of Chinese reaction. Those who opposed the proposals generally belonged to the left-wing intellectuals and did not gather much mass support, and those who supported them did little effort to counter Malay opposition" (Ratnam 1965:49). Heng (1988) argues that "while it was true that the Chinese conservative leadership was too busy rehabilitating itself both politically and economically to involve itself deeply in the Malayan Union debate, it none the less did not display the degree of apathy..." (ibid:47). What is more interesting, however, was the arrogance of the Chinese, as they were more upset that they had not been consulted in the proposals, and they quibbled about the exclusion of Singapore, which, with an overwhelming Chinese population, would have made the non-Malays the clear majority in the country (Ting 1976:157).

At the time of the introduction of the Malayan Union proposals, the United Malay National Organization (UMNO) was already well established and had built up a considerable following among the Malays (50). "Using their links with district level Malay authorities right down to the Malay headman, the elites succeeded in mobilizing most of the Malay population and, in doing so, laid the basis for UMNO as a political party" (Jesudason 1989:43). Through UMNO, the Malays vehemently objected to the Malayan Union proposals, and this led to a new scheme, the Federation of
Malaya, proposed in 1948 (51). Under this scheme, the sovereignty of the royalty was upheld and the special position of the Malays introduced. Non-Malays could become citizens, but the regulations governing eligibility were more stringent than the Malayan Union proposal.

The Federation scheme surprised the Chinese community, but there was little that could be done. Led by an influential Straits Chinese leader, Tan Cheng Lock, there were several one-day work stoppages at Chinese factories and businesses (52). These efforts did not manage to secure any concessions from the British, and the Federation of Malaya was established in February 1, 1948. Confronted with their powerlessness to do anything, the Chinese community leaders got together, and in February 1948 the Malaysian Chinese Association (MCA) was born (53). The MCA, headed by an English-educated leadership, was pro-British, anti-Communist and Malayan-centered (54). The aims of the MCA were to promote solidarity among the Chinese, safeguard Chinese rights and interests; and preserve inter-communal harmony (Ting 1976:165). Heng points out that the MCA was originally conceived as an organization to protect Chinese capitalist interest; when MCA finally came into formation, the political circumstances had changed, but one factor remained constant: advancement of Chinese capitalist interests (1988:56) (55).
The formation of the MCA came at a politically volatile time in Malaya. With the Communist threat still active, there were strong hints of the British giving Malaya her independence. Apart from the MCA, there were already two other political parties, the United Malays National Organization (UMNO) and the Malayan Indian Congress (MIC), both looking out for their respective communities (56). The fervor of the Kuala Lumpur election scheduled for February 1952 was in the air, and there was much anxiety as to how the new government might best deal with an extreme degree of pluralism. These developments drove home a point to the Chinese - that they could still be masters of their own destiny and play a meaningful role in the central political fabric of the country.

Like the leadership of the other political parties, it was the moderate leaders surfaced to lead MCA. There was talk of opening the door to other races by the founder of UMNO, Dato Onn Jaafar (Jesudason 1989:43-44), and the need to embrace "all parties, races and classes" to promote unity, goodwill and cooperation by MCA's first president Tan Cheng Lock (Heng 1988:58). But such hopes were shortlived, as the UMNO members rejected the idea of a multiracial UMNO in fear of Chinese dominance (Vasil 1980:72), thus forcing Dato Onn to formed his own multiracial-based political party, the Independence of Malaya Party (IMP). Initially
the IMP had tacit support from the MCA, the MIC, and the trade unions, as the British favored Dato Onn's initiative. However, in the year of the Kuala Lumpur elections (1952), there was a sudden twist in support for the leaders who preached communal politics instead. A prosperous tin-miner and influential MCA leader of Selangor, Sir Henry Lee, ignored the commitment of the national MCA to IMP and formed an electoral alliance with UMNO (57). The arrangement proved fatal for IMP, as the MCA and the UMNO were able to win nine of the twelve seats (MCA and UMNO took six and three seats respectively), while the IMP managed to secure two seats (Vasil 1980:86) (58). With this success, the UMNO-MCA arrangement became known as the Alliance party, which in 1954 was joined by the MIC.

The success of the UMNO-MCA arrangements clearly showed the sentiments of the ethnic groups in the country. The Chinese would only support the Chinese party and the Malays voted for the UMNO. There was no faith in non-communal politics, as shown by the unsuccessful strategy used by the IMP and the 1955 general elections, where the Alliance won 51 of the 52 contested seats, while the remaining one seat went to the Pan-Malayan Islamic Party (PIMP). The Labour Party and the People's Progressive Party, with their non-communal approach, received only minute support.
In 1955, the MCA was riding high in the coalition party, as it had the most financial resources and was a well-run organization. Furthermore, the MCA at the Kuala Lumpur elections was able to deliver a large section of the electorate, as most of the Chinese lived in the cities and towns. Not only did the MCA candidates win all the fifteen seats they contested in the 1955 elections but those who were in predominantly Malay constituencies defeated their Malay opponents from other parties (Ting 1976:187). As a result, the MCA considered itself an equal, if not superior to the other two members of the Alliance.

It is with such pride and sense of equality that the Chinese worked with the Malays towards the attainment of independence from the British. By mid-1953, the political leaders knew that it was a matter of time before the British Crown gave Malaya her independence (59). In anticipation of independence, the MCA and UMNO leaders made some bargains which until today have aggravated ethnic relations in the country. As disclosed in the 1957 independence constitution, the relaxation of citizenship requirements and the tacit understanding that Chinese economic interests came with the non-Malays' acceptance of Malay political and symbolic supremacy in the society (60). According to Heng (1988:226) "...the MCA recognized that Malays had an undisputed claim to special rights treatment because of this
status as **bumiputra** (sons of the soil)". By agreeing to this exchange, the non-Malays consented to making Islam the national religion, Malay (Bahasa Malaysia) the national language, and the preservation of the Malay sultans within the framework of the constitutional democracy (Milne & Mauzy 1978:38-90). To assist the Malays in catching up economically with the non-Malays, especially the Chinese, the constitution also had provisions for the "special position of the Malays," which meant restructuring of the economy through policies designed to favor Malays over other ethnic groups. This was the "independence bargain."

From independence to the late 1960s, the MCA considered itself a major player in the Alliance. With its strong financial resources, it provided the Alliance with most of the financial support, thereby compensating for its weaker vote-pulling capacity compared to the UMNO (Milne & Ratnam 1967:196). As the party was able to mobilize a majority of the Chinese votes during the 1960s, its voice in the Alliance was secure. Furthermore, the MCA had control of two important ministries, that of Finance, and Commerce and Industry. Since the UMNO leadership under Tunku Abdul Rahman was moderate, upholding the aims of the independence bargain, the Chinese expanded their role as the domestic bourgeoisie. A majority of the Chinese population was involved in businesses of some kind, while the Malays
remained in agriculture and the rural economy. But until 1969, the Chinese share of the economy was only about 32 percent, compared to 65 percent in the hands of foreigners. However, in the eyes of the Malays the economic progress of the Chinese was being achieved at their expense. Blinded to the fact that the foreigners actually held a larger share of the economic cake, the Malays saw Chinese economic progress as an obstacle to their economic advancement.

Malays also saw Chinese as a political threat when the MCA leadership changed from the "old guard" of Tan Cheng Lock to the new younger leadership, popularly known as the "Young Turks," led by Dr. Lim Chong Eu. The new leadership, more vocal and more obviously more concerned with the rights and interests of the Chinese community, was in opposition to the "ever willing to yield to the Malays" image of the "old guard" (Ting 1976:193). The internal dissension within the MCA fueled the distrust and uncertainty of the Malays towards the Chinese community (61). The reorganization of the MCA by the "Young Turks" evoked fears among the Malays that a stronger Chinese-centered party would eventually assume power in the Alliance (Haas 1967:117) (62).

The tense MCA-Alliance relationship worsened over the allocation of seats for the 1959 elections. Under the leadership of the "Young Turks," the MCA make several demands, including being given one-third of the contested
seats (63). Following threats by Dr. Lim to leave the Alliance if the demands were not met, a compromise was arranged to ensure that MCA had their seats. But when the final list of MCA candidates for the elections was released, it excluded all the "Young Turks" who were behind the demands. In retaliation, thirty MCA members, including MCA strongman Dr Lim, resigned. Although the Alliance won 74 of the 104 seats contested in the elections, the MCA candidates fared badly, especially in their predominantly Chinese constituencies (Vasil 1980:62) (64). Only 19 of the MCA's 31 candidates were returned. More embarrassing was the fact that the MCA candidates were successful only in constituencies with a significant Malay vote.

Following the MCA-Alliance crisis, the old guard came back to power but had lost the faith of the Chinese masses. The MCA, in the Alliance, was put in its proper place. According to one observer, "...the Alliance is really made up of one principal party, the UMNO, with the MCA and the MIC as branches clothed with the intelligentsia and capitalist classes of each community" (Miller 1959:216). The weakness of the MCA was obvious especially when the party made the concessions demanded by UMNO in order to maintain a cordial Sino-Malay relationship. As a second commentator observed in 1967, "...the MCA has outlived its usefulness and is no longer able to carry out even the main
objects for which it was formed...The MCA is finished. The abject surrender (to UMNO) showed it no longer stands for anything" (Haas 1967:169). On the other hand, attempts by UMNO to weaken the MCA's influence were a clear indication of their own insecurity and fear of the Chinese community.

The Malays' nervousness with the Chinese community was heightened during the push for a "Malaysian Malaysia" concept by Singapore's People's Action Party (PAP) leader Lee Kuan Yew in 1965 (65). Although Tunku Abdul Rahman agreed to the merger between Malaya, Sabah, Sarawak, and Singapore, hence the formation of Malaysia in 1963, the radicals in UMNO had reservations towards Lee Kuan Yew, whom they suspected had larger ambitions and would certainly extend his influence across the causeway into Malaya (Vasil 1980:146). Their suspicions were confirmed when Dr. Toh Chin Chye, then Singapore's deputy Prime Minister and PAP Chairman, announced that they would field several candidates in the Malayan elections of 1964 (66).

Following a poor performance in the elections, the PAP announced its plan to attract Malays into the party despite strong opposition from the UMNO radicals. The PAP, on realizing that Malay votes were beyond reach, switched to a strategy of the "Malaysian Malaysia" concept and attempted to unite the non-Malay opposition parties. The UMNO radicals saw this move as Lee Kuan Yew's strategy to extend
his control over the Malay peninsula by organizing the non-Malays against the Malays (67). To avoid major communal outbursts, Singapore was expelled from Malaysia on August 9, 1965, much to the regret of the Chinese community (68).

Motivated by the chauvinism and the communal issues raised by the PAP, two opposition political parties, the Gerakan Rakyat Malaysia (Gerakan), and the Democratic Action Party (DAP), were formed. Both parties championed the ideals of the "Malaysian Malaysia" concept, seeking to promote multiculturalism as their political platform. However, closer examination will show that both parties were Chinese-based parties pushing for Chinese interests and rights. Their support came from the Chinese community, their leaders were mainly Chinese, and the issues they championed were related to the interests of the Chinese community.

Following its inception on March 19, 1966, the DAP became extremely chauvinistic in its approach. The party was against a one-party hegemony; argued that the Malays did not constitute the national majority; and questioned the "special rights" of the Malays. As summed up in their party declaration, the DAP subscribed to a "free, democratic and socialist Malaysia, based on the principles of racial equality and social and economic justice" (DAP 1967).
The Gerakan party, inaugurated in March 24, 1968, managed to maintain its non-communal commitment by wooing the Malay community through its multi-racial leadership, hence explaining the party's success in the 1969 general elections. Unlike the DAP, the Gerakan leadership were concerned with the economic needs of the Malays and recognized the necessity to assist them (Vasil 1980:162). However, the non-communal luster of the Gerakan party was shortlived. In time, the Malay community saw the party as no different from the other non-Malay parties. Most support for Gerakan came from Penang and Selangor, two states with a huge Chinese population. The party chief, Dr. Lim Chong Eu, who had the support of the trade unions (mostly Indians), and the educated middle class (mostly Chinese), was one of the MCA leaders who resigned during the MCA-Alliance crisis in 1959 when they had attempted to wrestle power from the UMNO. In competing with the other non-Malay parties, the Gerakan party was also leaning towards non-Malay interests and issues.

The May 1969 Riots: The Beginning of the End for the Chinese

With the political atmosphere charged with communal tension and controversies, the country entered into an election year in 1969. During the five-week election campaign leading to the elections, the several decades of
communal suspicion, mistrust, discontent, economic disparity and jealousy, conflicting political claims, and social and cultural differences, surfaced. With the campaigning colored by frustrations and antagonisms built up over the years, "Malay and Chinese emotions were rubbed and came dangerously close to a breaking point" (The National Operations Council 1969:21). The Pan Malaysian Islamic Party (PMIP) accused UMNO of being too soft on the Chinese; the DAP attacked the MCA for playing second fiddle to the UMNO; and the Indian leaders in the MIC was branded as a subservient and an ineffective partner in the Alliance (69) (Snider 1970:71). The DAP and the People's Progressive Party (PPP), in turn, were portrayed as anti-Malay, and the PMIP as anti-Chinese (70). The Gerakan, which campaigned under the slogan of "Equality, Justice and Equal Opportunities for All" was not spared the racial slurs, as it had entered an electoral pact with the DAP and PPP to prevent splitting the opposition votes (Goh 1971:47).

Beneath the racial insults and accusations hurled by the opposition parties at the Alliance coalition government and vice versa, one fact became evident: that the Malays and Chinese basically are ethnocentric politically, economically and socially - hence Malays and Chinese desperately clamored for legitimacy in spite of a long history of inter-ethnic relationships. According to Ong (1990:327) "...each ethnic
group seems preoccupied with the idea of convincing the other of its legitimate presence and position in the country and its corresponding rights and status". With ethnic tensions in the open, it was only a matter of time before the situation exploded into the worst racial riots the country has ever experienced (71).

What triggered off the racial outbursts were the victory parades and celebrations by the opposition parties following their announcement of the election results. The Alliance was returned to power but had only captured 48.4 percent of the total votes. Three ministers were defeated, and Penang, Kelantan and Perak went to the opposition. Of the Alliance partners, the MCA was trounced by the opposition parties, having only 13 of its 33 candidates returned. The jubilation of the opposition parties appeared to the Malays as "the Chinese flaunting their Chineseness" (Reid 1969:266), leading to a retaliation by UMNO in organizing its own massive demonstration to "teach the Chinese a lesson" (Ting 1976:311). The demonstration, scheduled for May 13, never took place. Instead violence erupted between the Malays and the non-Malays (Chinese and Indians) at Setapak as well as other parts of the country, plunging the country into its darkest hours (Tunku 1969:94) (72).
Government records show that during the state of emergency, declared between May 15 and July 31, 1971, some 196 people were dead (143 were Chinese), 439 injured, 1,019 reported missing and 9,143 arrested (National Operations Council 1969:88-96). Unofficial estimates put the death toll to be much higher (Slimming 1969:47-48). Before the nation could recover from the shock, the UMNO leaders immediately put the blame on the Chinese. Tunku Abdul Rahman accused the Communists and the Chinese secret societies (Tunku, 1969:8-14, 22-28). Home Affairs Minister Tun Dr. Ismail blamed the Chinese-based opposition parties (Comber 1983:73).

The state of emergency continued for two years after the race riots, and it conformed very much to the Malay cultural style of handling problems - by avoiding them. Race relations were not allowed to be discussed in the press, and criticism of the authorities was not allowed. The new administration after the crisis, under Tun Abdul Razak, formulated a national ideology, known as the Rukunegara, to bring about national unity (73). The administration also decided that accommodation and co-optation, especially in relation to Chinese interests, were not adequate bases for stability; therefore, to be more effective, there was a need for an explicit policy of favoring the Malays not only in the cultural and symbolic
areas but also in seeking greater economic equality (74). This led to the introduction of the twenty-year-long New Economic Policy (NEP), which called for reducing "racial differences" by recognizing indigenous rights through racial quotas.

The aftermath of the May 13 incident brought social and economic contact between the Chinese and Malays to a halt. Once again, there was a feeling of commonality among the Chinese. Ethnic relations went into a new stage of institutionalized polarization under the guise of national unity and economic restructuring. In retrospect, the Rukunegara, the NEP, the special indigenous rights, and the introduction of socially-biased policies, have not brought the ethnic groups closer. Instead, the non-Malays are constantly reminded of their immigrant roots and their separate ethnic identity in the Malay world.

1970-1990: Economic Marginalization, Political Impotency and Resilification

As the country entered into the 1970s, the Chinese saw their economic, political and social agenda dictated by the Malays. The increasing presence of a Malay bourgeoisie – just as ambitious, intelligent and hardworking as the Chinese – caused much dissonance for the Chinese, as it contradicted their age-old belief that they could control of their own destiny (75). The Chinese became scornful towards
the birth of the new Malay bourgeoisie, which appeared to rise at their expense through the NEP.

The NEP included Malay quotas in education, employment, and ownership, as well as a variety of subsidies, licenses, and credit schemes (76). On the business side, what angered the Chinese was the call for Malays to increase their corporate equity ownership from 1.5 percent to 30 percent by 1990. In education, new universities and technical institutions for Malays were built; in terms of scholarship — for local and foreign institutions — 95 percent were reserved for Malays students. Besides denying the Chinese their own Chinese university, quotas were established for university admission, and in the higher civil and diplomatic services, a 4 to 1 ratio of Malays to non-Malays was required (Pye 1985:262).

The NEP period (1970-1990) saw the gradual rise of Malay economic status and its encroachment on the relatively unfettered economic environment previously enjoyed by the Chinese business sector. Not only did government officials practice favoritism towards state corporations and Malay individuals, the Chinese were indirectly coerced to open up ownership and employment opportunities for Malays. When Dr. Mahathir Mohamad took office as Prime Minister in 1980, the economic status of the Malays was given a boost but not without cost (77). Jesudason (1989:194) points out that the
state economic policies were weak, as they failed to establish a productive base and technological and manufacturing capabilities. The country was still very dependent on primary commodities, as the "leaders and bureaucrats were more interested in controlling the dominant entrepreneurial groups for ethnic and political goals rather than in maximizing national accumulation" (ibid:194).

However, the economy picked up from the 1970s to 1980s due to the discovery of oil in Malaysia, and commodity prices rose throughout the decade.

Although Chinese businesses were discouraged by restraints imposed on their activities, they were by no means badly hurt. Many developed a short-term outlook, invested in projects with quick returns, and got involved in takeovers of small companies. There was also a flight of capital, as some of the Chinese businessmen started investing in and buying up companies abroad (78). The government and the Malay business community interpreted the Chinese community's actions as lack of cooperation and sincerity in wanting to partake in the development of the country.

Besides being subjected to discrimination in business, the Chinese community found the quota system for education a bitter pill to swallow. Many Chinese families were angry that their children, who had the grades, failed to obtain a
place in the university while less qualified Malay students had no problem. As an alternative, many had to send their children abroad at their own expense. Furthermore, the refusal by the government to allow a private university to be financed by the Chinese community, with Mandarin as the medium of instruction, was considered as a move to rob them of their cultural heritage (79).

By 1990, it was obvious that the success of the NEP was limited. Figures from government, the MCA, as well as other economic and political organizations vary as to how much the equity ownership of the Malays increased (80). Jesudason (1989:165) notes that the figures are unrepresentative and inaccurate, as they are a mere artefact of statistical definition. The cost of the NEP to the Chinese community was high. Regardless, there is no doubt that the Chinese will be able to hold their own, even circumventing some government policies, by making use of their business skills, their contacts with Malays in positions of power, and the establishment of joint venture enterprises with Malay partners (who may or may not play an active role in the business) (81).

Early in 1991, Prime Minister Dr. Mahathir Mohamad decided to launch an economic policy from 1990 to 2020. Called the National Development Policy (NDP), the goal is to make Malaysia an industrialized nation by the year 2020.
Many Chinese see the policy as a situation of old wine in new bottles.

To the Chinese community, the NDP runs contrary to the spirit of democracy and equality, as professed by the constitution. The NDP, like the NEP, will end up as not as "a matter of simple administrative policy but a very live political issue. The old policy of preserving the special position of the Malays is now placed in direct conflict with the demands of the non-Malays and the need to make concessions to them" (Ratnam 1965:104). The NDP also drove a message home for the Chinese - that there appears to be no end to discriminatory policies. The NDP raised doubts as to whether the Malay government is really interested in national unity and integration among ethnic groups.

With regards to their sense of ethnic identity, the NDP will only aggravate the Chinese fear of displacement, undermining the perception of the Chinese about being Malaysians, if there is such a national identity. It follows that the sanctification of the special rights of the Malays by the government carries a strong connotation of an intentional denial to the non-Malays of their rightful position and equal status in the country. The injustice felt by the Chinese has greatly contributed to alienation and antagonism towards the Malay community.
Politically, Chinese discontent has put great strain on the MCA, which has increasingly been charged with failing to protect Chinese interests. It is not that the MCA leaders, past and present, were disinterested in doing something for the community. The sad fact is that they could not. The diffuse feeling of insecurity among the Chinese is causing them to turn inward to their Chineseness for support and belonging. Similarly, to the Gerakan, which joined the government coalition in 1970, and the DAP also face the same problem. Like the MCA, the Gerakan leadership's clout is very much dependent on the whims and fancies of the UMNO leadership. For the DAP, despite their success in winning more seats in the previous elections, especially in Penang, their representation of the Chinese community is also restricted to "making noises but not delivering the goods" (82).

To sum up, what has happened is that the Chinese community has come to a watershed. For years, they harbored the belief that they were better or superior to the Malays in Malaysia, an ideology nurtured for years by the British, the Japanese and even the Malays themselves. The Chinese leaders reinforced this ideology by rhetoric such as "one of the major races" or "equal partners" in the country. However, with the rise of Malay supremacy, the Chinese discourse of separatism and refusal to acknowledge Malay
Malays have for years played the role of an underdog, in the shadow of the Chinese. Following the 1969 crisis, there was a period of uncertainty as to where the future lay for the community and the country. Despite their confusion, the Malays always preferred Malay dominance in the country. Following the rise of Dr. Mahathir in 1980, the Malay community was to undergo a major change.

Dr. Mahathir's attack on the traditional Malay style of the easy lifestyle was not surprising. Prior to becoming Prime Minister, his book, *The Malay Dilemma*, explicitly criticized Malay cultural characteristics as racial traits (83). He wrote that:

> inherent racial character explains why the Malays are rural and economically backward, and why the non-Malays are urban and economically advanced. It is the result of the clash of racial traits. They are easy-going and tolerant. The Chinese especially are hardworking and astute in business. When the two came in contact, the result was inevitable (Mahathir 1970:85).

His distrust for the Chinese can be seen in this quote from his book about the Chinese Chamber of Commerce: "Time and time again, the Chinese Chamber of Commerce have taken the role of, and have been accepted as spokesman for, the Chinese community for matters other than business. Their
racialist role often exceeds their commercial role. They have branched off into politics, and they have stood up for the Chinese culture and language...Covert Chinese chauvinism is in fact their raison d'être" (ibid:57).

Although some Malay critics have reacted to Dr. Mahathir's push for Malay paramountcy over the Chinese, especially in business, by saying that in seeking equality for the Malays, he was determined to "transform Malays into Chinese" (Pye 1985:265). This accusation is baseless. In fact, his ideology for the Malays was that the only alternative to becoming more "like Chinese" was to become more truly Muslim. He is aware of the danger of a fundamentalist Islamic revival, but it did not stop him from using religion to instill a sense of ethnic identity for Malays. What came out of his politics is an ideology that serves to advance the interests of Malay community in general and a rising Malay bourgeoisie class in particular.

Today, Malay supremacy is at a peak. The recent general election held on October 1990, the eighth since independence, clearly puts Dr. Mahathir and UMNO in good stead for the years ahead. "UMNO (Baru), the backbone of the coalition, once again proved that it could garner enough support from the Malay voters, whose decision would ultimately determine the outcome of the elections since there are 92 out of the 132 constituencies in Peninsular
Malaysia which have Malay majorities" (84) (Khong 1991:47). Furthermore, the chief Malay opposition party, Semangat 46, is no longer a threat, the Chinese government coalition and opposition parties have been silenced, and the economy is doing well (85). With the tables turned against the Chinese, their plight as a community and their troubled ethnic identity will remain and, with time, can only worsen, if they persist on subscribing to the discourse of their Chineseness. The discourse, which once provided the Chinese community a sense of solidarity, has become a self-defeating ideology in face of a psychologically confident, economically aggressive and politically conscious urban Malay community who see their rise to political paramountcy and economic success as correcting a historical wrong.
ENDNOTES

1. The first was during the Japanese Occupation from 1941 to 1945, and later the British Emergency administration in the 1960s to combat the communist insurgency.

2. This is an extremely controversial point as the Malaysian government has coined the term "Bumiputra," meaning "sons of the soil" for the Malay people, thus giving them the same status as the aboriginal peoples in the country. The Malays are now considered the original people and hence the use of the word "immigrant" is only used for the Chinese, Indians, and Europeans.

3. Evidence of the proto-Malays' habitation has been found in places like Gua Cha in Kelantan, where pots and other skilfully made ornaments were found.

4. The vestiges of Hindu cultures have remained, with some sort of modification of the original ones, in today's coronation rites such as yellow clothing and the yellow umbrella of the Sultan or King (see Ginsburg and Roberts 1958).

5. Apart from admiral Cheng Ho's records, subsequent accounts of the Chinese, Portuguese, Dutch, Malay and finally British, reveal the continuing existence of the Baba community which survived the changing political and economic fortunes of Melaka until the establishment of the Straits Settlements in 1826 (Clammer 1979:2).

6. Historical evidence showed that most of the traders were primarily sojourners who lived in their own quarters and recognized the authority of the local rulers (Purcell 1967:Ch 2; Sandhu 1962). Furnivall (1948) describes the Malay archipelago during the pre-colonial period as a society with plural features but a plural society. He contends that there were, no doubt, several ethnic groups sharing their origins from Java, Sumatra, Arabia, China and India, but there people did not form separate minority groups with distinct cultural features. They were, in fact, well assimilated into the dominant society. "There might be differences in particularism but on the whole the native-based Malayan culture was pretty well integrated" (Hashim 1981:19).

7. During the early days, Islam was probably not too strong to become a barrier to intermarriage. At the same time, people then were not conscious of rigid ethnic
categories and so naturally married Malay women without reflecting on this.

8. In 1911, the percentage of local-born Chinese stood at 23 percent in the Straits Settlements and 8 percent in the Federated Malay States. The Baba population was very small in these percentages as by then many of the locally born were from the immigrant coolies, who ceased to subscribe Baba culture. Many of the Baba became resinized with the use of Chinese dialects but retained their Anglo-Malay sociocultural traits (see Nathan 1922).

9. The Taiping Rebellion devastated large parts of Central China, leaving the local inhabitants with the choice of facing starvation and the depredations of the warlords or of emigrating to South China or to other countries.

10. The British government also encouraged the flow of emigrants leaving China by forcing a treaty upon the Manchu government which lifted the long-standing and traditional ban on emigration. The treaty was signed after China's defeat in the Arrow War, commonly known as the Second Opium War (1856-1860) (Heng 1988:11). Between the 1860s to 1890s, the European powers forced Chinese emperors to recognize the principle that Chinese citizens had analienable right to change their home and allegiance (cited in Purcell 1967:10).

11. J.S Furnivall's (1948) concept of a plural society is used here. His concept is concerned with the effects of colonialism as an economic force. He contends that prior to the colonial period, societies of the East were integrated by common will. Malaya during the pre-colonial period was a society with plural features but not a plural society. There were several ethnic groups but they did not form separate minority groups with distinct cultural features. They were assimilated into the dominant society. (see also J.A. Nagata 1975).

12. There is no denial that immigrant labor was useful because it was cheap and easily controlled with little access to political power, hence little bargaining power. But another reason was that the British had difficulty recruiting Malays to work in mines and plantations, as they showed a reluctance to work outside their village or kampong communities. Furthermore, Caldwell (1977:24) notes that the high death rates in plantations and tin mines frightened and discouraged the Malay peasants from moving into those sectors.

13. The nature of economic development was a reflection of the colonial mercantilist-expansionist policy rather than
based on promoting manufacturing, industrialization, and the production of more agricultural crops. The capitalist setup was commercial and extractive rather than industrial. British Malaya became a satellite of the metropolitan government with the main functions of exporting raw materials, mainly rubber and tin, to industrial Europe, and serving as a market for the surplus manufactured goods of the metropolitan countries.

14. The use of racial stereotypes by the British in dealing with local people also coincided with the notion that the Asiatics or Orientals required "regeneration" and hence, provided the case for their "civilizing missions" in their colonies. In the words of Swettenham, "the function of the white man in a tropical country is not to labor with his hands but to direct and control a plentiful and efficient supply of native labor, to assist in the government of the country, or to engage in opportunities for trade and commerce from an office in a bank or a mercantile bank" (quoted in Abraham 1967:26).

15. A question that comes to mind is whether it was the racial stereotypes which motivated the labor division or was a question of economics and profit maximization. To avoid dwelling in the rhetoric of what is basically a chicken-and-egg paradox, I propose that in the interplay of the two factors, it was the colonialists' racist stereotypes of the indigenous and immigrants that colored their worldview and this, in turn, prompted the ethnic divisions. To put it in a metaphorical form, racial stereotypes triggered off the economic gun. These stereotypes fitted well with the pluralism that existed in the Malay peninsula and served as a convenient and profitable way of running their colony.

16. Writings by Frantz Fanon (1967, 1968) provide excellent insights to the colonial application of racial stereotypes.

17. It is therefore no surprise to find the colonials occupying the top of the hierarchy. For instance, the agency houses, which represented British capital in the colony, occupied the apex of the pyramid, while the Chinese and to a lesser extent Indian capital were assigned the economic role of middle-men in domestic trade, facilitating the more profitable import and export business controlled by British capital. This form of occupational differentiation, with the Europeans at the top and non-Europeans at the base, was reinforced by the ideology of plurality-of-humanity theory (Haas 1991:ch 3).

18. Of the three racial groups, the Indians had the least occupational mobility. They were mostly confined to the
plantation work; since the plantations were located in remote areas, they constituted "closed societies where the laborers' basic needs were provided, discipline was very strict, and movement closely regulated" (Stenson 1969:2).

19. To assume that the concentration of the Malays in agriculture was an exercise of social free-will is misleading. In actuality, there existed "refraining policies" by the British administration to confine the Malays to their traditional pursuits, preventing from "catapulting into the modern world" (Steinberg 1971:322). Due to the colonial view of the "idyllic village life" of the Malays, the British actively sought to protect the Malay society from the disruptive effects of the modern capitalist economic order. The colonial administration avoided recruiting the Malay villagers as labor for the workforce in their expanding industries. Instead, the Malay labor was used for working on the agricultural sector and the government services. Land policies were also introduced to keep the Malay peasant in possession of his patrimony and to encourage his continuing cultivation of traditional crops (Roth 1967:125).

20. Chinese political and social institutions in Malaya tended to exist within an "encapsulated" framework, functioning quite independently of the overarching British colonial and Malay indigenous political systems. The concept of an "encapsulated community" is based on M.J. Swartz's and F. G. Bailey's definition of the power relationship between the host society, the "encapsulating" system, and the local-level "encapsulated" system. The same concept is used by Judith Strauch (1981) in her work on Chinese villages.

21. Sometimes the voluntary organizations were referred to as huay kuan, which means an organization or grouping of people based on communal interest.

22. See Chesneaux (1971) and Blythe (1969) for excellent accounts on the development of the secret societies.

23. The Treaty of Pangkor was signed between the British and the rulers of Perak in 1874. Under this treaty, it was agreed that the state would receive British protection and assistance. In return, the rulers would accept British paramountcy and control over their external relations, contracting in effect not to negotiate any treaty or engage in any political correspondence with foreign states "without the knowledge and consent" of the British Crown. In terms of giving advice, the British administration was allowed to interfere in the internal affairs of the state through the
appointment of a Resident, who is an advisor to the ruler. His advice must be asked and acted upon. For events leading to the Pangkor Treaty, see Cowan (1961).

24. The two main rival secret societies that were causing the frequent outbreaks of violence were the Ghee Hin and the Hai San. Between 1867 and 1889, the British authorities vacillated between a policy of recognition and partial suppression of secret societies in attempts to regulate their activities.

25. The leaders of the secret societies continued to maintain relations with leaders of the Chinese community by offering them protection for business activities, by serving as personal bodyguards, or becoming their partners in business deals.

26. In the middle of the nineteenth century, the Malays did not feel that their position had been unduly threatened by the great influx of Chinese immigrants, as most of the Malays did not see the Chinese as permanent settlers. However, by the twentieth century, feelings towards the Chinese changed, and there was increasing awareness and anxiety about the growing numbers of local-born Chinese, who were putting down roots.

27. Siow (1983:171) believes that the prevailing view that the Chinese in Peninsula Malaysia are clannish and unassimilable seems to presuppose that they are united. She argues, to the contrary, that the Chinese in Malaysia have a tendency to be disunited: "Notwithstanding their common cultural heritage of customs and religion, the Chinese are still conscious of the linguistic groups to which they belong." The three most common groups are the Hakkas, Cantonese and Hokkeins. From the three, other sub-linguistic groups branched out.

28. The population of the Chinese in Malaya increased from a low of 7.7 percent in 1835 to 29.4 percent in 1884, excluding the Straits Settlements of Singapore, Penang and Malacca, which were predominantly Chinese settlements. From 1970 onwards, the Chinese made up about 34 percent of the total population (Comber 1983:5).

29. Ting (1976:125) disagrees with Wang, whose views he says are "anachronistic and misleading because they are based on the concept of politics in the modern democratic tradition." To Wang, Chinese, Malay and colonial political systems have been in varying degrees authoritarian, and the political life of the Chinese should be seen in that context. I believe that humans are basically political
animals, so it is fruitless to debate the roots of political consciousness. I believe that it is obvious that the political consciousness of the Chinese in Malaysia was aroused by the Kuomintang movement, although their loyalty then was directed at China.

30. The seven major types of voluntary associations were (a) the dialect/territorial types formed at provincial, prefecture, county and village level; (b) the clan/surname association; (c) the trade guild and chamber of commerce; (d) the cultural, dramatic and/or musical society; (e) the social/recreational society; (f) the religious/moral uplifting society; and (g) the mutual aid/funerary society (Heng 1988:18).

31. Led by Dr. Sun Yat Sen, the Kuomintang were Chinese republicans seeking to overthrow the Manchu rule. Before the revolution of 1911, the Kuomintang expanded its call to overseas Chinese to mobilize financial support. The Kuomintang's presence took the form of the Tung Meng Hui, established in 1906, in Singapore. After the overthrow of the Ching Dynasty the Singapore lodge of the Kuomintang was formed in 1912. From Singapore, several branches were set up in Malaya within a year.

32. Following the Sun-Joffe Pact of 1923, members of the Chinese Communist Party were permitted to join the KMT as individuals.

33. Consistent with their ideological and class orientations, the MCP also dominated the labor movement. As the early communist movement in Malaya was dominated by the Hainanese, the trade guilds of the Hainanese dialect group were the first to display pro-Communist sentiments. Following the formation of the MCP in 1930, the Pan Malayan General Labor Union was established. MCP mobilization, despite its stress on interethnic cooperation along class line, was limited to the Chinese population. The MCP paid little attention to non-Chinese labor: the Indians in plantations were totally ignored. The majority of the MCP leaders and labor organizers, China-born and Chinese-educated, were imbued with a sense of Chinese chauvinism, which tended to overshadow the multiracial aspect of the party's class struggle objective.

34. Language is an important factor in nationalism. Children learning Mandarin often are told that it is the greatest language. Textbooks have sentences such as "I love China" and "I am Chinese" (Dahlan 1976:35).
The KMT right wing had an edge over the MCP in getting support from the schools, as not only were they behind the development of modern Chinese education in Malaya but also many of the patrons were pro-KMT right wing supporters. But the MCP were not completely unsuccessful, as seen in the period of 1924-27 and 1937-41. During the first period, the Communist organizers were able to effectively propagate Marxist-Leninist teachings. Several night schools were also set up as fronts for disseminating Communist doctrine. The second period coincided with the Sino-Japanese war, when the British wanted to show support for China, hence allowing much of the initiative to the Communists to organize the schools.

Purcell (1967:222) records that in 1938 there were 91,534 pupils in Chinese schools compared to 26,974 Chinese pupils in English schools. In 1947, it is estimated that 55 percent Chinese children attended Chinese schools to 10 percent in English schools.

Purcell (1967:213) notes that the British authorities, in attempts to contain the Communist activities, arrested and deported radical leaders, school teachers and other activists. The government finally went ahead and banned the KMT in the Straits Settlements in 1925 and the Federated Malay States in 1930.

Furthermore, China and Britain at that time had friendly diplomatic relations. There was simply no reason for China to instigate the Chinese in Malaya to rise against the British.

The army, called Defenders of the Motherland, was led by top Malay nationalist Ibrahim Ya'acob, who had been under detention in Singapore when the Japanese came. Ibrahim believed that Indonesia and Malaya shared a common destiny and common historical, cultural and religious bonds. Both countries were pro-Islam and anti-Chinese in outlook (see Lebra 1977).

Under the Indonesian Raya concept, Malaya would be granted its independence once Indonesia was given hers. The reason behind this concept was to promote Malay nationalism and garner support from the Malays for the Japanese leadership. After Japanese surrendered on August 14, 1945. Indonesia proclaimed its independence on August 17, 1945, under President Sukarno but made no mention of Malaya (McIntyre 1961).
41. Ginsburg and Roberts (1958) found that there were a few Malay anti-Japanese guerilla groups, such as the Wataniah, in Pahang.

42. Even before the war was over, ethnic clashes between the Chinese and Malays were common. Ryan (1971) notes that in the interior of Negri Sembilan, Malays set upon and slaughtered forty Chinese villages, mostly women and children. In retaliation, Chinese assaulted Malays living along the Perak River (see Purcell, 1967; Short, 1975).

43. According to Mills (1966), the Communists belonged to the fifth column of the Malayan Races Liberation Army (MRLA), which provided money, medical supplies, food and other material. The MRLA was formerly the Malayan People's Anti-British Army.

44. In September 1947, the Cominform instructed all Communist parties throughout the world to pursue a militant policy towards imperialism. The MCP planned to achieve their goals by destroying the tin and rubber industries, the cornerstones of the Malayan economy. Following this, areas in the interior of the country would be occupied; by joining all these areas together, the Democratic People's Republic of Malaya would be established (Hanrahan 1971).

45. Most of the squatters were China-born Chinese who moved out of towns and cities during World War II to avoid the Japanese attention. They lived as aliens, running their own community, and were resentful of interference by the authorities. Mills (1966:44) estimated that there were about half a million squatters by 1949.

46. The new villages scheme was under the direction of Lieutenant-General Sir Harold Briggs, the Director of Operations in Malaya. He executed the resettlement like a military operation, creating resentful feelings among the Chinese, who felt they were treated like prisoners, and the new villages to be concentration camps. Each squatter family was to be provided with a means of livelihood, such as a thirty-year lease to a small plot of land which could be farmed. And the new villages would have electricity, schools and community halls. The villages were surrounded by barbed-wire fences and guarded twenty-four hours by police.

47. The Malays, in turn, were unhappy with the better amenities that the new villagers were enjoying compared to their villages. The Malays could not see how the British could allow the Chinese to congregate and could spend so much money on the "alien community." The congregation of
the Chinese in the villages also worried the Malays, as it upset Sino-Malay political balance in some states.

48. District/Territorial associations gave financial assistance to the poor from their district and, if the need arose, helped them to return to China. Dialect associations maintained schools offering Chinese history, culture, and language, as the most important elements of the curriculum.

49. Wilson (1958:24) in his study of a Malay village also observes that relations between urban Chinese and village Malays were highly selective, confined to economic relations only, and that there was little or no contact of any personal nature and a lack of opportunity to develop personal relationships.

50. With the introduction of the Malayan Union scheme, numerous Malay associations rapidly transcended their particularistic local village and state identities and coalesced against the scheme. What culminated from this cooperation was the United Malays National Organization, which was led by the elite stratum of the Malay administrators. UMNO was inaugurated on May 11, 1946, and Dato Onn Jaafar was elected its President. As a political party, it was to unite all the Malay organizations under a central body and to seek ways to ward off "the ignominy of racial extinction" (Ishak 1960:61). Dato Onn's moderate policies towards the other ethnic groups did not go down well with the rank-and-file UMNO members, especially with Independence in the air. With accusations of "losing his head...and overzealous" (Vasil 1980:71), Dato Onn resigned the party on August 26, 1951 and was replaced by a British-educated lawyer and member of the Kedah royal family, Tunku Abdul Rahman.

Tunku led UMNO through the coalition government of the Alliance, which promised "a prosperous, stable, liberal and tolerant society." He was well respected and loved by the various ethnic groups but, again, his moderate ways towards other ethnic groups led to his downfall. After the 1969 crisis, the Malays accused him of being "too soft" with the Chinese, and by September 1970 the Tunku went into retirement. He was replaced his deputy, Tun Abdul Razak, whose leadership marked a new era of the second generation of Malaysian political elites (Means 1991:19). Tun Abdul Razak, who had aristocratic roots, was known more as a bureaucrat rather than a charismatic leader. He saw the birth of the NEP and the need to mobilize public and private resources for pursuit of political goals. Despite his poor health (due to leukemia), Tun Abdul Razak set the country on the course for modernization. He was unable to see his the success of his plans, as he suddenly passed away in 1976.
After a brief moment of crisis in the UMNO leadership, his deputy, Hussein Onn Jaafar, was appointed as the new leader. With a weak political base and also poor health, Hussein Onn lasted for only five years; like the previous succession, the leadership went to his deputy, Dr. Mahathir Mohamad. Under Dr. Mahathir, the UMNO has been transformed into a very powerful organization with a strong financial network, a huge grassroot base, and a tightly-knited group of Malay leaders, all under his guidance.

51. The Malays openly disagreed with the propositions in the scheme. To them, the Malay states and the sovereignty of the royalty were symbols of their community's special status and an affirmation of the fact that Malaya was a Malay country. The Malayan Union would destroy all these. Moreover, the Malays could see that the Malayan Union would enable large numbers of non-Malays to acquire citizenship and thus advance towards self-government and representative government, thus leading to a sharing of power.

52. Tan Cheng Lock (1883-1960) was the foremost political leader in the Chinese community. A Straits Chinese, he served in the Legislative and Executive Council of the Straits Settlements in the 1930s. He was also the chairman of the All-Malaya Council of Joint Action, founder-president of the MCA; in 1933 he was was knighted by the Queen of England.

53. Prior to the formation of the MCA, the political strength of the Chinese community was dispersed. Even the powerful Chinese Chamber of Commerce and the Chinese Assembly Halls were limited in influence on the government.

54. The British welcomed the move as they saw the MCA to be an avenue for breaking the Chinese support for the MCP, while the Malays in UMNO had no objection. As stated by Datuk Onn Jaafar, then leader of UMNO in 1948, "law abiding Chinese should band together in a political party to help the government in the fight against Communism" (Heng 1988:59).

55. Tan Cheng Lock, Leong Yew Koh, Yong Shook Lin, H.S.Lee, Khoo Teik Ei, Tan Siew Sin, T.H.Tan, and other who have led the MCA since its inception in 1949 have all been prosperous business executives with links in big business and interests. The MCA was essentially a conservative, right-wing organization whose leadership was dominated by wealthy Chinese business executives. Following its formation, MCA had a good response in its membership drive. Within a year, the membership rose to over 100,000. In 1951, it stood at 200,000. However, when other Chinese-based parties
appeared, the figures took a dive. What is important to note was that it had a good start and the support of the people in its early years (Soh 1960:52).

56. The MIC was launched on August 1946, with its leadership mostly found in the trade union organizations. As a political party, it represented the Indian community well, ensuring that they were not left out in the feud between the Chinese and Malays. The Indians realized that as they only constitute 10 percent of the population, their influence in politics is limited, since communal politics reigns.

57. Although the MCA leadership was divided over the question of whether to affiliate itself with the IMP or UMNO, the disagreement did not lead to any separatist movement within the party. Tan Cheng Lock was unable to effect an IMP-MCA partnership, as he lacked the support and finances from the other states. Since the MCA power brokers in Selangor showed that they could deliver the Chinese vote, Tan Cheng Lock had to accede to the political reality and condone the UMNO-MCA Alliance lead by H.S Lee, who was then the MCA vice-president. H.S Lee did not challenge Tan Cheng Lock's position, as he realized that Tan had the allegiance of the MCA leaders and was capable of promoting the Alliance concept more effectively. Following the electoral set-back of the IMP, Tan Cheng Lock distanced himself from Dato Onn, IMP's president.

58. The IMP did badly in all the elections it contested during 1952 and 1953: out of a total of 134 local government seats contested it managed to secure 3 (O'Callaghan 1974:75). The UMNO-MCA Alliance came out victorious, winning 32 out of the 42 seats it contested in the 1952 municipal and town elections. The Alliance in 1953 won 64 out of the 92 local government seats it contested. In 1954, it had a 91 percent success rate, winning 69 out of the 76 contested seats.

59. Although there was no doubt that the British were going to grant Malaya independence, there was some concern over the exact date. With the Emergency still in effect in mid-1953, Dato Onn supported the decision to delay the granting of independence, as he was hoping to reverse his ailing political fortunes.

60. On the citizenship issue, the UMNO leaders agreed to the following: (a) that citizenship based on *jus soli* would be automatically given to all those born in Malaya on and after the date of independence; (b) those who were born in Malaya before independence would qualify for citizenship
after having resided in the country for five out of seven years preceding the date of application for citizenship; those not born in Malaya would qualify after a period of eight out twelve years. The UMNO finally agreed to jus soli because of three considerations: (a) pressure from the British Crown; (b) the need to provide for a stable and strong foundation for the new Malayan nation-state; (c) the desire to gain concessions from the MCA on special rights and language.

61. Tunku Abdul Rahman expressed concern with the new MCA leadership, as he was unhappy that Tan Cheng Lock had been ousted from power. Even Tun Ismail, then UMNO Secretary-General, described Tan Cheng Lock as "the true symbol of a Malayan Chinese" and said that the Malays had confidence in him (Haas 1967:102-104).

62. The new leaders, in reorganizing the party and broadening its support, aimed at winning a greater voice in the Alliance. Since independence, the MCA realized that it no longer had much political clout compared to UMNO, which became the dominant player. The new leaders hoped that through their unity they could effect a change in the balance of power between the Chinese and Malays (Haas 1967:106).

63. The other demands were that the Alliance election manifesto should review the education policy, that MCA candidates should be chosen by the MCA itself, not by the Alliance National Council, and that the Alliance Manifesto should clearly express the Alliance determination to uphold the Federal Constitution as it stands (Means 1970:212).

64. Most of the seats lost by the MCA went to the Socialist Front, the PPP or independent candidates.

65. The concept of a Malaysian Malaysia was put forward by Lee Kuan Yew in three speeches between February and March 1965. The fundamental principles of this concept were:

(a) Malaysia should be a democratic society where legitimate differences of views should be permitted and where individuals and political parties should have full freedom to persuade its citizens, by constitutional means, to their particular viewpoint.
(b) Malaysia was conceived as belonging to Malaysians as a whole and not to any particular community or race (see Lee 1965).

66. Of the fifteen seats it contested in the State elections, the PAP secured only one seat and collected 0.9
percent of the total vote. In the Parliamentary elections, it also won one seat out of the eleven candidates it fielded (Vasil 1980:152).

67. Following this move to unite the non-Malays, extremism thrived among the Malays with vigor. Slogans, placards and posters demanding "Crush Lee Kuan Yew," "Suspend Singapore's Constitution," "Detain Lee Kuan Yew" appeared in Malay meetings. Vasil (1980:157) claims that there was pressure on the Tunku to have Lee Kuan Yew arrested.

68. To avoid a major confrontation, the Tunku managed to persuade Singapore to leave the federation. But this was at his own expense, as Tunku was the one person responsible for getting Singapore into the formation of Malaysia. To many Malays, Singapore was expelled from Malaysia. Following this action, the Tunku's position as the preeminent leader of the Malays and Malaysia was undermined.

69. The PMIP was originally known as the "Persatuan Aislam Sa-Melayu" when it was founded in 1948. To compete in the elections, it was a requirement by the Registrar of Societies that the organization identified itself as a party. Hence, the name "Partai Islam Sa-Melayu" (Pan-Malayan Islamic Party) was adopted.

70. The PPP was founded by two brother of Sri Lankan origin in 1953 - it was then known as the Perak Progressive Party - with a non-communal orientation. After a poor performance in the 1955 elections, the leaders realized the emphasis on non-communalism was responsible for its failure to gain mass support. A complete reorientation of the party's policy began in 1956 and the name was changed to the People's Progressive Party. The party became known as a champion of non-Malay interests, especially that of the Chinese. Although the party did fairly well in the state of Perak, its influence never went beyond the state.

71. Tun Ismail, who had just been brought into the new cabinet as the Home Minister, proclaimed democracy is dead in this country.

72. Sino-Malay distrust runs like a thread through the nation's recent history, as stated in the report by the National Operations Council, set up to oversee matters after the 1969 crisis. The 1969 crisis was not the first racial clash between the Chinese and Malays. There were isolated incidents before - May 1959 on Pangkor Island, July 1964 in Bukit Mertajam district, in July and September 1964 in Singapore, in early 1965 in Kuala Lumpur, and in November
1967 and April 1969 in Penang. These clashes, however, were on a lesser scale than the May 13, 1969, incidents.

73. The **Rukunegara** was the national ideology aimed at bringing about national unity. It goes as follows:

Our Nation, Malaysia, is dedicated -

- to achieving a greater unity for all her peoples;
- to maintain a democratic way of life;
- to creating a just society in which the wealth of the nation shall be equitably distributed;
- to ensuring a liberal approach to her rich and diverse cultural traditions;
- to build a progressive society which shall be orientated to modern science and technology;
- we, her peoples, pledge our united efforts to attain these ends guided by these principles -
  - belief in God
  - loyalty to king and country
  - upholding the constitution
  - rule of law
  - good behavior and morality

In principle, the **Rukunegara** basically steered a middle path through the tangled web of Sino-Malay relations. But in practice, it was not adhered to, thus explaining why ethnic relations continued to deteriorate.

74. Following the riots, Tunku set up a ten-member National Operations Council headed by Tun Abdul Razak, then deputy Prime Minister. Besides managing the emergency, the council was to work towards setting up a new cabinet. The new cabinet, formed on May 20, 1969, was superior to the council and headed by the Tunku.

75. Lucien Pye (1985), in his book *Asian Power and Politics*, observes that the Chinese feel superior and cannot accept that a Chinese leader should submit to the authority of a non-Chinese. With this in mind, most of the Chinese leaders come out looking as imposters by the constituents. He says this explains why it is difficult for the Chinese to function in the political system as a minority; hence, their problems with unity and consensus.

76. For an excellent discussion on the NEPs see Sundaram (1977, 1986).

77. As soon as Dr. Mahathir assumed the helm of the government, he indicated that his administration would be action-oriented, and he expected to reassess old policies that were ineffective or faltering. Dr. Mahathir never
criticized the objectives and goals of the NEP, only its implementation and strategies. Therefore, it is natural that he focussed on the alterations in policy to intensify the "ethnic restructuring" programmes of the NEP.

78. Jesudason (1989:195) notes that the most popular countries included Singapore, Canada, Australia, Hong Kong, and the United States. By doing so the business executives were able to avoid the constraint of the government and at the same time widen the scope of their businesses.

79. One administrative action taken as a direct insult to the Chinese is the giving of the import license for Mandarin oranges to a Malay firm. This action came just before Chinese New Year and to show their irritation with the government, the Chinese community boycotted buying the oranges. Another action that appears to give the brushoff to the Chinese community was the fact that most urban housing areas do not make allocation for temples, churches or other non-Muslim shrines. Only mosques and Malay cemeteries receive attention. In Malacca, what angered the Chinese was the announcement by the state government to develop for commercial purposes one of the oldest Chinese cemeteries - Bukit China. Both the DAP and the MCA protested vehemently and eventually the government backed down.

80. Government statistics show that the level of Malay corporate wealth increased from 2.4 percent in 1970 to 17.8 percent in 1985. However, the non-Malay share, especially that of the Chinese, grew from 34.3 percent to 56.7 percent during the same period (Fifth Malaysia Plan:45, 1986-1990). It has been suggested that when the shareholdings of ethnically unidentifiable owners are added to the Chinese share (which government statisticians often do), then the Chinese share is bound to increase. Sundaram (1989:6) argues that the bumiputra share ownership is higher than suggested by the government statisticians. For example, the bumiputra percentage does not include shares owned by those who use nominee companies and other such devices obscuring the identity of the owner. Conversely, all such shares are considered by the government to belong exclusively to non-bumiputra Malaysian residents, whereas such shares also owned by bumiputra and foreigners. In fact, Sundaram points out that the shares are likely to be owned by bumiputra individuals, especially politicians, who wish to obscure their business interests. But if we assume that these shares are divided according to the known proportions, then the bumiputra share would rise to at least 25 percent (see Sundaram, 1986).
81. These joint-ventures are known as Ali-Baba businesses, where one partner is Malay and the other is Chinese. The Malay partner is usually with the company only in name, that is, he is useful in getting licenses and permits given only to bumiputras. The Chinese partner is usually the financier and does the actual wheeling and dealing.

82. Based on interviews with DAP leaders in August 1991. The DAP in Penang admits to the fact that they have obtained all the Chinese votes possible but are unable to break into the parochial Malay community to get their support. Malay votes that do not go to the government usually end up with the Islamic parties.

83. The Malay Dilemma puts forth a rather bizzare mix of insightful observations, racial stereotyping, theories of genetic inbreeding among Malays, and cultural-historical explanations for the inferior position of the Malays in education and the economic life in the country. The book argues that the Malays are the rightful people of the country and proposes radical politics to achieve its goals. Banned by the Ministry of Home Affairs as it was considered prejudicial to public order, Dr. Mahathir managed to get it published in Singapore in 1970. After he became Prime Minister, he lifted the ban on his book.

84. UMNO (Baru) came about following a series of court actions that resulted in the High Court declaring the UMNO party as an illegal body under the provisions of the Societies Act of 1966 (New Straits Times:1-2, February 5, 1988). The decision by Justice Harun Hashim on February 4, 1988, came from a suit by the eleven UMNO plaintiffs — supporters of former Finance Minister Tengku Razaleigh Hamzah who had challenged Dr. Mahathir for the UMNO presidency in the UMNO General Assembly of April 1977. Following the decision, supporters of Tengku Razaleigh attempted to register a new party known as the UMNO Malaysia with the Registrar of Societies. Their application was rejected by the Registrar with no explanations given (New Straits Times:1, February 16, 1988). The week after the rejection of the application of UMNO Malaysia, Dr Mahathir announced that a new party, Pertubuhan Kebangsaan Melayu Bersatu (UMNO Baru) has been duly registered to replace the moribund UMNO. Political observers commented that the formation of the UMNO Baru marked the consolidation of Dr Mahathir’s power and the end of dissidents within the party.

85. Semangat 46 was formed in early 1988 by UMNO members in opposition to Dr Mahathir’s leadership. Calling themselves Semangat 46 or Spirit of 1946, the reason for the name goes back to 1946 when UMNO was formed to protect the survival of
the Malay race in the face of threats arising from the British proposal to liberalize citizenship requirements for the non-Malay communities under the Malayan Union. In the 1990 elections, an alliance was formed between Semangat 46, DAP and PAS. Under the leadership of Tengku Razaleh, the party was secular in orientation. However, in the 1990 elections, Semangat 46 formed an alliance not just with the Islamic party, PAS, but also the DAP to challenge the Barisan Nasional coalition government.
CHAPTER III

THEORETICAL CONSIDERATIONS: CHINESE IDENTITY IN MALAYSIA - A CULTURAL REALITY OR CONSTRUCTED ETHNIC MYTH?

Introduction

In analyzing the identity dilemma of the Chinese in Malaysia, a theoretical framework that captures the visible and hidden currents of social, economic and political processes is necessary. Such a framework will allow the author to explicate his own conceptual assumptions in relation to the object of the study, in this case, the Chinese identity. As Alvin Gouldner (1963:5) notes: "Much of theory-work begins to make sense of one’s experience. Much of it is initiated by an effort to resolve unresolved experience; here, the problem is not to validate what has been observed or to produce new observations, but rather to locate and to interpret the meaning of what one has lived...". This chapter attempts to provide such a framework.

Within the dynamics of this framework, two major classifications of the Chinese in Malaysia, by Wang Gungwu (1970) and Tan Chee Beng (1988a), will be examined. Their works will represent the starting point for my own theoretical project, which focuses on how the Chinese are able to conceptualize their Chineseness after having learned
the indigenous Malay language and adopted some of the cultural aspects of the Malay community.

I propose that some amalgamation (Glazer and Moynihan 1963), or what anthropologist David Wu (1991) referred to as *peranakanization*, has occurred for Chinese in Malaysia. According to Glazer and Moynihan, their version of amalgamationism argues that while the root cultures of ethnic groups may not be intact, their cultural distinctiveness are still maintained. Amalgamation is defined as the increase in cultural similarities between two or more groups created by the adoption of elements from each other. Members of one group may voluntarily adopt or "borrow" another group’s cultural elements which they perceive as useful, or amalgamation may occur as a result of coercion. Kroeber (1948:432) states that the "borrowing" of cultural elements between two groups "may be reciprocal or overwhelmingly one-way". Furthermore, amalgamation need not always lead to assimilation as long as some elements of a group persist and continues to be symbolic to the group’s identity. Hence, the name of the group continues to be used as a label for this identity, and total assimilation can be avoided. For David Wu (1991:172), the term *peranakanization* is a Malay-derived word referring to overseas Chinese who have "gone native" through the process of "borrowing" several cultural elements from the indigenous people. The
peranakanization process enables the Chinese community to incorporate "indigenous values without losing their sense of having a Chinese identity". Thus, Wu’s understanding of the peranakanization process is similar to amalgamation as defined by Glazer and Moynihan.

An example of an amalgamated or peranakanized ethnic group that still retains its identity is the Chinese in Malaysia. Although the Chinese in Malaysia have been aware of this process of change, they have denied its impact on their Chineseness. A good example of this denial is seen in the insistence of the Straits Chinese, or commonly known as Babas, who are confident about the authenticity of their Chineseness (Tan 1988). "Indeed, the Babas insisted on retaining their own distinct identity, which they regard as essentially Chinese (and indeed purer than that of the peasant immigrants from China)...." (Clammer 1979:6) (1). The Chinese from mainland China may question the Babas claim of authenticity of their Chinese heritage, but as far as they (Babas) are concerned, there was never a doubt as to who they were. By subscribing to cultural elements such as language, religion and traditional festivals, the Babas, and the Chinese today, have been able to maintain their identity as being Chinese.

By refusing to acknowledge the amalgamation or peranakanization that has taken place, the Chinese in
Malaysia have a Chinese-, and not a China-oriented identity. By "Chinese-oriented identity" I mean that they have "a sense of belonging to a great civilization and performing properly according to the intellectual [usually Confucianist] elites' norm of conduct" (Wu, 1991:172). I assert that this definition of their Chineseness is a constructed ethnic myth rather than a cultural reality.

Furthermore, the Chinese identity does not exist in isolation in pluralistic Malaysia, where contact with other ethnic groups is intense and unavoidable. Whether the Chinese subscribe to the belief that when they are in their host countries, it is the native culture that becomes assimilated into the Chinese culture, or that the opposite is true, one thing is certain: some form of peranakanization does occur. With this in mind, the chapter will also examine the various race relations models to see whether any of them categorize the Malaysian polity.

Models of Classification

One of the most frequently cited and perceptive effort in classifying Chinese in Malaysia is by Wang Gungwu. In his historical study of the political life of Chinese in Malaysia, the Chinese are delineated into three groups, A, B, and C according to their attitudes towards China and Malaysia. Group A Chinese are best described as China-
centered, therefore, continue to "maintain links with the politics of China, either directly or indirectly and who are concerned always with the destiny of China" (Wang 1970:4-5). Group B Chinese, the pragmatists, are generally concerned with "with the low posture and indirect politics of trade and communal associations" and "who generally accept the necessity and possibly the desirability of being loyal to their host countries but hold back from total commitment to all ideals and aspirations" of the country (ibid). Group C are the troubled ones, comprising a mixed group of modernized and indigenized Chinese (including the Babas). They are committed to some sort of Malaysian loyalty but are often uncertain of their identity (ibid:9) (Table 1).

Based on his model, Wang proposes that the vast majority of the Chinese belong to Group B. With the introduction of electoral politics in a communally-structured political system, those in Group B see their role as crucial because of the number of votes they command. "Consequently, Chinese politicians of all shades seeking national leadership roles have found it necessary to address themselves to Group B Chinese" (Loh 1982:1). Group A Chinese were active from the colonial times up to the early 1950s but today, the remaining members of this group are insignificant, as many are old and dying out (2). Group C Chinese, have gradually increased since independence in 1957 and are usually better
Table 1

How do the Chinese view their identity in the Malaysian environment

Wang Gungwu's classification (1970)

<table>
<thead>
<tr>
<th>Type of Chinese</th>
<th>General Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A</td>
<td>* Politically oriented towards China.</td>
</tr>
<tr>
<td></td>
<td>* Citizens of either China or Taiwan.</td>
</tr>
<tr>
<td></td>
<td>* Low political profile in trade and communal associations.</td>
</tr>
<tr>
<td>Group B</td>
<td>* Accept necessity of loyalty to host country.</td>
</tr>
<tr>
<td></td>
<td>* Refrain from total commitment to all the ideals and aspirations of the country.</td>
</tr>
<tr>
<td>Group C</td>
<td>* Committed to some sort of Malaysian loyalty.</td>
</tr>
<tr>
<td></td>
<td>* Mixed group of &quot;modernized&quot; Chinese who are uncertain of their standing in Malaysia</td>
</tr>
</tbody>
</table>

Tan Chee Beng's Classification (1988)

<table>
<thead>
<tr>
<th>Type of Chinese</th>
<th>General Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A</td>
<td>* Preserve &quot;pure&quot; Chinese culture and identity.</td>
</tr>
<tr>
<td></td>
<td>* Concerned with Chinese interests.</td>
</tr>
<tr>
<td>Group B</td>
<td>* Share Group A's view of preserving all components of Chinese culture.</td>
</tr>
<tr>
<td></td>
<td>* Recognize need to adapt to socio-political environment in Malaysia.</td>
</tr>
<tr>
<td>Group C</td>
<td>* Integrationists concerned with socio-economic equality</td>
</tr>
<tr>
<td></td>
<td>* Fear of being &quot;unChinese&quot; and &quot;selling out Chinese interest&quot;</td>
</tr>
</tbody>
</table>
informed on national affairs than the other groups. "Being concerned and knowledgeable about matters pertaining to politics geared towards achieving independence and nation-building in a multi-ethnic polity, members of this group have played important leadership roles at national level" (ibid:2).

I am of the opinion that Wang Gungwu's classification is useful for analyzing Chinese identity and politics before independence and, to some degree, up to the 1969 racial riots. However, following the tragic racial outbursts, the Malaysian polity has changed considerably.

It is no longer relevant to classify Chinese who are loyal to or oriented towards China, as all Chinese born in Malaysia after independence are citizens of the country. Only a very small and elderly Chinese population are China-born; even among them, their loyalties have changed. The China they knew and the China today are different worlds. According to a local Malay politician, many of these Chinese, on returning from visiting China, have expressed a realization that China no longer feels like home (3).

In fact, the Malaysian government encourages the Chinese population to visit China in the hope that they will come to the realization that Malaysia is indeed their home. A study on Malaysia-China ties in 1981 has found that the normalization of relations between Malaysia and China on May
31, 1974, did help make the local Chinese identify less with China in the long run (Saravanamuttu 1981:33). "Certainly one overwhelming view was that with normalization and some facilitation of contacts (including visits), the vast majority of locals will treat China like any other foreign country and probably reject the Chinese communist system for the 'good life' of Malaysia" (ibid).

The normalization of diplomatic ties with China in 1974 and the intensification of China-Malaysia and Taiwan-Malaysia trade relations clearly shows the confidence of the Malaysian government with regards to the loyalties of its Chinese population (4). In fact, since the 1974 reapproachment, China has ceased to be an issue among the Chinese in Malaysia and any suggestion that the Chinese see themselves as "fifth columnists" in China's global strategy of promoting world revolution is considered absurd. Political leader Tan Chee Khoon did note that of course there is no way to prevent any individual Chinese in Malaysia from wanting to work for China's interest - that is inevitable as "every community will have its lunatic fringe" (Saravanamuttu 1981:30).

Furthermore, few Chinese are members of the Malaysian Communist Party (MCP); if there are, they are probably nationalists fighting for an alternative political system in the country. The much-publicized disbandment of the MCP in
late 1990 in Thailand offers further evidence that the Chinese community has no illusions about China as home (5).

Due to these new developments, Tan Chee Beng (1988a) has introduced a modification to the model by redefining the categories in order to study the Chinese today. Tan asserts that what is crucial is the question of integration (Table 1). He proposes that Group A consisted of the "purists" who want to preserve all components of the Chinese culture and are ever ready to fight any move to "erode" the culture. Although there are no doubts as to their loyalty to Malaysia, they are opposed to the language and education policies of the government and do not see their political and historical reality with that of the country (6). "To this day, they insist that Mandarin should be made an official language too, and call the Chinese to send their children to Chinese-medium primary and private secondary schools so as to preserve Chinese language and culture...It comprises the die-hard "fighters" of Chinese interests, some of whom are chauvinists" (Tan 1988a:151-152).

Group B are those who are more accommodating. They may agree with the need to preserve Chinese culture but they also take into consideration the overall socio-political-economic factors in the country. For instance, they agree to the need for Chinese-medium schools, but they do not mind
sending their children to government schools, which provide
the children with better job prospects.

Group C are the integrationists who see that the long-
term interest of the Chinese depend on a non-communal
platform. Unlike those in Group A or B, who see a non-
communal platform as losing out to the Malays, since Malay
communal politics is strong, those in Group C see the need
to relate Chinese interests to Malay interests, and they
accept the necessity of a changing Chinese identity in the
Malaysian context. They are more concerned with
socioeconomic equality than with the form of Chinese
culture:

some of them are willing to go to the
extent of giving up Chinese-medium
education in the primary schools as long
as Chinese is taught as a mother tongue
subject, and as long as they and their
children can remain Chinese and share
equal rights and opportunities with all
other citizens in the country
(ibid:152).

In his classification, Tan says that the three
categories share the ideal of a Malaysian society in which
Chinese share equal opportunities with Malays. Although the
categories disagree on how the ideal is to be
achieved, one thing is certain: no Chinese in Malaysia wants
assimilation in the sense of losing Chinese identity and
adopting Malay identity (ibid:152). For Group A, the fear
of losing their identity is rooted in their belief of a "pure" Chinese identity; Group B tend to disagree with this static view of Chinese identity but, at the same time, cannot accept integration into the larger Malaysian society "simply because they fear a changing identity may mean a less "pure" Chinese identity" (ibid:153). Even the Group C Chinese, who are in favor of integration and accept the necessity of a changing Chinese identity, also they fear becoming "unChinese."

Furthermore, Tan’s assumption, that all Chinese desire equal opportunities for all the ethnic groups, is also unrealistic, as it reflects the same rhetoric of Singapore’s former Prime Minister Lee Kuan Yew’s "Malaysian Malaysia" during the early 1960s. The Malays rejected the concept of a "Malaysian Malaysia" concept, which advocates equality for all, as they (the Malays) see themselves as being more equal than the other ethnic groups by virtue of their indigenity, hence a "Malay-an Malaysia" is more appropriate. The Malays also considered the "Malaysian Malaysia" concept as a ploy by the Chinese to eventually gain political as well as economic control of the country.

Although I find Tan Chee Beng’s classification more relevant today than Wang Gungwu’s model, it still shares a basic assumption with the latter, that is, that there exist an authentic Chinese identity. In doing so, both
classifications subscribe to the idea of a Chinese "historical identity." This explains the fear in all the three categorizations that an amalgamated Chinese can become less of a Chinese or unChinese. I assert that the idea that there is one authentic Chinese identity is merely a constructed ethnic myth and not a cultural reality.

A belief in an authentic or unadulterated Chinese identity comes with a notion of being superior to others. Rabushka's study of Malaysian ethnic stereotypes in the early 1970s confirms this superiority attitude of the Chinese. He found that the Malays regard the Chinese as very intelligent, very ambitious and quite active, which was close to the Chinese self-portrait (1973:66). The Chinese, however, see the Malays as lacking ambition and intelligence.

In present day Malaysia, the obvious Malay political dominance and their rapid penetration into the economic sector clearly contradicts the accepted stereotypes, creating a dissonance for the Chinese community. So long as the Chinese subscribe to a constructed myth of ethnic purity, refusing accept that some peranakanization has resulted, their identity will continue to be a troubled one.
Construction of the Myth

Before I proceed to show how the Chinese construct their identity, I note some theoretical positions with regards to ethnic identity. It is interesting to see how the main arguments proposed by the two theorists have relevance towards understanding how the Chinese perceive their unadulterated "historical" identity in the presence of Malay dominance.

Firstly, there are the "primordialists," who see ethnic identity as an independent variable, determining interests and strategies rather than being determined by them. Leading the charge is anthropologist Clifford Geertz (7) who regard ethnicity as emanating out of a corpus of basic, elemental, and irreducible loyalties, with a power of their own, whatever the nature of the external social environment (Geertz 1963; Kuper 1971; Issacs 1974). In his own usage, Geertz specifically associates the primordial with ties of blood, descent, kinship, race, birthplace, or territory of origin, which, in his view, gives an ethnic community its distinctive character, unity and strength. It is from the primordial commitment that the special meaning attached to ethnic membership is derived.

In diametric opposition to Geertz's approach are such sociologists as Nathan Glazer and Daniel Moynihan (1975), who tend to reduce all ethnic awareness and action
ultimately to instrumental political and economic interests and strategies (8). The works of Leach (1954), Cohen (1976) and Barth (1969), which have been considered as the watershed of theoretical development on ethnicity, have the same orientation. Leach's study of the Kachin in Burma clearly points out the need to study ethnic groups in the context of the larger system in which they exist. Leach places great weight upon the effects of ecological and economic factors in the shifting patterns of ethnic identity. The theory that the larger social system that is crucial in the anthropological study of ethnicity can also be seen in the works of Cohen (1976). Cohen, in fact, views the study of ethnicity as the study of "intensive struggle between groups over new strategic positions of power within the structure of the new state" (ibid:96). Unlike Cohen's work, which deals with interacting groups, Barth is concerned with how individuals use the concept of ethnic groups to organize interaction between people. Barth views ethnicity in terms of how individuals categorize themselves and interact with others.

A third approach concerns how people can assume different ethnic identities under different social situations (Nagata 1974). The study of situational selection of ethnic identity, or what Paden (1970) calls "situational ethnicity," is important in the study of ethnic
phenomena in multi-ethnic societies. This approach tends to focus more on the criteria used for interethnic relations than on the culture of a particular group. Barth emphasizes this position when he suggests that in studying an ethnic group the focus should be on the ethnic boundary that defines the group rather than the cultural stuff that it encloses (9) (1969:15).

As Keyes (1976) points out, one should not reduce ethnic groups to purely situational phenomena without any cultural distinctiveness of their own. I am of the opinion that the study of an ethnic group and ethnic identification cannot be divorced from the study of culture because individuals of an ethnic group normally make use of cultural attributes to mark their ethnic distinctiveness. Therefore, when two groups share a very similar culture, other minor cultural traits are highlighted to mark their distinctiveness.

It is also necessary to understand the relationship between ethnic group and culture. An ethnic group has been defined as "a collectivity within a larger society having real or putative common ancestry, memories of a shared historical past, and a cultural focus on one or more symbolic elements defined as the epitome of their nationhood" (10). Examples of cultural elements are be physical appearance, geographical contiguity, tribal affiliation, language, or religion. A feature omitted in
this otherwise satisfactory definition, based as it is on subjective feelings of a group’s ethnicity, is the subjective feelings of other groups (11) (Shibutani and Kwan 1965:47). Thus, briefly, the ethnic identity of a group of people consists of their subjective symbolic or emblematic use of any aspect of culture, in order to differentiate themselves from other groups. These emblems can be imposed from outside or embraced from within. Ethnic features, such as language or clothing or food can be considered emblems, for they show others who one is and to what group one belongs.

In light of the above definition, culture, therefore, may be defined as the shared symbolic meanings of specific social units or social collectivities (Burkey 1978:7). Thus, every ethnic group, every society, has a culture. In addition, very few ethnic groups above the level of primitive tribes lack cultural variations based on rural-urban differences, class differences, religious differences, or geographical differences. Moreover, the culture of an ethnic group can change drastically even while the same ethnicity persists. For instance, modern Greeks, or Egyptians have retained very little of their ancient cultures, yet they are still Greeks and Egyptians. Hence, the identification with an ethnic group name is more
important than the culture of a group; the name persists as a symbol, even though the culture changed.

This dissertation argues that the Chinese in Malaysia also have a need for identification with an ethnic group name. "The Chinese have never had a concept of identity" (Wang, 1988:1), only a concept of Chineseness, of being Chinese and of becoming "unChinese." This Chineseness is no easier to define than "Chinese identity" and tends to be defined tautologically. To them, the question of Chineseness is thought to have been a simple one. All who think of themselves as Chinese are Chinese. The Chinese are conscious of their family system, their place of origin in China (which usually determined their dialect), and their ties with other Chinese in China or other parts of the region. These factors provides them with a core of sentiment that can be strengthened and expanded by stories of about the Chinese past and reasons for pride in a more or less abstract "Great Tradition" of Chinese civilization (ibid). The Chinese identity which can be appropriately called "historical" because it emphasizes the way traditional family values, clan origins and sub-ethnic loyalties, as well as symbols of a glorious Chinese past, all help to sustain Chineseness.

Situational ethnicity (12) is possible because of access to different sets of cultural attributes of different ethnic
groups or sub-ethnic groups. However, not all cultural features are crucial for ethnic identification. In fact, in different social situations, different cultural elements are used to stress identity. Furthermore, a cultural element which may be important as a symbol of ethnic identification today may be replaced by another cultural element in the future. This is because the culture of an ethnic group as well as the economic, social and political structures of the larger system change through time. As pointed out by George De Vos and Lola Romanucci-Ross (1982) in their study on ethnic conflict:

Change is a reality of human history. Stability and order exist in social patterning, but human social groups rarely exist in an unchanging environment with unchanging social forms in total isolation each from the other (ibid:38).

Despite the fluidity of one’s identity, in attempting to study an ethnic group, it is possible to identify certain cultural features as crucial for a particular group. These cultural features are of relevance in the sense that most members of the group will accept them as symbols of their identity.

Bearing in mind primordial, strategic and cultural definitions of ethnicity, I am of the opinion that the Chinese in Malaysia, in constructing their Chineseness,
display elements of all three approaches mentioned above. No one approach which is uniquely appropriate, although I lean closer to the position of situational ethnicity and the relevance of culture to understanding the construction of ethnic identity. Hence, I argue that while it is true that at different points in history certain cultural elements were emphasized to assert their Chineseness, other elements have been remained relatively constant.

Before discussing the relatively constant elements, it must be mentioned that in Malaysia, Chinese have never been able to establish a unified community. Intraethnic divisions are evident along the cultural-linguistic, geographical, economic, and political perspectives. Added to these divisions are differences in the degree of acculturation, depending whether the Chinese are living in urban or rural areas. Studies (Tham 1978; Loh 1982; Tan 1985) have also found that education, whether in English or in Chinese medium schools, represent another internal division. Despite these internal differences, there are some cultural elements that are used by the Chinese in the construction of the identity, thus their commonality as a community.

The use of dialects represents an important identification element. Although more than ten dialects are widely spoken in the country, there is a strong push towards
educating the younger generation to speak and write Mandarin. Mandarin is still considered as the mother-tongue and in fact, in post-independent Malaysia, the Chinese view the preservation of their mother-tongue as crucial to the preservation of Chinese identity and culture (Tan 1988a:143). Chinese leaders and educationists have persistently argued that Mandarin is the "soul" of the Chinese identity.

The current push for Mandarin was the result of the widespread use of English during the colonial days and the government's decision to make Malay or Bahasa Malaysia the country's official language in the post-independence years. Today the younger generation of Chinese are unable to speak Mandarin but have an excellent command of Malay and English. Although the Chinese realized the need to master Malay and English, there is also a growing emphasis by parents to teach their children Mandarin. This can be seen in the MCA's "Speak Mandarin" campaign and free lessons that are being offered by Chinese associations and political parties (13).

At the present juncture, the status of Bahasa Malaysia as the national language no longer bothers, or is challenged by the Chinese community. One reason for not protesting the use of Bahasa Malaysia has to do with the enactment of the Seditious Act in August 1970. This Act makes it illegal to
criticize the relevant constitutional clauses pertaining to the national language, special rights of the Malays and other indigenous people, the status of the Sultans or royalty, and the citizenship rights of the immigrant population. Furthermore, since all the students attending national primary schools have been taught in Bahasa Malaysia, many of them are now much more comfortable and familiar in using Bahasa Malaysia (Loh 1981:69). The use of Bahasa Malaysia is no longer an issue of contention within the Chinese community, as it has increasingly become the common language for communication among the different ethnic groups, officially or in daily activities.

Religionwise, the Chinese still practice many faiths - Buddhist, Taoist or Confucian. "In their religious practices and beliefs they are eclectic, choosing to worship both Buddhist and Taoist deities, heroes or Bodhisattvas, and performing the ancestral rites associated with Confucianism" (Means 1970:30). It must be noted that with the increasing number of Western educated Chinese, many traditional Chinese beliefs are gradually dying or being undermined, especially with the popularity of Christianity in the community (14). "Likewise, an ever growing number of people are secular to the point of professing no religious beliefs, while some Chinese are seeking to re-evaluate the essentials of their religious traditions, separating them
from the great mass of superstitions, lore and legend that typifies so much of the Chinese religious beliefs" (ibid: 30).

Regardless of religious orientations, most Chinese continue to participate in major traditional festivals and celebrations observed in China. The moon-cake festival, the lantern festival, and the fifteen-day Chinese New Year celebrations are examples. It is the lore and legends of Chinese history and literature that provide the sense of unity, and reasserting ties that bind the Chinese community despite their internal divisions.

Loh observes that of late, there is a revival of traditional Chinese religious festivals (1981:71). He states that "it does not appear that the revival of the celebrations is simply a revival of increasing religiousness among the Chinese" (ibid). I believe that the festivities serve to assert Chineseness, countering attempts by the government to define a national Malaysian culture. Although the government has not stated what constitutes the national culture, to the Chinese, all indications point to a Malay cultural flavor. Former Education Minister Musa Hitam, was quoted saying (in 1974) that "[c]ulturally, and I have stated this time and again, the basis of integration is Malay - not because of racial arguments but because of the fact that the so-called Malay culture heritage is already
the most Malaysian one that one can find in Malaysia...Just as we are wearing Western dress now and taking it for granted, in time to come, wearing the songkok (Malay headwear) will be accepted as Malaysian" (Cheong 1974:142). The declaration by former Minister for Home Affairs, Tan Sri Ghazali Shafie, that the Chinese lion-dance was not considered part of the Malaysian national culture further reinforced the emphasis given to the Malay culture (Tan 1980:150-154). In response to Tan Sri Ghazali’s statement, the Chinese lion dance has became more frequent during festivities, as it has become an important symbol of Chinese ethnicity.

The sense of identity is also seen in the subject of marriage, where the Chinese have a tradition of being "racial purists" (Clammer 1979:4). Intermarriage (especially to the Malays) is very uncommon and not encouraged by parents or relatives. During the coolie days, there was a shortage of Chinese women, as only men were recruited for work, and many of the men did not stay for more than six months in the country. However, when balance of the sexes improved, the Chinese decided to remain in Malaysia. Gullick (1986:57) notes that in 1911, the ratio of men to women was 4:1. By 1947 the ratio improved to 10:8, partly as a result of increased female migration during the 1930s, when male immigration was virtually
prohibited. Many Chinese women also came to work in the tin mines but eventually married within the community. Inbreeding remains a major obstacle to motivate assimilation between the Chinese and Malays.

Closely tied to the purist attitude, another factor that hinders inbreeding is the Chinese community's sense of superiority over Malays. By actively pursuing the division of labor along ethnic lines, the British perpetuated the colonial stereotypes of the enterprising immigrant vis-a-vis the indolent native. As observed by Silcock (1959:183):

The Chinese firmly believe that their wealth and Malay poverty are the natural consequences of Chinese industry, thrift and adaptability to modern ways, and of Malay indolence, thriftlessness and conservatism.

The colonial stereotyping created a feeling of inferiority in the minds of the Malays, who thus accepted the mass immigration of non-Malays to perform the economic roles. When the immigrants and the Malays begin to internalize the self-fulfilling prophecy of the racial stereotypes, the result was a perception of Chinese superiority versus Malay inferiority (15). With such strong overtones of superiority/inferiority between the two ethnic groups, intermarriage became a rarity.

Furthermore, the fact that non-Malays must embrace Islam if they take a Malay wife is another deterring factor. As
pointed out earlier, conversion to another religion should not make one less Chinese (16), as seen in the case of Christianity, so long as the two individuals are ethnically Chinese. However, if one partner is of another ethnic group, the purists and superiority perceptions of the Chinese people are brought to bear. There have been instances of such intermarriages, but the mixed couples suffer from the scorn and ostracization of family and friends in the Chinese community.

Despite the retention of these cultural elements, which the Chinese see as a manifestation of their Chineseness in a Malay world, the identity of Chinese in Malaysia remains very much a myth that they have created for themselves. As defined by Roland Barthes (1987:109-154), "myth hides nothing and flaunts nothing, it distorts; myth is neither a lie or a confession, it is an inflexion" (17). This inflexion can be seen in the formation of Chinese identity, not just in Malaysia alone, but also in other multiethnic states (18).

Peranakanization of the Chinese

I believe that the Chinese identity in Malaysia is different from that in China because some degree of amalgamation has resulted with the local Malay culture. To use David Wu's (1991) term, the process of peranakanization
has occurred. As stated by Wu (ibid:172-177), even though the overseas Chinese have incorporated some of the values of the indigenous people, they have not lost their sense of having a Chinese identity due to politics and the conventional thinking about race and culture. Furthermore, the Chinese-oriented identity will continue so long as Chinese intellectuals and community elites - in Singapore, Taiwan, Hong Kong, United States and China - continue to recognize its significance. Such an interpretation is very relevant to the understanding the construction of the Chinese identity in Malaysia.

Take the case of the Baba Chinese. Much controversy surrounds the origins of the Baba Chinese, as there are no records, such as marriage certificates or other documents or accounts of their social history (Chia 1980:viii). It has been widely asserted (Purcell 1951:37) that the Baba Chinese, or Straits Chinese culture and society, and in particular its synthesis of Chinese and Malay elements, originated from intermarriages between Chinese males, traders by profession, who settled in Malacca from the fifteenth century onwards, and local Malay women (19).

Clammer (1979:17) has disputed this view, stating that "Babas are a political, rather than a cultural, phenomenon - that is, they were originally a product of the social relations of a colonial society based on a rigid system of
stratification which, however, encouraged a certain degree of accommodation from groups who were prepared to take the step (which was not, in those days, a risky one) of identifying their interests with those of the colonialists" (ibid:17). He argues that the Babas have their own identity, which they regarded as essentially Chinese (and indeed purer than that of the peasant immigrants from China). "Below the seemingly Malay exterior [other than in terms of physical appearance, which is distinctly Chinese] one finds a basically Chinese identity. The Babas, in other words, possess a Malayanized culture, but a fundamental Chinese ethnic affiliation [hence, their identity]" (ibid:10). Clammer contradicts other works, which propose that the Baba Chinese have become more Malay and less Chinese, and thus have been referred to as a Malayanized Chinese or sinicized Malay (20).

It is obvious from the discussion of the Baba culture that, despite their insistence that they are of Chinese ethnicity, some degree of amalgamation with the Malay culture has taken place. I feel that Baba insistence of a Chinese identity has to do with the notion of the need to belong "to a great Chinese civilization." This sense of belonging is seen in the Chinese community's subscription to a "historical identity" and the tendency for other ethnic groups to compare unconsciously the overseas Chinese to an
invisible static model of "traditional" Chinese identity, thus reinforcing the notion of a common identity that binds overseas Chinese all over the world with regards to their Chineseness.

I argue that such a notion of the Chinese identity is a fallacy which perpetuates the concept of the "great Chinese civilization" (21) and allows scholars to determine if one has become less Chinese. Until recently, Gosling (1983:13) comments, the Chinese in Southeast Asia have become increasingly "Southeast Asians" rather than "Chinese." Does he mean that the Chinese have become less Chinese? But then, less Chinese than what? Maybe he is saying that while Chinese have developed a more Southeast Asian orientation but are no less Chinese in their own subjective experience? The same argument applies to the Baba Chinese and how the have become more Malay and less Chinese.

Just like the Baba culture, I am of the opinion that some degree of amalgamation must have also taken place for the so-called "pure" Chinese in Malaysia. The same applies to overseas Chinese elsewhere in Southeast Asia. There may exist that label "Chinese," but the content of that label, that is, the nature of being Chinese, differs from country to country and even from region to region. The Chinese may share certain common cultural traditions but the details of
these traditions differ in one way or another, depending on where the Chinese live.

In other words, I would use the concept of peranakanization to describe what has happened. Wu (1991:172) asserts that the peranakanization process has occurred repeatedly throughout the history of the Chinese people. In the case of Malaysia, apart from the Baba culture, he notes the manner in which the Chinese in Malaysia "have included Malay gods, spirits, and non-Chinese figures into their traditional Chinese cosmology and religion. In other words, although the Malayan Chinese continued to live as Chinese on foreign soil, many foreign elements became part of their existence" (22) (ibid:173). I would add that, several Malay dishes have made their way into Chinese cuisine (23). Even in the Chinese dialects, some Malay words - roti (bread), kopi (coffee), mee (noodles), sayang (love) - have entered the daily vocabulary without much fuss and notice. I would argue that the Chinese in Malaysia have managed to remain Chinese in their consciousness and their cultural manifestations, but some degree of peranakanization has also taken place after their long history in the country.

As mentioned earlier, since change is inevitable, it follows that the identity of the Chinese in Malaysia will acquire some local characteristics, and that ethnic identity
and models of culture will continue to be dynamic. As noted by De Vos and Romanucci-Rossi (1982:xiii):

With respect to the controversy about the saliency of rational versus the irrational components of ethnicity, we maintain that an ethnic identity is composed of both. On the one hand, there are rational expediential usages of a political and economic nature which one finds today in many ethnic groups. On the other hand, there are certain irrational features which can be demonstrated to be counter to the group's immediate or ultimate best interests. It is the fact that there is this tension between the rational and irrational that creates internal conflict in many individuals - the dilemma of continuity versus change.

Ethnicity, hence, is also not a fixed or static entity but "a dialectical phenomenon...in a continuous state of tension between the influences of tradition and the demands of modernization" (Clammer 1986). Therefore, if change is inevitable, then it is normal and natural that the Chinese in Malaysia acquire local characteristics, and that their identity and models of culture and hence, race relations, will continue to be dynamic. Before I proceed further, let me first discuss briefly the various models of race relations with respect to Chinese identity in the Malaysian polity.
Models of Race Relations: Where Does Malaysia Fit?

Theoretically, five possible directions could be followed by a multicultural Malaysian state (Table 2). The first would be a Malay-based nation through the encouragement of assimilation to Malayness (see Gordon 1964; Dahl 1967). This model has an economic flavor to it and assumes that "ethnic politics is a transitional phenomenon that will fade away when the economic gains posted by members of an ethnic group are grounds for complacency" (Haas 1987:648). Thus, for assimilation, it is a given that ethnics in time will shed the orientations of their root cultures for the host culture (24).

Gordon (1964) believes that the assimilation process involves a series of subprocesses (Table 3). According to him, assimilation can be divided into several parts. First, there is what is known as the behavioral assimilation or acculturation, in which the individual tries to behave like the local inhabitants of the host country. In other words, the newcomer accepts the cultural norms and behaves outwardly like a native person. On the other hand, with structural assimilation, the immigrant becomes involved in primary and secondary relationships with the natives. Most immigrants tend to have structural relationships that are of secondary and impersonal type. However, in the primary relationships, in which the immigrant establishes close
<table>
<thead>
<tr>
<th></th>
<th>Cultural</th>
<th>Economic</th>
<th>Political</th>
</tr>
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<tbody>
<tr>
<td>Separatist Pluralism</td>
<td>Communalism</td>
<td>Communalism</td>
<td>Communalism</td>
</tr>
<tr>
<td>Amalgamation (Peranakanization)</td>
<td>Melting Pot (Malaysianization)</td>
<td>Interdependence (Ali-Baba Businesses)</td>
<td>Coalition Government</td>
</tr>
<tr>
<td>Assimilation</td>
<td>Malay-nization</td>
<td>Racial Exploitation (New Economic Policies)</td>
<td>Malay Hegemony</td>
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<tr>
<td>Cultural Pluralism</td>
<td>Multiculturalism</td>
<td>Elitism (National Development Policies)</td>
<td>Marginalization</td>
</tr>
<tr>
<td>Westernization</td>
<td>Western Pluralism</td>
<td>Free Market Economy</td>
<td>Democracy</td>
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</tbody>
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Table 3

The Assimilation Variables

<table>
<thead>
<tr>
<th>Subprocess or Condition</th>
<th>Type or Stage of Assimilation</th>
<th>Special term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of cultural patterns to those of the host society</td>
<td>Cultural or behavioral assimilation</td>
<td>Acculturation</td>
</tr>
<tr>
<td>Large-scale entrance into cliques, clubs, and institutions of host society, on primary group level</td>
<td>Structural assimilation</td>
<td>None</td>
</tr>
<tr>
<td>Large-scale intermarriage</td>
<td>Marital assimilation</td>
<td>Amalgamation</td>
</tr>
<tr>
<td>Development of sense of people-hood based exclusively on host society</td>
<td>Identificational assimilation</td>
<td>None</td>
</tr>
<tr>
<td>Absence of prejudice</td>
<td>Attitude receptional assimilation</td>
<td>None</td>
</tr>
<tr>
<td>Absence of discrimination</td>
<td>Behavior receptional assimilation</td>
<td>None</td>
</tr>
<tr>
<td>Absence of value and power conflict</td>
<td>Civic assimilation</td>
<td>None</td>
</tr>
</tbody>
</table>

Source: Gordon (1964)
personal friendships with the native people, intermarriage may be an end product.

According to Gordon, primary structural assimilation seldom develops for the first generation of immigrants. True assimilation usually occurs in the second and third generation, as the immigrants would have ventured out of their cultural enclave and develop primary relationships with the native residents. What follows is the inevitable conflict between the first and later generations, as the latter are embarrassed by the old ways of their parents. Although there are different rates of assimilation, it is through this process that immigrants come to share a common culture with the native people.

An examination of the Malaysian government’s policies will show that the assimilation model is highly favored. The most pervasive policy is the NEP, especially with regards to education and language issues. Nagata (1979:222-223) points out that evidence of "Malay assimilation" abounds, and UMNO leaders have been "explicit in asserting that our national culture must reflect Malay culture." To the Chinese community, the Malay leaders today still harbor the desire for "Malay assimilation," as seen in the continuation of the Malay-biased preferential policies, the use of symbols and regalia to represent Malaysia which are predominantly derived from Malay culture, and more recently,
the incorporation of aboriginal, tribal population into the single rubric of "Malays" through the oscillation among Muslims to Malay status and back (25).

The second possibility for Malaysia is the model of amalgamation. Amalgamation theory states that through intermarriages or miscegenation between ethnic groups, a blending of their cultures would result, that is, "the melting of all of the root cultures into a common pot, wherence a new culture would emerge" (Haas 1987:649). Under the "melting pot" theory, amalgamation would entail the development of a new "orthogenetic" Malaysian cultural and national identity through the generation of a hybrid Malaysian culture, composed of traditional elements of all the major communities (26). Many official exhortations to "national unity" could be interpreted to be in favor of this alternative, a "synthetic" culture composed of elements of all the principal cultural heritages of Malaysia's various communities or better known as the "Malaysian mosaic" (27).

However, the problem is grappling seriously with the assignment of making decisions about the meaning of being "Malaysianized" without first predicating a Chinese, Malay or Indian identity. As noted by Haas (1987:649), in practice assimilationism and amalgamationism were nearly identical. For example, in the United States, "[s]ince the Anglo power structure proceeded to define the content of
"American culture," the supposed shift from Anglo-conformity to Americanization was purely cosmetic" (ibid). In the case of Malaysia, the Malays represent the "neural" host society to which all other communities would gravitate towards Malaysianization. In practice, however, for both religious and other reasons, the "melting pot" approach is not workable in Malaysia.

Although the idea of culture "that is not Malay, Chinese, or Indian, but one that is truly Malaysian" may prove difficult in interpretation and implementation in Malaysia's ethnically explosive climate, it is still constantly promoted by some politicians. Nagata (1979:22) points out that the "melting pot" model, "has a certain political appeal and lends itself to much fine rhetoric." It is therefore not surprising that, despite obvious communal foundations, all the major political parties claim to be multicultural and multiracial at heart.

Despite the ideals of the "melting pot" thesis, it has not been not widely accepted. Many assumed that a great loss would be incurred by asking the various immigrant groups to give up their previous cultures (Berry and Tischler 1965:263). To quote an early historian, cited in L. Wirth's book on Chinese immigrants, The Ghetto (1928:127), expressed this position:
The great danger of modern times is the tendency toward what may be termed Chinesism, a fatal and monotonous similarity and mediocrity invading all sections of national life. The growth of intercommunication is giving a common set of ideas and ideals to the whole world, and making it more and more difficult for any special culture like the Irish, or the Japanese, or the Jewish, to hold its own. Every such specific culture that disappears would make the final form of humanity, which seems so rapidly approaching, less rich and manifold.

A revised version of amalgamationism by Nathan Glazer and Daniel Moynihan in their book, *Beyond the Melting Pot* (1963), argues that ethnic groups are able to maintain their cultural distinctiveness although the root cultures are no longer intact. To Glazer and Moynihan, amalgamation does not necessary lead to assimilation, which I take to mean adopting a new ethnic identity and dropping the old one. This understanding of amalgamation is closer to the *peranakanization* process whereby the Chinese in Malaysia are culturally different from other overseas Chinese or Chinese in China - the reason for the difference being that the Chinese culture in Malaysia has become *peranakanized* but not to the extent that the Chinese have fully assimilated into the Malay culture and abandoned their Chineseness. Wu (1991:72) uses the term acculturation to refer to the *peranakanization* process although amalgamation, as defined by Glazer and Moynihan (1963), is also applicable. I prefer
to use the term amalgamation rather than acculturation as the latter is a form of assimilation, so it cannot be a distinguishable alternative (see Gordon, 1964). According to Gosling (1983:18), the peranakanization process involves a set of conscious strategies designed to minimize the visibility of Chinese cultural elements while highlighting those cultural elements adopted from the indigenous culture (28).

The alternative to the two models is the ideology of cultural pluralism (see Newman, 1973) whereby each of the major communities maintains its essential cultural distinctiveness and institutional separateness. "As developed by Horace Kallen, a culturally pluralist society lives in separate peaceful coexistence" (Haas, 1987:649). In Malaysia, scholars have argued that this model appears to be the one that approximates most closely present status quo of race relations. I would agree with them that as long as the ethnic groups are allowed to pursue their separate goals within the framework of their own culture and social institutions as three parallel sub-societies, this is certainly a workable model.

However, such is not the case in Malaysia, as there is no freedom for all to gain access to the same opportunities in the country. In reality, I assert that the fires of ethnicity are being fanned, and not extinguished, by the
ethnic differences in the society. Instead, cultural pluralism takes the form of separatism - the fourth model in Malaysia's ethnic relations. Separatism refers to a dominant group's use of force or coercion to impose restrictions and limitations on a subordinate group with the intention to discriminate. Intentional efforts to restrict subordinate groups stem from two basic perception of reality: the perception of advantage and the perception of threat. The advantages sought by the dominant group could be economic, political and/or psychological, while subordinate groups may be perceived as a threat in terms of the competitive ability, their potential for revolt, or a belief that they have been engaged in subversive activity.

A distinction must be made between separatism and the concept of segregation. "Many people regard segregation as a form of partial ostracism, superimposed on a minority by the dominant group; and it is often treated as though it were synonymous with discrimination" (Berry and Tischler, 1965:336). Segregation involves unequal treatment and is commonly a condition imposed upon one group by another. However, unlike separatism, segregation need not include coercion or discrimination. In many instance, segregation is voluntary. For instance, ethnocentrism has often prompted a group to isolate itself in order to preserve what
it regards as the purity of its racial stock, or to avoid assimilation, or to perpetuate and protect a way of life. "Segregation is essentially a pattern of accommodation, which assumes a wide variety of form and is the product of mainly complex political motives" (ibid:336).

Malaysia's ethnic relations is closer to separatism as seen in the introduction of the preferential NEP and NDP, the implementation of ethnic quotas on university entrance, on the award of scholarships, and the favoritism shown by the government towards Malay businesses. The discriminatory practices are intentionally instituted despite strong protests from the non-Malay communities. In no way is ethnic polarization in the country a voluntary segregate exercise by the ethnic groups. Rather ethnic polarization is caused by the separatist ideology of the dominant Malay government.

The final alternative takes into consideration the impact of the West. It highlights the assimilation into a more Westernized culture and style of life that would transcend local and traditional cultural and social differences. While the Singaporean society is the closest example of this model, the same cannot be said of the Malaysian society (29). Although Western values have penetrated the Malaysian society, their impact is rather limited. "In Malaysia...it is only on the elite level that
any dilution of ethnic loyalties by Western ones is evident, and more commonly among the ranks of the modern bureaucrats and professionals than those of either the traditional Malay aristocracy and royalty or of the old-style Chinese and Indian merchants" (Nagata 1979:226). Usually the elites that will continue to be relatively more cosmopolitan and Westernized than those of lower social and economic status, so as a solution to race relations of the Malaysian state, this model does not seem to be a realistic prospect.

From the brief discussion of the various models, I assert that there is no one specific model that best categorizes the Malaysian polity. In fact, I would argue that all and none of them could be adduced at different times and places. My proposition is that for Malaysia, ethnic relations lie between assimilation and amalgamation (peranakanization) but with a stronger leaning towards amalgamation. For the Chinese in Malaysia, the amount of amalgamation that occurs in specific circumstances and the particular form that it takes are obviously quite variable.

As mentioned earlier, amalgamation involves the retention of some core elements of the Chinese culture and the "borrowings" of some cultural items from the indigenous society. There is a distinct tendency to place borrowed elements in what Goffman (1969) terms "front-stage," where they are highly visible to members of the indigenous
population, reflecting a conscious strategy in which the Chinese community seeks to make itself acceptable to ensure a degree of social stability and an atmosphere conducive to pursue other pertinent activities in economic or politics. Examples of amalgamation are the Chinese community’s adoption of Malay dress, food, language, and rules of courtesy "front-stage," while retaining Chinese patterns of social organization, food, ancestor worship and language "back-stage" (30). However, if conditions change significantly, instead of amalgamation, resinification among the Chinese results, thus aggravating the ethnic tension in the society.

In fact, the current state of communal affairs in Malaysia may push the Chinese community towards resinification, thus taking race relations back three decades. It is true that Malaysia evolved from a Malay polity, and the overt articulation of the Malay, or Bumiputra, or Islamic identity, emerges from a sense of insecurity as a consequence of political, economic and social developments. I believe it is for these reasons that the Malay community is afraid to embrace the Chinese and other ethnic groups fully, to assimilate them totally. It is afraid of granting complete equality to the minorities – lest it should be overwhelmed.
However, such fears and apprehensions, it should now be obvious, have given rise to a variety of national policies in almost every sphere of public life. In the eyes of the Chinese, these policies spell the birth of the ideology of bumiputraism, the ultimate justification for endless discrimination favoring separatism. To the Malays, the policies are merely to correct a historical wrong, to guarantee them their rightful place in the Malaysian society, politically, economically, and socially. The Malays see the Chinese as the exploiters, ready to seize power and subjugate them, believing that the Malay race determines nearly everything in their lives. Being a Malay means their actions somehow reflect on those of the entire race; what happens to one affects all, hence, they must constantly prove themselves.

The Chinese, in turn, feel they are the victims of history. They do not recognize that they have wronged the Malay community. How could they be a threat to the Malays, when they have been loyal to the Malaysian government and contributed economically to the nation's development? With the implementation of discriminatory policies, the Chinese see their status as no better than "second class citizens." Unfortunately, the vested interests that have multiplied around this bumiputra ideology are determined to preserve and perpetuate ethnic identity at all costs. This, I
believe, is what prevents the Malays from supporting, or even understanding, some of the grievances, whether justified or baseless, of the Chinese and other ethnic communities. And so long as Malays are insensitive to the plight of the Chinese, I am confident that the grievances will continue and become louder.

I would add that there is no denying that nation-building is a long and painful process. To ensure meaningful nation-building and national unity, it is necessary for ethnic groups to accommodate one another politically and to have a general agreement on the direction of nation-building. As far as the Chinese are concerned, their "ideal" role in the society is to have a realistic vision of their place in the Malaysian polity. In the effort to shape their own changing identity, it is necessary to view this identity in the overall context of the multiethnic Malaysia with proper understanding of, in particular, their own as well as Malay aspirations. The same logic applies to the Malays as well.

Conclusion: Amalgamation (Peranakanization) versus Separation

From the above discussion, I am of the opinion that since change is inevitable in ethnic relations, then it is normal and natural that the Chinese will continue to acquire more local characteristics, and that their identity and
models of culture will continue to be dynamic. For me, amalgamation as defined by Glazer and Moynihan (1963) or as referred to as peranakanization by David Wu (1991) describes a change in the behavioral aspects, of incorporating cultural elements from another ethnic group. "In practice there is, of course, a certain amount of cultural borrowing by each of the cultures from the others - in food habits perhaps, in fashions certainly - but these never approach the level of assimilation" (Clammer 1986:18).

Gordon (1964) considers amalgamation as only one form assimilation (Table 3), thus assumes that amalgamation would eventually lead to assimilation (see Murphy, 1984:845-854). Skinner’s (1957, 1958) studies in Thailand supports Gordon’s position in that he (Skinner) asserts that the Chinese developed more Thai characteristics over time and ceased to be Chinese and become Thai (1957:319). Skinner’s thesis assumes that amalgamation will automatically lead to assimilation, hence his view that there is a loss of the Chinese identity (1958:319), and that "the only future of the local-born Chinese in most of Southeast Asia is to assimilate completely to indigenous society" (1960:100).

According to Treske and Neslon (1974:364), the assumption by the assimilationist view that amalgamation will inevitably lead to other forms of assimilation is not necessarily true. I believe it is inappropriate to use the
term assimilation to refer to both the change in cultural aspects (that is, incorporating cultural elements from another ethnic group) and the adoption of a new ethnic identity and dropping the old one. I find Skinner's conclusions misleading, as it is possible for amalgamation to take place minus assimilation. The Baba culture in Malaysia is a good example of my position, where the Babas have married Malay women and adopted Malay values but yet remained Chinese in identification (31).

As such, the assimilationist view is questionable even though political and social elements, especially in countries like Thailand and Indonesia, make it easier for Chinese individuals to assimilate into the indigenous societies. While there may be Chinese individuals assimilating as Filipinos, Thai or Indonesians, mainly through intermarriages, it is doubtful that the Chinese in Malaysia, at the group level, will become totally assimilated by the indigenous people. Amalgamation (Peranakanization), rather than total assimilation, provides a more useful understanding of the change in the ethnic identity of the Chinese community.

According to Gordon (1964), "structural assimilation" can only be said to have taken place when minorities (immigrants in Gordon's American case study) are fully integrated into the social network of the host society at
the primary group relationship level. In his model, then, assimilation is the process of the absorption of individuals from minority ethnic groups into the social structure of the majority group. What I like to point out is that this process is not happening in Malaysia. It cannot be denied that individuals could become assimilated through intermarriages, or religious conversion, or both. But that is rather the exception than the rule in Malaysia. Why is this so?

One reason is the lack of compatibility between the ethnic cultures, especially between the Malay and Chinese communities. The ethnic communities differ not only in basic cosmology but also world-view and even the identity of the person (see Osman 1985). The only exception is when cultural assimilation takes place as a result of adoption in childhood. In the case of intermarriages, which are few and far in between, it is interesting to note that a high proportion are intrareligious (Hassan and Benjamin 1973).

The second reason has to do with the ideology of cultural pluralism in Malaysia, which might be summarized as integration at the secondary (political level) and separation at the primary (personal) level. Malaysia’s multicultural pluralism has no consideration for the possibility of assimilation at all; at the social interaction level, Malaysia’s multicultural ideology is best
described as "closet communalism." When the member of two or more ethnic groups are present in a social situation, everything is fine and there is no hostility of any sorts between the Malays and Chinese. But within one's own group, there is only vociferous ethnic complaints and ethnic gripes. A common expression for closet communalism is being "two-face" - the superficial face shown to outsiders, and the one that reveals your true colors you show to your own kind.

Under such circumstances, amalgamation occurs but never to the point of full assimilation. The common political-economic framework is thus shared, while pluralism still prevails at the social level. This situation is in no way contradictory, as an equilibrium is maintained: the political-economic level ensures that resources are shared accordingly with all ethnic groups, while ethnic activities are restricted to private or to "public symbolic" occasions (for example, National Day celebrations). Unfortunately in Malaysia, there is a tendency for the ethnic groups to exceed the publicly undefined but well-recognized boundaries, hence giving their activities a strong ethnocentric orientation, leading to the aggravation of the tense ethnic relationships.

In line with my argument of amalgamation by the Chinese in Malaysia, I agree with David Wu's assertion that "recent
studies have shown that the existence of a superior Chinese culture is, at best, a myth" (1991:162). He says that the "Chinese people and Chinese culture have been constantly amalgamating, restructuring, reinventing, and reinterpreting themselves: the seemingly Chinese culture has been in a continuous process of assigning important new meanings about being Chinese" (ibid). Unfortunately this cultural change is not obvious to the Chinese people, who are caught up with the preservation of their Chineseness in a foreign environment.

I would propose that in less intimidating foreign environments, politically and socially, it is easier for the Chinese to come to realize that some amalgamation (peranakanization) has resulted with the host culture (32). However, in Malaysia, where the Chinese are constantly reminded of their ethnicity by the Malay-dominated government through the implementation of various preferential policies, there is a great tendency for the Chinese to become blind to the acculturation process, resulting in an outright denial of any possibility of acculturation with the Malay culture.

In such a hostile environment, what has resulted is a fear among the Chinese of being incorporated into the Malay world, which leads an urgent need for resinification. "Where assimilation into the indigenous culture is
difficult, there has been a recent trend for the diverse Chinese to establish a common identity. This is mainly the case in Malaysia, where it represents a response to the decreased value of various intermediate acculturated [amalgamated] identities, and where ethnic policies and politics cause the Chinese to seek communal solidarity as an alternative to the flexible and adaptive strategies used in the past" (Gosling 1983:13).

Therefore, the Chinese in Malaysia become less conscious of the cultural construction that is happening and instead are preoccupied with reinforcing the myth of an unadulterated Chinese culture. It is for this very reason that ethnic relations between the Chinese and Malays in the country have continued to work against the creation of a "Malaysian Malaysia" identity: the clamor for individual ethnic identity remains strong. The quest for an authentic Chinese identity will continue to be a critical hindrance to national integration in Malaysia so long as "Chinese intellectuals and community elites overseas continue to recognize its significance. Despite continual cultural change among the peripheral Chinese, the official interpretation of their Chineseness will sustain their meaning of being Chinese" (Wu, 1991:177).

I assert that it is a fallacy of many scholars to continue to compare the identity of the Chinese and the
expression of their Chineseness to an invisible static model of a "historical" Chinese identity, a mindset that fears that the Chinese will become less Chinese as they become more and more assimilated into the Malay culture. But if one is less Chinese, again, my question is "Less Chinese than what?"

A final remark is that in discussing theories of ethnicity, cases like Malaysia may not fit a specific universal model. Existing Euro-American theories may not be completely applicable to societies where the cultural, political and historical background is radically different. Malaysia, therefore, provides another possible model for understanding the management of ethnic relations in a multicultural society.
ENDNOTES

1. For a discussion of Baba society in Malaysia and Singapore, Clammer (1979) provides an argument contrary to that of the widely asserted view that the Straits Chinese culture and society originated from intermarriages between Chinese males, traders by profession and local Malay women (see Purcell 1967). The research by Prof Tan Chee Beng on the Baba community in Melaka is also helpful (1988).

2. In the 1980 census, the total number of China-born Chinese represent only 6.5 percent of the total Chinese population in West Malaysia, while 98 percent of the Chinese above 12 years of age are citizens of the country (Department of Statistics, 1983:59, 154).

3. Interview with Penang UMNO state chief Dr Ibrahim Saad, who is also the deputy Chief Minister of Penang, August 1991.

4. Taiwan today has overtaken Japan as the main foreign investor in Malaysia. The King of Malaysia made a historical visit to China in September 1991, first such visit in twenty-three years.

5. The Malaysian Communist Party officially surrendered to Malaysian and Thailand officials in 1989 at a ceremony held in Baling.

6. They have their counterparts among the Malays, that is, those who refuse to see the aspirations of the non-Malays and recognize their legitimate rights in the country.

7. The role of the primordial in shaping ethnicity was first introduced by Shils (1957), who defined it as the most "basic, intensive and comprehensive of attachments," the source and motivating force if a particularly compelling kind of human association (the primordial Bund).

8. In a Marxian vein, some scholars (Wallerstein 1972; Patterson 1975; Stavenhagen 1975) view ethnicity as a function of the economic base or infrastructure and, in turn, of the class structure of society.

9. Barth was merely trying to articulate the problems of making objective definitions of ethnic groups when he called for attention to the boundaries of ethnic groups. He seems to be saying that we cannot define ethnicity solely on the basis of overt cultural features. This is perfectly logical and acceptable.

11. Paul Brass (1974:8-9) rejects the subjective element in an "ethnic group" and reserves the term "community" for ethnic groups whose members have developed an awareness of a common identity and have attempted to define the boundaries of a group. If a "community" mobilizes for political action, it is called a "nationality" or "nation." On one definition a "communal group" is essentially the same as an "ethnic group" but with the added feature that the group is politically active or politically significant (Robert & Wolpe 1974).

12. In addition to situational ethnicity, there is also "impression management" and "alter casting." The addition of these terms acknowledges that people recognize the advantages of having more than one identity and being flexible enough to choose the one appropriate to the occasion. It also acknowledges that some individuals and groups actively use their identity and are not just passively cast into a category.

13. The Mandarin classes have been targeted at the urban Chinese population, who tend to be English-educated and do not have much opportunity to learn Mandarin at home, as their parents are also English-educated and non-Mandarin speaking.

14. Today, many churches cater to the non-Western educated Chinese population. Church services with psalms and hymns translated into Mandarin, are becoming popular among the Mandarin-speaking population.

15. The stereotypes of the ethnic groups are very much alive today, although the government is working towards changing the mental images through the use of the mass media.

16. Conversion to Islam does not also make one a Malay. This remains a controversial issue in Malaysian politics as new converts are not given the same special rights as the indigenous Malays and, hence, are not considered as Malay.

17. See Royce (1982) for a discussion on myth and reality.

18. For an insight into other countries with similar problems, see Milne (1981).
19. Tan Chee-Beng (1983:56-78) noted the early Chinese settlers also married Indonesian women, especially Balinese women, who were not Muslims.

20. For an excellent discussion, see Tan (1988b); Suryadinata (1986); Chia (1980).

21. This idea of a "great civilization" stems back to the notion that China was the center of the world and that the rest of the people outside the Great Wall were barbarians.

22. Anthropologist David Newell notes that in north Malaya, Chinese peasants worshipped local tutelary gods. "One family has built four shrines to the local gods in each corner of their property. In other cases, the earlier Malay inhabitants of the land have worshipped a tree or other object believed to have mystical power, and the Chinese inhabitants have continued to worship the same object". In the present day, it is not uncommon to find Chinese women consulting Malay mediums on their fortunes.

23. A good source on Baba lifestyle is by Chia (1980).

24. Thailand, Cambodia and the Philippines provide good examples of assimilation by Chinese into a foreign culture. In all these countries there is a definite association between relatively small Chinese populations and assimilation. In the case of Thailand, the number of similarities between Thai and Chinese cultures played a major part in the assimilation process.

25. The term "melting pot" was taken from a play by Israel Zangwill (1921). In this play, a Jewish violinist falls in love with a non-Jewish young woman from Russia. At one point in the play her father comes to visit the United States and is introduced to the Jewish youth. The young man faints when he encounters this man. This individual has been the leader of a pogrom in Russia that had caused the death of the young man’s father. The love affair is threatened, but eventually love prevails. The story gave Zangwill the opportunity to proclaim that America is a great melting pot in which Old-World hates were boiled out and new individuals emerged.

26. In Sabah, the aborigines - who are Christians in faith - can join the UMNO party - as of 1992 -, as the government now recognizes them as bumiputras by virtue of their indigeneity. This development is interesting, as membership into the UMNO party has always been limited to only Malays of the Muslim faith. By recruiting the Christian aborigines into UMNO, they have suddenly become part of the Malay
ethnic group. Political analysts see this decision to incorporate the aborigines as a calculated political move to boost the UMNO party's membership so as to wrestle power from the present ruling party in Sabah, the PBS party, under its Christian leader Pairin Kitigan. The PBS, in the last election, made a sudden exit from the Barisan Nasional party to join forces with the opposition coalition. The Prime Minister Dr. Mahathir had described this move as a stab in the back and vowed to win control of the state. Although this decision of the government applies only to Sabah, it shows the flexibility of the use of religion and ethnicity to suit a political objective. This strategy in Sabah fits into what Nagata (1979:221) calls "census assimilation," whereby from decade to decade there has been a progressive reduction of separate categories for Arabs, Pakistanis, Ceylonese and so on to be replaced by the single rubric "Malay."

27. Haas argues that assimilation and the melting pot theory in practice are nearly identical. He claims that since Anglo power structure proceeded to define the content of what "American culture" is, the supposed shift from Anglo-conformity (assimilation) to Americanization (melting pot) is purely cosmetic (1987:649).

28. Glazer and Moynihan note that this model is a revised and more data-based version of amalgamationism. It argued that many ethnic groups in the United States have maintained cultural distinctiveness but the root cultures have not survived completely intact. For example, Italian-Americans are culturally different from Italians in Italy, the difference being that their culture has developed and become Americanized - but not to the extent that they have abandoned their Italianess (Haas 1987:649).

29. The model of the Singaporean identity is well discussed by Siddique (1989).

30. The bicultural notion of ethnicity also applies to the Malays. However, since the overemphasis of the government has been that Malay culture is all powerful, there is little need for the Malays to adopt from the Chinese culture. In political terms, it is the Chinese who must accommodate the Malays and not vice versa. Furthermore, due to the Islamic religion, there are several aspects of Chinese culture not feasible for the Malays. For instance, the eating of pork or drinking of alcohol is not allowed under Islam.

31. See Gordon (1964) for an excellent discussion on the distinction between identity and values.
32. Under colonial rule many in the Chinese community were anglicized (described jokingly as a banana, yellow on the outside and white on the inside), as the British culture appeared more attractive. This is because of stereotype, ingrained in the mind, that British were superior while the Chinese and the Malays were inferior.
CHAPTER IV

THE CHINESE IN MALAYSIAN POLITICS:
PARTNERS, PLAYERS AND PUPPETS

Introduction

Political maneuvering in Malaysia has been described aptly as similar to that of a "shadow play." What appears to the public may seem innocent and obvious but in actuality it involves calculated and well orchestrated strategies (1). As a result, politics is highly ambiguous with no public debates over government policies and consequences for ethnic groups. "The problems of ethnic or communal relations...have produced a fragile polity in which the cardinal rule of governance has been to avoid controversies which might arouse passions" (Pye 1985:248). Despite the agreed-upon silence on "sensitive" issues, it is not uncommon for political outbursts to surface and stir up ethnic emotions. The exhortations of ethnic discontent are not unpremeditated but rather the workings of a well-conceived political move. It is within such a political setting that the Chinese in Malaysia have struggle for the past thirty years, attempting to carve a niche for the community.

The immigrant Chinese community, in the process of getting settled in Malaya, had little interest in local politics. Instead, the secret societies, the Kuomintang
movement, and the revolutionary changes in China dominated their political thought within the Chinese community during the early years, inculcating Chineseness into the community.

When the transient nature of the immigrant Chinese community took a turn for permanence in the early 1940s, political orientation also shifted from China to Chineseness. Being Chinese was more important than being from China. This shift in political orientation which had its beginnings during the Second World War as provided the basis for Chinese ethnocentricism in the Malaysian polity.

Prior to the attainment of independence from the British in 1957, the Chinese leaders in the Malayan (later Malaysian) Chinese Association (MCA) was able to provide an effective representation for the community: "...the relationship...formed with the UMNO in the years preceding independence was highly satisfactory to both parties: interaction was harmonious and based on mutual respect as well as mutual interest" (Heng 1988:2). During this period, the Chinese played a bona fide role as a partner in the coalition government, known as the Alliance party. The Chinese leaders were able to work on par with Malay leaders in the UMNO party, obtained the respect and support from the masses, and were able to secure several benefits for the community.
Blinded by their success following independence, the Chinese political culture failed to recognize the need to make adjustments to the slow but rising Malay political and economic aspirations. Instead they subscribed to the idea of their unwavering Chineseness, best described in terms of a world-view that emphasized their "sense of racial superiority, a conviction that China was the Middle Kingdom, the center of civilization and fount of great learning and unsurpassed accomplishments" (ibid:3). As they increased their share of the economic stake in the country through expanding participation in a variety of commercial activities, the Chinese community's confidence in shaping their own destiny irritated the Malays. The overwhelming presence of the Chinese in the economic domain made the Malays uneasy, especially when the former started showing interest in local politics. Coupled with differences in culture and religion, it was inevitable that the two ethnic groups began to "rub each other in the wrong way" (Pye 1985:250). The growing desire of the Chinese community to protect their interests contributed to the insecurity of the Malays. To make matters worse, the emerging Chinese political parties, such as the MCA and the opposition party, the Democratic Action Party (DAP), subscribed to an ethnocentric political outlook, thus intensifying the fears of the Malays of being overrun by the Chinese.
To check the Chinese political surge, radical Malay leadership entered the political foray. With the Chinese and Malay leaders manipulating the communal sensitivities for their political gain, ethnic discontent and distrust grew. The tense political climate eventually led to the ethnic riots on May 13, 1969. Following that tragic day, the Chinese political role and participation in the country changed. With poor election results to show, the Chinese leadership became a minor player in the political arena. The leaders still had some influence in the coalition government but the actual power of decision-making now rested with the UMNO leadership. Undaunted by the change in their political role, the Chinese leadership continued to pursue the old discourse of Chineseness to gain political mileage from the community. Instead of mending the political animosity with the Malays, the chauvinistic discourse further fueled the latter’s distrust and uneasiness in the country’s fragile ethnic mosaic.

With each passing year, the antagonisms between the two ethnic groups worsened. Through a series of political and economic policies between 1970 and 1986, in the guise of restructuring the Malaysian society, the Chinese leadership moved to the periphery of political life. The leadership in-fighting and financial scandals, which plagued the Chinese political parties, further weakened their
credibility and authority as a respectable political player in the Malaysian polity. Regardless, the Chinese leadership persisted with a discourse of Chineseness. Once a source of their motivation and unity, the discourse of Chineseness became a self-defeating ideology in the rising tide of Malay dominance.

As the country enters into the 1990s, Chinese political parties have become politically marginalized. Political representation of the Chinese community is greatly dependent on the wishes of the dominant UMNO leadership. Many leaders are accused of being "yesman" to Prime Minister Dr. Mahathir Mohamad in the hope of staying buoyant in their declining political influence. Preoccupation with political bickering amongst political party leaders, both in the coalition government and opposition, overshadow efforts to protect the Chinese community's interests and rights in the Malaysian polity. With very little political influence, limited support from the masses and the presence of a dominant power-seeking Malay leadership, the ability of the Chinese leaders to protect the interests of the community is limited. As the political "shadow play" continues in Malaysia, the performance of the Chinese leadership have been reduced to that of the puppets whose strings are pulled by the puppeteer, the UMNO party.
This chapter will show that it is the concept of Chineseness, which has been mistakenly interpreted by the Malays as the Chinese community’s lack of commitment and loyalty to the country, has contributed to communal tensions and distrust between the ethnic groups. I proceed chronologically.

Pre-Independence Days: The Roots of their Chineseness and Interest in Local Politics

The Chinese community’s interest in local politics did not evolve until after World War II. Prior to that, many of the immigrant Chinese still considered themselves as sojourners, hoping to make money and return to their families in China (Soh, 1960:35). "Being largely transient in nature and economic in motivation, it is understandable that there was little incentive for them to engage actively in the political developments of their host country" (Ting 1976:124). As such, on arrival in Malaya, the immigrant Chinese immediately joined organizations within their community that closely mirrored life back in China. It is through such organizations as the secret societies, the Kuomintang movement, and the Communist party, that the political behavior of the Chinese remained China-centered in orientation during the early years of their arrival.

During the pre-independence years, it is no surprise that the political consciousness within the immigrant
Chinese community was strongly influenced by "the growth of nationalistic and patriotic activities in mainland China that culminated in the Republican revolution of 1911" (Heng 1988:1). Besides contributing to their disinterest in local politics in Malaya, involvement in ethnic organizations was also responsible for an unyielding and single-minded desire to preserve the Chinese cultural heritage, or in other words, the sense of Chineseness. The concept of Chineseness provided the anchor for the immigrants' political behavior in Malaya when their China-centered political orientation ceased to be attractive. To understand how the political culture of the Chinese shifted from being China-centered to Chinese-centered, it is best to start by looking at the three main organizations - the secret societies, the KMT, the Communist party - and their activities in Malaya.

The Secret Societies

The dominant Chinese political institution in the greater part of the nineteenth century was the secret society (2). Originating in China, the secret societies provided the immigrant Chinese coolie population the institutional framework for social and economic order with which they were familiar in China (Jackson 1961:49). With little interference from the British authorities, the immigrant community evolved as a microcosm of society in
China. Even after "the intervention of British rule in the Malay States in 1874, the Chinese immigrant community continued to enjoy autonomy in the management of their activities because of the colonial practice of indirect rule based on the Kapitan China (Chinese Captains) system" (3) (Heng 1988:14). Most of the Kapitan China in Malaya, who were the chosen representative by the British authorities, were also leaders of the secret societies (4). The appointment of the Kapitan China was a recognition of their influence and authority in the Chinese community. Ting (1976:130) has noted that some of the headmen were even brought into the official administrative framework.

My interest here is not to dwell on the merits and demerits of the secret societies. Much has already been written on the topic (see Blythe 1969; Wang 1967; Comber 1958). Of greater importance is the concept of political power welded by the leaders of the secret societies. Through the secret societies, a Confucianist status hierarchy reemerged but in a modified form (Wang 1966:172). Unlike the traditional style of leadership with scholar-officials forming the social elite and the top hierarchy, the leaders of the secret societies were wealthy merchants. Most of the Kapitan China, who were also secret society leaders, were already established business leaders "possessing more material means to dispense largess and
patronage than any other social group in the community" (Heng 1988:4). Even after 1900, when the English- and Chinese-educated elite replaced the illiterate merchants as the leaders, access to wealth was still crucial for the Kapitan China. As such, many of the educated professionals who became leaders were also merchant-entrepreneurs rather than scholars - hence the birth of "businessmen-politicians" in the Chinese political circles of the country.

Just like the Kapitan China system in the early nineteenth century, the political and moral authority of the present-day leadership have not changed very much. In other words, under the Kapitan China system, the power structure of the secret societies provided the foundations for the Chinese political leadership. The leadership skills were based on the ability to operate effectively as an intermediary between the community and the British-dominated authorities. Today, the present leadership of the Chinese political parties perform the same function - their political power or influence, is determined by their ability to secure benefits and political rights for the community from the Malay-dominated government. "In this respect, Chinese political authority in Malaysia remains derivative, a function of having access to those who control real power" (Heng 1988:5).
As the political structure of the secret societies existed in an "encapsulated" framework, independent of the colonial and indigenous political system, the faction fights escalated and with time, disrupted local political and economic life (Lee 1978:Ch 4). It must be emphasized here that at no time were the riots of the secret societies directed at local authorities, as the Chinese had no interest in local politics. At times, local Malay rulers were involved in the rival wars of the secret societies, especially over tin mines, but it is because all the parties concerned had in one way or another a stake in the mines. The riots had nothing to do with trying to seize political power or were fought "over the disputed question of succession to the Malay throne" (Ting 1976:132). Several attempts were made by the local government to regulate the activities of the secret societies as a means to stop the feuding, but all efforts failed (5). Left with no options, the British authorities finally had to ban the operations of the secret societies through the enactment of the Societies Ordinance Act in 1889, as a means for ending their disruptive feuding (6).

The ban did not stop secret societies but managed to decrease the feuding, as many of the secret societies continued activities illegally. The importance of the secret societies was that it laid the foundation for
political consciousness of the immigrant Chinese. The concept of political power through wealth, a common feature of the present-day Chinese political culture, was firmly established through the secret societies. However, the rise of the Kuomintang movement (KMT) in Malaya provided the boost that ushered in political awakening of Chinese masses: "...from the turn of the century until the Second World War, the KMT dominated the political life of the Malaysian Chinese" (ibid:134) (7).

The Kuomintang Party (KMT)

The KMT was influential in attaining the loyalty of the immigrant Chinese community and in securing their financial contributions for the Chinese Revolution of 1911 (8). To the immigrant community, the Revolution of 1911, which brought down the foreign Manchu rulers, was an affirmation of the superiority of the Chinese as a race. As Ting notes (ibid:135): "...the success of the revolution in China brought jubilation to the Chinese in Malaya...and served to strengthen their sense of nationalism and patriotism." More important, the KMT success reinforced into the minds of the immigrant Chinese community the "greatness" of Chinese historical identity in comparison to other ethnic groups.

During the first decade of the twentieth century, learning the Chinese language, literature and traditional
cere monies were extremely popular. For instance, "Reading Societies" (Shu Pao Sheh) were set up by the KMT to keep the immigrant Chinese abreast of developments in China. "The influence was kept alive by a constant stream of propaganda through reading material and teachers from China. Textbooks had a China-oriented content. As a result, the Chinese were very attracted to the politics in China" (ibid:136). In schooling, more Chinese children and youths attended Chinese-medium schools than English-medium schools. In 1938, Chinese enrollment figures showed that 91,534 pupils went to Chinese schools, compared to 26,974 in English schools (Heng 1988:22). In 1947, about 55 percent attended Chinese schools compared to 10 percent in English schools (ibid). The schools allowed a traditional curriculum, based on Confucian and other Chinese classics, which had not changed for over a century in China (9).

Through sponsorship of such activities, the KMT provided the overseas Chinese community a direct link to China and a sense of pride of being Chinese. Politically, the immigrant Chinese were preoccupied with China politics and they were known for "identifying with Chinese (Kuomintang) nationalism (and also with Chinese communism) - of pretending either that they were only accidently in Malaysia and really at home in China, or of thinking that they were doing China’s "revolutionary" work in spreading Peking’s influence" (Pye
Even after the Revolution of 1911, the KMT maintained a very strong link with the overseas Chinese community to secure more financial support for the reconstruction of China.

In British Malaya, a branch of the KMT was formed, known as the KMT Malaya (KMTM). Besides propagating nationalism, the KMTM was also responsible for introducing Communism into the country. In his effort to reunite China, nationalist leader Dr. Sun Yat Sun had allowed members of the Chinese Communist party to join the KMT in 1923. In Malaya, the KMTM was also ideologically divided into two camps, the left and right. However, following the purging of the Communist cadres in the KMT by Nationalist General Chiang Kai-Shek in late 1920s, many left-wing members in Malaya left the KMTM and formed the Malayan Communist Party (MCP) in 1930 (Hanrahan 1971:Ch1). The result of the intense competition between the KMTM and the MCP was to heighten political consciousness of the immigrant Chinese community.

Much political indoctrination by the KMTM and MCP was concentrated on the Chinese schools (11) because the Chinese schools were run with little supervision and regulation from the colonial authorities. In fact, Lee (1958:174) points out that the local Chinese schools were subjected to considerable influence from the KMT government in China: "...the KMT government in China, which set up a number of..."
committees within the Chinese Ministry of Education to plan for overseas Chinese education, contributed educational grants and helped train and recruit teachers for service in Malaya. The KMT government also directed overseas Chinese schools to register with the Ministry of Education in China, and teachers to register with the Chinese consulate at their places of employment" (ibid). Although the KMTM seem to have an advantage in spreading their propaganda to the schools by virtue of the influence of the KMT in China, there were periods when the MCP was more successful in propagating Marxist-Leninist teachings to the students (12). Regardless of whether it was Communist or Nationalist doctrine, both parties were responsible for inculcating sinocentric values to the Chinese youths in the 1930s. A point worth noting is that the older generation in the present Chinese leadership, especially at the grassroot levels, were probably educated in such schools during the 1930s.

**Straits Chinese British Association**

So far we have shown that the KMTM and the MCP, through propagating the establishment and revolutionary strains of China-centered politics, laid the foundations for Chinese-centered politics. The same pattern could be said of the Straits Chinese British Association (SCBA), a small
political grouping of Straits Chinese or Babas who espoused to the creation of a common Malayan identity among the different ethnic groups in Malaya (13). Although the SCBA leaders were very anglophilic in political outlook, and in favor of "a spirit of Malayan consciousness," their political orientation was extremely Chinese-, and not China-centered. The focus of their Chineseness was probably brought about by the resinification process - a result of prolonged economic and social contact with the immigrant Chinese population (Heng, 1988:26).

The ethnocentrism of the anglicized Chinese community was clearly seen in their protest against the 1934 proposal by British High Commissioner Sir Cecil Clementi to use the Malay language in schools as a means to Malayanize the children of the other ethnic groups. Although the SCBA leader, Tan Cheng Lock, acknowledged the need to create a Malayan consciousness, he argued that it should not be at the "expense of their Chinese heritage" (ibid). Most of Tan’s arguments focused on the need to bring the Babas into harmony with their native Chinese ethos (rather than acquiring Malay traits) so that Chinese customs and traditions would be preserved (see Tan, n.d.). Heng (1988:29) has described the position taken by Tan as representative of the major tenets of Baba Chinese political philosophy in the pre-war period.
Being a Malayan-based organization, the SCBA avoided identifying itself with the KMTM or MCP. However, there was no doubt it took great pride being Chinese in its political orientation. During the Japanese invasion of China, the Baba community openly assisted the fund rising efforts of the Chinese community in aid of the National Salvation Movement (NSM). Their involvement with the NSM was not an indication of their political loyalty towards China but rather a reflection of their deep interest in the preservation of the Chinese heritage and culture (Pang 1973:293, 295). The ethnocentrism of the SCBA leaders, despite their non-communal doctrine and their anglophilic character, was an indication of the changes to come in the overall Chinese community’s political culture when China became no longer their homeland.

In sum, the formative years of the immigrant Chinese community’s political life was animated by the China-centered foci of the secret societies, and the Kuomintang, and the Communists. The inculcation of nationalism in the immigrant Chinese was tested when war broke out between China and Japan: "...when the war of resistance began, few answered the call to ‘save the mother country’ with greater alacrity than the overseas Chinese, or gave more generously to the war chest" (Pan 1990:207). During the war, the political bias of the immigrant Chinese community towards
China reassured the Malays of their transient nature in the country and their disinterest in local politics.

The Second World War: Birth of the Malayan Communist Party

When the Japanese Army invaded Malaya in 1941, the Chinese community's sense of unity and identification with China and being Chinese became stronger, as they were singled out for brutal and repressive measures by the Japanese (Means 1970:32) (14). Few Chinese in Malaya would have willingly renounced their ties with China during the war years. The formation of the Malayan People's Anti-Japanese Army (MPAJA) - an almost entirely Chinese body of which the Malayan Communist Party (MCP) formed the nucleus - during the war to fight the Japanese further reinforced real or imagined ties with China (15). There were a handful of Malays and Indians in the movement but "no one, it seemed, had a mind to mobilize the Malay or Indian workers, so that, for all its ideological emphasis on proletarian solidarity across ethnic lines, the communist movement was by and large a Chinese - even a chauvinist - affair" (Pan 1990:208).

It is true that the Chinese formed the bulk of the resistance movement, with more supporters of the Communist ideology than of the KMTM. According to Means (1970:47), most of the wealthy traditional leaders linked to KMTM escaped to India or were executed by the Japanese in the
early years of the war. As such, the resistance movement came under the young and non-merchant class in the Chinese community who were sympathetic towards the Communist ideology.

With respect to Malayan politics, it must be emphasized that the birth of the MCP in 1930 was a local Malayan development with very little support from China. At that time, the Communist movement in China was vying with the KMT. The MCP, besides working with the British to fight against the Japanese, had plans to establish a People’s Republic when the war was over. The MCP received no aid and had no contact with Moscow or Peking (O’Ballance 1966:58). There was never any expansionary plan by the Communists in China, through the MCP, to make Malaya part of its domain.

Ethnic Relations in the War: Sowing of the Seeds of Distrust

It is easy to understand how the difference between the China-centered and Chinese-centered politics of the immigrant community could be easily misunderstood during World War II. With strong Chinese participation in the resistance movement, Chinese distrust for the Malays resulted when the Japanese sought the friendship of the latter ethnic group. Under the Japanese, the Malays were treated as partners, with many offered senior posts in the
government service — a position denied to them under the British.

The collaboration of the Malays with the Japanese angered the Chinese; the Chinese felt betrayed. Not only were the Japanese against the Chinese, but also the Malays (whom the Chinese had thought were on their side in the war) proved to be Quislings. The guerilla warfare waged by the MPAJA against the Japanese resulted in communal violence between the Chinese and the Malays, as the Malay authorities meted out summary justice to those suspected of collaborating with the enemy (Comber 1983:26). A tragic incident was in Negri Sembilan, where the Malays retaliated against the MPAJA by slaughtering forty Chinese villagers, mostly children and women (Ryan 1971:213; Gullick 1969:100; Itagaki 1962:256). The violent expression of distrust reflected the intensity of the deep-seated ill-feelings that existed between the two ethnic communities.

It is at this point in history that the immigrant Chinese shifted from China-centered politics to Chinese-centered politics. The cultural aspect became extremely crucial for their political identity. Although they still harbored some sense of fondness for China, being Chinese was more important than being from China. The sense of being Chinese comes with the notion of a "historical identity" and a belonging to a great civilization, but this does not mean
that their loyalty was towards China. With communal politics taking shape in Malaya, being Chinese became central as a political force. It is the thin line between their political attachment to Chineseness and to China that causes much confusion. The next section will show that the Chinese support for the Malayan Union scheme, their protest to the Federation of Malaya scheme, and the birth of the Malayan Chinese Association (MCA) were representations of the growing tide of Chinese ethnocentrism which had little to do with China. More important was the focus on Chineseness, and the notion of being "superior" to the other ethnic races in Malaya.

**Chinese Interest in Local Politics During the War Years**

Even before the surrender of the Japanese in 1945, events in British India with regards to the status of the immigrant Chinese impacted postwar reconstruction of Malaya. Turnbull (1974:4) notes that during the Japanese occupation, many KMTM leaders escaped to India to wait out the war. A Malayan Association of India (MAI) was formed by the Malayan refugees residing temporarily in India in December 1942. With a prince from Johor, Tunku Abu Bakar, as its patron, the MAI had a committee comprising mostly Europeans and several prominent Singaporean Jews and Straits Chinese. The MAI initially submitted a memorandum to the colonial office
in London offering its assistance in the reconstruction of postwar Malaya in 1942. In the MAI, the Chinese community was represented by Straits Chinese leader, Tan Cheng Lock. Tan, however, was not happy with the Association, due to the strong European dominance, so as a countermeasure he convinced the Chinese members in November 1943 to form the Overseas-Chinese Association in Bombay. The action was frown upon by the other members, especially the Malay prince, who described the Chinese as "preparing to dabble in Malayan politics" (ibid:245).

From the writings of Tan Cheng Lock (1947), not only were the Chinese interested in local politics but they had an arrogance with regards to their intention to participate. In offering their assistance to the colonial office, Tan Cheng Lock, in his "Memorandum on the Future of Malaya," recommended that the "best way to treat the Chinese was to trust them and to give those who had become domiciled for a sufficiently long period the opportunity to acquire Malayan citizenship by naturalization" (Comber 1983:30). His recommendations were based on the Chinese community's potential loyalty, as demonstrated by the "heroic stand" of the Chinese Communists and the Chinese volunteers, largely recruited from the China-born Chinese community, in the defense of Singapore. With regards to political and economic representation, he agreed with the British and
Malay leaders that it should be in the ratio of 3, 2, and 1 between Malays, Chinese and Indians respectively. Despite Tan's agreement to the economic ratio, he strongly felt that this appropriation was not fair to the Chinese in terms of their economic importance and the amount of their public revenue contributions (16).

The proposals by Tan, considered to be a concise picture of Malayan-Chinese views, clearly showed the Chinese community's sense of self-importance in Malaya. For an immigrant community, still considered as transients in Malaya, the views expressed by Tan Cheng Lock carried a strong connotation of a sense of self-importance and superiority over other ethnic groups (17), consistent with Confucian ideology. In Confucian political culture, there is no room for minority leadership. The Chinese concepts of authority assume that both the omnipotent leader and his dutiful subordinates are Chinese. To be under the leadership of a foreigner is culturally unthinkable. As such, the Chinese community in Malaya sought to participate in local politics early so as to avoid being subservient to the Malay leadership (18). As noted in Tan Cheng Lock's recommendations, the Chinese sincerely felt they deserved a larger share of the economic and political cake than the Malays. As we shall see, the Malayan Union scheme, proposed by the British government as an initial step towards giving
independence to the country, provided the opportunity for the Chinese community to establish their self-image according to their Confucian ideology in the host country.

The Malayan Union Scheme: Hope for Political Equality

When the war came to an end, the colonial government unveiled a scheme to move the country towards independent rule. The scheme, known as the Malayan Union (19), was aimed at embracing the Malayan States and the Straits Settlements, but excluding Singapore, under a constitutional union. The scheme proposed, for the first time, political rights on Malaya's non-Malay population through the creation of common citizenship. The latter move greatly boosted the morale of the Chinese, who saw the action as the colonial authorities' recognition of their leadership qualities in the Malayan polity.

The decision for common citizenship remains a controversy, as it radically broke away from the past practice of preserving only Malay political rights. Allen (1967) has surmised that the prewar pro-Malay policy was changed due to "anti-Malay sentiments" and Whitehall's "admiration for the Chinese." Sopiee (1974), however, has asserted that there was little evidence to indicate that the British wanted to punish the Malays for their collaboration with the Japanese during the war. According to Stenson
the real significance was in the colonial administrators' realization of the existence of a permanent multiracial society, but in doing so the British strayed from their previous pro-Malay policy and appeared to favor the Chinese instead.

Anglo-Malay relations became strained following reports of Malays and their rulers collaborating with the Japanese during the war. Intelligence reports received by the Colonial Office supported the allegations that the Malays assisted the Japanese advance to Singapore and that a Malay fifth column existed and spied for the Japanese:

> [It was discovered that Malays were betraying the positions of parked M.T Coys, troop positions, Advanced Divisional H.Q. Batteries etc, to Japanese reconnaissance aircraft by such simple signals as large white sarongs stretched on the ground nearby, as if to dry from recent washing (Lau 1991:71).]

White Hall also became suspicious of the rulers, as intercepted Domei reports disclosed the close cooperation between the royalty and the Japanese leadership (20). According to a report in 1942, the nine Sultans declared their allegiance to Japan and congratulated the Japanese on their "brilliant" victories over the British (ibid:72) (21).

With a growing distrust for the Malays, British policy towards the Chinese became more favorable during the war. The sufferings of the Chinese community under the Japanese
Occupation and their cooperation with the British forces in fighting the Japanese army contributed to a favorable attitude. The Chinese anti-Japanese war efforts convinced the British administrators of the commitment of the Chinese to Malaya.

Prior to the war, British administrators had never seriously entertained giving the Chinese a political stake in the country. To several officials, the political loyalty of the Chinese seem to be focused on China. To quote a former British Resident in Selangor, Sir Theodore Adams (1932 to 1936), on the Chinese community’s desire to break away from having a China political orientation: "Most do not wish to do this; those that would do so (and there are some) dare not do so. They cannot escape the Chinese political and economic control. Even those who have lived in Malacca...are Chinese first, looking to China, and only British subjects when their local interests demand this" (Lau 1991:67). Other officials, however, were skeptical of the Chinese disinterest in local politics. According to one official, "the Chinese were already thinking the country will be theirs when the war is over" (ibid:66). Nothing came out of the arguments regarding where the Chinese loyalty lies, as the British authorities, prior to the Malayan Union scheme, had no jurisdiction in the Malay States.
The situation changed by late July, 1943. In anticipation of the approval of the Malayan Union scheme, several treaties were signed with the rulers giving the British authorities the right to confer non-Malay persons domiciled in Malaya the status of British protected persons. Following the approval of the Malayan Union scheme in May 1944 (22), the citizenship proposal for non-Malays - non-Malays were eligible for the Malayan Union citizenship if they had been born in Malaya or had resided there for ten out of the preceding fifteen years - came into effect (Comber 1983:32). As noted by Ratnam (1967:75), this meant not only that 83 percent of the Chinese and 75 percent of the Indians would for the first time have equal citizenship rights as the Malays, but also that they would be eligible for positions in the civil service (23). More important in the citizenship scheme were the heightened fears in the Malay community of being politically and economically dominated by the Chinese, who made up 43 percent of the population in 1941 while Malays were only 41 percent, Indians 14 percent and others 2 percent (Purcell 1978:Appendix II)

Another unsettled issue was related to the Chinese sense of self-importance had to do with the reason why Singapore was excluded from the Union. Turnbull (1977:220) argued that "the British were not concerned at this stage with
questions of racial balance." Most scholars (Allen 1967; Sopiee 1974; and Turnbull 1977) have cited Singapore's strategic position or economic wealth as important conditions for keeping the island state out of the scheme. I do not dispute the proposed reasons for the separation, a more crucial but usually downplayed argument has to do with politics and race. The addition of Singapore's almost entirely Chinese population (700,000 inhabitants) to Malaya would definitely tip the racial balance against the Malays. It is true the British were disillusioned with the royalty and the Malay community for their role in the war, but the Colonial Office still kept to a traditional pro-Malay policy after the war. If the British had intended to punish the Malays for their wrong-doings and subscribed to the viewpoints of such pro-Chinese officials as W. Ellis (Lau 1991:70), who argued that "...the future of Malaya lay in the hands of the Chinese and Indians," keeping Singapore out of the Malayan Union would have been an inept decision.

There was no doubt the Colonial Office developed a more favorable attitude towards the Chinese after the war. However, I submit that the decision to provide political rights to the Chinese merely reflected the British authorities' appreciation of the Chinese for their part in the war and was not an effort to settle a score with the Malays. The British still maintained a pro-Malay policy
after the war, as they realized that a pro-Chinese policy
carried too much of a political risk. As Sir Theodore Adams
warned:

[A]ttempts to renege on the "principle"
of Malay precedence would force the
Malays to either turn to pan-Islam or to
any foreign power which will help them
not to be submerged by Chinese (Lau
1991:76).

The Chinese hope for citizenship rights under the
Malayan Union scheme was short-lived. Following vehement
protests by the Malay leaders, the scheme was withdrawn in
1948. Even before its withdrawal, the scheme had not been
fully implemented due to strong objections from the Malay
leadership (24). Although the Chinese community was
disappointed, their political consciousness in the Malayan
polity had been raised. During the formation of the Malayan
Union scheme, the Chinese community actively debated the
citizenship issue in the press (see Cheah 1978). Further
evidence of growing interest in local politics could be seen
in intense lobbying by Chinese groups of the colonial
government in the hope of maintaining the Malayan Union
scheme. The new scheme, known as the Federation of Malaya
Agreement, favored the Malays; recognizing the special
position of the royalty and the special rights of the
Malays, the agreement also introduced stringent citizenship
clauses for the non-Malay population (25).
To express their discontent, an anti-Federation movement came about. The movement was led by prominent Chinese leader, Tan Cheng Lock, who headed the newly formed All Malaya Council of Joint Action (AMCJA). To show that they meant business, the AMCJA organized militant activities including mass rallies (26), demonstrations and boycotting the Chessemen Consultative Committee (CCC), which had been set up to consult non-Malays opinion on the Federation proposals. When the Federation proposals were about to be approved, the AMCJA together with the CCC organized a nation-wide hartal or strike by all Chinese businesses and later threatened to walk out of the various government councils (27). Both efforts failed, as the British authorities had already decided that only the conservative Malay opinion in the new constitutional arrangement would be considered.

The protests of the Chinese community clearly showed an interest in local politics and a seriousness of desire to obtain political rights in the country. There was no doubt the Chinese community at that time still felt culturally close to the Chinese civilization in China but politically their focus had shifted to Malaya. When the Federation of Malaya scheme was approved on February 1, 1948, officials from the CCC did not go ahead with the planned boycott. Instead they joined the Federal Legislative Council and
other government bodies. The rationale for their action was to avoid being totally left out in the later Constitutional processes. Soon after the inauguration of the Federation of Malaya scheme, the Malayan Communist Party (MCP) resorted to armed insurrection to seize power while the Kuomintang Malaya (KMTM) party was banned from the political arena. With both organizations representing their interests suddenly becoming illegal, the Chinese community - in less than a year - got together and the Malayan Chinese Association (MCA) was born.

**Chinese Ethnocentrism: The MCA, Independence, and the 1969 Crisis**

The birth of the MCA came after a period of "radicalization of Chinese politics and the conservative revival" (Heng 1988:Ch3). Charged with this new spirit, and no organizations to represent them, the Chinese community was in limbo (28): "...the political strength of the community was dispersed and consequently it spoke with no clear voice..." (Ting 1976:164). Roff (1965:40) describes the political fortunes of the Chinese to be "at a low ebb," as the KMTM was banned and the MCP had to resort to armed struggle. As such, it was inevitable that when the MCA came into operation on February 27, 1949, the party took over the helm of Chinese political leadership (29).
What we are concerned here is not the history and operations of the MCA but how the organization, in its early years, affected the political consciousness of the community. The MCA entered the Malayan polity as a right-wing conservative party led by Western-educated wealthy business and or professional leaders (30). As noted by Heng (1988:60), the leaders were "men of considerable wealth, and some were certainly among the wealthiest in Malaya." Since the days of the secret societies, it had been established that wealth equates power in the Chinese community and is an essential component for leadership role: "...it still functioned as an effective criterion in the 1950s - as it continues to do to the present" (ibid).

Within the MCA's three-tier party structure - the national leaders, the state leaders and the grassroot leaders -, interaction is based on a patron-client relationship; wealth provides the linkage in the hierarchy. According to Heng (1988:61-62), "although most leaders in the party would have the political contacts in government to bring development projects to benefit the local community, a rich party office-holder could dispense financial patronage on a personal basis in addition to carrying out his political duties towards his supporters. The wealthy leader was expected to make donations form his private fortune towards all sorts of charitable causes within the local
community. He was also well placed to advance the interests of his supporters by employing them in his business concerns or by giving them loans or preferential trading terms. At the very least, he could give them introductions for making the necessary contacts to set up or widen their businesses. It is clear that the towkay (a rich man) leader in the party was (and still is) a much respected figure" (ibid:61-62).

The wealth factor provided the MCA with a strong sense of self-sufficiency, which, in turn, fueled the party’s ethnocentric approach to politics.

The Chinese community appeared to "dominate" the Malayan economy. In actuality, however, during the early part of the twentieth century, it was the British who had the largest share of the country’s economy. The Chinese came second to the British, as they benefited mostly from the country’s emerging export economy, while the Malay’s role was limited to village structures and administrative positions. The economic dynamism of the Chinese community encouraged political aspirations to play a more effective in the government following independence. The politically positive outlook was further fanned by the admiration from the British authorities for their determination and entrepreneurial skills. In the words of one of the first British Residents, Frank Swettenham, on the Chinese:
Their energy and enterprise made the Malay States what they are today...they brought all the capital when Europeans feared the risk...The reader should at once understand what is due to the Chinese labor and enterprise in the evolution of the Federated Malay States. The part played by the Malays has already been told; it was mainly negative (quoted in Rabushka 1973:69) (31).

With a negative portrayal of their economic participation, the Malays felt threatened by the Chinese whom they (the Malays) saw controlling the economy. The "imagined" control was an important political bargaining chip for the MCA when decolonization was in progress and the granting of independence was imminent. The UMNO leaders realized that they need the Chinese economic backing to develop the country once independence was granted. Furthermore, without the participation of the Chinese, the colonial power threatened to delay giving independence to the country. The "imagined" economic power therefore gave the MCA leaders a political edge when it came to bargaining for Chinese rights in the independence constitution (which I will discuss in a later section).

During that same period, the country went through a very turbulent phase of Communist insurgency, which the MCA used to advance their political position in Malaya. It must be remembered that when the British reoccupied Malaya in 1945, the MCP was also the single most important political force
for the Chinese community (32). The MCP "...was essentially Chinese in leadership and membership...and had it wrested political control, the nature of Malaysian politics and economy would most certainly have been very different" (Jesudason 1988:40-41). In 1949, the MCP stepped up their guerilla activities due to the success of the Communist party in China. By 1953, the MCP had ran out of steam, and the anti-insurgency war (the Emergency) launched by the British was officially terminated in 1960.

The Communist movement in Malaya portrayed the immigrant Chinese as being China-centered in political orientation. Although the political focus of the KMTM was on the developments in China, the MCP came about as a local movement with no links to the Communists in China. Unfortunately the MCP, during the armed revolt of the Emergency years, which lasted for more than a decade, was seen as a China-backed movement. At the same time, the establishment of a powerful Communist regime in China in 1949 made the Chinese in Malaya appear as "enemies within the gates" of the country (Freedman & Willmott 1961:247). More illogical was the generalization that all Chinese in Malaya were either Communists or sympathizers since the MCP had a strong Chinese participation. Furthermore, as Ting notes (1976:153), "...the over-generalization has been reinforced by the historical fact that the Chinese community
as a whole did not actively support the Malaysian government in its efforts to suppress communism." During the Emergency years, the immigrant Chinese were starting to take a major interest in local politics and exhibiting their ethnocentrism as Chinese, but the rise of Chinese in the arena of partisan politics was associated in the minds of Malays with the Chinese MCP threat. With the return of the merchant class (supporters of the KMT) after the war to represent the Chinese, returning to Communist China was certainly not a viable option. The merchant class, in deciding to remain in Malaya, saw their Chineseness as a non-ideological approach to uniting the Chinese in Malaya, especially with the rising independence fervor in the country.

Despite the tense relationship with the Malays, the circumstances of the postwar years have forced most of the Chinese to recognize that for all practical purposes Malaya was their permanent home. "Return to China was difficult, and re-entry into Malaya was made even more difficult, so that the Chinese had little to gain by voicing their loyalty to China" (Molnar 1963:245; Crozier 1965:168). Furthermore, for the Chinese business community which comprised a majority of the immigrant population, they had allied their support with the KMT. With China under the communist, there was no urgency of wanting to return. Rather it was more
advantageous to apply for Malayan citizenship even though they were determined to preserve their Chinese culture and their separate identity as Chinese.

The MCA's Role During the Emergency Years

Since its formation, the MCA had yet to work with other political parties in the country. The Emergency provided the party with such an opportunity. The MCA seized the opportunity to undermine the Communist threat by working hand-in-glove with the British authorities and the Malay leaders, hoping to advance the well-being of the Chinese community (33). Similar to the British and Malay leaders, the MCA leaders had much to lose if the MCP came to power. First, there was their businesses. Having placed themselves in the upper levels of the patron-client relationship within the Chinese community, the MCP was a major threat to the MCA's power and status. Politically, the MCA sought to gain the trust of the British authorities and the UMNO leadership with regards to their loyalty to the country. Furthermore, since several leaders of the MCA had close links with the KMT, working against the Communist, served to protect their own privileged and affluent position in Malaya (Vasil 1980:79). With independence in the offing, the British authorities had also hinted that there was a "urgent need
woo the Chinese away from the communist through a new political organization [the MCA]" (ibid) (34).

The British realized that military operations were not enough to suppress the insurgency. There was also a need to cut off the MCP support system, as the Communists were getting food and supplies from Chinese squatters living on the fringes of jungles. Although there were supporters of the Communist cause among the squatters, many of the squatters were coerced. Under Lieutenant-General Sir Harold Briggs, the Chinese squatters were resettled in barbed-wired and policed villages, known commonly New Villages, with the aim of isolating the population from the guerillas. As the British authorities did not know how to deal with the Chinese community, the MCA acted as intermediaries. Two years after Brigg's arrival in Malaya, the plan was implemented, with 470,509 squatters resettled in 440 New Villages (Nyce 1973:190). The MCA not only helped in the resettlement but also managed the New Villages. True to their business inclinations and anxious to affirm the Chinese community's loyalty to the government, they explored ways to raise funds for welfare work in the resettlement schemes and to support other counterinsurgency efforts. One of MCA's most innovative method was operating a lottery in which only members could take part. Not only was the lottery popular, it also attracted new members to the party.
(35). As noted by Means (1970:21), the "welfare patronage" helped the party in extending its membership. Between the first lottery held in February to the time it was banned in mid-1953, about $4 million out of the total amount raised was spent on the Emergency.

In showing their support and cooperation with the government, MCA was able to win the confidence of the British authorities and the UMNO leaders. These efforts enabled the MCA to position the party so as to participate effectively and equally in mainstream Malayan nationalist developments. In announcing its social and ideological foundations, the MCA leadership emphasized that the party was not just out to protect Chinese interests but to work towards interracial or multiracial harmony among the ethnic groups. In the inaugural speech by MCA's first president Tan Cheng Lock:

> It is a matter of supreme significance and an indispensable necessity that a basic purpose of this organization must be the attainment of inter-communal understanding and friendship, particularly between the Chinese and Malays..." (The Straits Times:1, February 28, 1949).

This multiracial approach by the MCA remained only on paper, as the government was unable to provide a concrete definition of what is meant by being "Malayan."

Furthermore, the issue of citizenship for non-Malays was
still up in the air. The MCA also used the interracial discourse to shroud their ethnocentrism and their communal interests. MCA's interest in multiracialism was primarily political and not cultural, social or intellectual. Both in organization and method of operation, the MCA was, and still is "an effective and innovative vehicle to serve conservative Chinese business and political interests by combining the resources of English-educated and traditional community leaders" (Heng 1988:252).

That communal politics was the agenda of the day rather than multiracialism was demonstrated in the 1952 Kuala Lumpur municipal elections, when non-communal politics of Dato Onn Jaafar, the founder of UMNO, was rejected by the MCA leaders in Selangor. Dato Onn had formed the Independence of Malaya Party (IMP) in 1951, the first major effort by a local leader to bring the ethnic groups together as a non-communal party. Initially, some of the MCA leaders were interested, but they later withdrew support. Instead, the MCA formed an electoral alliance with the UMNO leaders who, in the first place, had openly expressed their distrust for the Chinese and were interested only in Malay political dominance. Political commentators described the pact between UMNO and Malay as "a marriage of convenience" (Ting 1976:171). The UMNO-MCA alliance proved to be successful at the elections by winning nine seats, while the IMP captured
only two, with one seat going to an independent candidate (Vasil 1980:86).

What is important here is that the elections revealed the true colors of the MCA leadership: "The coalition’s landslide victory and the clear-cut pattern of voting along racial lines brought the MCA’s brief flirtation with multiracial integrationist politics to a close" (Heng 1988:253). The rhetoric of multiracialism continues to be used by the MCA leaders until today, but their commitment is limited to nothing more than just lip-service.

The cooperation between UMNO and MCA indicated a distinct trend of the latter towards participation in local politics. Prior to the Kuala Lumpur elections, the activities of the MCA had been related mainly to look after the welfare of the Chinese community. The major concern of the MCA was to build the economic base of the community. The need to protect economic interests became more pertinent with independence in the offing and the decision of the Chinese to make Malaya their home. Participation in politics became essential to secure a future in the host country. The alliance provided the MCA with the perfect political role - as a equal partner - in the Malayan polity, as the party had a well-defined organizational structure and financial power.
The election victory paved the way for a permanent coalition party, called the Alliance. In 1954, the Indian party - Malayan Indian Congress (MIC) - joined Alliance. Despite the traditional Malay fear and suspicion of the Chinese, the two groups cooperated politically as they shared a common goal - to obtain independence from the British at the earliest possible date (Heng 1988:253). Furthermore, the MCA had yet to make any demands in conflict with the special position of the Malays in Malaya. The MCA leaders were silent on the matter, as they saw cooperation with UMNO as necessary so that Chinese influence would be brought to bear upon the provisions in the independence constitution, especially with regards to their citizenship rights.

The popularity of the Alliance was again demonstrated in the 1955 general elections, when the coalition party won 51 out of the 52 contested seats. The non-communal opposition parties lost badly (36). Although the 1955 elections had very little Chinese participation, as only half the Chinese population was eligible to vote, the MCA won all fifteen of the seats that they contested (37). Although it is difficult to draw any major conclusions from the elections owing to the uneven communal distribution of the electorates, one fact was obvious:
It reflected a singular and persistent fact of Malaysian politics - an alliance of ethnic elites, each with its own communal organization, proved to be more appealing to the voters than non-communal political organizations (38) (Jesudason 1989:44).

The MCA’s success greatly enhanced the party’s image in the Chinese community as the protector of their economic interests due to the party’s influence in the coalition government.

To summarize, the first eight years of the MCA existence, from 1949 to 1957, is best described as the "honeymoon period." Through their enthusiasm shown in the Emergency period, the MCA was successful in winning the confidence of the British authorities and the UMNO. Cooperation in fighting the Communist insurgents removed all suspicions that the Chinese were either Communists or sympathizers. Furthermore, the MCA was able to carve a political niche for themselves through an alliance with the premier Malay party, UMNO. All these developments greatly boosted the confidence of the Chinese community as they prepare to partake in the birth of a new nation.

Independence: Conflicting Expectations Between Ethnic Groups

During 1950-1955, the Malay community’s fears of the Chinese resurfaced. Rumors were rife that the MCA and the Chinese Chamber of Commerce planned to make Malaya part of
nationalist China. "The Chinese Chamber of Commerce had become the underground KMT party and is now dictating politics to the MCA" (Heng 1988:171). The source of the rumors was Dato Onn, who was attempting to weaken the Alliance coalition party. Angered by the MCA’s withdraw of support for the IMP, Dato Onn wanted to discredit the MCA as the KMT’s "fifth column" in Malaya (39). These rumors, coupled with the struggle of the MCP in the jungles, brought the China factor back into the Chinese-centered politics of the MCA. Although the allegations did not break up the coalition party, it did taint the MCA’s image as a Malayan political party, especially since the party’s organizational base was dependent on grassroot leaders who were believed to be pro-KMT (40).

Dato Onn’s efforts also caused the UMNO leadership to raise some reservations with regards to the China influence. UMNO leader, Tunku Abdul Rahman, raised questions over the "un-Malayan elements" in the MCA and advised that the party "should reject applications of those whose political loyalty to Malaya was suspect because of attachment to the political doctrine of either Peking or Taiwan" (Heng, 198:172). From mid-1956 to independence in 1957, UMNO’s concern over the KMT presence in the MCA was temporarily put aside, as the party was caught up with the independence movement.
As a prelude to independence, a series of important bargains were made between the MCA and UMNO leaders towards the 1957 constitution with regards to citizenship, language, and special rights of the Malays. In exchange for the relaxation of citizenship requirements and a tacit understanding that Chinese economic interests would be safeguarded, the non-Malays made several compromises - Islam became the state religion, Malay the national language, the Malay sultans were given the role of heads of state of their representative provinces within the framework of constitutional democracy (Milne and Mauzy 1978:38-90). Furthermore, non-Malay leaders agreed to article 153 of the constitution, which called for the "special position of the Malays," allowing for official favoritism in government, business and education so as to enable the Malays to catch up economically (Jesudason 1988:45).

Vasil (1980) saw this compromise as the start of the rise of Malay political paramountcy. Malays realized that independence meant that the British would no longer be their protector and "it was imperative...that they look for an arrangement that would sustain and safeguard a special position for them and maintain the Malay-Muslim character of the country" (ibid:93). The UMNO leaders realized the urgency of serving as the dominant and senior partner in the Alliance. Even the most moderate of the UMNO leaders, Tunku
Abdul Rahman, was quoted as saying that "the Malaya is for the Malays and it should not be governed by a mixture of races" (41) (The Straits Times:2, July 1, 1952). Thus, the Malays suffering from profound economic, political, and psychological anxieties under British rule, entered independence with a great determination of reversing their backwardness.

The Chinese community, under the MCA, also entered the independence with the same vigor and their own set of expectations. The economic progress that the immigrant community achieved under colonialism put them in an assertive mood. In spite of the ascendancy of the UMNO at the time of constitution-making, the Chinese community had their own set of demands - citizenship for non-Malays based on jus soli, equal rights for all Malayan citizens, and the status of Mandarin as an official language (42) (Heng 1988:237). To ensure that the Chinese community had their demands met, grassroot leaders formed a body called the Council of Representatives of Chinese Guilds and Associations (43), threatening to form a breakaway political party if the MCA's Westernized leadership was not successful in the independence negotiations. The Council, comprising all the Chinese associations and guilds, openly planned to replace the MCA to represent the community.
Although the MCA leaders launched a counterattack to undermine the movement, UMNO's manipulations that were more effective. UMNO leaders characterized the breakaway movement as KMT-based, and reigniting the fears of the KMT's "fifth column" threat. As a Malay newspaper editorial commented:

Most of the Chinese associations and guilds are based on narrow chauvinism in that they are led by leaders who are generally inclined towards the KMT and are imbued with narrow chauvinism (Utusan Melayu:12, March 26, 1956).

Tainted with KMT links, the breakaway movement received an unsympathetic reception from the Colonial Office; since the Council's status as a KMT-based party was considered illegal by UMNO, the loyalty of the leaders was impugned (44).

The failure of the breakaway movement to make any headway was not because they were unrepresentative of the sentiments of the Chinese community. A more decisive factor that caused the movement's failure was poor timing. With the colonial government about to grant independence to the country, too much was at stake to jeopardize all the work put into the constitutional bargains. For the Chinese community, independence meant the granting of citizenship to thousands, and safeguarding Chinese businesses, and reaffirming the loyalty of the Chinese to Malaya. In fact, if not for the bad timing, the breakaway movement would have
much support not just from the masses but also the Westernized MCA leadership, as clearly indicated in a letter to the MCA's honorary secretary-general:

As many important members of the Working Committees of the local MCA are the supporters of the Pan Malayan Federation of Chinese Guilds and Associations (the breakaway party), I don't see how such Working Committees could investigate and submit the names of members who acted in any injurious to the interests of the Association (MCA). It would be the case of the "pot" calling the "kettle" black (Heng 1988:245).

As a result of this actual support by the MCA leadership for the stand taken by the breakaway movement, it was unrealistic for the top leaders to contemplate taking disciplinary action against the instigators.

Post-Independence Years: Push for Equal Rights and Status

With the business of independence out of the way, Chinese ethnocentrism resurfaced. MCA leaders continued to demand equal rights - the same issues raised by the breakaway movement. The Chinese population should have realized that they were a minority in the Malay world and that the Malays intended to remain politically dominant and to advance economically. Instead, blinded by ethnocentrism the Chinese leaders still considered themselves as equals to
the Malays, believing that they were entitled to the same privileges and status in the Malayan society.

In 1958, a younger and more vigorous group of leaders rose in the MCA ranks. Known as the "Young Turks," they saw the old leadership under Tan Cheng Lock as weak, unable to protect the interest of the Chinese. As their rhetoric had the support of the Chinese rank and file, the "Young Turks" defeated the old leadership in the party elections of 1958. "The fact that Dr. Lim Chong Eu and his group were voted into office and that both Tan Siew Sin and Ong Yoke Lin lost was a clear reflection of where the party sentiments lay at that juncture" (Heng 1988:256). Led by Dr. Lim Chong Eu, the new leadership asserted that the MCA was not willing to accept a secondary role in the Alliance: "...we want equality in this country. Secondly, we are for an assurance of our way of life, our language, and our schools. Thirdly, we express the hope that we shall find economic advancement and economic equality" (Vasil 1980:108).

The aggressive attitude of the new MCA leadership in pursuing their communal interests was clearly consistent with the concept of multiculturalism. However, since its formation, both the new and old MCA leadership had only paid lip-service to the concept of multiculturalism, while their actual focus had been on the preservation of their Chineseness and their desire to be dominant. Under such
circumstances, a head-on political collision was unavoidable with the UMNO leaders.

The coming 1959 general elections provided the occasion for the MCA leadership to establish equal status with the UMNO party. The Chinese were feeling confident, as Chinese voters increased from 11.2 percent in 1955 to 35.6 percent in 1959. Smith (1959:40-41) suggests that the increase in the Chinese electorate was due to the independence bargain, which made it easier for the Chinese to become citizens (45). Furthermore, the threat of the MCP was also nonexistent, so the MCA leadership realized that they had the full support of the Chinese masses.

In making their presence felt, the new MCA leadership wanted Chinese schools, language and economic activities to be treated equally. At the same time, the MCA wanted 40 parliamentary seats out of the 104 in the coming elections. The latter demand was to ensure that MCA had control of at least one-third of the parliamentary seats so that the UMNO or other Malay political parties could not amend the constitution at will (46). The MCA's argument for the allocation of seats was that the Chinese voters outnumbered the Malays in 39 of the constituencies (Vasil 1971:21).

After several heated discussions, including threats of the MCA leaving the Alliance (Roff 1965:51; Means 1970:213; Vasil 1971:30), the MCA leadership backed down and agreed to
the terms proposed by Tunku Abdul Rahman -- 31 seats to the MCA, but the candidates excluded Dr. Lim and his supporters who were making the demands (47). The action by the Tunku revealed the Malay community's distrust of the MCA and a fear of what the Chinese would do if given political equality. UMNO, as a result, resolved to remain dominant and work with only MCA leaders considered acceptable (Vasil 1971:32).

Disgusted with the "dictatorial" style of Tunku Abdul Rahman, Dr. Lim and many MCA leaders resigned. The UMNO-MCA relationship fell into crisis, which caused much dissonance within the Chinese community and proved costly for the MCA in the elections. Only 19 of the 31 MCA candidates were elected (48). What was embarrassing for the MCA was that many of the party's candidates won only in constituencies with strong Malay voters, while they fared badly in Chinese enclaves. The Chinese voters, to show their protests and unhappiness, supported Chinese candidates of the opposition parties - the Socialist Front, the People's Progressive Party or Independent candidates (49).

With Dr Lim and his supporters out of the MCA, the former leadership under Tan Siew Sin came back into power. But by then, the Chinese community had lost faith and respect for the party. To the Chinese community, the MCA "had outlived its usefulness...It crawled back to the
Alliance after being kicked out. The terms by the Tunku were such that no self-respecting organization would have accepted them" (Haas 1967:169). The reaction of the Chinese community basically showed ethnocentrism and arrogance working towards a multiracial society which was never high on their agenda. For Chinese leaders outside and inside the MCA, they were more concerned with protecting their businesses and financial empires at the expense of the political role of the community as a whole.

**Chinese-Based Opposition Parties: New Voice, Old Issues**

With the MCA reduced to a junior partner role in the Alliance, the Chinese had a new voice - in the form of opposition parties. Like the MCA, the opposition parties professed to be multiracial in theory but in reality were only concerned with Chinese political, cultural and economic rights. The Chinese political role, thus, changed from being a partner to serving as a player in the Malayan polity.

In 1963, Chinese chauvinism was given a great boost with the incorporation of Singapore into Malaya, hence the formation of Malaysia, which also included North Borneo, Sarawak, and Brunei (50). The UMNO extremists did not support the incorporation of Singapore, believing the city to be a beehive for Chinese ethnocentrism and Communist
elements. Indeed, Singapore's People Action Party (PAP) leader Lee Kuan Yew "had larger ambitions and would certainly extend his influence [to non-Malays] across the causeway into Malaya" (51) (Vasil 1980:146). UMNO fears were confirmed when Lee Kuan Yew attempted to replace the MCA with the PAP by participating in the 1964 Malayan elections, so the UMNO leadership refused to cooperate (52), whereupon the PAP changed its strategy by introducing the multiracial concept of a "Malaysian Malaysia" (Lee 1965). Under this concept, there would be equality for all ethnic groups. The PAP made the accusations that Malaysia had degenerated into a "Malay Malaysia," and other ethnic communities were forced to subscribe to the aspirations of the Malays. PAP attempts to unite the non-Malay political parties to support its cause angered the UMNO, which reacted in 1963 by expelling Singapore from the Federation of Malaysia, which retained Sabah and Sarawak.

The activities of the PAP were proof enough for the Malay community as to Chinese desires to take political control of the country. Chinese ethnocentrism blinded the community to the fears of the Malays, and the PAP leadership's articulation of the "Malaysian Malaysia" concept forced the Malays to take action. Communal tensions intensified, as the slogan of the PAP became the clarion-call for non-Malay unity and action. For the first time,
communal riots - on a small scale - erupted between the Malays and non-Malays in Singapore and Bukit Mertajam on July 1964.

Motivated by the "Malaysian Malaysia" rhetoric, Chinese ethnocentrism rose to a high as seen in the formation of two of the most powerful and influential opposition parties, the Gerakan Raykat Malaysia (Gerakan) in 1968, and the Democratic Action Party (DAP) in 1966. Both parties, gearing for the 1969 elections, claimed multiculturalism as their platform. But in their campaigning, their propaganda was obviously one-sided, as they were not shunning from controversy and confrontation in championing Chinese rights and interests. Heng (1988:260) describes the campaigning as "the most aggressive...ever staged by Chinese opposition parties on non-Malay equal rights, and saw unprecedented gains scored by the parties, particularly the DAP " (53).

With a constant demand for equality for the Chinese community by the opposition parties, the MCA continued to promote the fiction that they were equal partners in the Alliance. In trying to assure the Chinese community of MCA influence in the Alliance, the party undermined its own credibility as the protector of the community. The party's failure to gain any concessions from the UMNO leadership disappointed the voters. "Besides losing confidence of those who looked to it [MCA] as the champion of their
Tan Siew Sin [MCA president] was widely held by the Chinese to be too willing to accede to Malay wishes..." (Heng 1988:258).

The opposition parties capitalized on the MCA’s poor image in the Chinese community with an ethnocentric rhetoric. With their hopes raised, the Chinese community saw little room for compromise (54). As Vasil (1980:163) notes, "...in 1956-57 and 1959, the non-Malay communities were generally unsure of themselves. For long they had remained aliens in Malaya and therefore during the uncertain period of the transition to independence they possibly were less willing to concede that Malaya belonged to the Malays in so far as they were the bumiputras. However, their general mood in 1969 was different; they were less willing to accept the compromises made...become sure of themselves...were now willing to protect and promote their interests."

During the five-week campaign in 1969, the political parties publicly debated controversial issues, such as "the Malay special rights, the privileged position of the Malays to employment, the four-to-one preponderance Malays enjoyed in the senior ranks of the civil service, and the barely concealed efforts that were being made to counter Chinese hegemony in commerce and industry" (Comber 1983:63). While the Chinese community continued to make strident demands on
equal rights, language and education issues, the Malay community was also frustrated over a lack of progress in the economic field despite the First Malaysian Plan (1966-1970). To complicate matters, the Communist threat also entered the tense political atmosphere. Two opposition parties, the Labor Party of Malaya, and the Pan Malaysian Islamic Party, were accused of being a front for the MCP. The presence of Maoist slogans, portraits of Mao and red star flags further eroded the fragile trust between the ethnic communities (Tunku 1969:28).

When the election results were announced, the Alliance won 66 out of the 104 parliamentary seats, and 162 out of the 282 state seats. Overall, the Alliance suffered a 10 percent decline in its share of popular vote compared to the 1964 elections. More embarrassing was that UMNO lost the two-third majority in the Lower House. As far as the Chinese parties were concerned, MCA suffered a major defeat, retaining only 13 of the 33 seats they contested. Most of the seats went to such opposition parties as the DAP, Gerakan, and the People's Progressive Party. For the first time, the opposition party Gerakan captured the state government of Penang, while in Perak, it won half the state seats, and in Selangor, 13 of the 28 seats.

Jubilant, the opposition parties took to the streets to celebrate, believing the victory to be a new era in
Malaysian politics, "that of a Malaysia, where people, regardless of their race, religion and different cultural backgrounds, should get a just share of the good things of life as citizens of equal worth" (Vasil 1980:175). Chinese ethnocentrism was given a breath of fresh air. The Malays, however, felt that the victories of the opposition Chinese-based parties was a blow to their political paramountcy, especially in the face of rising Chinese arrogance. Before long, racial riots broke out between the two ethnic groups, and several hundred people were killed (55).

My purpose here is not to put the blame for the tragic events on any ethnic group. My interest is to show how Chinese remained ethnocentric after several years of independence. Focusing on their Chineseness was sometimes mistaken for being China-centered. Chinese ethnocentrism overshadowed a superficial commitment to multiculturalism. The Chinese only wanted to remain respected as Chinese. In terms of race theories, they wavered between communal multiculturalism and separatism, not amalgamation or assimilation. The Chinese community never attempted to become Malayans or Malaysians for fear of becoming "unChinese." Furthermore, the Alliance coalition government had remained deliberately vague and ambiguous with regards to the understanding of a Malaysian identity.
If there were any indications of their willingness to be slowly integrated into the host society, Chinese efforts were very superficial, temporary and mainly done for capitalistic motives - to safeguard their business empires. The economic reason was certainly true for the politicians of the MCA; but for the rest of the community, being Chinese and the preservation of their culture was their first and last interest. Even when it was obvious that Malay dominance was on the rise, the self-centeredness of the Chinese did not waiver, as demonstrated by the MCA’s threat to withdraw from the Alliance, continuous debate over communally explosive issues, and the rise of Chinese opposition parties in the guise of multiculturalism.

Post-1969: Malay Supremacy on the Rise

Following the 1969 racial riots, a watershed in Malaysian politics, the Malays did not leave much to chance (56). Radical Malay leaders, who were younger and more outspoken, slowly took over the UMNO leadership which led to the resignation of Tunku Abdul Rahman, who was considered too moderate and soft towards the Chinese. In what the Tunku himself described as a "scurrilous letter" by then UMNO member, Dr. Mahathir Mohamad, in 1969, the Tunku was accused of being pro-Chinese and was asked to resign as Prime Minister (57) (Tunku 1969:117). What was happening
was a major power struggle between two leadership groups in UMNO - the Tunku versus the "ultras" or radicals. Tunku and his supporters were interested in achieving a multiracial society and working towards patching up the differences between the three ethnic groups. The ultras were determined to impose one-party rule and exclude the Chinese completely from the government.

During July to August 1969, the Tunku’s role as a leader among the Malays came under heavy criticism as the Malay community was getting tired of their political vulnerability. The Malays felt that the experience of external domination under colonialism weakened their collective self-confidence. However, in the post-independence era, the second generation of Malay elite and intelligentsia were not happy with the ease with which the country were dominated by non-Malays or foreigners. There was a revival of Malay nationalism to recover symbolic, political and economic status of Malays in the Malaysian polity. As the Tunku belonged to the first generation of Malay leaders, his aspirations for the Malays were in conflict with the more radical second generation elites, who wanted to change the whole political, economic and social structure of the country. The most urgent task, to achieve economic equality between the two ethnic groups was believed
"necessary for national unity and for assuaging the psychological anxieties of the Malays" (Jesudason 1989:71).

Although there was a call of support for the Tunku following the power struggle within the UMNO, the political mood of the Malay community had changed. As Vasil notes, the efforts to back the Tunku "was only a public relations exercise, the primary purpose was to allow the Tunku to retire gracefully" (Vasil 1980:186). All the efforts towards establishing a multicultural society, through the setting up of the national ideology, Rukunegara, and the National Unity Board, were only for show (58). Within a few months, the Tunku retired and his deputy, Tun Abdul Razak, took over as Prime Minister. Tun Abdul Razak and his newly appointed Malay leaders were more willing to impose UMNO's preferences and interest on the functioning of government. Razak's economic architects formulated and introduced the New Economic Policy (NEP) from 1971 to 1990. Before 1969, the four-year economic plan was known as the First Malaysian Plan (1966-1970). The NEP was aimed at lessening the country's dependence on the Chinese for economic growth and to strengthen UMNO's control and participation in the economic sector by cultivating a new class of Malay businessmen. The ultras have won their struggle, as "...this signified the end of an era in Malaysian politics, and the beginning of a period in which Malay political
paramountcy was to lead on to the establishment of the foundations of Malay rule." The ethnocentric ideology of the Malay leadership enabled them to achieve political supremacy and to strengthen their economic stake in the country in later years.

In light of the NEP, what was the Chinese political leadership doing to protect Chinese interests? Contrary to the poor performance of the MCA in the elections, Chinese political ethnocentrism actually remained strong. Although the MCA may have lost more seats than UMNO in the 1969 elections, more Chinese voters supported the Alliance than Malays. Non-Malay support for the Alliance fell by only five percent comparing the 1964 and 1969 elections, but there was also a 13 percent drop in Malay support (59) (Ratnam and Milne 1967:374). In the case of the opposition parties, it was obvious that they had strong support from the Chinese voters, with the Gerakan and the DAP winning 8 and 13 parliamentary seats, and 26 and 31 state seats respectively. The Gerakan and the DAP also had considerable success in Selangor and Perak, states with a large Chinese population. In Penang, which is about 60 percent Chinese, the Gerakan defeated the Alliance to form the next state government (60).

Even with the realization of the surge of Malay nationalism, the Chinese political parties continued to be
ethnocentric in rhetoric. Before highlighting the key incidents, to demonstrate subtle spurts of political ethnocentrism (in the style of "shadow play"), it must be mentioned that the Malays were not oblivious of the Chinese desire to challenge their political supremacy and privileges. The Malays operated on the belief that their political supremacy would be the only guarantee of their stake in the country and their economic survival (Rogers 1975:210). The Malays not only considered the more favorable economic position of the Chinese as unfair but also feared the interest of the Chinese in extending their economic power into the political sphere. Dr. Mahathir Mohamad, in his book *The Malay Dilemma*, best sums up the arrogance of the Chinese in the following statement: "Covert Chinese chauvinism is in fact their *raison d'être*. The stress is more on Chinese than on commerce" (Mahathir 1970:54).

With this in mind, it was not surprising that even after its "shocking defeat" in the 1969 elections, where the MCA was described as "reaching its lowest ebb" (Milne and Mauzy 1978:175), Chinese ethnocentrism was very much alive. It was the conflict between their deep-seated ethnocentrism and the insult of having to succumb to the dominant Malay leaders that fed instability within the politics of the Chinese community. The intra-Chinese conflict stemmed from
differences in ideology between Western-educated leadership elites and Chinese-educated grassroot supporters, the former pushing for an integrationist multicultural status while the latter insisting on only a separatist political compromise (61). "Perhaps the fundamental cause of their [Chinese] malaise was the general feeling of being used for political support of the government while being largely ignored in policy matters deemed to be of vital interest to the non-Malay communities. Although political patronage was used to reward compliant and cooperative elites, such a distribution of benefits was increasingly viewed by non-elites as inadequate, if not blatantly corrupting the role of their political representatives. As a result, especially within the domain of Chinese politics, there emerged movements of "reform" and opposition to incumbent leaders, challenging their legitimacy and threatening to displace them for being ineffective or for becoming docile supplicants to the dominant Malay leadership at the federal level" (Means 1991:57).

Rehabilitation of the MCA: More Disunity and Conflicts

In their soul-searching efforts, the MCA leadership felt that the endemic political division within the Chinese community was the root cause of their weakening political voice (Loh 1982). To remove this source of weakness, the
Chinese Unity Movement (CUM) was formed on February 1971, with the objective of garnering support from the grassroots through a new dynamic leadership (62). The CUM, under the Western-educated leadership of Alex Lee, Dr. Tan Tiong Hong and Dr. Lim Keng Yaik, became very popular and gained momentum with their advocacy of "Chinese rights," a concept that parallels that of the bumiputra rights for Malays and indigenous peoples. This notion of separate special rights was gladly welcomed by the Chinese grassroots community, but it was interpreted by the UMNO leaders as "chauvinistic" (Means, 1991:58). Suddenly, the CUM was portrayed as being militant and a threat to the existing MCA and Gerakan leadership in the Barisan Nasional coalition government (63). With the arrest of two of its leaders under the Sedition Act of 1971, the CUM movement came to an abrupt end in 1973. The demise of the CUM clearly showed the strong and popular appeal of ethnocentric elements to the Chinese masses, in much to the denial of the MCA leadership.

In a second attempt at rehabilitating the MCA, another group of Western-educated professionals, known as the "Young Turks," launched a series of activities, the most memorable of which was the Task Force campaign aimed at reestablishing the party’s support from the New Villages. Many residents of the New Villages, especially in Perak, had shifted support to the opposition parties in the past few elections.
and, thus, it was crucial to win back their loyalty. A Perak Task Force was set up under the leadership of Chinese-educated officials, while Dr. Lim Keng Yaik, a member of the "Young Turks," was appointed by the government as Minister with Special Functions of New Villages to achieve the objectives of the campaign. Before long, the UMNO leadership together with the then MCA president, Tan Siew Sin, were of the opinion that the Perak Task Force had been infiltrated by the Communist Party of Malaya and hence, became suspect in its ideology (Heng 1988:266). Under the Barisan Nasional government coalition, the Task Force program was terminated on grounds of being a security threat. When the leaders in the "Young Turks" questioned Tan Siew Sin's actions, they too came under investigation and eventually the "Young Turks" were expelled or forced to resign from the party. Dr. Lim Keng Yaik was removed from his ministerial position by the then Prime Minister Tun Abdul Razak. With other members of the "Young Turks," Dr. Lim joined the Gerakan Party.

MCA's problems did not end there. In time, the party presidency came under criticisms by UMNO leaders of being "chauvinistic." In 1974, Lee San Choon replaced Tan Siew Sin, who was recovering from surgery, as president. Lee, who was Chinese-educated, came up through the party rank-and-file, so he had much support from the grassroots
community. Lee was initially regarded as uncharismatic, lacking the social status of the earlier Western-educated presidents. "While his Chineseness may have been a reason why he did not develop close ties with the UMNO leadership as his predecessor, it [his Chineseness] was his major strength within the MCA" (Heng 1988:267). In his nine years as the president, he implemented several programs to salvage Chinese pride in education, economic and cultural fields (64). Some of Tan's programs were more successful than others, but his efforts did not make much of an impact on the Chinese community, who saw their opportunities - political, cultural and economic - being swallowed up by the UMNO's dominant machinery (65).

At this point, mention should be made of Gerakan, the other popular coalition party that shrouds under the banner of multiculturalism but is basically Chinese-based. Started in 1968, the leaders consisted mainly of Western-educated moderates. The most well known Gerakan leader until the 1990 elections was Dr. Lim Chong Eu (66). Like his previous party, the United Democratic Party (67), the Gerakan was non-communal in political orientation. In building their popular base, the party was successful in getting the support from the trade unions, the largest single non-communal force in the country, as well as some Malays (68).
Politically, there was no doubt that the Gerakan doctrine of non-communalism won Malay support, as reflected in the results of the 1969 elections when it won eight parliamentary seats and polled 8.5 percent of the votes (Ting 1976:184). Besides, the party took over the state government of Penang, capturing 16 out of the 24 state seats. Following the party’s victory, Dr. Lim Chong Eu met secretly with Tun Abdul Razak and agreed to join the Alliance coalition, although the move was strongly resisted by several key members of the Gerakan Party (69). When Gerakan joined the ruling coalition 1970, the anti-coalition group formed a rival party, Parti Keadilan Masyarakat Malaysia, better known as Pekemas (70).

Despite Gerakan’s initial success, the party failed to establish a substantial mass base. In fact, Gerakan’s influence was mainly limited to northern region of the country, mainly in the state of Penang and to Selangor, since the party’s support was urban-based - mainly trade unionists, educated middle class and some working class (Vasil 1980:162). Ting (1976:184) argues that the concentration of the Gerakan power base in the northern states and Selangor was due to a Chinese-support base. As a result, Gerakan turned out to be committed to the interests of the Chinese rather than of the Malays.
Although the Gerakan Party was the only one that came close to practicing non-communal politics, most of the leaders, from Dr. Lim Chong Eu to the present president Dr. Lim Keng Yaik, were former MCA leaders expelled for their radical stance. Furthermore, the constant in-fighting between the leaders is not so much a power struggle but the leadership's turmoil in trying to achieve a balance between two conflicting ideologies - multiculturalism versus ethnocentrism. As an "old fox" in the political arena, Dr. Lim (and his colleagues) were well aware that communal politics works better in getting support than multiracial integrationist politics (71): "Given the low level of inter-ethnic class consciousness, the integrationist approach remains more an ideal than a pragmatic proposition" (Heng, 1988:276). Although the Gerakan, like the MCA, have a strong desire to play politics within an integrationist multiracial framework, they are also realistic in depending on communalism for their political survival, especially when the UMNO leadership is playing the same game and has no interest in sharing power with the Chinese.

Marginalization of the Chinese in the Malaysian Polity: The New Reality

With the participation of the Gerakan Party in the Alliance, later known as the Barisan Nasional (National Front), the influence of the MCA was greatly diluted. The
MCA was no longer the sole representative of the Chinese masses, since it was unable to deliver the votes at the elections. As the Chinese-based parties in the coalition began to lose support from their grassroots, their political survival was very much dependent on UMNO's patronage. To gain the trust and confidence of the UMNO leaders, the Chinese leaders had to downplay their ethnocentric discourse and project a multiracial integrationist image. In doing so, they lost further the confidence of the Chinese community. The DAP thus became the sole representative of the Chinese in standing up against the Malay hegemony. Caught in a catch-22 situation, the coalition Chinese parties ended up marginalized in the Malaysian polity.

Despite their marginalization, the MCA and Gerakan performed reasonably well in the 1974, 1978 and 1982 elections. In the 1974 elections, the MCA won 19 of the 23 seats it contested while Gerakan, as a new coalition partner, won 5 of the 9 seats. With the New Economic Policy (NEP) in effect, the MCA and Gerakan suffered a slight setback in the 1978 elections, with the former losing two parliamentary seats, and the latter one seat to the DAP (72). However, the two parties managed to swing back in the 1982 elections, with the MCA winning 24 of the 28 seats contested, and the Gerakan 5 seats. On paper the MCA and Gerakan appeared to be doing well, but in actuality both
parties greatly benefitted from pro-UMNO Malay votes in racially mixed constituencies and even in districts with a larger Malay population. As Heng (1988:270) notes, in all the elections, the DAP was greatly handicapped by the government bunching Chinese voters into a limited number of electoral constituencies - a delineation that which gave Malays decisive majorities in most of the country's election districts.

With these victories, the Chinese leaders, especially MCA president Lee San Choon, slowly made headway in establishing Chinese unity. In March, 1983, Lee suddenly resigned as president. Although factional struggles were blamed for his resignation, MCA political observers interviewed said another reason was that he was "getting to big for his shoes as far as UMNO is concerned" (73). Unlike the other MCA leaders who were Western-educated, Lee was more comfortable communicating in Mandarin and fraternizing within a Chinese milieu. Heng (1988:267) has suggested that it was Lee's Chineseness that became an obstacle to the development of a closer relationship with UMNO leaders. Emphasizing resinification of the MCA, Lee's strong empathy for Chineseness appeared more as a threat than an ally to UMNO. By then Dr. Mahathir, who was known to have a total distrust for the Chinese, had risen to the premiership. In consolidating his power in the Malaysian polity, Dr.
Mahathir was certainly not going to allow the revival of what he considered Chinese "chauvinism" in the country.

Following the departure of Lee San Choon, there was a major power struggle between acting MCA president Dr. Neo Yee Pan and self-made millionaire Tan Koon Swan. The struggle entailed the use of court injunctions, expulsions from the party, extraordinary general meetings, and "phantom" membership rolls. The dispute left the Chinese community disgusted, and tried UMNO's patience with the party as the power struggle gave the BN a bad image: "...the Neo-Tan struggle not only caused the party to lose its credibility among the Chinese community but also undermined its position vis-a-vis UMNO" (Chung 1987:77). Of the two candidates, Dr. Neo Yee Pan was more favorable to the UMNO leadership, as he represented the archetype of a party bureaucrat who was more interested in business than looking out for the interest of the Chinese community. However, the Mahathir administration threw their support behind Tan's faction when they realized that Neo's supporters were losing ground.

In the wake of the 1986 elections, Dr. Mahathir was not taking chances. In the later stages of the protracted struggle, the MCA was threatened by UMNO with expulsions from the BN (Means 1991:178). Through the intervention of UMNO leader, Ghafar Baba, the factional dispute came to a
close in the MCA General Assembly in November 1985, with Tan Koon Swan emerging as victor.

Tan’s victory was shortlived, as he was charged in a Singapore court for criminal breach of trust, cheating, and stock market fraud in January 1986. After six months of court appearances, Tan pleaded guilty to the charges and was sentenced to two years in jail. With his humiliating departure, the MCA presidency was assumed by the deputy president, Transport Minister Dr. Ling Liong Sik (74).

The arrest of Tan shocked the Chinese community, as again the MCA’s credibility as a political force in the Malaysian polity came under question. More important was that the arrest served as a firm reminder to the Chinese community of Dr. Mahathir’s political control in the country and how politically weak and vulnerable the Chinese had become in Malaysia. Laments a local politician whom I interviewed in 1991, "either tow the UMNO line or face the consequences."

When the MCA was sorting out financial and factional problems, Gerakan took the opportunity to become the primary representative for the Chinese community. Talks were conducted on the possibility of merging with the MCA, but leaders of the two parties could not "see eye to eye." During MCA’s crisis, there was a proposal by Gerakan’s president Dr. Lim Keng Yaik to take over MCA’s role as the
representative of the Chinese community in the BN. But the UMNO leadership preferred to deal with a weak MCA than a vigorous Gerakan.


The sole beneficiary from the marginalization of the MCA and Gerakan is the DAP. Being the chief opposition party, winning nine parliamentary seats in the 1982, the DAP became the champion of Chinese interests. "Over the years, DAP politicians have skirted close to the limits placed by the government on raising in public 'sensitive issues' which are deemed likely to lead to ethnic hostilities" (Means 1991:181). Although the DAP claims to be multiracial in outlook, its support is mainly from the Chinese community. The party had tried to win Malay votes with Malay candidates, but such efforts have been unsuccessful. At present the party boasts one Malay Member of Parliament, Ahmad Nor, who joined in 1986, and two state assemblymen. Failing to make headway with the Malay community, the DAP has concentrated on a tireless effort to expose discrimination against non-Malays, especially the Chinese community. The DAP leadership is well aware that its political scope is limited without Malay support, thus allowing the party to "only shout but unable to deliver" their promises to the people. To quote DAP leader Lim Kit
Siang, "We cannot pass laws, but we are seen as a voice which needs to be heard."

Several opposition leaders, interviewed in 1991, point out that the need to change DAP's image as solely a Chinese-based party is considered the key to DAP's political future. Although the party may be able to garner some sympathy from Malay voters, most DAP officials concede that sympathy is hard to translate into actual support. However, the DAP is having a hard time shaking off the Chinese-based party image, as the declining influence of the coalition Chinese parties have drawn the DAP into playing a key role for the Chinese community.

Many political observers point out that whether the DAP will make any headway in the future depends on one man - the Party Secretary-General Lim Kit Siang. A veteran politician, Lim is recognized as the leading opposition chief in the country. "Some consider that the role he plays in parliament is a major contributory factor to the DAP's share of the popular vote in the general elections" (Vatikiotis, Michael. Far Eastern Economic Review:26, March 5, 1992). Lim, however, has also been accused as the source of holding back the party's progress. His confrontational style only serves to aggravate Malay distrust for the party. After twenty-five years at the helm of DAP's leadership, Lim has not changed his style, much to the disappointment of his
younger leaders. "The resignation of party stalwart and popular Kuala Lumpur Member of Parliament Lee Lam Thye in October 10, 1990, underscored the difference between those in the party willing to communicate with the government and build bridges to the Malay political establishment, and the leadership under Lim which continues to favor a confrontational style" (ibid:27).

Lim’s critics say that so long as he remains in power, not much change can be expected. His traditional and uncompromising leadership style, and the party’s organization with emphasis on the top-down authority of the central executive committee, makes it difficult for the younger leaders to challenge his authority. Most of my interview informants point out that as long as the party image continues to be closely tied to the leadership of Lim, there is little hope that the DAP will choose a different political course. The party, to many, will continue to play an opposition role and nothing more.

The 1986 Elections: Chinese Politics at its Worse

There were no surprises in the 1986 election results, when the BN coalition won two-thirds majority. Although capturing 83 per cent of the parliamentary seats, BN’s proportion of popular vote fell from 60.4 percent in 1982 to 55.8 percent, due to the humiliating defeat of the MCA and
Gerakan by the DAP. Out of the 17 seats won by the MCA (out of 34 contested seats) only 4 were in Chinese-majority constituencies, while 10 were Malay-majority and the remaining 3 were mixed constituencies (Ramanathan & Hamdan 1988:53). Gerakan also lost 4 of the 9 parliamentary seats allocated. As for the DAP, the party emerged "as the undisputed champion of Malaysia's urban Chinese" (Asiaweek:12, August 17, 1986), winning 19 of the 26 Chinese-majority seats, a 73 percent success rate. The DAP victory, concentrated mainly in the urban areas, could be attributed to its witty articulation of issues central to the Chinese interests - hence, a direct challenge to the system of Malay preferences and privileges - but invoking the ideals of equality, democracy and human rights (75).

The 1986 election results clearly showed the declining support for the MCA and Gerakan by the Chinese community. The Chinese community put most of the blame on the MCA for not being willing, or able, to articulate Chinese concerns and protect Chinese interests, even though the two parties had been partners in the ruling coalition. MCA and Gerakan leaders were seen not only to be ineffective but also as a mere tool of UMNO (Khong 1991:29). Besides being pushed to the periphery by the UMNO leaders, the Gerakan and MCA leaders were being rejected by the very community on which they depended for support.
To make matters worse, UMNO leaders began to be more aggressive in asserting Malay dominance, since the total Malay component in Parliament was sufficient to command a working majority (76). The subject of Malay superiority was brought up in a brash manner by a local Malay politician, Abdullah Ahmad, in a speech in Singapore. His speech demanded permanent supremacy for the Malays and the relegation of non-Malays to an inferior status (see Abdullah, 1988). In Malaysia's highly racial explosive setting, the demands might be viewed as irresponsible. Instead, Ahmad's speech boosted Malay confidence and motivated Malay politicians to take a harder line when it comes to sharing power with the Chinese component parties. Subsequently, UMNO officials have openly insisted that the non-Malay communities should accept the reality that the Malaysian political system is founded on Malay dominance. Those who challenge the special rights of the Malays and Malay privileges are viewed as "playing with fire" (Means, 1991:188). Prime Minister Dr. Mahathir best summed up the sentiments of the Malays when he stated in a speech to the UMNO General Assembly in October 1986 that "we do not wish to rob other people of their rights. But let no one try to rob us of our rights" (New Straits Times:2, November 16, 1986).
With Malay political hegemony firmly in place, the task of the MCA and Gerakan leaders in protecting the interests of the Chinese community has become extremely difficult, if not impossible. Not only must the MCA and Gerakan deal with a more confident Malay leadership that is all powerful but the Chinese political parties also have very little bargaining power, as their representation by virtue of delivering votes has been narrowly reduced in the past few elections.

The UMNO-MCA Crisis: The Silencing of Controversy

From 1986 and 1990, the non-Malay public became more vocal in criticisms against the government’s social and economic policies (Means 1991:188). Since the NEP was coming to an end in 1990, there was much anxiety as to whether the policies would be continued. Other than the NEP, there already existed several outstanding issues in the fields of education, language, and culture. The MCA and Gerakan leaders realized they had to do something significant before the 1990 elections to redeem their status with the Chinese community lest the two parties be replaced by the DAP.

UMNO unity was shaken by Tengku Razaleigh Hamzah (77) who announced his candidacy to challenge Dr. Mahathir for the UMNO presidency in the coming UMNO General Assembly,
scheduled for April 24, 1987 (78). As the campaigning intensified, Dr. Mahathir's administration was subjected to allegations of corruption, favoritism and impropriety (79) (see Gill 1988).

During the UMNO crisis, the Chinese political parties, especially the MCA, found themselves pitted against the UMNO over a financial issue. In April 1987, the Deposit Taking Cooperatives (DTC), sponsored by the MCA, was reported to have suffered a loss of about M$3.6 billion due to a combination of bad investments, criminal fraud and theft by some DTC officials, as well as the unanticipated downturn in the world economy (80) (Aznam, Suhaini and Nick Seaward. Far Eastern Economic Review:17-24, April 2, 1987). To resolve the financial crisis, the MCA hoped that the government would provide assistance in the form of loans to the cooperatives. The MCA's expectations had racial overtones, since the government had in the past intervened and bailed out troubled bumiputra financial institutions (81).

Despite MCA's marginalized status in the coalition government, party leader Dr. Ling Liong Sik took an aggressive stand in threatening to reassess the MCA's role within the BN if no help was given. The UMNO Youth leader Najib Abdul Razak and Education Minister Anwar Ibrahim opposed any assistance to the DTCs, and openly inviting the party to leave the BN (New Straits Times:1, May 20, 1987).
The MCA's request had put Dr. Mahathir's administration in a "no-win" situation. With his administration's reputation severely tainted by hints of corruption and impropriety from Tengku Razaleigh's camp, Dr. Mahathir was in no position to be insensitive to the needs of his Chinese coalition partner. In the words of a MCA official, "he could not afford to have his credibility as a fair and sensitive leader further undermined." The MCA leadership was confident, by early 1987, that they would receive financial support, as negotiations appeared positive. As expected, the cabinet finally approved a rescue package for the DTCs in February 1988, but by then the UMNO-MCA relationship had become seriously strained on another issue.

Encouraged by the results of their negotiations on behalf of the DTCs, the MCA pursued another contentious issue to boost their status with the Chinese community. It must be remembered that the MCA, at this juncture, was at its lowest ebb politically. Between July and August 1987 the BN Chinese leaders requested that the government made good of its pre-election promise to repeal Section 21(2) of the Education Act of 1961 (82). The issue came to light when the Education Ministry decided to place 100 Chinese teachers with no Mandarin knowledge to head the secondary Chinese schools. The MCA alleged that the move by the Education Ministry was a ploy to eliminate Chinese medium
secondary schools (Means 1991:208). Believing that the non-Mandarin speaking administrators and headmasters would be followed by non-Mandarin speaking teachers, many Chinese feared the Chinese medium schools would ultimately cease to exist. If MCA leaders were successful in getting the Act repealed, the party would boost support within the Chinese community. With their credibility on the line, the MCA leaders could not back down. Resorting to a militant stance, Dr. Ling Leong Sik attributed the behavior of some UMNO leaders to the "...creeping arrogance of power and the never-ending quest for power [that] has made some of our political leaders and civil servants strive to be racial heroes in their own communities..." (Aznam, Suhaini. Far Eastern Economic Review:13-15, July 23, 1987).

The MCA's request had the backing of Gerakan and DAP leaders, who also realized the political value of voicing their support and opinions on the matter. The controversy intensified when UMNO Youth leader Najib Razak declared that there would be no compromise, as "the survival of the Malays will be at stake" (New Straits Times:1, July 11, 1987). Najib issued a warning to the Chinese parties not to pursue the matter any further (New Straits Times:1, August 10, 1987). The exchange of warnings and threats between the UMNO and Chinese leaders escalated due to the wide daily coverage by the Chinese, Malay and English newspapers.
Realizing that former Education Minister Anwar Ibrahim was not in favor of repealing the Act, the MCA teamed up with Gerakan, and opposition parties including the DAP, SDP, PSRM (and other Chinese-educational organizations) staged a public rally to voice their discontent. At the rally, MCA Deputy President Lee Kim Sai, together with opposition leaders, demanded not only the withdrawal of the promotions of the non-Mandarin speaking teachers but also criticized the government on the quota system in the universities and its lack of support for the MCA-sponsored Tunku Abdul Rahman College (New Straits Times:2, October 11, 1987).

The emerging picture of non-Malay (mainly Chinese-based) political parties uniting under one roof, championing Chinese interests, worried the UMNO leadership. Many saw the Chinese demand as a direct challenge to Malay dominance and the UMNO leadership. The timing was bad, as the UMNO leadership was also facing a troubled Malay unity, fractured by internal strife between Dr. Mahathir and Tengku Razaleigh. The UMNO Youth reacted with rallies to reaffirm Malay superiority and dominance in the country. As the UMNO Youth got ready for its second major rally scheduled for November 1, 1987, reports that anti-Mahathir UMNO members had planned to disrupt the rallies circulated (New Straits Times:1, October 18, 1987).
Without any warning, Dr. Mahathir invoked emergency powers and on October 27, 1987, 63 people were suddenly arrested and held under the Internal Security Act. Within two weeks, a total of 106 people — including politicians in the UMNO, MCA, Gerakan, DAP, PAS as well as other activists — had been arrested. The November 1 rally was banned, and the MCA-owned English newspaper, The Star, and a Malay and a Chinese newspaper were also banned. The arrests were strategically effective, as they silenced all opposition to the Mahathir’s administration (by arresting most of the leaders). Among those arrested included DAP Lim Kit Siang and his son, Lim Guan Eng.

However, two key figures in the MCA, who started the controversy, the president, Dr Ling Leong Sik, and his deputy, Lee Kim Sai, were spared, as they had left the country on "indefinite leave." At the time of the arrests both MCA leaders were conveniently out of the country; they returned weeks later after things have calmed down (83). Gerakan leaders, including party president Dr. Lim Keng Yaik and Penang Chief Minister Dr. Lim Chong Eu, kept a low profile and did not openly condemn the arrests. Means (1991:214) notes that Dr Mahathir, by his decisive use of the Internal Security Act, not only emasculated all forms of opposition against him but emerged at the top of the political power structure: "...Dr. Mahathir had
significantly shifted the balance of political dispute and made himself the decisive arbiter of most of the major pending issues of politics" (ibid).

As far as the Chinese community was concerned, the political crisis did more harm than good. The Education Act of 1961 remained intact, and none of the concerns of the Chinese community was resolved. More disappointingly, the Chinese political parties in the coalition were silenced and further marginalized. As such, there was very little the Chinese coalition parties could do if the UMNO leadership decided to take a hard line with regards to Chinese interests. Attempts to win back the support from the Chinese community by taking a militant stand had failed badly.

Even before the Chinese community could forget the setback from political furore, an intense power struggle developed within the MCA. A faction supporting MCA Deputy President Lee Kim Sai publicly accused Party President Dr. Ling Leong Sik of "corruption in the disposal of the party-owned companies, weak leadership in representing the Chinese community and dictatorial tendencies in the administration of the party - allegations which even the opposition had not put in such blunt terms" (Khong 1991:30). After some heavy bickering through the media, especially the Chinese press, Lee Kim Sai backed off on his challenge and decided to
patchup difference with Dr. Ling and his supporters. This turnabout put many MCA leaders and officials, who came out openly and made the allegations against Dr. Ling, in a highly vulnerable position as far as their future with the party were concerned.

Although there was a promise of no "witch-hunt," many officials and grassroot leaders who were in opposition were left out as candidates in the 1990 elections (New Straits Times:1, September 23, 1990). With the relationship between the top leaders strained, the grassroot leaders disappointed and the Chinese community embarrassed and confused, one can only expect the MCA's efforts in the 1990 elections to be hampered.

Run-Up to the 1990 Elections

In the hope of redeeming credibility with the Chinese community for the 1990 elections, the MCA managed to get the BN government to remove all restrictions the Chinese community visiting China (84). Unfortunately, the MCA did not obtain a response from the Chinese community that they had expected for getting the concession. The lack of enthusiasm was not surprising, as after World War II the Chinese population were not China-centered in their political orientation. Chinese interest in China tend to be for sentimental rather than political reasons. Another attempt by the MCA to win approval was to receive government
recognition for the diplomas issued by MCA-sponsored Tunku Abdul Rahman College. But, again, the effort did not lead to much political gain. As pointed out earlier, the Chinese community was more concerned with issues related to their Chineseness - language, education and special rights.

With the coalition Chinese political parties on the sidelines, the DAP became the sole vocal representative of the Chinese community. Being slightly cautious following the 1987 political crisis, the DAP continued championing non-Malay interests in general, and Chinese interests in particular. Besides campaigning for equality, justice and democracy, the DAP benefitted from the frustrations and anti-establishment mood among the non-Malay community (Khong 1991:39): "In aggressively criticizing the government for discriminating against the non-bumiputra communities, the party's message struck a sympathetic chord with the aspirations of large sections of the Chinese and Indian population, particularly those from the lower classes whose chances for social mobility have been stymied by government policies" (ibid).

The election results of 1990 clearly revealed that the non-confrontational strategy of the coalition Chinese political parties failed to appeal to the Chinese community. Although the BN government won more than two-thirds majority in the elections, MCA's performance contributed very little
to the victory. In terms of seat allocation, the MCA managed to secure only an extra parliamentary seat compared to the 1986 elections. In terms of total votes cast in the parliamentary election, MCA secured only 11.27 percent, a decline of 1.48 percent and 7.14 percent from 1986 and 1982 elections, respectively. More embarrassing was that out of the 18 candidates who secured their seats, 13 were returned in constituencies with a Malay majority. In the state elections, the MCA performance was worse - it won only 34 of the 64 seats contested, compared to 43 in 1986 and 55 in 1982 (out of 62 seats).

The Gerakan party also did not make any headway. Although the party retained all the five parliamentary seats it won in 1986, their percentage of total votes declined. In the state elections, Gerakan secured only 11 of the 21 seats contested. More damaging was the fact that in their stronghold state of Penang, Chief Minister Dr. Lim Chong Eu was defeated in the constituency he had represented for twenty-two years. Although the Gerakan party was allowed to retain the Chief Ministership, the party’s very existence was dependent on the goodwill of the UMNO (85). Following the defeat of Dr. Lim as Chief Minister, the UMNO leadership insisted on setting up of the post of deputy Chief Minister, a post for a Malay state leader. The Gerakan leadership agreed to this request when UMNO threatened to put a Malay
leader in the seat of the Chief Minister. Although the Gerakan party was not plagued with factional disputes or scandals, its poor performance could be attributed to the anti-government tide among the urban Chinese electorate (Means 1991:33).

Unlike the MCA and Gerakan, the DAP maintained its good performance in the 1986 elections winning 20 parliamentary and 45 state seats. In terms of popular votes, there was a decline from 20.39 percent in 1986 to 16.87 percent in 1990 due to the fact that the party contested in fewer constituencies to give way to its ally, the Semangat 46. Although the elections results did not meet the expectations of the DAP in bringing about "an unprecedented historic opportunity to effect far-reaching meaningful changes to the political order of the country" (Voice of DAP, 1990), it did confirm that ethnic polarization remained strong: the Malays supported the BN government and the Chinese supported the opposition. Ethnic polarization can be expected to worsen as the lack of support from the Chinese community has given rise to fears that the UMNO-dominated BN will be making policy decisions without taking Chinese views into consideration. Malaysian ethnic politics continues to be seen as a zero-sum game in which one side can only benefit at the expense of the other.
Chinese Ethnocentrism: A Self-Defeating Ideology

One recurring factor appears to be a stumbling block to the Chinese political development - their ethnocentric approach of both Chinese- and Western-educated leaders. Subscription to the ethnocentric ideology of their Chineseness seems to work in uniting the Chinese community in each election but at the price of having the Chinese political parties marginalized politically. The UMNO leadership, although quick to recognize the danger of the communal appeals, has forced the Chinese leadership into a corner. The coerced submission of the coalition Chinese leadership to the UMNO's demands clearly reduces Chinese members of the ruling coalition to the role of puppets in the political arena. A continued use of an ethnocentric discourse will only be self-defeating with regards to the interest of the Chinese community. The discourse, in all these years, has not given the Chinese leaders any political mileage with Malay hegemonic rulers. If anything, the discourse has led to Chinese peripheralization in the Malaysian polity.

The present rhetoric of being an equal partner, one of the major political parties, and/or the concept of multiculturalism is still being used by the coalition Chinese leaders as a face-saving measure, since the Chinese leaders' political voice is less than that of the Malay
leaders. By continuing to pursue an ethnocentric rhetoric, the result is that the Chinese community's expectation are unnecessarily raised in an election year, only to be disappointed in the long run. The result is to only deepen the distrust between the Malays and Chinese, perpetuating fears between the two ethnic groups and preventing future dialogue on how to resolve the growing ethnic tensions.

Furthermore, with the Malay leaders experiencing an upswing in political power, the Chinese political role and influence will not get any stronger in the years to come. To blame the economic and social policies of the BN government for Chinese political woes only addresses a symptom of Chinese marginalization in the Malaysian polity. The ethnocentric ideology of being Chinese, needing to preserve Chineseness, remains the root cause of the gradual decline in influence of Chinese and a stumbling block to better ethnic relations with the Malay community. If the Chinese leaders continue to subscribe to communal politics to survive politically, the Chinese community will ultimately lose their rights and their economic standing.
ENDNOTES

1. DAP leader Lim Kit Siang commented that the Malaysian Parliament seemed to be staging a "wayang kulit" (shadow play) "where we see the shadows but not the substance" of the debate (Jenkins, David. Far Eastern Economic Review:12-15, February, 1984).

2. The secret societies had their roots in the Triad Society in China in the early eighteenth century as a quasi-religious cult. When the foreign Manchu rulers came into power in 1644, the Triad Society turned revolutionary in its objectives. As noted by Blythe (1969), the Triad Society became concerned with restoring the native Chinese Ming dynasty by attempting to bring down the Manchu rule. In Malaya, this patriotic motive could find little expression.

3. The Kapitan China system was based on the idea of indirect rule, whereby a Chinese headman was appointed by the British authorities to be the intermediary between the immigrant community and the colonizers. Many times, the Kapitan China was also the head of the secret societies, as much power rested in the leadership.

4. In Selangor, Yap Tek Loy, was a Kapitan China and also the headman of the Hai San, the Hakka secret society. He was also noted for being the founder of Kuala Lumpur, Malaysia's capital city. His rival, leader of the Ghee Hin, Ah Yam, was also the Kapitan China in Perak.

5. Between 1867 and 1889, the colonial government vacillated between a policy of recognition and partial suppression of secret societies in its quest for a successful formula to regulate their activities. The British authorities also established a Chinese Protectorate in 1877 to help curb abuses arising from secret society powers (Heng 1988:17).

6. This ban did not stop the secret societies from operating due to services covertly sought by the Chinese community for many years. Heng (1988:17) points out that the secret societies turned to crime and underworld activities, such as prostitution, drug-trafficking and extortion after losing their former status in the community.

7. Under the republican leadership of Dr. Sun Yat Sun, the KMT was formed in China in 1912 after successfully toppling the Manchu dynasty in the Revolution of 1911. It was Dr. Sun who went around the world to mobilize support from overseas Chinese to help in his movement. Following the
visit of Dr. Sun to Singapore in 1900, the KMT branch—known then as the Tung Meng Hui—was set up in 1906. Seven years later, several KMT branches appeared in Malaya. Ting (1976:134) estimated that all together there were thirty branches in Malaya. For an excellent discussion of the KMT, see Png, 1961.

8. The immigrant Chinese in Malaya contributed a total of about M$47,906 to the KMT uprising of 1911. Ting (1976:135) notes that out of the 72 overseas who died participating in the revolution, 14 were from Malaya.

9. After 1917, all Chinese schools used Mandarin as the medium of instruction so as to unify the community as one people. Hitherto all Chinese schools had taught in the dialects of the sponsoring organizations.

10. It is for this reason that there was a stronger tendency among the Chinese to believe that they could be part of the tide of the future of Communist China, hence their support for Maoist ideology. With this mental set, many had no qualms in joining the Peking-oriented Malaysian Communist Party (MCP) especially during the Japanese Occupation. The brutality faced by the Chinese community served to legitimate the MCP as representative and protector of Chinese interests (Means 1970:32).

11. In the traditional network of the Chinese Chamber of Commerce and clan houses, the MKT had an advantage. The leaders in the two organizations had a preference for the MKT over the Communists in light of class interests. For the MCP, the trade unions were a source of support in championing the cause of the Chinese community.

12. Khoo (1973:198) points out that the night schools run by Hainanese teachers were effective in spreading Communist doctrine to the students.

13. In 1931, the SCBA had only 1,060 members out of an estimated Straits Chinese population of 200,000. Although the membership remained small, the SCBA had considerable political and economic clout due to its capable leadership. The most prominent leaders included Tan Cheng Lock, Dr. Lim Boon Keng, Han Hoe Lim and Lim Cheng Ean (Heng 1988:26-27).

14. During World War II, the Chinese contributions to the war effort in the Chinese homeland were resented by the Japanese, who responded with brutality; neither the Malays nor the Indians were harshly treated.
15. Since MCP leaders began organizational work in the 1920s, the MCP membership was 95 percent Chinese and was directly influenced by China. The overwhelming Chinese composition of the MCP served to alienate the Malays and deterred the Communists in identifying with the nationalists.

16. Tan Cheng Lock even questioned the ethnicity of the Malays when he pointed out that only half of the 2.3 million Malay population was indigenous while the rest are also non-Malay "immigrants" from the Netherlands East Indies. He argued that if the Chinese (2.4 million) and Indian (750,000) population were combined they would outnumber the Malays, hence the Malayan government should "make it its fundamental policy and aim to foster amity and harmony among the principal races...in which equal rights, political, economic and otherwise should be accorded, so as to build up a Malayan community with Malayan consciousness and inspired by Malayan patriotism" (Tan 1947:5).

17. Under the 1929 Nationality Law, based on the principle of jus sangunis, the Chinese Nationalist government took the view that all Malayan Chinese were Chinese nationals - a major factor that cast doubt on the sincerity of the Chinese in Malaya for citizenship (Means 1976:53).

18. Any Chinese who acts as the leader but in reality is under the influence of the Malays is seen as an imposter. Pye (1985) notes that with Malay leadership, many Chinese feel lost. Chinese search for security has become the tribal one of opting out of the majority system and focusing on special parochial groupings. He says that the older generation have turned to ethnic welfare organizations and, at times, to the secret societies. For the young, there is a tendency to identify with Chinese nationalism and with Chinese communism.


20. Cheah (1983) notes that the disgust of the British towards the rulers triggered efforts to remove them from Malaya to safer havens in Australia and India. Nothing came about, as such efforts were strongly opposed by the rulers themselves, who demanded that they should not be separated from their subjects.

21. These allegations also allowed the British to partly blame the Malays for the rapid and sudden collapse of their power in Malaya. Apart from the brilliant military strategy
of the Japanese, which took the British forces by surprise, some British officials also interpreted the structural vulnerability of an administratively fragmented constitutional polity and the inherent weakness of a divided population as a cause for the defeat (Lau 1991:70).

22. The Malayan Union scheme, a highly centralized union that enabled the British authorities to consolidate their hold on Malaya, represented an annexation of the Malay States, reduced the rulers to ceremonial roles, and threatened the Malay political dominance with non-Malays who would have been conferred citizenship rights. English was to be the medium of instruction. Furthermore, the assets of the nine Malay states and the Straits Settlements were to be placed under the control of the central government. The Malayan Union scheme was the British authorities’ first effort to prepare Malaya for independence, and one aimed at promoting multiracial harmony.

23. The civil service had been the domain of the Malay and British prior to the war. For the Malays, it represented an elitist institution where only the best of the Malay students in the country had a chance to seek employment. Usually students from the highly prestigious Kuala Kangsar Boys College were considered qualified to apply for work. Opening the civil service to the non-Malay population was considered a severe blow to the Malay community.

24. To protest against the Malayan Union scheme, the Malays under the leadership of the Menteri Besar of Johore, Dato Hussein Onn Jaafar, formed the United Malays National Organization (UMNO) on March 1946. As a result of strong UMNO opposition, a working committee was formed in 1946 to look into UMNO grievances – just two years after the Malayan Union scheme was approved. After much debate, the Union was replaced by the Federation of Malaya on February 1, 1948.

25. Briefly, the Agreement provided for a strong central government and citizenship for all. In comparison with the Malayan Union, the Agreement safeguarded Malay sovereignty and the special position of the Malays. As for citizenship, there were some stringent conditions. For local-born applicants whose parents were immigrants, the residential period required was eight out of the preceding twelve years, and for foreign-born applicants, fifteen of the preceding twenty-five. Knowledge of Malay and English was also necessary (Yeo 1973:32).

26. Several rallies were in Seremban, Malacca, Singapore, Kuala Lumpur and Penang between January and October.
27. The hartal or strikes were reported by all the local newspapers, which carried a variety of viewpoints as to their success. Although several Chinese businessmen and community leaders refused to accept appointments to serve on the Federal Legislative Council and other government bodies, these actions were shortlived.

28. At that time, the Malays and Indians had their communal parties, the UMNO and the MIC, respectively.

29. The MCA is of the opinion that the MCA's formation was first initiated by the then High Commissioner, who requested the Chinese leaders lead by Tan Cheng Lock to organize themselves and represent the community (Soh 1960:51).

30. Between 1949 and 1957, the top leaders included Tan Cheng Lock, Tan Siew Sin, Khoo Teik Be, H.S. Lee, Leong Yew Koh, Yong Shook Lin, T.H. Tan, Dr. Lim Chong Eu, Too Joon Hing and Yong Pung How. Most of these men derived their fortunes from tin mines, rubber, banking, real estate, wholesale and retail trade, and other commercial and small-scale manufacturing industries.

31. Penang's Governor Francis Light described the Chinese as "the only people of the East from whom a revenue may be raised without expense and extraordinary efforts from the government" (quoted in Purcell 1967:40). Despite the subordinate role of the Chinese in business, they did play an important role in the economy (Jesudason 1988:31).

32. Following the war, the British were prepared to incorporate the MCP as a junior partner to maintain order. The offer was refused, as the MCP aspired to run the country. The MCP resorted to taking control of the trade unions by using terrorist and intimidating tactics on employers. Stenson (1970:124) points out that the MCP reached its peak of power in 1947, when it had a membership of 50 percent of the industrial workforce and controlled 90 percent of all unions in the country.

33. Heng (1988:129) argues that the enthusiasm which the MCA leaders displayed in carrying out their Emergency duties did not derive solely from purely selfish motives relating to the protection of capitalist class interests: "They believed they had a responsibility to alleviate the hardships inflicted on the Chinese masses during the Emergency." Heng's thesis about the self-sacrificing attitude of the capitalist-oriented MCA leaders contradicts the fact that they were just trying to consolidate their financial empires. Furthermore, Heng offers very little evidence to support his position.
34. The MCA leaders saw the opportunity to make a difference, since most had close links with the British (Vasil 1980:78). Furthermore, the MCA leaders were also English-educated and did not have much contact with the Chinese community at the grassroots level. British High Commissioner Sir Henry Gurney was quoted saying that he wanted the MCA "to be stronger than the MCP and to provide the Chinese with an alternative standard to Communism" (Ratnam 1965:153).

35. Each lottery ticket cost $1; 60 percent of gross sales would be distributed in prizes, and the balance would be retained by the party for its welfare fund and for defraying administrative expenses (Heng 1988:109).

36. The only seat was won by the Pan-Malayan Islamic Party. The Labour Party and the People's Progressive Party managed only to get some Chinese votes and hardly any Malay support.

37. It has been estimated that out of the 600,000 eligible to vote, only 143,000 registered. As such, only one in eight Chinese voted (Carnell 1955:316). The eligibility factor is due to the fact that 1.2 million adult Chinese were not qualified for citizenship. As such, in the elections, about 84 percent of the voters were Malays and about 11 percent were Chinese (Haas 1967:67).

38. Ting (1976:184-187) concluded that the elections showed that voting was non-communal and along party line. The Alliance's slogan, Merdeka, overrode all communal concerns, as it had an overwhelming support from all communities.

39. Dato Onn also attacked the UMNO, stating that the party had come under the control of the MCA and that the interests of the Malays were being compromised or sold out to the Chinese capitalists. He went so far as to suggest that UMNO had changed the symbol of the party's flag from a kris (a Malay sword) to chopsticks!

40. UMNO also made a distinction between the two sets of leaders within the MCA - the English-educated and/or Baba leaders, whom they regarded as true and loyal Malayans, and the Chinese-speaking leaders, who were considered as pro-KMT and "chauvinists."

41. Tunku Abdul Rahman, UMNO's president, and the first Prime Minister of Malaysia was well-liked and respected by the non-Malays as a man who preached multiculturalism as the national goal for the country. The remarks of Malay radical views were surprising, but they did reflect the mood of the
times. The present Prime Minister Dr Mahathir Mohamad, in his book, The Malay Dilemma, asserted that Malays are the truly the definitive people of the Malay Peninsula, the real and original rulers of Malay. "No other race has any grounds to dispute this" (Mahathir 1970).

42. The issue of Mandarin as an official language was first raised in 1952 by the Associated Chinese Chambers of Commerce in connection with the controversy over Chinese education stirred up by the Barnes Report. The Report called for the abolition of the separate vernacular schools and the creation of an integrated system of national schools where only Malay and English languages would be taught. When the report was published, it came under a barrage of attack by the Chinese community, who argued that the recommendations would end Chinese language and education in the country.

43. The leaders of the movement, called the Big Four, included onetime president of the Perak MCA, Lau Pak Khuang; chairman of the Selangor Chinese Guilds and Associations, Leong Chee Cheong; vice-chairman of the Selangor Chinese Assembly Hall, Cho Yew Fai; and chairman of the United Chinese School Teachers Association, Lim Lian Geok. According to Heng (1988:243), all four had KMT background, as they were in the KMTM during and after the Second World II. Throughout their speeches, they expressed support for the KMT to regain the motherland from the Communists. Most of the business community in Malay had little support for the Communist Party.

44. The Colonial Secretary in London, A. Lennox-Boyd, following information received from UMNO, refused to deal with the breakaway party, as he was not certain whether the party constituted a "fifth column" representing the foreign policy ambitions of Taiwan towards Malaya or was a genuinely a Malayan-centered Chinese body (Heng 1988:244).

45. Smith also mentioned that another factor could be the special concessions that were given to those who applied for citizenship within twelve months after independence. Ratnam (1965:201) mentions that the communal distribution of electors was much more in proportion to the country's ethnic composition.

46. Under the Alliance agreement, in order to amend the Constitution or pass any bill, the party concerned must have the support of more than two-thirds of the parliamentary members. The MCA felt that having one-third of the seats would safeguard their interests.
47. Heng (1988:257) points out that the MCA's General Committee supported the Tunku as they felt the need to keep to the bargains made in the independence agreement. He suggests that the businessmen-politicians in the MCA saw it more to their advantage to belong to the ruling party than to be cast into the political wilderness.

48. The Alliance won 74 out of the 104 seats with UMNO having 52, MCA 19, and MIC 3 seats.

49. The Socialist Front won eight seats, People's Progressive Party four, and Independents two.

50. For a history of Singapore and Malaya, see Vasil (1980:Ch 5).

51. Lee Kuan Yew, the foremost leader of the PAP in the early 1960s, went on to become the country's Prime Minister until last year. Today, he remains a senior minister in the Singapore government.

52. In the elections, the PAP only managed to secure 1 out of the 15 state seats it contested, collecting only 0.9 percent of the total vote. In the parliamentary elections, it also won 1 out of the 11 it contested (Vasil 1980: 150-169).

53. The DAP retained much of the ideological and organizational dynamism of the PAP. Its guiding principles were released in a publication called the "The Setapak Declaration," announced on July 29, 1967. What the party is concerned with is a free, democratic and socialist Malaysia, based on the principles of racial equality, and social and economic justice (DAP 1967:3). The approach by the Gerakan Party did not stray too far from that of the DAP. Heading the party was former MCA president Dr. Lim Chong Eu and former Labor Party leaders, Dr. Tan Chee Khoon and V Veerappan. Although Gerakan tried to woo Malay support, it did not get very far; support still came from the Chinese population. It must be remembered that Dr. Lim was a dissident of the MCA leadership for demanding equality for the Chinese community after the independence bargain.

54. For a good account of the 1969 crisis, see Goh, 1971; Tunku, 1969; Comber, 1983.

55. The state of emergency started on May 14, 1969, and a crisis management body, the National Operations Council (NOC), was created under the leadership of Deputy Prime Minister Tun Abdul Razak. Funston (1980:321) notes that the NOC comprised mainly of high-ranking Malays from the civil
service, military and police. Social calm was restored by July but the NOC ruled until February 1971, when parliament was restored under new constitutional rules.

56. The 1969 election results showed that the Malay voters abandoned the Alliance coalition (and UMNO) even more than the Chinese. About 67 percent of Malays voted for the Alliance in 1964 but only 54 percent did so in 1969 (Ratnam and Milne 1967:374). The Islamic rival party, Partai Islam SeMalaysia (PAS), polled more votes than UMNO. Realizing these developments, UMNO was planning to institute more pro-Malay policies to regain its base in the Malay community.

57. Some of the ultras were Dr Mahathir Mohamad, Musa Hitam, Tan Sri Jaafar Albar, and Tan Sri Syed Nasir. The ultras blamed the Tunku for being too pro-Chinese and thus for being responsible for the outbreak of riots. The ultras not only had the support of some of the older UMNO leaders but also many Malay academics and tertiary students.

58. In the years that followed, the Rukunegara was not adhered to, and nothing substantial came from the National Unity Board. My interview with the present National Unity Board director revealed that the organization has very little idea how national unity could be achieved in the Malaysian polity.

59. About 43 percent of the non-Malays voted for the Alliance in 1969, compared to 48 percent in 1964, while 67 percent Malays voted for the Alliance in 1964 and only 54 percent did so in 1969.

60. In Penang, Gerakan won 16 seats, DAP 3, and UMNO 4. In Selangor, the opposition won half the 28 seats (DAP 9, Gerakan 4, Independent 1), and in Perak, the opposition won 19 of the 40 seats (DAP 6, Gerakan 2, PPP 12, PMIP 1) (Comber 1983:68).

61. To complicate matters, the radical Malay leadership elites see only room for an assimilationist racial fabric in the country. Following Tunku's resignation, the next three prime ministers, Tun Abdul Razak, Datuk Hussein Onn, and Dr. Mahathir Mohamad, have expressed the importance of Malay dominance. Of the three, Dr. Mahathir stand out as the most outspoken as seen in his writings.


63. The term Barisan Nasional (National Front) was coined by Tun Abdul Razak on the national day celebrations of 1972. It was to reflect a permanent coalition of the various
political parties under the UMNO leadership (see Milne and Mauzy 1978:189-191)

64. Some of the accomplishments by Lee San Choon included the campaign to corporatize Chinese family businesses, the broadening of educational opportunities through the expansion of the Tunku Abdul Rahman College, setting up of scholarship fund (Kojadi), the construction of a high-rise party headquarters; and a nation-wide membership drive (Heng 1988:268).

65. The economic decline of the Chinese community will be dealt with in the next chapter.

66. As pointed out earlier, Dr. Lim Chong Eu left the MCA in 1959, as he was in disagreement with the Tunku, who had excluded him (Dr. Lim) and his supporters out of the candidates list for the 1959 elections because the latter group was considered too insistent in their demands.

67. Dr. Lim formed the United Democratic Party (UDP) with his fellow MCA dissidents in 1962. UDP was essentially a Chinese organization with leaders from MCA and Chinese backing, but publicly announced that it was a non-communal party (Ting 1976:174): "We are forming a truly patriotic national organization...it will not think in terms of communalism" (ibid). Although several Malays were appointed in the executive committee, it had very little Malay support as the issues championed were related to Chinese interests. Owing to its poor performance in the 1964 elections, and bad organization, the party was dissolved in 1968 with many of its members joining Dr Lim in forming the Gerakan party.

68. The party was able to attract the President, and Vice-President of the Trade Union Congress, Yeoh Teck Chye and V. David, respectively, into its ranks. As for Malay support, a well-known Malay intellectual, Professor Syed Hussein Alatas, was later appointed as the party’s first chairman.

69. Two months after Gerakan joined the Alliance, a similar agreement was negotiated with the People Progressive Party, another Chinese-based opposition in the 1969 elections. With the Gerakan and PPP in the Alliance, the latter’s non-Malay support was greatly boosted.

70. Pekemas leaders included ex-Labor Party chief Dr. Tan Chee Khoon and Professor Syed Hussein. Both leaders promised to act as a responsible opposition critic of the government, stressing social issues and a non-communal approach to politics (New Straits Times:12, July 31, 1971).
71. The failure of the IMP (under Tan Cheng Lock in the early 1950s), the breakup of Gerakan, the weak support obtained by left-wing parties like the Labor Party and the Malay-led Party Rakyat all stemmed from one factor - they all were strong advocates of integrationist politics. As a result of their inability to break down race-oriented patterns of voting in the country, all the parties have been forced to the bitter realization of returning to communally-based politics.

72. The DAP capitalized on the rancor between the MCA and Gerakan over the allocation of seats as well as the unhappiness of the Chinese community following the impact of the New Economic Policies - university quotas, Industrial Coordination Act, urban unemployment and other Chinese issues.

73. Interview with a former MCA leaders in Kuala Lumpur. Factional struggles were a common event in the politics of the Chinese community, hence the question of unity comes to mind. However, disunity was never so serious that a president, who was only in his early forties and doing well, had to step down to make ways for others.

74. The Singapore authorities had conducted investigations into Tan Koon Swan's activities as managing director of the Multi-Purpose Holdings (MPHB), which is the financial power house of the MCA, months before his arrest. With large numbers of the MCA members holding MPHB shares, it is unlikely that any investigation by Singaporean authorities would go unnoticed, especially by the Prime Minister's office. Within a week after his election as MCA's president, the Pan-Electric Company collapsed, with Tan holding a controlling stake. The Singapore and Kuala Lumpur Stock Exchange closed for four days to prevent a domino effect of bankruptcies, since Tan also controlled a network of allied companies in both countries. While in Singapore to deal with the Pan-Electric collapse, he was arrested and charge with criminal breach of trust.

75. DAP campaigns attacked the division between bumiputra and non-bumiputra; called for the termination of the discriminatory NEP in 1990 and the system of quotas; promised to fight for the repeal of Section 21(2) of the Education Act, which provided for conversion of vernacular Chinese and Tamil schools to Malay as the medium of instruction; asked for more university admissions for non-Malays; and a deportation of illegal immigrants and parliamentary redelineation to eliminate gross disparities in constituencies on the basis of ethnicity.
76. Within the BN, UMNO (with Hamim) won all but one of the 84 seats it contested. In the Parliament of 177 members, UMNO together with Malay-based component parties from Sabah and Sarawak comprised just about two-third of the seats. By having control of two-thirds of the seats in Parliament, a completely Malay-controlled government is not an impossibility.

77. Note that Tengku Razaleigh and his supporters, called Team B, is not anti-UMNO but in actual fact, they were trying to take over the leadership of Dr. Mahathir and his supporters, known as Team A. However, in the process of factional in-fighting, Tengku Razaleigh was accused of being anti-Malay, anti-UMNO and a traitor.

78. Tengku Razaleigh was backed by an impressive team, including former deputy Prime Minister Musa Hitam, Foreign Minister Rais Yatim, Welfare Service Minister Shahrir Abdul Samad, Deputy Primary Industries Minister Radzi Sheikh Ahmad, Deputy Energy, Telecommunication and Posts Minister Zainal Abidin Zin as well as former ministers and chief ministers who held offices in previous administrations.

79. The accusations became personal in the later stage of the campaigning, with criticisms specifically on Dr. Mahathir’s "personal style of leadership," which was portrayed as dictatorial. Tengku Razaleigh was, in turn, accused of being selfish, power-hungry and painted as a traitor out to fracture Malay unity, motivated by personal power and greed. Besides the mass rallies and eloquent speeches, there were also "poison pen" letters being circulated among the UMNO circle leaking information on Dr. Mahathir’s abuse of power.

80. Between early 1986 and 1987, 58 DTCs were suspended for insolvency and had their deposits frozen. At that time, the MCA had just suffered massive financial losses and fraud following Tan Koon Swan's downfall in the Pan-Electric scandal. As such, the party's financial machinery, the MPHB, was undergoing reorganization and was financially weak.

81. In 1986, the downturn of the economy forced two banks, the United Asian Bank and the Perwira Habib Bank Malaysia, into insolvency; they were rescued by the central bank (Seaward, Nick. *Far Eastern Economic Review*:12-15, March 5, 1987). The government had also rescued Bank Bumiputra and Bumiputra Malaysia Finance went its investments went sour in the Hong Kong property market.
82. The Act gave the Education Minister the power to convert vernacular Chinese and Tamil schools into Malay medium schools by prerogative decree.

83. MCA Deputy Chief Lee Kim Sai, who worked hand-in-glove with the opposition parties, left for Australia the night before the arrests. Party President Dr. Ling Leong Sik was also on a trip abroad.

84. In the past the Malaysian government prohibited Chinese citizens from visiting China with the exceptions of persons over 65 years of age, those in need of medical help, or those on official government delegations. A few years back, the rule was relaxed to allow trips for business purposes but the accompaniment of a police officer was a requirement.

85. To appease the demands by UMNO members of the Chief Minister, state UMNO Youth Chief Dr. Ibrahim Saad was made Deputy Chief Minister.
CHAPTER V

CHINESE ECONOMIC SURVIVAL IN THE MALAYSIAN POLITY: FROM CAPTAINS OF INDUSTRY TO ALI-BABA BUSINESSMEN

Introduction

In a highly centralized political system, a cardinal feature of the ruling party is to be the supreme allocator of limited resources in the society (1). In Malaysia, the distribution of resources has an additional element - the ethnicity of the population. Being an ethnically divided society, the allocation of resources becomes politically sensitive, as it is interpreted by the communal political parties in zero-sum terms; that is, one ethnic group may benefit at the expense of another (2). By subscribing to a zero sum view of the economy, racial or ethnic number-crunching becomes the focus of a government’s preferential policies. "In Malaysia, in particular, the arithmetic of race is calculated in education, in business, and in every part of the political system" (Murphy, Cait. Wall Street Journal:10, December 27, 1990).

The enforcement of preferential policies was deemed necessary to rectify the economic imbalance in Malaysia, based on the age-old belief that the Chinese community were extremely wealthy and in control of the country’s economy, while the Malays remained economically poor and backward. This chapter will start by showing that the "Chinese rich and Malay poor" scenario is rooted in British colonialism.
In pursuit of profit maximization, the British authorities introduced policies - whatever good or bad intentions lay behind them - that led to racial separation and occupational division. The basis for these policies was in the racist orientation of the British, in that they felt superior towards the local ethnic groups. This superiority attitude culminated in stereotypes of the social, cultural, and economic differences between the ethnic groups, especially the Malays and the Chinese.

The British manipulated the ethnic division of labor and the existing racial pluralism to their convenience in running the colony for economic benefit. By allowing an uneven economic development of the ethnic groups, racial tensions were bound to occur. Under British rule, the ethnic tensions were contained, as the ethnic communities were kept apart, but not eliminated. The economic imbalance that manifested between the ethnic groups, especially the Chinese and Malays, continues until today to be a major source of racial tension and conflict in the country. As Vasil (1971:5) notes, in terms of ethnic relations, it is less important whether the view that the economy is in the hands of Chinese is true. More important is that most Malays believe that Chinese are better off and act accordingly. By briefly tracing the rise of Chinese wealth in the country, this chapter suggests that the "Chinese
control of the economy" thesis is a matter open to interpretation.

I have already been established (see Chapter IV) that the Malaysian government is firmly entrenched in the political machinery of the hegemonic Malay-based UMNO party. The rationale for an evolving pattern of distribution of resources among the ethnic groups is a function of UMNO's political hegemony: "...the way it [NEP] has been put into practice has bolstered the power of the ruling Barisan Nasional, which is composed of the dominant UMNO...Despite much mellow rhetoric about nation building, social justice and the like, the fact is that ethnically defined parties need racial stratification to justify themselves" (Murphy, Cait. Wall Street Journal Weekly:10, December 27, 1990). Faced with the ongoing competitive attempts by the Chinese-based parties for hegemony, bargaining with the Malay leaders occurs, and some representation and allocations are accorded to the Chinese community, thus introducing a consociational element (3).

However, with the marginalization of the Chinese political parties in the Malaysian polity through the years, the influence and representation of the leaders have greatly declined. As the Chinese leaders' political voice becomes muffled in the Malay-dominant coalition government, their bargaining power is limited. With their political power
curbed, the leaders can do little but watch as Malay capitalism makes its presence felt in the economy.

It must be remembered that the Chinese community take great pride in their economic astuteness, a supposed hallmark of their superiority: "Their [the Chinese] confidence in the superiority of their own culture reinforced at every turn by the visible evidence of their wealth, they have no doubt at all that it is hereditary flair that does it. To their way of thinking, to be Chinese is to be business-minded, and it is a combination of genetics and upbringing that makes them the dedicated entrepreneurs they are" (Pan 1990:244). However, in Malaysia, Chinese pride has been badly bruised with the rise of Malay capitalism in the form of the New Economic Policies (NEP), and more recently, the National Development Policy (NDP).

During the NEP years, between 1969 and 1990, a new breed of Malay businessmen-politicians entered the economic arena, and have gradually dislodging the Chinese from their economic niche: "In as little as a decade, they [Malay businessmen-politicians] have become some of the richest men in the country and the region. It is hard to think of other Third World country, or even advanced country, where the rich have burgeoned so quickly" (Jesudason 1989:105). Although the NEP led to the rapid ascent of a small group of
Malay bourgeoisie, there have also been benefits for the poorer Malay groups. The most tangible are a larger Malay middle class and the community’s occupational shift from predominantly agricultural work to more urban-based professions.

For the Chinese, the favoritism shown to the Malays by the NEP marked an end to their exclusivity in the economic domain. Through the imposition of a regimen of controls, the Chinese saw economic opportunities shrinking despite the fact that their share of the economic cake increased during the NEP years from 22.5 percent in 1970 to 44.9 percent in 1990 (Mid-Term Review of the Second Malaysia Plan, 1971:83; The Second Outline Perspective Plan, 1991-2000:103) (Table 4). Not only did the Chinese firms face what they believed to be unfair competition, but they were also restricted from participating in sectors where small Malay businesses were concentrated, and they were coerced into sharing ownership of their businesses with Malay partners at discounted prices. The overall feeling among the Chinese business community has been one of resentment and dismay at their declining economic leverage in the country.

The introduction of the National Development Policy (NDP) in 1991, has been described as nothing more than "the NEP dressed up" (Bowie 1991:2). While the NEP advocated the accumulation of wealth through discriminatory policies,
Table 4
Ownership of Share Capital of Limited Companies
(at par value in percentages)

<table>
<thead>
<tr>
<th>Ownership Group</th>
<th>1990</th>
<th>1985</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumiputra</td>
<td>14</td>
<td>11.3</td>
<td>1.9</td>
</tr>
<tr>
<td>Trust Agencies</td>
<td>6.3</td>
<td>7.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Chinese</td>
<td>44.9</td>
<td>48.2</td>
<td>22.5</td>
</tr>
<tr>
<td>Indians</td>
<td>1</td>
<td>0.9</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>0.3</td>
<td>0.4</td>
<td>n.a.</td>
</tr>
<tr>
<td>Foreigners</td>
<td>25.1</td>
<td>24</td>
<td>60.7</td>
</tr>
<tr>
<td>Nominee Companies</td>
<td>8.4</td>
<td>8</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

the NDP is concerned with the retainment and management of the accumulated wealth (4).

The NDP does appear to address the grievances of the non-Malays, especially the Chinese, but in a zero-sum situation any rise in the Malays' share of the corporate cake will be seen as being achieved at their expense. Such has been the case with the NEP. Although statistics have shown otherwise, as the equity share of the Chinese also increased, much debate surrounds the NDP. To the Chinese community, the recent wealth of the Malays is political rather than entrepreneurial in origin. Therefore, the active promotion of Malay capitalism is seen by the Chinese community not just as detrimental to their economic well-being, but is regarded "as a convenient disguise for Malay 'master race' status at the expense of 'second class' non-Malay citizens" (Sundaram 1989:8).

In this chapter, I do document the above assertions in depth. The aim is to shatter myths about the origin of ethnic economic inequality in Malaysia starting from the colonial period to the present day.

**Colonial Malaya: The Promotion of Ethnic Occupational Division**

From an economic standpoint, the present pattern of ethnic relations is very much a legacy of colonialism. Professor Wertheim has proposed that economic competition is
the primary cause of ethnic conflict: "...it is economic competition between adjoining social groups which lies at the root of the tensions, as they present themselves in the actual phase of world history" (1964:76). A controversy, however, surrounds the economic factor that dates from colonial Malaya. The disagreement is on the pattern of occupational division amongst the various ethnic groups under the British administration, especially the way in which official policies and practices worked for or against the creation and maintenance of the pattern of economic regulating amongst ethnic groups.

It is not my intention here to debate whether or not the colonial government intentionally manipulated the ethnic labor for their capitalistic gain (5). What I note is that the colonial government knew that some sort of rough division of labor amongst the ethnic groups already existed; colonial policies took the most expedient and inexpensive way of controlling the local population for purposes of capital accumulation. In true capitalistic style, in pursuit of selfishness, the British perpetuated the ethnic division of labor, since economics and profit maximization took prominence.

Colonial rule undoubtedly brought a great deal of economic dynamism to Malaya by incorporating the country into the world capitalist economy. It installed a
competitive economy in place of a "quasi-feudalistic" economy and introduced the abstract notion of economic exploitation as an end for the government to pursue. The nature of economic activity was a reflection of the colonial mercantilist-expansionist policy rather than based on promoting manufacturing, industrialization, and the production of more agricultural crops. The new capitalism was commercial and extractive rather than industrial capitalism. British Malaya became a satellite of the metropolitan government with the main functions of exporting raw materials, mainly rubber and tin, to industrial Europe, and to serve as a market for surplus manufactured goods for the metropolitan countries (see Wallerstein 1979; 198; 1989). And it is for this very purpose of economic exploitation that labor from China and India was imported (6).

Under the British administration, the Malays remained in rural areas to plant rice planters and fish. The Chinese, concentrated in urban and semi-urban centers, engaged in trade and commerce or worked in tin mines. The Indians worked on the rubber estates. Before discussing how the colonial policies contributed to the Chinese community's economic progress, it is just important to show how the same policies kept the Malays and Indians in their respective economic domains, thus, responsible for the "Chinese rich
and Malay poor" scenario that later plagued the Malaysian polity.

During the colonial era, the Malays kept to their traditional agricultural activities of rice cultivation, fishing, small cottage industries and coconut growing. Malay ownership in tin-mining and manufacturing was unheard of (Puthucheary 1960:xvii). However, to assume that the concentration of Malays in agriculture was an exercise of social free-will is misleading. In actuality, there existed policies by the British administration to confine the Malays to their traditional pursuits.

The British, in return for the right to develop a modern extractive economy in the country by means of immigrant labor, instituted a "refraining" policy that prevented the Malays from "catapulting into the modern world" (Steinberg 1971:322). Roff (1967:125) points out how actively the British sought to protect the Malay peasant society from the disruptive effects of the new capitalist world economic order. He contends that the British held a sentimental view of village life, wanted to ensure continued food production and sought to avoid the political consequences thought likely to follow any substantial disorganization of the peasant economy. Thus, instead of using indigenous labor as the work-force clerical and technical as well as manual, for
the expanding export industries and burgeoning government services, immigrant workers were employed for those jobs.

At the same time, land policies were pursued to keep the peasant in possession of his patrimony and to encourage the continuing cultivation of traditional crops. The land policies and laws that were introduced by the colonialists were tailored to the needs of capital. To ensure that the Malays remained within their occupational domain, a Malay Reservation Land Act was passed in 1913, forbidding the sale of Malay land to non-Malays. This law, unfortunately, was never implemented strictly; in many cases non-Malays agreed with the Malay landowners to work on the land in return for a percentage of the profits. This form of business transactions has been dubbed Ali-Baba deals, Ali being the Malay overt but sleeping partner and Baba, the non-Malay, usually silent but working partner.

Besides keeping the Malays in possession of their patrimony, the colonial administration believed that rice cultivation was the most suitable profession for the Malays. Based on the belief that rice was the soul of Malay life, policies were implemented to prevent the Malays from growing other crops, especially rubber (Lim 1977:166). Colonial records of district and state administrations disclosed that the British officials were so agitated when they saw a progressive slackening of Malay efforts in rice and a
preference for rubber that they introduced four policies to discourage rubber cultivation and encourage rice cultivation by the Malay peasantry (ibid:166-20). The policies, implemented between 1912 and 1917, mainly provided the British administration with immense power to keep rubber cultivation out of Malay hands and their land (7).

To what extent were the land policies the outcome of an altruistic belief that the Malays were really suited for rice cultivation? Or were the policies the result of fear by the British that their profitable rubber plantation interests would face competition from a fully developed peasant rubber industry? It can be argued that in order to protect British capital and metropolitan interest, policies sought to work against the success and full development of the peasant smallholding rubber industry. The land policies were effective in creating a dualistic agricultural economy where the Malay peasant agriculture coexisted with the plantation agriculture. Furthermore, since the colonial plantation policy was based on the premise that only "a body of Europeans could bring brains, energy and money to convert the jungles into extensive estates" and that no Asian had the ability, experience or determination to do so (see Lim 1977), it would be a disgrace to the Crown and the colonialists to have economically successful Malay peasant smallholdings.
To remove the slightest challenge to European superiority, it was no surprise when anti-peasant rubber measures versus positive assistance to plantation enterprise came into operation in British Malaya. Liberal incentives in land and labor were given to European planters. British planters had claimed the best and largest amount of land at nominal cost and with minimum restrictive conditions. To ensure the success of the plantation enterprise, a program of positive assistance was engaged. The program included the provision of cheap credit; the reservation of better land; the building of such infrastructure for plantation economy as drainage works, roads and bridges; as well as granting of favors to British capitalists at the expense of the local entrepreneurial class (Jackson 1948; Wong 1965; Yip 1969; Lim 1977).

In contrast with the positive measures, the British administration took steps that explicitly had the intention of inhibiting the full development of the peasant smallholding industry. The several ways in which this were done included the general underassessment of smallholding yields, the penalization of individual smallholdings by low assessments, restrictions on new planting, and land alienation to smallholders. Lim (1977:108) estimates that the financial loss suffered by smallholders in the Federated Malay States as a result of underassessment stood alone at
$173 million per annum. The policies pursued by the British acted as a specific hindrance to Malay rubber development (9). In general, the policies of British capital and British colonial administration coincided and served to keep the Malays out of the laissez faire economy (10).

While land and agricultural policies were fundamental to the development of capital, matters of education also impinged on labor. Educational policies influenced the occupational division of labor in British Malaya and reinforced the desire of the colonial administrators to keep the Malays on the land. The production and reproduction of labor involved the acquisition of not only a set of basic skills but also an ideology that lends legitimacy to the status quo that the British administration wanted to maintain.

Historical records disclose that the British were in favor of vernacular education for the Malay masses to promote "a self-respecting agricultural peasantry, conscious of the dignity that attaches to hewing wood and drawing water" (Steinberg 1971:323). There was much opposition towards allowing the masses to acquire an English education. Colonial officer Frank Swettenham declared that he "was not in favor of extending the number of English schools except where there is some palpable desire that English should be taught. Whilst we teach children to read and write and
count in their own languages, or in Malay...we are safe" (quoted in Loh 1969:169). Malay requests for the establishment of English schools in rural areas to provide a means of entry to other occupational opportunities were also rejected (Loh 1975:88). By keeping the masses uneducated, the British reinforced the stereotypes of the Malay people (11).

However, for the Malay aristocracy, a different educational policy was pursued, providing "an alternative source of prestige and income...which may have diluted whatever inclination they might have shown toward commerce" (12) (Jesudason 1989:37). To groom them as Anglophiles so as to serve the British empire, an English medium school modelled along public schools in England was set up. Known as the Kuala Kangsar Malay College, it prepared "sons of Rajas [Kings] and Chiefs" to become a reliable ally of British officialdom. Roff (1967:24) notes that a special administrative unit, the Malay Administrative Service, was created in 1910, as the state councils and other posts of native magistrates, judges, and superintendents could not absorb all the displaced traditional elite. Through such educational policies, the British was able win the loyalty of the Malay aristocracy while keeping the Malay peasants, in their image of the indolent native, within their agricultural roles.
A lack of occupational mobility was also prevalent in the Indian community. Most Indian immigrant laborers did not have much of a future except for a confined life on the plantations with little occupational mobility. The Indians' unenviable role in the colonial economy can be traced to how they came to British Malaya. Although the Malayan connection with India dates back to ancient settlements some fifteen hundred years ago, it was during the period of the colonial period that Indian labor came to work on the plantations (13). As the plantation economy grew, the inflow of Indian immigrants accelerated. By 1870, the Indian population was about 30,000, with the majority working on rubber estates (Gullick, 1969:65).

Unlike the Malays, there was nothing to prevent the Indian laborer from moving to work in more rewarding sectors of the economy. However, for the Indians, labor mobility was easier in theory than in practice. Unlike the Chinese, who had the networks of the triad or secret societies (14) to put them to work, the Indian labor lacked such an organization to open doors. Confined to the plantations, Indian mobility was low. Since the plantations were located in remote places, they constituted "closed societies where the laborers' basic needs were provided, discipline was very strict, and movement closely regulated" (Stenson 1969:2). The Indians' mobility were further hampered when the
indentured system, which brought them to Malaya, was replaced by the kangany system (15).

Under the kangany system, the Indian laborer was required not just to work out his loan to the employer who had paid for him to come over but he also owed the kangany or overseer who helped him. Caught within this system, British policies towards the Indian labor did not help, instead contributing to further stagnation on the plantations.

The British administration was well aware that favorable government policies that might provide occupational mobility were the only way the Indian laborers could escape plantation life. Since the British considered the Indians as a transient work force, there was no policy to absorb them into the Malayan society, and the colonial government refused to provide the Indian laborers with proper education. As the initiative was left to the plantation community, estate Tamil schools emerged. According to Loh (1975:179), the industry set up estate schools "as an incentive to recruit labor" and "as a means of keeping the Tamil laborer happy." The Tamil education served the same function as education for the Malay peasants, ensuring that the Indian laborers remained on the plantations so that they could "work harder, longer and more continuously" (Loh 1975:46).
Why the colonial administration took such an unsupporting attitude towards the Indian laborers could be traced to their stereotypes. In contrast with the "self-reliant and enterprising Chinese," or the "lazy and unambitious Malays," the Indians were considered by the British as "...generally docile and rather apathetic: he was very much in the hands of his employer, good or bad" (Gullick 1987:66). Sandhu, writing on Indian community, characterizes British policy as follows: "They welcomed, or were prepared to tolerate, as the case may be, Indians as a laboring or a subordinate class, but not as that which might one day conceivably compete with European interests. In Malaya, although not a declared policy, this bias or discrimination nevertheless appears to have been frequently practised surreptitiously, if not openly. This attitude of the Malayan government...largely explains the lack of any substantial numbers of big business, highly qualified professional and other such classes in the stream of modern Indian migration to the country" (1961:46).

**British Racial Stereotyping and the Hierarchy of Economic Power**

What is important in the ethnic division of labor was the underlying philosophy used by the British administrators in determining which ethnic groups did what. As mentioned in Chapter II, British ideology and stereotyping perpetuated
and manipulated the existing racial diversity by
popularizing negative stereotypes among and between the non-
whites and attitudes of racial superiority among the whites
(16). To the British, European stock made them a superior
people and the Asiatics or Orientals an inferior lot.
"Colonial policy was steeped in the belief in the
superiority of British institutions, and indeed in the
British race" (Abraham, 1987:159).

Apart from the "inherently inferior" and "primitive"
qualities of the non-Europeans, the British also perceive a
hierarchy of differing racial qualities amongst the
indigenous and immigrant races. British classifies some
ethnic group as less or more hardworking, loyal, generous,
intelligent, civilized and disciplined, ethnic images that
became a salient part of inter-ethnic evaluations and that
persist even today.

Under the British classification, the Europeans were at
the top of the occupational ladder. .Next came the Chinese
who were considered to be thrifty, hardworking and
industrious. Freedman (1960:2) captures the pivotal
characteristic of the Chinese, saying "they knew how to
handle money and organize men in relation to money" (17).
Together with negative traits of "trickery," "indecency" and
"disloyalty," which contrasted with British virtue and
honor, the Chinese were believed to be successful in the
economic field. The Indians came third, as they were also considered endowed with coolie qualities. A typical description of the Tamil by the British was that they were "quiet, amenable to discipline, very quick to pick and adapt themselves to any kind of work, they are...best servants to a just master...A Tamil likes a hard master; they even have a saying that the master who never gets angry doesn't give good pay" (Jackson 1968:106). The redeeming qualities of the Indians included being "docile, well-behaved and quiet" which have the connotation that they were most suitable to the lowly paid and regimented life of estate and menial government work (Abraham 1967:26).

As for the Malays, the British saw them as lazy, profligate, and unambitious. Although regarded as honorable, loyal and generous, these qualities did not amount to much, as they British pursued policies which confined them to growing rice. By inciting these traits of the Malays, the British were able to justify the bringing in of immigrant labor and eventually British government intervention into the Malay states as a protector, hence disguising imperial designs. The ideological basis for British imperialism and the justification for the imposition of colonial rule rested on the inefficiency, and indeed the incapacity, of the Malay race to exploit the country’s economic resources: "Herein lay the fundamental
rationalization for imperialism: Because the Malays did not have the capacity to exploit their natural resources, they had no right to keep out the British who were of a more 'advanced' civilization. Nor did they have the right to exclude other immigrant groups who had more developed capacities and who were willing to do the dirty work to exploit the area's economic potential" (Abraham, 1987:157).

The use of racial stereotypes by the British in dealing with local people also coincided with the notion that the Asiatics or Orientals required "regeneration," thus providing the case for their "civilizing missions" in their colonies (see Said, 1979). In the words of colonial official Frank Swettenham, "the function of the white man in a tropical country is not to labor with his hands, but to direct and control a plentiful and efficient supply of native labor, to assist in the government of the country, or to engage in opportunities for trade and commerce from an office in a bank or mercantile bank" (quoted in Abraham 1967:26). To do otherwise, or "go native" as Emerson puts it, "is in practical fact regarded as a betrayal of the white mission of superiority" (1966:87).

It is therefore of no surprise to find the colonials occupying top positions in the economy and society. For instance, the agency houses, which represented British capital in the colony, occupied the apex of the economic
pyramid, while the Chinese and to a lesser extent Indian capital were simply junior partners, forming the weakest links. Chinese and Indians were assigned the economic role of middle-men in domestic trade, facilitating the more profitable import and export business controlled by British capital. Occupational differentiation, with the Europeans at the top and non-Europeans at the base, was therefore an important result of the ideology of racism.

The colonial racist discourse, apart from institutionalizing new statuses in the society, also contributed to the insecurity of the Malay community, especially the distrust for the Chinese. Under British rule, the Malay political power was subordinated to the "advice" of the colonial officials (18). Economically, the Malays were kept out of the market economy, where the immigrant Chinese flourished. Subjected to repression on both political and economic fronts, the Malays felt victimized in their own land. As such, the use of stereotypes by the British officials in accounting for the performance of the ethnic groups only reinforced - in Horowitz’s (1985) terms - the economically backward group’s sense of unworthiness and weakness. To a large degree, Malay insecurity constituted a strong basis for their fears and ill-feelings towards the Chinese, as the latter later
appeared to them not only in control of the country’s economy but also to have political ambitions.

Chinese Control of the Economy: A Question of Interpretation

With its roots in European racism, the ethnic stereotypes subscribed to by the British were also internalized by the local population following years of colonization. A study on ethnic stereotypes in 1973 found that the Malays still regarded the Chinese as intelligent, ambitious and economically better-off, close to the Chinese self-portrait. The Chinese, in turn, saw the Malays as unintelligent, lazy, and easy-going (Rabushka 1973:66). According to Jesudason (1989:39), such group evaluations became a powerful part of the Malay subconscious; for much of the colonial era, Malays were basically resigned to their fate.

Racist notions, inherited from the colonial days, fueled the imagination of the Malays to believe that the Chinese controlled the country’s economy. The introduction of policies by the British towards education, settlement and government employment opportunities further reinforced Malay beliefs in the economic dominance of the Chinese immigrants. As Abraham (1987:158) notes, "the ability of a small minority of Chinese immigrants to achieve success as
businessmen reinforced the perception among the Malays that they were being subordinated by alien immigrants races."

It cannot be denied that the ethnic division of labor did benefit the Chinese community, as it contributed to their ability to accumulate capital, their participation in a vast number of professions, and their larger share of the economy, compared to the other ethnic groups. However, a closer examination will show that the Chinese wealth was small in comparison to that of the Europeans, especially the British capitalists.

During the heyday of the Dutch and British colonizers, the Chinese were considered to be the most enterprising and wealthy section of the population in the Malay Peninsula. It is this respect for the Chinese that shaped the relationships with the colonial authorities. Although there was already a small Chinese population, who established themselves in the interstices of the colonial economy of the Straits Settlements as shopkeepers, traders, and artisans, mass immigration only started in the 1850s, following the demand for "muscle and sinew" for the tin mines. From the tin mines, the Chinese were able to expand their enterprising activities to all sectors of the economy, in time becoming indispensable to the British. How did this come about?
Before 1850, the Chinese was already involved in tin mining but mainly in partnership with the Malay chiefs. As the Malay chiefs controlled the tin mines, the Chinese miners would pay them a royalty for their activities. The Chinese proved useful to the Malay chiefs, as they were able to devise techniques to mine deeper (Lim 1967:47). Furthermore, the Chinese financiers and miners had liquid capital; through the operation of secret societies, the rich Chinese could keep the Chinese laborers in check. During this period, tin was mined in small quantities due to limited demand. However, the industrial revolution and the development of the tin-plating industry in Europe in the middle of the nineteenth century led to a spurt in demand for tin. Mining settlements grew in size, following the on-rush of Chinese laborers, and Malay political control weakened substantially (19) (Gullick 1969:126).

Owing to the ubiquitousness of the Chinese, their business interests were not just confined to the tin mines. Besides tin-mining, the Chinese were found in almost every sector of the country's economy and at all levels of activity. As mentioned by Jesudason (1989:Ch2), the Chinese were also involved in plantation agriculture, especially rubber; they diversified into banking, which ensured funds for expanding existing business; and their share of the distributive and service trades enabled them to make inroads
into the British sector of the economy. In his study of the occupational diversity of the Chinese community, Vaughan (1971:16) compiled a list of more than a hundred types of activities, ranging from unskilled labor to opium seller to engineering and architecture.

The ability of the Chinese community to branch into so many economic activities could be attributed to several factors. For one, the colonial policies towards the Chinese, compared to the Malays, were less paternalistic, as the British officialdom had formulated a favorable opinion towards the Chinese (20). At the same time, the British officials never regarded the Chinese business activities as permanent. Furthermore, the Chinese community had an effective networking system - their clan associations or kongsi, and secret societies, provided them with a well-organized business operation with access to manpower and funds (Andaya and Andaya 1982:139).

However, in spite of the Chinese community’s wide commercial ventures, they still played only a subordinate role in the economy, as the largest share of the economic cake was still controlled by the Europeans (Tan 1982:263; Puthucheary 1960:23, 56). "Colonial rule in the twentieth century witnessed European, principally British, interests dominate nearly every facet of the economy" (Table 5) (Jesudason 1989:34). For instance, in the 1950s, British
Table 5

Foreign Ownership in Malaysian Economy, 1970 (% of total share ownership and fixed capital)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share Capital (%)</th>
<th>Value of Fixed Assets (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>75.4</td>
<td>25.4</td>
</tr>
<tr>
<td>Mining</td>
<td>71.5</td>
<td>55.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>59.6</td>
<td>51</td>
</tr>
<tr>
<td>Construction</td>
<td>34.1</td>
<td>n.a</td>
</tr>
<tr>
<td>Transport</td>
<td>12</td>
<td>n.a</td>
</tr>
<tr>
<td>Trade (Wholesale)</td>
<td>63.6</td>
<td>n.a</td>
</tr>
<tr>
<td>(Retail)</td>
<td></td>
<td>n.a</td>
</tr>
<tr>
<td>Financial (Banks)</td>
<td>35.2</td>
<td>n.a</td>
</tr>
<tr>
<td>(Insurance)</td>
<td>55.3</td>
<td>n.a</td>
</tr>
<tr>
<td>Total</td>
<td>60.7</td>
<td>27.6</td>
</tr>
</tbody>
</table>

Source: Hoffman and Tan (1980:215)
Malaya had become the world's largest producer of natural rubber. Puthucheary (1960:26) notes that in 1953, out of a total of 3.5 million acres under rubber cultivation, more than 1.9 million acres were planted in estates. Of the latter amount, 83 percent was owned by Europeans, 14 percent Chinese and 3 percent Indians while Malay ownership was nonexistent. Since Chinese and British interests overlapped and were in competition, British interests who held the "credit line, sources of supplies, marketing outlets and better technology" and with "the help of the systematic Colonial government," won supremacy (Tan 1982:267). In export and import trade, for instance, Puthucheary estimates that in 1957, the Europeans controlled as much as 75 percent and 70 percent of the trade, respectively, while the remainder was divided among the three ethnic groups.

When the British business community was aware that independence was in the offing, some sold their assets and investments to the Chinese, but the result did not significantly weaken British control and ownership of the economy (Jesudason 1989:35).

Post-Independent Economy: Rooted in Chinese "Control" of Economy

Newly independent Malaysia was trying to diversify its economic base from reliance on primary commodities to manufacturing and thus had a need for foreign capital. To
quote former Commerce Minister Tun Tan Siew Sin, "...Malaya needs foreign capital far more than foreign capital needs the Federation of Malaya" (21) (quoted in Morais 1972:126). With the availability of various investment incentives, many foreign companies were attracted to participate in Malaysia's import substitution program. Until 1970, foreigners owned 60 percent share of the Malaysian economy (Table 5) (22).

Despite the obvious dominance of foreign capital in almost every facet of the country's economy, why is it that the Malays believed that the Chinese controlled the economy? As discussed earlier, the ethnic division of labor and the promotion of the ethnic stereotypes by the British caused the Malays to think of the Chinese immigrant as "secondary colonialists, a community of unscrupulous capitalists interested only in advancing wealth" (23). The Malays' fear of being dominated by the Chinese was further fueled by the latter's presence in almost every kind of economic activity in the urban areas. Due to their vast occupational diversity, Puthucheary (1960:133) notes that of the three ethnic groups, the Chinese capitalists were the most active and important in the country, with the largest ownership and control of the various factors of production. In terms of employment, the majority of Chinese were found in commerce. In 1957, about 65 percent of the Chinese community was
involved in commerce in contrast with 16.4 percent Malays and Indians (Table 6). Despite some progress made by the Malay community (23.5 percent) by 1970, it was still small in comparison to that of the Chinese (Table 7). The Malays, in short, bought retail goods from Chinese more than from the British.

In addition, the presence of the business-oriented Chinese party, the MCA, was in a strong financial position to be in a politically influential position in the Alliance coalition. Accordingly, the MCA immediately after independence, controlled key financial ministries, namely, the Finance, and Commerce and Industry ministries. Besides, Prime Minister Tunku Abdul Rahman was also supportive of the Chinese business ventures, as seen in the concessions made to the MCA leadership. "The forcing out of Agriculture Minister Abdul Aziz Ishak from the cabinet in early 1963 has been cited as an example of the Tunku’s reluctance to undermine well-entrenched pro-MCA business interests in order to advance Malay economic welfare" (24) (Heng 1988:259). By establishing close links with the top Malay leadership, the MCA was able to protect Chinese business from excessive bureaucratic interference from the government, thus enabling Chinese businesses to make impressive gains with some becoming large conglomerates. A preoccupation of the MCA leaders with business merely
<table>
<thead>
<tr>
<th>Sector</th>
<th>Malays ('000)</th>
<th>Chinese ('000)</th>
<th>Indians ('000)</th>
<th>Others ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing and forestry</td>
<td>749</td>
<td>310</td>
<td>174</td>
<td>10</td>
</tr>
<tr>
<td>*Rice Cultivation</td>
<td>381</td>
<td>9</td>
<td>0.5</td>
<td>6</td>
</tr>
<tr>
<td>*Market Gardening</td>
<td>23</td>
<td>54</td>
<td>1</td>
<td>0.1</td>
</tr>
<tr>
<td>*Rubber</td>
<td>260</td>
<td>200</td>
<td>150</td>
<td>2</td>
</tr>
<tr>
<td>*Coconut</td>
<td>26</td>
<td>4</td>
<td>9</td>
<td>0.1</td>
</tr>
<tr>
<td>Manufacturing and Mining</td>
<td>36</td>
<td>136</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Commerce</td>
<td>32</td>
<td>127</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Other industries and services</td>
<td>180</td>
<td>174</td>
<td>80</td>
<td>38</td>
</tr>
<tr>
<td>*Government Service</td>
<td>17</td>
<td>5</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>*Police, Home Guard</td>
<td>43</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>*Armed Forces</td>
<td>15</td>
<td>2</td>
<td>3</td>
<td>23</td>
</tr>
</tbody>
</table>

Vasil (1980:7)
<table>
<thead>
<tr>
<th>Sector</th>
<th>1970</th>
<th>1985</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Malay</td>
<td>Chinese</td>
<td>Indian</td>
</tr>
<tr>
<td>Agriculture, forestry,</td>
<td>925.4</td>
<td>293</td>
<td>138.3</td>
</tr>
<tr>
<td>(*)</td>
<td>67.6</td>
<td>21.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>21.1</td>
<td>56.1</td>
<td>7.1</td>
</tr>
<tr>
<td>(*)</td>
<td>24.8</td>
<td>66</td>
<td>8.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>84.4</td>
<td>191</td>
<td>15.5</td>
</tr>
<tr>
<td>(*)</td>
<td>28.9</td>
<td>65.4</td>
<td>5.3</td>
</tr>
<tr>
<td>Construction</td>
<td>16.9</td>
<td>56.2</td>
<td>4.7</td>
</tr>
<tr>
<td>(*)</td>
<td>21.7</td>
<td>72.1</td>
<td>6</td>
</tr>
<tr>
<td>Electricity, Water, Gas</td>
<td>10.2</td>
<td>3.8</td>
<td>6.8</td>
</tr>
<tr>
<td>(*)</td>
<td>48.5</td>
<td>18</td>
<td>32.3</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>49</td>
<td>45.5</td>
<td>19.7</td>
</tr>
<tr>
<td>(*)</td>
<td>42.6</td>
<td>39.6</td>
<td>17.1</td>
</tr>
<tr>
<td>Commerce</td>
<td>69.3</td>
<td>192.6</td>
<td>31.6</td>
</tr>
<tr>
<td>(*)</td>
<td>23.5</td>
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<tr>
<td>Services</td>
<td>256.1</td>
<td>188.5</td>
<td>73.9</td>
</tr>
<tr>
<td>(*)</td>
<td>48.5</td>
<td>35.7</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>1432.4</td>
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<td>297.6</td>
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<tr>
<td>(*)</td>
<td>51.5</td>
<td>36.9</td>
<td>10.7</td>
</tr>
</tbody>
</table>

reinforced the Malay community's perception of the Chinese in control of the economy.

The closely-knit nature of the Chinese businesses, with little or no Malay participation, further aggravated the latter's sense of insecurity (Lim 1981:Ch 3). A common feature of most of Chinese business enterprises was the family orientation, a system that enables the accumulated wealth to remain within a family for generations. According to Jesudason (1989:129), "except for some large Chinese businesses which gives board directorships to politically influential Malays, there was very little Chinese-Malay economic co-operation." In most cases, if the Chinese businesses ended up hiring any Malays, the intention was to use the Malays to facilitate dealings with the government (25). In time, the Chinese community developed a dynamic local bourgeoisie, while Malay business development remained stagnant. Jesudason (1989:66) notes that during the 1960s, no solid class of Malay entrepreneurs emerged. In a study by Goh (1962:84) on Chinese business, the ratio of business units to the population for the Malays was 1:623 and for the Chinese 1:40. Even with the introduction the First Malaysian Plan (1966-1970), Malay participation in the economy was weak, as there was never a major onslaught on the existing pattern wealth ownership (Popenoe 1970). The Malay share of the economy was no more than 2 percent,
compared to 22.5 percent share of the Chinese in 1970 (Table 4).

In light of the above, it is easy to understand how the Malays came to see the Chinese, rather than the foreigners, as controlling the country's economy. Under such circumstances, many Malays saw their economic backwardness, even their business failures, as the result of Chinese economic strangulation rather than their own shortcomings. Chinese business development was seen as an obstacle, not only to Malay economic advancement but more important, a political threat.

By racially interpreting the events, the two ethnic groups were pitted against each other when in actuality they were both being subordinated to the common colonial master. The animosity between the two ethnic groups, unfortunately, became worse well beyond independence and today continues to undermine the ethnic harmony in the country. As the racial interpretation became translated into class consciousness, racial conflicts in Malaysia were manifested as a struggle between classes. However, despite this prominence given to the class factor in ethnic problems, it is necessary to note that race, in its popular politicized form in Malaysian society is real and there is nothing to be gained in denying it with whatever level of sophistication.
There was never a doubt the Chinese had the largest share of the economy among the three local ethnic groups, but they did not control the economy. Having economic wealth and having economic dominance are two different concepts. The subordinate role played by Chinese businesses in the economy clearly showed the community's lack of economic power. Economic power can come through political power, and throughout the history of Malaysia the Chinese community has never attained political supremacy. Although Chinese leaders have used their political influence to benefit business activities, these favors were still dependent on a higher political authority and did not come easily. Furthermore, the insistent political stance of the Chinese during the 1960s caused UMNO leaders to worry that radical MCA leaders were pushing for more political control in the Alliance government. Continued pursuit of economic goals perpetuates the myth of Chinese economic dominance today.

Not only do the Chinese still subscribe to the colonial ethnic stereotypes of the Malays as being lacking in enterprise (unintelligent), discipline (lazy) and ingenuity (creativity); the Chinese also attribute their economic success to their Chineseness: "Many Chinese firmly believe that their better economic position...is a natural outcome of their industry, thrift and their flexibility to modern
ways..." (Silcock 1965:182). Ting (1976:105) mentions that "the Chinese feel strongly that whatever economic position that they have today is through sheer hard work rather than exploitation," so they explain the unhappiness of the Malays as due to "envy, and not infrequently even feel resentful towards the success of the Chinese in a country the Malays regard as their own" (ibid:103). Cultural explanations such as their industriousness, having more business acumen than the Malays, and their ability to improvise at short notice, are not uncommon.

The next section argues that if the Chinese continue to pursue the discourse of their Chineseness in the economic domain, in time, only they - and not the Malays - will end up subscribing to the "myth" of their economic dominance. During the NEP years, the economic survival of the Chinese community in the face of discriminatory preferential economic policies reinforces the Chinese community’s belief in their natural economic prowess. So long as the Chinese community attributes their business skills to their Chineseness, the Malays will continue to subscribe to the "myth" of Chinese dominance of the economy, hence justifying the implementation of preferential policies to assist their community.

Thanks to the exaggerated image of the Chinese economic control of the country, it was inevitable that preferential
policies for the Malays would be deemed necessary. The aim of new policies would be to provide the Malay community with the leverage to compete against, control, and eventually reduce Chinese economic interests. In the process of elevating Malay economic status, encroachments on the relatively unfettered business environment enjoyed by the Chinese before 1970 were inevitable. Not only were the state economic policies favorable towards the Malay community but Chinese businesses were coerced to open up ownership and employment opportunities for Malays. In the midst of these developments, what was not anticipated was the extent to which the policies benefitted some members of the dominant Malay party, enabling the Malays to build their economic empires in the guise of national unity: "...there was obviously a strong element of naked self-interest among members of the Malay elite in desiring to be co-equal with Chinese millionaires. They were, without a doubt, the group best poised to exploit the NEP. Whether politicians, bureaucrats, members of the royal families or professionals, the members of the elite had strong access to political power, a key springboard to the accumulation of wealth" (Jesudason, 1989:105).

For the Chinese, the next section will show that the NEP changed the nature of their business practices. Besides the formation of Ali-Baba business arrangements, there was no
strong push to start new or expand businesses on a large scale. The Chinese business sector held back and did not invest to its full potential. Rather there was a preference for take-overs and acquisitions of smaller businesses, and overseas investments were common in order to diversify their risks. Although Chinese stake in the economy did not decline in the NEP years, their business ventures did not contribute towards the growth of the national economy.

The dominant Malay government, through the preferential policies for the past twenty years, has been responsible building Malay self-esteem and confidence, as well as their growing share of the economy. Under the leadership of the present Prime Minister Dr. Mahathir Mohamad, the Malay community is becoming economically competent. The introduction of the NDP in 1990 will further increase their share of the corporate cake in the country, positively boost the Malay belief that they are in control of their own destiny, and in zero-sum terms, it will be the Chinese who will become economically marginalized in the long-run. As noted by Dr. Mahathir in his book, *The Malay Dilemma*, Malay tycoons are necessary for the racial ego of the Malay community: "it was important for the Malays to feel that they need not be chauffeurs for only the wealthy Chinese businessmen but also, for Malay tycoons" (quoted in Jesudason 1989:105).
The Beginning of the End of Chinese Economic Edge: The New Economic Policy (NEP) and Rise of Malay Capitalism

To understand the critical role played by the NEP towards the economic marginalization of the Chinese community, some background information on its formation is necessary. In presenting the background, this section will show that the objectives of the NEP, since implementation from the 1970s, were very general and vague and therefore, unattainable. The vagueness of the NEP allowed the Malay-controlled government to manipulate the progress of the NEP to suit desired restructuring goals. As such, the discriminatory policies of the NEP limited the capital accumulation efforts of the Chinese community and, hence, perpetuated the tense racial relations in the country. The NEP managed to resolve some economic imbalances, but at the expense of inter-ethnic harmony.

Moreover, the scope of the NEP was not limited to the economic domain, as the decisions taken have severe implications, especially in education field. The government saw education as an important factor in assisting in the development of the Malay community. By ensuring easier access to higher education facilities, especially in the field of science and technology, the Malay youths would be equipped "for effective participation in the modern activities" (Second Malaysia Plan 1971:44). However,
similar to the economic agenda, the social engineering program was implemented to the disadvantage of the Chinese community. Thus, I agree with the assertion by Sundaram (1990:229) that "...genuine national unity remains more distant than ever before. The very policies promulgated to achieve this goal – especially the NEP – seem to be ensuring that national unity will be more unrealistic than ever."

The period preceding the May 13, 1969, racial riots was a period of disintegration and polarization of the three major ethnic groups in the country. Consensus among the ethnic groups was low, while primordialism and communal disaffection were high. Rising communal tensions were inflamed by politicians, who questioned communal aspects of social life during election campaigns, particularly those which had strong centrifugal tendencies. Communal tensions were further exacerbated with the election results on May 10 and 11, 1969. Tension became unmanageable and the situation became anomic, resulting in a breakdown of social order.

Following the May 1969 crisis, some measures to promote integration and national unity were introduced, affecting the total domain of life -- economic, political, social and cultural. The NEP era can be considered, to borrow Clifford Geertz's (1963:105) terminology, as the period of "integrative revolution" with the ultimate goal of attaining integration and unity in the country. An "integrative
revolution" is "the process of searching for ways and means to integrate societies, or to create a more perfect union between the disparate parts of the society" (ibid). The integrative revolutionary approach to the problem of communalism, involves "domesticating primordialism" rather than denying its existence by sweeping it under the carpet, and as "modernizing ethnocentrism" rather than doing away with it completely.

To achieve national integration, one of the bases of communal tension that the government saw as impediment to unity was economic. Malay socioeconomic frustrations had mounted and were catalyzed by the growing fear of a possible Chinese challenge to Malay political hegemony (26). Malay fears were well founded, as more members of the Chinese community were entering the political arena, and making stringent demands, "not because of any deep political convictions or elevated aims but because they had found political links were of immense benefit to their business interests" (Vasil 1980:115).

Indeed, whatever underlying economic grievances there were, especially on the part of the Malays, they took the form of, to use Donald Horowitz's (1965) terms, a struggle over relative group worth and capacity in society. Past compromises made by the political leadership came to be seen less as wise government decisions and more as leadership
sellouts of the interest of the Malay ethnic group. Since Malay grievances against the government were mainly economic, it was often asserted that if Malay economic demands were satisfied, economic progress for the Malays would remove these grievances, thus leading to a reduction in the interethnic distrust between the races, especially between the Malays and Chinese (Silcock 1969:160; Mahathir 1970). It should also be noted that the Chinese and Indians also had economic grievances with the existing government policies, but they were minor compared to those of the Malays (27).

Prior to the introduction of the NEP, the Constitution already assured the Malays of "special rights" in the form of Malay land rights, government support for Malay education, favorable quotas for recruitment to the civil service, and quotas for certain kinds of business licenses (28). These "special rights" of the Malays were further expanded when the NEP, with its "two-pronged objectives of poverty eradication and ethnic restructuring," that is, reducing and eventually eradicating poverty by raising income levels and increasing employment opportunities for all, irrespective of race, and accelerating the process of restructuring the Malaysian society so as to reduce and eventually eliminate the identification of race with economic function (Second Malaysia Plan 1971), came into
operation. Through the NEP, upon which Second Malaysia Plan (1971-75) was based, the preferential policies became explicit so as to assure that Malays gained access to all sectors of the economy and acquired a more equitable share of the country's wealth. The privileges and preferences were also not limited to the public sector but were also extended to the private sector: "Commercial and industrial enterprises were required to establish plans for employing, training and promoting Malays at all levels of operations...To facilitate a rapid rise of Malay ownership and control of the economy as promised by the NEP, the government formed public corporations, known as Bumiputra trust agencies, to buy corporate shares and to acquire control of industries and enterprises on behalf of Malays" (29) (Means 1991:27).

The basic philosophy of the NEP is best summarized as follows: "National unity is unattainable without greater equity and balance among Malaysia's social and ethnic groups in their participation in the development of the country and in the sharing of the benefits from modernization and economic growth. National unity cannot be fostered if vast sections of the population remain poor and if sufficient productive employment opportunities are not created for the expanding labor force" (Second Malaysia Plan 1971:3). In other words, the government acknowledged that economic
growth alone, no matter how rapid, would not be enough. Distribution must be a parallel objective of equal importance for any acceptable economic policy, as persistent inequality would lead to only political chaos (30).

As such, besides the objective of creating prosperity for all Malaysians so that no one community would experience a sense of loss and deprivation, equally stress was on uplifting the economic status of the Malays. According to the Second Malaysian Plan (1971:1), equitable economic growth of the ethnic communities was possible, as the "NEP is based upon a rapidly expanding economy which offers increasing opportunities for all Malaysians, as well as additional resources for development." The then Prime Minister Tun Abdul Razak assured that the expansion of Malay privileges and quotas would not involve the expropriation of property or loss of jobs for non-Malays: "What is envisioned by the Government is that the newly created opportunities will be distributed in a just an equitable manner" (Malaysian Digest:4, July 15, 1971). However, as Ratnam notes, it was the promise to improve the economic position of the Malays that made the NEP more than "a matter of simple administrative policy but a very live political issue. The old policy of preserving the special position of the Malays were now placed in direct conflict with the
demands of the non-Malays and the need to make concessions to them" (1964:104).

Under the NEP, the Malaysian economy developed into a robust and resilient economy. The structure of the economy shifted from an agricultural and resource-based economy to an economy more diversified, with manufacturing and services sectors taking a larger role. Since 1987, the agriculture sector, in terms of value added contribution to the gross domestic product (GDP), has been overtaken by the manufacturing sector which is fast becoming the main engine of growth for the economy. In line with this development, the services sector has also grown to keep up with the increasing demand of a modern manufacturing based economy (Table 8). The momentum of the strong growth recovery after the recession of the mid-1980s is expected to continue into the 1990s, as the economy firms up, with private investment and exports remaining buoyant. According to the business community, the Malaysian economy will grow by an average of 7.0 percent per annum in the next decade, as compared with the average growth rate of 6.7 percent achieved during the 1971-1990 period.

Overall, a buoyant economy and rising incomes have enabled the government to make use of the economic surpluses to deal with several major political crises: "...the NEP would have produced much more conflict if there had not been
Table 8

Malaysia: Gross Domestic Product by Main Sector, 1980-2000
($ million in 1978 prices)

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<td>9.7</td>
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*Includes forestry, livestock and fishing; (%) - Average Annual Growth Rate

Source: Economic Planning Unit (1991)
an expanding economic pie that could be distributed so that all communities might experience some improvements in their standard of living" (Means 1991:279). Of course, a shrinking economy in an ethnically divided society will certainly undermine the political stability of any government, while an expanding economy will facilitate the government’s attempts to resolve ethnic conflicts.

While it is true that economics and the allocation of resources does impact the political climate, one element is the ethnic factor. As evident in Malaysia, despite a reasonably stable and growing economy, ethnic tension and polarization seems to be getting from bad to worse. This is because the different ethnic groups perceive that the economic factors have a major bearing on their political behavior and the political climate in the country. The omission of the ethnic factor in the economic analyses of a multiethnic society like Malaysia will provide a less than complete understanding of the broad drama of the contemporary political developments in the country (31).

Clearly, the NEP is a reflection of economic nationalism in Malaysia (Golay 1969) (32). It calls for direct government intervention in the economic, business and commercial sectors to help further economic development rather than allow the laissez faire capitalist economic system to operate without regulation. I would argue that as
far as Malaysia is concerned, this economic nationalism is presently the nationalism of the Malay community rather than of the Malaysian people in general. It would be more appropriate to refer to NEP as economic indigenism (from the word indigenous), as the hidden agenda is to increase Malay economic power. The government's main effort under the NEP was to use political influence to increase the Malay community's share of the economic cake and, in the process, to weaken the economic power of the non-Malays, especially the Chinese. I am of the opinion that the strategies by the government have done little to close the gap between the rich and the poor but resulted in the rise of a small group of Malay businessmen-politicians (33). As pointed out by Syed Hussein Alatas (1972), the government's capitalistic approach led to the "incubation of a Malay capitalist class which will ultimately become the exploiters of their fellow Malays," thereby developing divisions similar to those in the Chinese community.

The NEP and Racial Polarization

To better understand the impact of the NEP on ethnic relations vis-a-vis ethnic polarization in the country, it is necessary to see how each ethnic group perceives the rationale and objectives of the NEP. For the Malays, the NEP is justified by their status of indigeneity in the
country. By the introduction of the bumiputra category, the Malays conferred upon themselves the status of indigeneity. As such, the special privileges and economic advantages of the Malays, by virtue of their indigeneity and provided under the NEP, are seen as a move to right a historical wrong, due to the implementation of the ethnic division of labor under the colonial masters (34).

As a result of the colonial legacy, the Chinese was able to actively participate in the economy of the country and the disparity between the two races grew following independence in 1957. The ethnic relationship went from bad to worse, following signs that the Chinese were attempting to wrestle political dominance from them the Malays. As pointed by Andaya and Andaya (1982:253), once the Chinese became involved in politics, they "transformed Malay attitudes towards the Chinese from one of envy but toleration, to distrust."

With the NEP, the country's population was divided into bumiputra and non-bumiputra to facilitate economic redistribution. Such a division further aggravated the racial separation between the ethnic groups, as it merely served to legitimate boundaries in the society. The bumiputra categorization has not only set the Malays apart but also over and above the rest of the non-Malay population.
There is no denying that in the last twenty years, the implementation of the NEP has largely succeeded in its underlying goal of defusing ethnic tensions and promoting political stability. Economically, NEP has managed to improve the well-being of the Malay community. More Malays are getting into the modern economy, taking up urban professional and executive positions, and more private-sector capital are under Malay ownership. Official figures showed that bumiputra equity increased to 20.3 percent from a mere 1.9 percent during the NEP period. In 1990, an additional 8.4 percent of the country's corporate equity was held in nominee companies. Economic officials believe bumiputras hold some of these shares, as well, meaning that total bumiputra equity in Malaysian corporations may be as much as 21 to 22 percent (Pura, Raphael. Asian Wall Street Journal: 10-11, June 24, 1991). Furthermore, "a strong economy has meant that, in absolute value, bumiputras' equity ownership increased 29.6 percent a year during the NEP period to 22.3 billion Malaysian dollars in 1990. This is almost twice the growth rate in share capital for the corporate sectors as a whole" (ibid) (35).

The encouraging statistics of rising Malay equity share does not necessary mean that the Malays have been successful in their business ventures. In fact, there were many business failures, since many would-be bumiputra businessmen
lost their wealth almost as soon as they acquired it through state programs. When the country was undergoing a recession in the mid-1980s, bumiputras accounted for 40 percent of all bankruptcies. Those who managed to remain in business were generally undercapitalized, lacked entrepreneurial or management expertise and were dependent on a constant flow of government aid.

Furthermore, the income gap between the Chinese and Malays is still relatively large. One reason for the gap could be attributed to the low-level and comparatively unskilled jobs available to the Malays, especially from the rural areas, in the factories. According to the Sixth Malaysia Plan (1990:45), bumiputra mean income was just 59 percent of that of the Chinese in 1990. Although that was an improvement from 44 percent in 1970, it is still a relatively wide gap (Table 9).

Critics of the NEP have pointed out that since the Malays had political dominance in the country, the NEP was manipulated as an effective political tool to advance ethnic goals - and eventually, personal ones (36). There have been many accusations of the Malay leaders entering politics to accumulate more wealth. Afterall, the NEP's restructuring goals required massive government intervention in the economy (37): "With growing state intervention, it has become very tempting to relate various government policy
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</table>

Source: *The Second Outline Perspective Plan, 1991-2000:45*
initiatives to specific business interests associated with leading politicians. In fact, it is openly acknowledged that business interests now influence politics more than ever before in recent Malaysian history" (Sundaram 1990:235). In the name of bumiputras, the UMNO party now control much of the mining, plantation, and finance industries, and are an increasing presence in construction and the media. As observed by economist Ozay Mehmet (1982), "the ruling elites, in assuming the role of trustees, have emerged as a cartel. They have effectively cornered economic planning and decision making to enrich themselves while paying lip-service to poverty eradication" (38).

Other scholars have described the NEP as "a naked strategy directed by the 'bureaucratic class' to transform itself into a new 'bureaucratic capitalist class'" (Jesudason 1989:72; see also Sundaram 1977; Lim & Canak 1981; Toh, 1982). To these scholars, the term "bureaucratic class" refers to mostly politicians, bureaucrats, and members of the royal family. The success of the capitalist classes is closely linked to the state, which played an interventionist role during the NEP years. It must be mentioned that in the early years of the NEP, the state did not have such power, as no serious effort made to force firms to divest their equity towards Malay accumulation of wealth. Malay capital, together with that of the Chinese
and Indians, was expected to expand with economic growth and voluntary divestment, as indicated in the 1990 projections of the ethnic groups’ equity share in the economy (Table 10). All groups are expected to see an increase in their capital holdings (except that of the foreigners).

However, when it became obvious that the targets were beyond attainment by the Malay business community, the state intervened. During the state interventionist period, the government imposed various controls on the activities of the Chinese and foreign business sectors to allow for state enterprise and Malay capitalist development. Furthermore, state enterprises became the chief vehicles for asset acquisition, as seen in the buying over of foreign companies and tin-mining to place them in Malay hands (39). The state, with its large resources, also provided generous financial and policy support to aspiring Malay businesses. Although most of the Malay businesses were not very successful, a small group, who had the political connections, managed to take advantage of the new opportunities. By buying corporate shares through large borrowings from the state banks, they accumulated wealth and formed the new breed of Malay politician-businessmen.

The NEP provided many benefits for the "politico-bureaucratic" Malay elite, transforming them into tycoons. The Malay community as a whole also gained from the
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture (%)</td>
<td>1</td>
<td>30</td>
<td>23.7</td>
<td>40</td>
</tr>
<tr>
<td>(Absolute Value)</td>
<td>14</td>
<td>628</td>
<td>339</td>
<td>837</td>
</tr>
<tr>
<td>Mining</td>
<td>0.7</td>
<td>30</td>
<td>26.8</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>829</td>
<td>146</td>
<td>967</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.5</td>
<td>30</td>
<td>37.9</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>34</td>
<td>9709</td>
<td>510</td>
<td>12945</td>
</tr>
<tr>
<td>Construction</td>
<td>2.2</td>
<td>30</td>
<td>63.7</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>221</td>
<td>37</td>
<td>331</td>
</tr>
<tr>
<td>Transport</td>
<td>13.3</td>
<td>40</td>
<td>74.7</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>117</td>
<td>61</td>
<td>146</td>
</tr>
<tr>
<td>Commerce</td>
<td>0.8</td>
<td>30</td>
<td>44.4</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>769</td>
<td>216</td>
<td>1024</td>
</tr>
<tr>
<td>Banking</td>
<td>3.3</td>
<td>30</td>
<td>44.4</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>963</td>
<td>283</td>
<td>1284</td>
</tr>
<tr>
<td>Total</td>
<td>1.9</td>
<td>30</td>
<td>37.4</td>
<td>40</td>
</tr>
</tbody>
</table>

preferential policies. As a wider political strategy, the NEP provided a "new deal" for the Malays and their success in business, no matter how small or big, was "vital for party power and for remedying their widespread and historical sense of economic and group weakness" (Jesudason 1989:73). To a large degree, the NEP, by enabling the Malays to gain control of the country's resources, shaped the rate of the occupational mobility, wealth accumulation, and business expansion, created conditions that motivated Malays to discard their old ideology of backwardness and adopt an aggressive, positive, and capitalistic approach.

Closely related to the restructuring of the economic function is the issue of education. Under the NEP, education was seen as a tool to achieve social-racial restructuring and socioeconomic mobility for the Malays. More Malay representation in education, especially in science and technical courses, was seen as important to reduce the gaps between the ethnic groups. The introduction of racial quotas for entrance into local universities, the closing down of, or the lack of setting up of Chinese and Tamil medium schools, were seen as steps to achieve the goals of the NEP. The higher education quotas provide an example of how the arithmetic of race came to permeate policy. Through a rough quota of 55 percent bumiputra and 45 percent non-bumiputra composition, some of the non-
bumiputra students who are better qualified than the bumiputra students were shut out from the entrance into the universities. Besides that, 95 percent of bumiputra students were given scholarships for their education, while only 5 percent of the total government scholarships were made available to the non-bumiputra students. These education and scholarship preferences are a major source of resentment among the Chinese community: "Admission quotas shut out some qualified non-bumiputras, who therefore must go abroad to study but can't always afford to because scholarships for them are limited" (Murphy, Cait. Wall Street Journal Weekly:10, December 27, 1990).

Jesudason (1989:113) alleges that to ensure that more Malays would enter tertiary education, the entrance requirements for the Malays was lowered, thus enabling students from poorer families to obtain a tertiary education in greater numbers than before (40). However, for the Chinese community, their intake fell in percentage terms, and many were forced to go abroad for their education (Table 11).

In summary, it is obvious that the Malays, in general, was satisfied with the NEP, as it brought both material and psychological benefits to their community in comparison to their situation in 1969. For many, the enhanced economic capacity of the Malay community served to increase
Table 11

Enrollment in Tertiary Institutions, 1970 and 1985

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TAR College</td>
<td>n.a</td>
<td>3</td>
<td>n.a</td>
<td>2099</td>
<td>n.a</td>
<td>42</td>
</tr>
<tr>
<td>MARA Institute of Technology</td>
<td>n.a</td>
<td>1560</td>
<td>n.a</td>
<td>0</td>
<td>n.a</td>
<td>0</td>
</tr>
<tr>
<td>University of Malaya</td>
<td>2843</td>
<td>5041</td>
<td>3622</td>
<td>3374</td>
<td>525</td>
<td>841</td>
</tr>
<tr>
<td>University Science</td>
<td>67</td>
<td>3996</td>
<td>126</td>
<td>2509</td>
<td>33</td>
<td>657</td>
</tr>
<tr>
<td>Malaysia University</td>
<td>174</td>
<td>6454</td>
<td>4</td>
<td>1914</td>
<td>1</td>
<td>468</td>
</tr>
<tr>
<td>Agriculture University</td>
<td>n.a</td>
<td>3652</td>
<td>n.a</td>
<td>603</td>
<td>n.a</td>
<td>253</td>
</tr>
<tr>
<td>University of Technology</td>
<td>n.a</td>
<td>2284</td>
<td>n.a</td>
<td>567</td>
<td>n.a</td>
<td>154</td>
</tr>
<tr>
<td>International Islamic</td>
<td>n.a</td>
<td>363</td>
<td>n.a</td>
<td>14</td>
<td>n.a</td>
<td>14</td>
</tr>
<tr>
<td>University</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern University</td>
<td>n.a</td>
<td>488</td>
<td>n.a</td>
<td>161</td>
<td>n.a</td>
<td>44</td>
</tr>
<tr>
<td>Local Enrolment (%)</td>
<td>40.2</td>
<td>63</td>
<td>48.9</td>
<td>29.7</td>
<td>7.3</td>
<td>6.5</td>
</tr>
<tr>
<td>Overseas Enrolment (%)</td>
<td>n.a</td>
<td>6034</td>
<td>n.a</td>
<td>13406</td>
<td>n.a</td>
<td>3108</td>
</tr>
<tr>
<td>Total Enrolment (%)</td>
<td>n.a</td>
<td>49.4</td>
<td>n.a</td>
<td>40.7</td>
<td>n.a</td>
<td>9.2</td>
</tr>
</tbody>
</table>

perception of group self-worth. Thus, even though elites benefitted the most from the NEP, the Malay community as a whole was tolerant, as the flow of benefits was essentially positive within the Malay community. Hence, while the Malays may appear to bicker and quarrel among themselves over the details and spoils of the NEP, they favored the extension of the NEP beyond 1990 (42). And so long as the elites continued to swallow the lion’s share of the benefits, there was little incentive for them to address the deeper issues: "UMNO uses the NEP as a means of reassuring the Malays that their interests, as a race, are protected. Actually, the NEP does little more than ensure that a few individuals enjoy extra helpings at the public trough" (Murphy, Cait. Wall Street Journal Weekly:10, December 27, 1990).

**Chinese Businesses and the NEP: From Political Compromise to Economic Dependence**

The Chinese and Indians perspectives on the NEP tend to overlap, as both ethnic groups fall under the category of non-bumiputras. Furthermore, since both ethnic groups are still referred to as "immigrants" in the Constitution, it is not surprising that there is a tendency for the Indians to side with the Chinese during racial disputes. It may be true that the Indians and Chinese have much in common in regards to their dislike for the NEP, but in many ways the
conflict is usually between the Chinese and the Malays. As such, for this section the emphasis will be only on the position of the Chinese community.

To the Chinese community, the NEP was a political compromise. They accepted the government's rationale that preferential policies were necessary to correct the economic imbalances as part of the NEP's overall strategy to reunite and rebuild the country after the traumatic experience of May 1969. As Lim Lin Lean (1988:37) has said, "The non-Malays acceded to these affirmative actions with the implicit understanding that this was to be our [their] contribution to national unity and not as granting of a birthright or an entitlement in perpetuity to the Malay community." Although they were never in favor of the policies, there was little the Chinese could do after the racial crisis. By 1969, the Gerakan/MCA political power within the coalition government had waned, and in 1974 the UMNO leadership even took back the posts of Minister of Finance, and the Minister of Trade and Industry from the Chinese parties.

Much to the disappointment of the Chinese business community, new controls and regulations existed under the NEP. As their political leaders were no longer able to protect their interests, the Chinese businessmen could only accede to the new constraints introduced by the policies:
"In short, Malay economic and political ascendancy was inflicting a blow to the status and identity of the Chinese business community. Just like the Malays before them, the Chinese were fearing for their future in the society. If, in the past, Chinese economic preponderance compensated somewhat for their subordinate political position, now it appeared that they were losing everything" (Jesudason 1989:133).

The Chinese lost not only economically but also politically to the Malays, resulting in a major blow to the belief in the superiority of Chineseness. Although Chinese businesses made the best of the economic handicap, what hurt them most was that in a confrontation between their "superior" Chineseness and "barbaric" local culture, they were gravely humiliated. To the Chinese, past success and strength in the country had always been "a testimony of their acumen, adaptability, and even superiority as a race" (Jesudason 1989:132). The NEP raised doubts as to their "superior" self-image, when the Chinese saw that the Malays, in one generation, were able to achieve the economic gains that had taken them generations to build up (Selangor Chinese Chamber of Commerce 1978:15).

The introduction of the NEP made the Chinese entrepreneurs revaluate their status in the economy in order to survive the onslaught of Malay capitalism. There is no
doubt that the big businesses were able to hold their own, and even circumventing some of the preferential policies, by depending on huge financial resources, contacts with the Malays in positions of authority and family-network strengths to benefit from high growth in the country’s economy. Even for the small- and medium-scale businesses, which suffered lower profits due to Malay encroachments, they too managed to make do during the NEP years. However, in fear of an erosion in market share of the economy in the long-term, the Chinese businesses - of all sizes - changed their strategies so as to ensure an equitable future for the community.

For the large businesses, the array of NEP-generated interventions and controls prompted the Chinese entrepreneurs to cut back on expanding their commercial activities. Instead of planning for long-term growth, many opted for short-term strategies that were aimed at making quick profits. Accordingly, Chinese entrepreneurs avoided investing heavily in manufacturing, a sector highly favored by the government to boost the country’s economic development. Before the full implementation of the NEP, manufacturing comprised 66.9 percent (1971) of all investments in the Chinese business sector. From 1972 onwards, non-Malay investments, which are essentially Chinese, in manufacturing have drastically fell below the 40
percent target set for them in the NEP (43). Although the Chinese business sector had always been conservative in investments in manufacturing, the NEP certainly did not help (44). To many potential investors, the handing over of 30 percent of investment to Malay ownership after doing all the work made the return from manufacturing not worth the effort. A Chinese politician whom I interviewed described the resentment of the 30 percent quota as follows: "Many of the Chinese businesses are family-owned and usually it took years to build and many sacrifices were made. They have achieved a sense of accomplishment and hope to pass their wealth down to their children. To share the business with anyone, within the same community, is already unacceptable. With the NEP, not only are they forced to give up 30 percent of their hard-earned business but they had to share it with a Malay who usually has no interest in working except for taking the profits."

On the subject of incorporating Malay partners, many Chinese entrepreneurs found that even after restructuring their businesses to include the 30 percent Malay ownership, they were still at a disadvantage: "They are still considered 'non-Malay' by government departments and must therefore line up behind state corporations and Malay businesses in the queue for getting land, government contracts or buying into lucrative foreign companies"
(Jesudason 1989:150). However, their fate is much worse if they refuse to comply with the 30 percent ownership quota as it could result in a concerted effort by state regulatory agencies to hurt the company's business.

Since the Chinese entrepreneurs were unhappy with giving 30 percent of their businesses to Malays, they adopted a strategy that required putting in minimum work but earning quick profits, consistent with their desire to achieve a minimum degree of expansion. Starting new businesses was therefore out of the question. Instead, acquisitions and mergers became the *modus operandi*. In the 1970s and 1980s, it was not uncommon for small businesses in finance and in property to be brought up by the larger conglomerates to take advantage of the rising housing and credit demands. Property development, and its spin-off, loan financing, were probably the most lucrative sectors to enter (45). The pattern of expansion of Malaysian United Industries (MUI), one of the country's largest capitalized Chinese corporations, was an example of this shift in economic strategy (46). Not only did MUI buy up smaller manufacturing, finance and leasing companies, and banks, but it also invested in property overseas to avoid constraints by the NEP. In fact, these very constraints were another reason why the mergers and acquisitions resulted. Business opportunities were limited because it was difficult to enter
into manufacturing where the state had a preference for foreign investments (47). The Chinese had no access to agricultural land for development projects and activities in banking and other financial institutions were limited, as the Chinese had to operate within strict government controls. Hence, the only financially profitable move left was to merge or takeover existing lucrative companies.

To borrow Hisrchman's (1970) term, the "exit" option appeared to be very attractive compared to the "voice" or "loyalty" options. Instead of the economic and political risks of a hostile economic environment in Malaysia, many Chinese entrepreneurs preferred to invest abroad. The disincentives found in the NEP were enough to make them plough their capital into business ventures outside the country. Singapore, Hong Kong, Australia and New Zealand provided the Chinese entrepreneurs the necessary business opportunities in property development, banking, hotels and the buying and selling of trading and commercial companies (48). The flight of Chinese capital further aggravated the distrust of the Malays towards the Chinese community’s claims of working towards the country’s overall development and national unity. To the more radical Malay leaders, the Chinese were attempting to sabotage the NEP by weakening the country’s foreign exchange.
The large Chinese businesses therefore did not invest to their full potential during the NEP years. The Chinese avoided entering into the manufacturing sector and opened few new businesses. Rather, the Chinese opted to consolidate their economic wealth by making short-term profits in safe investment areas. Such options, however, were not available for the small- and medium-scale Chinese businesses.

In Malaysia, most of the Chinese businesses are usually small- and medium-scale operations dealing with retail and wholesale trade, transport, and in the lower end of the construction and manufacturing sectors. Many are also family-based businesses, operating on a very different business philosophy from the large corporations (49). Maximization of profits are not all that important, as many of the businesses are seen as a form of security for the family, an expression of hard work and independence. Since their profit margins were usually low, they faced less pressure to bring Malay partners into their businesses than the bigger companies (Tan 1982:303).

However, because of their limited financial resources the Chinese small- and medium scale businesses suffered the most under the NEP in terms of economic displacement and lower profit margins due to Malay favoritism toward new Malay firms. Through the NEP, Chinese businesses faced new
competition from Malay firms in their "traditional sectors" such as construction, trade and transport. Although entry into these sectors were relatively easy, because of its low start-up costs and the minimal expertise needed, favoritism by the government promoted a "spoon-feeding" mentality among the Malays (50), greatly reducing opportunities for the Chinese. Gosling (1983:159) notes that the government agencies dealing with rubber and rice appointed only Malays as producers and wholesalers in the distribution and exporting of the two commodities. In construction, the government would give contracts in large- and small-scale projects to mostly Malay firms. The Fifth Malaysian Plan (1986:114) showed that although Chinese wholesale operations increased from 78.5 percent to 81.8 percent between 1971 and 1981, their share of turnover actually fell from 66.2 percent to 55.5 percent for the same period (Table 12).

The loss faced by the Chinese wholesalers and retailers would have been greater if not for their long established networks between the customers, retailers and wholesalers. Like many aspects of Malaysian life, buying decisions are also influenced by ethnic ties and loyalties. The urban Chinese population continued to provide a regular clientele for the retailers, thus making it hard for the Malay retailers to break into the Chinese consumer market. With
## Table 12

Ownership of Wholesale and Retail Trade Establishments by Ethnicity, 1990

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Wholesalers Peninsular Malaysia</th>
<th>%</th>
<th>Wholesalers Sarawak</th>
<th>%</th>
<th>Retailers Peninsular Malaysia</th>
<th>%</th>
<th>Retailers Sarawak</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumiputra</td>
<td>1056</td>
<td>10.2</td>
<td>31</td>
<td>3.8</td>
<td>33375</td>
<td>32.3</td>
<td>1685</td>
<td>17.4</td>
</tr>
<tr>
<td>Chinese</td>
<td>8753</td>
<td>85.2</td>
<td>760</td>
<td>94.5</td>
<td>62825</td>
<td>60.8</td>
<td>7702</td>
<td>79.3</td>
</tr>
<tr>
<td>Indians</td>
<td>296</td>
<td>2.9</td>
<td>5</td>
<td>0.6</td>
<td>6509</td>
<td>6.3</td>
<td>81</td>
<td>0.8</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>0.1</td>
<td>0</td>
<td>0</td>
<td>516</td>
<td>0.5</td>
<td>217</td>
<td>2.2</td>
</tr>
<tr>
<td>Foreigners</td>
<td>163</td>
<td>1.6</td>
<td>9</td>
<td>1.1</td>
<td>106</td>
<td>0.1</td>
<td>24</td>
<td>0.3</td>
</tr>
<tr>
<td>Total</td>
<td>10276</td>
<td>100</td>
<td>805</td>
<td>100</td>
<td>103331</td>
<td>100</td>
<td>9709</td>
<td>100</td>
</tr>
</tbody>
</table>

retail support, Chinese wholesalers were assured of a urban market (51).

Ali-Baba partnerships also provided the small- and medium-scale Chinese entrepreneurs with opportunities to work around the NEP constraints. This form of ethnic cooperation is commonly found in the construction, transport and wholesaling sectors, where operation licences are easily available to the Malays and enforcement of government regulations is usually lax. In these three sectors, the Chinese partner (Baba) is the actual person running the business in the name of the Malay counterpart (Ali). In some instances, a Malay entrepreneur, with several government contracts, enters into a Ali-Baba partnership due to cash flow problems. To prevent losing the contracts, the Chinese partner puts up the cash, then works and shares the profits with the Malay partner.

Of all the restrictions of the NEP, the most unwelcome was the Industrial Coordination Act (ICA), which affected all Chinese businesses. Passed by the Parliament in 1975, the ICA extended the NEP racial employment quota system to the private sector. The Chinese business sector saw the ICA move as an attempt to break the structure of their tightly knitted family-based organizations, especially in its equity and employment preferences. Under the ICA, not only must Chinese firms share their profits but they have to employ a
certain percentage of Malay workers. A barrage of protests came from the Chinese business community were unsuccessful in getting the government to substantially modify the ICA. The Chinese community’s recurring inability to influence decisions that affected their economic well-being supported the earlier argument that their control of the economy was a myth. From the colonial days until today, the Chinese entrepreneurs had always played second fiddle to the ruling political power. The ability of the government to regularly ignore the demands of the Chinese business sector clearly showed the latter’s lack of economic power despite their huge financial reserves. So long as the myth of Chinese economic control persists, Malays felt justified in pursuing a one sided "restructuring" programs.

In fact, the government’s unwavering position in keeping to the primary objectives of the ICA led to the Chinese community’s strategy of pooling their resources together. The strategy, formulated by the MCA, took the form of the Multi-Purpose Holdings Berhad (MPHB), the primary institutional vehicle to increase the Chinese bargaining power and compete with the large Malay corporations. The MPHB, formed in 1975 under the leadership two prominent businessmen, Tan Koon Swan (Managing Director) and Lee Loy Seng (Chairman), gained much visibility through a political and economic agenda in helping the Chinese business
community. As the MPHB grew bigger through the years, its success represented a symbol of Chinese economic pride. Despite its failure to pay dividends to the shareholders after 1977, MPHB was still strongly supported by the Chinese community. The questionable aspects of its finances were overlooked by the supporters, as many saw "its role in reinforcing Chinese ethnic identity and giving it concrete expression in an economic enterprise" (Jesudason 1989:157). Before long, MPHB debt and financial problems mounted. Meanwhile, the Malays were not pleased with the MPHB, as several of its business acquisitions came into collision with Malay interests. MPHB’s downfall started when several directors, including Tan Koon Swan, funneled funds for their own personal gain. The organization ended up as a financial embarrassment to the Chinese community when Tan was arrested and sent to jail by the Singapore authorities for insider trading.

The assets and financial networks that MPHB, as well as other similar-styled Chinese companies, were able to amass makes it easier to understand how the Chinese share of corporate cake increased during the NEP years. Government figures showed that Chinese equity share increased from 22.5 percent in 1970 to 44.9 percent in 1990, while that of the Malays increased from 1.9 percent in 1970 to 20.6 percent in 1990 (Mid-Term Review of the Second Malaysia Plan:16, 1973;
The Sixth Malaysia Plan:14, 1991). When the shareholdings of ethnically unidentifiable owners are added to the Chinese share, which government statisticians often do, then the Chinese share is bound to increase. Some observers whom I interviewed argue that the Malay corporate share has already reached 30 percent, if the share of the nominee companies (8.4 percent), mainly bumiputra-owned, were included in the official statistics.

To many, the government figures were considered to be unrepresentative and inaccurate, as they were a mere artefact of statistical definition. With this in mind, it is obvious that the achievements by the NEP, to date, are indeterminate. Such doubts were also expressed by former Prime Minister, the late Tun Hussein Onn: "There should be a White Paper to show whether the 30 percent [Malay quota] has been achieved. We don’t know the actual achievements. Maybe there are Malays who are unhappy and non-Malays who are more unhappy" (Jesudason 1989:165).

The NEP, with regards to the economic status of the bumiputras, had been responsible the growth of a Malay middle class. By arriving at this conclusion, it was obvious the government had every intention to continue with this trend of economic development. The problem of attempting to divvy up wealth according to race is that race begins to define policy.
Thus, not extending the NEP would have been seen as a slap to the Malays. This is especially so since the NEP had been presented to the bumiputras as living proof of a benevolent and protective government, not extending it would be interpreted as a rejection. To quote the director of the Malaysian Institute of Strategic Studies, Noordin Sopiee, "letting the NEP die was never a prospect" (Cait, Murphy. Wall Street Journal:10, December 27, 1990).

Following the introduction of the NEP, the role of the state has grown, increasing opportunities for corruption. The phenomenon of "money politics" reflects the convergence of economic and political power in the Malaysian polity, leading to the belief that most new opportunities for capital accumulation are more determined by political access than by entrepreneurial ability. As a result, the Chinese community no longer believes that hard work, honest labor and meritocracy are enough to succeed in the country. Instead, one needs not only to be of the "right race" but also to have the "right" connections. Only a privileged few within the Chinese or Malay communities will have such access.

The NEP, in its wider sense, is also aimed at restructuring society, especially in the field of education. Various forms of NEP implementation had serious consequences as far as interracial disparity were concerned. Many
educational institutions, such as residential schools and Malay junior colleges (MARA colleges) have been established with enormous sums of public funds, catering solely or almost wholly to bumiputra students (52). In contrast to the large number of wholly bumiputra educational institutions, there is only one institution for Chinese students, the Tunku Abdul Rahman (TAR) college. Sponsored by the MCA, the TAR college provides technical and professional training designed to meet the needs of industry and commerce. The college has been popular with the local population, with its enrollment increasing from 1,020 to 4,000 in the five years of operation. However, the graduation certificates from TAR college were not recognized by the government.

In addition to being denied access to the bumiputra residential schools, qualified Chinese candidates have to deal with the quota system established for entrance into local universities. According to Marican (1977:196), by 1977 the number of admissions to universities for the non-Malays had been reduced to less than 25 percent. On this issue, the Chinese-based parties, from both opposition and government camps, supported the proposal for the formation of a privately funded university called the "Merdeka University" in 1978. In their proposal, the language of instruction in the university would be Mandarin, and
students would have access to all fields in education. The Chinese leaders felt that the university would provide an option for those primary and secondary school students, educated in Mandarin, to extend their studies in the same language at tertiary level (Siaw 1980:216). In light of the limited educational opportunities for Chinese students under the NEP, this proposal was seen as a self-help measure to appease the Chinese population.

The vehement push for this proposal by the Chinese political parties was met equally with the same furor of non-cooperation from the UMNO leaders. The Education Ministry rejected the proposal on grounds that the "Merdeka University" concept was in conflict with the government’s objective of establishing a national educational system (Kua 1985:150). The Malay leaders were also not very comfortable with the Chinese community’s emphasis on the need to preserve Chinese education. Unsatisfied with the explanation of the Education Ministry, the Chinese political leaders continued to lobby the government to reverse its decision. The "Merdeka University" controversy even headed for a showdown, with plans being made for a mass demonstration and legal challenges to the government on grounds of violation of the guarantees by the Constitution on use of other languages and on the violation of the United Nations Declaration of Human Rights (ibid). By using the
threat of an outburst of communal violence, the government acted quickly in 1978 by banning the mass demonstration and managed to silence the protests from the political parties (Marican 1977:195; Kua 1985:212).

From an educational standpoint, it can be argued that the Chinese community, as citizens of Malaysia, has the perception that their children should enjoy the inalienable right to fair and equal treatment in education. They expect that in the process of restructuring the economy, basic issues like education should be left alone. However, the implementation of the NEP with regards to educational opportunities became one of the root causes of the mounting discontent, dissatisfaction, and a growing sense deprivation among the Chinese (53).

The general thrust of the Chinese attitude towards the NEP is quite clear: they would like to dismantle the NEP restructuring objective (54). The NEP is perceived to be discriminatory and unfair and its implementation, according to the Chinese, is at their expense (55). Critics have warned that in the long run, it is not the Chinese community that will suffer but the nation as a whole. "Malaysia’s economic liberalization has in many ways skin-deep...the single most important factor in Malaysian privatization has been building assets for UMNO. In effect, says Jomo Sundaram, public monopolies [are] becoming private

The strategies of the Chinese business community in making short-term profits with little scope for new investments will not contribute to the country's plans to develop into an industrialized nation. In time, the nation's ability to enhance its technological capabilities and develop a strong economic base would be subjected to compromise. By hurting the Chinese community with preferential policies, the Malaysian economy will have to become heavily dependent on foreign multinationals to assist in their country's growth - which Prime Minister Dr. Mahathir himself has warned could lead to the "recolonialization of Malaysia" (*The Star*:2, August 3, 1991). There is no denying that the use of preferential policies will eventually marginalize the Chinese participation in the economy, but what needs to be addressed is at what price is this being done.

From the above discussion, I am of the opinion that the forces of economic change seems to be working against ethnic harmony in the country rather than national unity. To a large extent, the NEP's main achievement in general has been to give to rise to a class of Malay fat cats and to make Chinese and Indians feel that they must work harder to succeed. Instead of realizing how economically viable the
policies have been for the country's overall development, the Malay bureaucrats and politicians have been more preoccupied with measuring the success in terms of achieving ethnic targets and quotas. Therefore, whatever economic mileage that the NEP managed to achieve for the Malays, it has also created new imbalances and has bred new forms of ethnic resentment. "Even the defenders [of the NEP] agree that it has barely inched toward its ultimate goal: to foster national unity. Sure, there have been no race riots since 1969, but racial tensions are close to the surface" (Asian Wall Street Journal Weekly:11, 24, 1990). And as the country proceeds through the 1990s, after twenty years of the NEP, racial polarization appears to be getting worse. So long as racial discrimination remains the cornerstone of the government's hidden agenda and ambition, the population will continue to be Malay, Chinese and Indians first, and Malaysians only second (56).

The National Development Plan (NDP): New Economic Promises, Same Old Fears

After much anxiety and debates, Prime Minister Dr. Mahathir unveiled the successor to the NEP when he tabled the country's Second Outline Perspectives Plan (OPP II) in Parliament on June 17, 1991. Known as the National Development Policy (NDP), the new plan appears to be far less controversial than its predecessor. The ten-year long
NDP will rely heavily on rapid economic growth to eradicate poverty and give its indigenous population, mainly ethnic Malays, a greater proportion of the country's wealth by the year 2000: "Liberalization of economic policies to promote rapid private-sector-led growth will be the key dimension of the NDP. Malaysian planners want to provide a business climate that will produce annual inflation-adjusted growth of 7 percent in the years 1991-2000. The aim is to rely less on government programs and more heavily on the wealth created by private-sector expansion to create a more equitable economic balance" (Pura, Raphael. Asian Wall Street Journal:11, June 24, 1991). Although the NDP evoked a reasonably positive response from the political and business communities, the Chinese entrepreneurs, in particular, have expressed reservations, as they see the community's economic domain becoming more narrowly defined (The Economist:37-38, 1991). Before discussing the Chinese response to the NDP, it is first necessary to understand what its goals and strategies are.

Make no mistake but the NDP is still the NEP dressed up in that its basic goal is still national unity. Like the NEP, to achieve the unity goal, it retains the basic two-pronged strategy of eradicating poverty and enhancing bumiputra participation in the economy, including the controversial aim of transferring 30 percent of Malaysia's
corporate equity to the bumiputras. The quota system, licenses and other special rights designed to promote bumiputra enterprise are to continue.

There is a discernible shift of emphasis in the government's anti-poverty efforts. Although the eradication-of-poverty campaign will continue to benefit mainly the bumiputra community, the efforts will be downplayed (57). Under the NDP, other poverty groups, the aboriginal people, Chinese new villages, and Indians will receive attention. Instead, emphasis will be on eliminating hard-core poverty "irrespective of race" (Sixth Malaysia Plan:2, 1991). "Hard core poverty" is defined as the persisting core of real poverty amongst those still below the poverty line (58). Statistics in the Second Outline Perspective Plan show that about four percent of Malaysian households fell into this category in 1990 (Table 13). Under the NDP, the national poverty rate is expected to drop from 17.1 percent in 1990 to about 7.2 percent in the year 2000, reflecting the continued rapid growth in employment in the better-paying manufacturing and service jobs (59). Unemployment, for all ethnic groups as a whole, is projected to fall from 6 to 4 percent in 1990. If NDP targets are achieved, no particular group needs to feel any sense of deprivation, provided the policy is implemented objectively.
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<td>8.5</td>
<td>27.3</td>
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<td>(%)</td>
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<td>556.4</td>
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<tr>
<td>Incidence of Hardcore Poverty (%)</td>
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<tr>
<td>Number of Hardcore Poor ('000)</td>
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<td>26.2</td>
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<td>Total Households ('000)</td>
<td>3133.3</td>
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<td>3614.6</td>
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The objective of bumiputra participation in the economy remains imperative. However, the implementation process has changed under the NDP. Although the 30 percent bumiputra goal remains, numerical precision is not emphasized, as noted in Dr. Mahathir’s speech stating "at least 30 percent share" (New Straits Times:14, June 24, 1991). The NDP set no deadline for achieving the equity target, which means the bumiputra participation is now an open-ended goal (OPP II 1991). Furthermore, the racially-based numerical targets of 30:40:30 scaffolding have been dismantled, avoiding the fixation on bumiputra participation in equity and ownership.

To break the obsession on equity and ownership, the NDP calls for raising the capability of the bumiputra community. The shift is from creating wealth to managing and sustaining wealth. As such, the NDP warns that there will be no more handouts to the community. The preferential system of quotas and licenses reserved for bumiputras will be continued, but a more selective manner. In doing so, the dependency mentality of the bumiputra community will be avoided and those who show potential and drive will benefit.

NDP’s shift is in line with the establishment of a Bumiputra Commercial and Industrial Community (BCIC). Under the NEP, the Mahathir government was accused of creating a new rich Malay elite, thus widening the gap between the rich and poor in the Malay community (Sundaram 1989:24). In
other words, the NEP failed to create a genuine Malay commercial class, as opposed to a minority of rich and privileged individuals or institutions. To bring about the formation of the BCIC, the NDP proposes a privatization program. Private enterprise will be relied on rather than government intervention to narrow the existing economic and social gap in the society: "It is a pragmatic strategy with the private sector acting as the engine of growth and the government in the role of facilitator" (Pura, Raphael. *Asian Wall Street Journal*:11, June 24, 1991). New bumiputra equity will be created by reallocating the lion's share of the newly privatized state enterprises to bumiputras. Furthermore, there will be no further pressure on companies in the private sector that are reluctant to restructure.

In the NDP, the final message from Dr. Mahathir is self-reliance and the focus is on human resource development. Through the NDP, the bumiputra community will be equipped with the capability to manage and sustain their accumulated wealth, thus making their economic power permanent. The competitive capability of the bumiputras is expected to rise to a level at par with the other communities, and in time the NDP will be abandoned altogether.

To the Chinese community, the objectives of the NDP did not come as a surprise, since it was based on the
"unfinished business left over from Malaysia’s first attempt at social engineering - a shortfall in the restructuring targets, at least in part - that part being the vital bumiputra quota" (Bowie 1991:4). At the end of the twenty-year-long NEP, the official bumiputra ownership of corporate equity stood at 20.3 percent compared to 1.9 percent in 1970. Non-Malay equity (mainly Chinese) increased from 23.5 percent in 1970 to 46.2 percent in 1990, exceeding the 40 percent target set for non-bumiputras under the NEP (61). Foreign share of the corporate cake fell from 60.7 percent in 1970 to 25.1 percent in 1990 (Table 4). There was never a doubt that the government would not come out with some economic policy in 1990 - the anxiety was over how drastically pro-bumiputra the next policy was going to be (62).

Many were pleased with the NDP, seeing the new policy as an endorsement of the NEP in reaffirming the objectives and achievements of the NEP but also taking the policies one step further - by fine-tuning strategies towards Malay dominance in the economy.

The shift away from fixation on the 30 percent equity share, seen more as a political symbol than a precise figure, was welcomed. However, Chinese businessmen interviewed in 1991 expressed caution that the government might seek to raise the bumiputra share equity to more than
30 percent. Interviews with Chinese political leaders suggest that the government is already setting the stage for increasing the bumiputra share in the economy. The political leaders point out that the Chinese business community is at the mercy of the Malay leaders, as the non-numerical emphasis "is an invitation for lobby by radical Malay leaders to press for an enhanced target of up to 51 percent." The threat of increasing the 30 percent share equity could also be used to keep the Chinese political parties in line in the future.

Besides the uncertainty over the 30 percent equity share, the Chinese business community is concerned that the setting up of the BCIC will rob them of opportunities available in the country's growing economy. The Chinese do not have much hope of benefitting from the government's privatization program, as the bumiputras will have the lion's share of any new developments. A common question raised in the business circles is "We are left pondering what scope is left for us to participate in the country's far reaching privatization program?" Not only will the NDP assure the continuance of the preferential access to business opportunities to be given to the bumiputras, but the access could become monopolistic in nature. To quote Max Weber (1958), this pattern of social behavior is called monopolization: "A group of persons monopolizes the
distribution of certain material or ideal goods, ideals, rights and duties and makes rules about who shall be qualified to share them. For Weber the sociological significance of race was that it is a monopoly-forming factor". If so, the Chinese community’s fears of being slowly marginalized in the economic domain seem well-founded.

Under such circumstances, there is very little the Chinese community could do except compromise if they did not want to lose everything. In a MCA seminar on the role the Chinese should play in the NDP, a local politician called for "the art of bargaining" and urged the Chinese community not to be caught up with money. "There was a time when many believed that money could do everything. Money, as a Chinese proverb says, can command even the devil to turn the millstone. [However], it doesn’t, it just postpones your problems" (The Star:10, August 27, 1991).

There was a recognition that the continuance of Chinese ethnocentric approaches towards economics and politics would only lead to confrontation and racial compartmentalization. To prevent further deterioration of the Chinese community’s share of the economy, MCA president Ling Liong Sik advised making "the necessary sacrifices called for" so that "the people would be better off tomorrow" (The Star:2, August 12, 1991). There was also a call to accept the bitter pill of
discrimination, as noted by Deputy Education Minister Dr. Fong Chan Onn:

We will have complaints but let’s not be distracted. Many of us have taken for granted our growth and stability as an accident of history. No, it is nurtured through purposeful planning and implementation of a set of policies (The Star: 15, August 27, 1991).

By coming to terms with discrimination, there is an urgent need now for the Chinese entrepreneurs to modify their strategies from consolidation to expansion. To ensure economic survival, the Chinese business sector must now get into manufacturing. The government foresees that the country’s per capita income could soar from M$6000 this year to more than M$17,000 in the year 2020, thus raising Malaysia’s living standards equal to that of Japan and the United States. To achieve this vision, outlined by the Prime Minister’s "Wawasan 2020" (Vision 2020) plans, the government is sparing no efforts to globalize the country’s economy. According to the Sixth Malaysia Plan (1991: 140), manufacturing is expected to contribute 80 percent of the Gross Domestic Product by the year 2020. According to the Federation of Malaysian Manufacturers vice-president, Paul Low, "the Chinese would not stand a chance unless they take part as manufacturing in the future will be science-based" (The Star: 15, August 27, 1991). The Chinese business
community should take advantage of the government development programs, upgrade their technologies, and participate in the NDP.

In the words of a local politician, the NDP "drove the final nail into the coffin" of the Chinese community, as it marked the supremacy of Malay political dominance and the successful surge of Malay capitalism into the Chinese community's economic forte - the remaining reminder of a belief in the superiority of Chineseness. In the future, the Chinese community must come to terms with and acknowledge the political and economic success of the Malays and accept their subordinate and secondary role in the country. Instead of maintaining a pessimistic outlook of their status in the economy, as they did in the NEP years, a new era is unfolding with the launching of the NDP. The consensus of a panel of economists and politicians involved in the NDP's formulation is for the Chinese community to be positive - "be an optimist, be a doer, be a full partner and take full participation in all aspects of national development" (The Star:2, August 12, 1991). The Chinese must strive for an "everyone win situation" (ibid). The alternative is political suicide.
ENDNOTES

1. This point is noted by David Easton (1964). He adds that the difference between an authoritarian and a liberal political systems lies in the extent to which the governments use their allocative power.

2. "Zero-sum" is a term from game theory. In a zero-sum situation one person or group gains what the other loses and vice versa. In a positive-sum situation, both parties can gain from a particular distribution of resources because the total pie increases, hence elite enrichment and popular support can coexist. The NEP was based on the concept of positive-sum situation.

3. The term "consociationalism" was coined by Lijphart (1968), who focused on the Netherlands. The term simply refers to a situation where two or more ethnic groups, through their leaders - who have about the same amount of power - cooperate through some form of bargaining, and yet the groups remained substantially separate in their activities with much support for the followers. In the case of Malaysia, which is a multiethnic society where communalism is politically salient, the leaders of the various communal groups agree on compromises, with the approval of their communities, through a process of elite accommodation. The toleration of Malay political power in exchange for the Chinese economic edge. See also Lijphart (1969); Nordlinger (1972).

4. Just like the NEP, Prime Minister Dr. Mahathir disclosed that the declared aim of the NDP is national unity - an instrument for integrating and managing the country's ethnic diversity. But after twenty years under the NEP, national unity is still beyond reach. Accordingly, the premier's optimism about the NDP evokes reservations, especially among the non-Malay communities.

5. The controversy is whether the British merely "controlled...the economic behavior of the population" (Kratoska 1982:314) which was already divided ethnically, or shaped and manipulated the structure of the economy by forcing the various races into different occupations without allowing upward mobility.

6. If capital were to move freely in search of profits, labor must respond. As the world capitalist system developed, labor shortage in any one area are overcome by moving labor from one part of the world-system to another.
7. The first policy, implemented as early as 1912, had a "no rubber" condition on new lands alienated from the Malay peasants. Much resentment came from the peasants, who saw the imposition of the condition as the cause of their poverty, compared to the Chinese who derived a comfortable income from the rubber trees. The second policy, was introduced following the Malay Reservation Land Act of 1913, discouraged the planting of rubber and insisted on the "more traditional forms" of cultivation, especially rice, on land reserved for the Malays. The third policy, a Rice Lands Enactment passed in the four Federated States in 1917 gave the government extraordinary powers to preserve rice cultivation. Finally, the fourth policy was the prolonged closure of land office books to new peasant rubber land applications in some districts after 1917, and the imposition of higher rates of premium for new land. At the same time, a scale of rents favoring rice, coconuts and other traditional crops, and discouraging rubber cultivation was established for all states. These policies had the support of the Malay aristocracy, who saw any drastic change in the peasant way of life as undermining their authority in much the same way that the British were fearful of the political and social consequences of rapid economic changes in the peasant society.

8. In labor, a permissive policy enabled easier immigration of Chinese and Indian coolies. Labor regulations were simplified and other labor conditions set a minimal standard to allow employers to reduce obligations and labor costs. Government subsidy was made available to British planters in bringing immigrant labor (Lim 1977:108).

9. There is much controversy over the extent to which peasant rubber enterprise, especially Malay, was curbed by the policies of the British rulers. Drabble has argued that in the early period, "little hindrance was placed upon peasant entry into the industry" (1979:72). It is not unreasonable to assume that some in the intimate social circle of the planters and officials, must have been sympathetic towards the plight of the peasant. However, from my reading, I conclude that the early anti-peasant rubber policies played an important role in restricting peasant rubber output, prohibiting new land alienation and new rubber planting, and thus acting as an important brake on peasant rubber development.

10. The policies also did not help to increase the Malay community's pool of savings. Although the British wanted the Malays to remain in rice cultivation, they made no efforts to helping the community boost production. Doering
(1973:18) discloses that by the late 1920 the country was already importing three-quarters of its rice consumption. Lim (1977:181) points out that the British only made limited efforts to irrigate more land, partly due to the fear of becoming dependent on rice imports, and partly due to the pressure from the Malay elites for assistance in the rice sector.

11. Loh (1975) notes that no secondary Malay schools were also available until after World War II; even then, the three-year secondary school education was limited to a handful of teacher trainees.

12. There were some attempts by a few elites to participate in business, but these efforts did not amount to much, as they faced organizational, expertise, and managerial problems. Competition from the Chinese was another factor (see Roff 1967:186).

13. The Indian government, which was prepared to use the Straits Settlements as a repository for convicts serving long sentences, had misgivings about the transfer of ostensibly free labor to work under onerous contracts of employment (see Sandhu 1969).

14. In Malaya, the Chinese immigrant usually had no kinsman at hand so many of them allied with men of the same dialect group and from the same district of origin in China. This was the attraction of the clan or district associations, better known as the kongsi, to the immigrant.

15. Under the kangany system, an estate in Malaya requiring labor despatched to India a recruiter selected from the senior or element of its existing workforce. The kangany, or overseer, would visit his native village in India and surrounding district (most labor came from the area around Madras and further south) to persuade local peasants to accompany him to Malaya at the expense of a central Malayan fund to which all employers of Indian labor contributed. The laborer was in principle free to move from one estate to another, though in practice he might find it difficult to do so if, for example, he was indebted to the overseer.

16. The racist doctrine of the "civilizing mission," which, though not new to Europeans, began to be seriously advanced in the nineteenth century. Physical differences among peoples were recognized, only during the latter part of the nineteenth century, in terms of theories purporting to explain the inequalities of races.
17. The Chinese community’s economic edge over the Malays reinforced the latter’s fears of being subordinated by the former. Hence, ensuing mistrust that characterized the relationship between the Chinese and Malays blurred the fact that they were jointly subordinated under the British. Hence, racial perceptions in colonial Malaya differed from those in colonies where a "racially" nonwhite indigenous population shared a common perception of their subordination to their white-skinned colonial masters.

18. Some of the Malay elites turned to British paternalism to protect their rights and welfare, while reformist groups turned introspective, searching for those aspects of Malay culture and religion that stood in the way of progress (Roff 1967:254-7).

19. It was estimated that before 1850, there was only three Chinese in the Larut Valley but by 1862, the number jumped to about 25,000 (Purcell 1967:101). As tin mining became a lucrative industry, the feuds between Malay chiefs and the wars between Chinese miners over territorial control intensified. Chinese secret societies fought each other and often took sides with rival Malay chiefs. This civil strife in the Malay States also spilled over into secret society warfare in the Straits Settlements. As British trade and investment were threatened with the instability, London intervened in the Malay States, imposing the signing of the Pangkor Treaty in 1874.

20. The Malays were concentrated in the agricultural sector, and even among the elites, the British officials directed them towards working in the bureaucracy rather than commerce. A special administrative unit, the Malay Administrative Service, was created in 1910 to cater to the employment of the elite Malays. Many of the children of the elites went to the special college, the Kuala Kangsar Malay College, to be trained for positions in the administration (Roff 1967:24).

21. Dependence on foreign capital was favored by the Malay elite in power, although other Malay critics were opposed to allowing more foreign investments. Tun Abdul Razak, then deputy Prime Minister, defended the position by saying that the foreign capital is needed not just to create employment but also to raise the per capita income (Jesudason 1989:53). Golay (1969) and Snodgrass (1980) have suggested that Malay insecurity about Chinese economic power was behind the government’s favorable economic attitude towards foreign investors. Foreign capital was easier to be controlled politically than Chinese interests in the country; in banking, Chinese interests came first.
22. The major investors in the early years were Britain, Singapore, United States, Japan and Hong Kong.

23. The term "secondary colonialist" has been used by Rex to "include capitalist entrepreneurs seeking opportunities in mining, in manufacture and marketing, small-scale traders and shopkeepers and workers having a greater degree of freedom than the native workers or slaves who preceded them" (1970:75).

24. Vasil (1971:278) notes that Aziz Ishak was removed because he wanted to protect Malay rice farmers from the exploitative practices of the Chinese rice millers, who acted as middlemen. To do this, he was proposing that the government established co-operative rice mills in Penang and Perak. Aziz Ishak was among the existing urban Malays, usually present or former UMNO officials and top civil servants, who formed a nascent Malay business community in the country (Popenoe 1970:22). Although Malay business development was closely linked to state support in the 1960s, many of the entrepreneurs were unhappy with the concessions given to the Chinese and were disappointed with the Tunku for not recognizing their growing desire to be successful in business as a way to boost the Malay community’s self-esteem and respect.

25. The close ties enjoyed by the Chinese business community and the Malay leadership existed only at the apex of Malaysian society. Other than the cooperation between the elites, the smaller Chinese businessmen found very little reason to interact and cultivate stronger and closer relationships with the Malays.

26. Many Malays started to accuse the first Prime Minister Tunku Abdul Rahman, of being "soft to the Chinese and under his policy of ‘give and take’ had given them [the Chinese] all they wanted" (Vasil 1980:184).

27. The Chinese and Indians saw that the so-called Malay-biased economic programs such as the MARA or FELDA schemes, benefitted the Malays and would do nothing to raise the non-Malay standard of living.

28. For an account of the origin and development of Malay special rights and the rationale for ethnic preference policies, see Means (1986).

29. For larger industries, the Malay employment quotas were usually set at 40 percent, but this figure was raised for an industry is located near areas with higher Malay population
The push to increase Malay shares was necessary, as it was at a low level of 1.5 percent in 1969. Furthermore, when foreign corporations operated in Malaysia or engaged in joint-stock agreements with local private or government corporations, the agreements usually specified a quota of stock issues to be reserved for sale to Malays or bumiputra trust agencies...Many new government agencies and government-funded quasi-public corporations were created specifically to assist the economic advancement of the Malays.

30. The concept of the NEP was based on a "just society" so as to dampen ethnic hostilities and promote national harmony. In fact, the slogan used for the NEP was "Masyarakat Adil" or "A Just Society" (New Straits Times: 1, July 20, 1971). In time, the NEP became more important than the national ideology, Rukunegara. However, like the Rukunegara, nothing much came from this hope of social justice and equality, as the unity goal was to be treated with the same ideological mystique.

31. The impact of ethnic divisions on development choices and processes is not unique to Malaysia. The same dilemma is faced in such countries as Sri Lanka, Fiji, Guyana, Zimbabwe and Trinidad. These countries also have multiethnic societies where economic and political power are controlled by different ethnic groups.

32. Golay (1969) defines economic nationalism as system of policies and institutions created to promote national economic development and, by doing, to ensure that progress towards goals of material welfare, power, and sovereignty takes place.

33. Sundaram (1990:235) notes that it has become very tempting to relate various government policy initiatives to specific business interests associated with leading politicians. At the last UMNO general assembly, about half the delegates were business leaders. The most prominent figure is the recently retired Finance Minister Daim Zainuddin, who is believed to be one of the richest persons in Malaysia. Daim, who was a close friend of the Prime Minister, had a reputation as a successful businessman when he was appointed as UMNO's Treasurer and the government’s Finance Minister in 1984.

34. Under the colonial administration, the Chinese were allowed to enter into other businesses without any objections from the British. As such, the Chinese provided the economic infrastructure for British Malaya.
35. The increase in bumiputra equity is attributable largely to shares acquired by state-run trust agencies, mainly Permodalan Nasional Bhd. As the national investment corporation, Permodalan Nasional Bhd holds about 50 percent of all bumiputra equity. According to government figures, the level of equity ownership held by bumiputra direct investors was 8.2 percent in 1990.

36. The mixture of business and politics often carries a strong hint of corruption. Rumors are rife about corruption in high places involving most public sector projects. Political power and influence of those involved in the business deals are widely believed to provide protection against prosecution if there is a scandal. For instance, investigations into the Bumiputra Malaysia Finance's million-dollar scandal in Hong Kong in the early 1980s implicated major UMNO leaders but arrests have yet to be made. MCA is not free from scandals. In 1986, the Bank Negara or the National Bank froze the assets of the MCA-sponsored Deposit-Taking Cooperatives, following massive withdrawals by the 588,000 members due to financial irregularities. Opposition leader Lim Kit Siang has alleged that the ruling coalition government was aware of the financial irregularities and kept a close eye to the matter. The MCA was embarrassed by the scandal but, in the long run, what will ultimately happen is that there will probably be less public involvement and accountability for such activities.

37. Despite the rise of money politics, many Malaysians have little cognizance of the rather contentious relationship between politics and business. One reason for this is the sensitivity surrounding the issue; repressive legislation can be enforced when such issues are openly questioned. Another probable explanation is that the links between politics and business are nothing new in the commercial sector, seen by some as necessary to redress the economic imbalances between the different ethnic communities in the country. At the same time, those not involved in business, are not aware of how deeply linked the ruling political parties are with the corporate sector. Comparative studies have shown that while the general norm is for powerful business organizations to influence or even control politics, or alternatively for governments to control businesses either directly or indirectly, Malaysia is one of the few countries where the ruling parties own such a wide range of business interests (Gomez 1991:v).

38. It is common knowledge that UMNO's main investment arm is the Fleet Group Sdn. Bhd., while that of the MCA is the MPHB, and the MIC is "Maika." Most leaders of the political
parties are known to be involved in key financial business maneuvers in the country. One of the most prominent and richest person in the country today is former Finance Minister Datuk Daim Zainuddin. Although most of the political leaders have claimed that they are no longer in business and that their holding companies have divested most of their investments, it appears that the party’s business proxies and others closely connected are rising to new heights (Gomez 1991:viii).

39. This route provided a quick means for state ownership, the creation of a Malay managerial class, and access to profits for distribution to Malay interests for political support building. As stated in the Second Malaysia Plan (1973:14), the assets were "to be held in trust for the Malays and other indigenous groups until such time as they [were] in a position to acquire these shares on their own." Jesudason (1989:195) argues that this route committed resources in slow growth sectors and was weak in creating employment.

40. In fact, in 1985, there were more Chinese students overseas than in the local universities (Jesudason 1989:113). Besides causing much resentment in the non-Malay communities, the increased investment in education by the government has led to a problem of absorbing the graduates into the workforce (41) (Ong 1990:327; Mehmet 1986:121).

41. Although such opportunities were to benefit the Malay community, usually the elites have access to the higher education and scholarships, while the poorer Malays remain no better off. Such practises, unfortunately, appears justified in the eyes of the Malay community, as they consider the NEP as an essential tool towards reducing the imbalance in the society.

42. However, I feel that there is a widespread complacency among the Malay community, even though they are in fact doing little more than managing to run fast enough to stay in the same economic place vis-a-vis the non-Malays. As pointed out by Faaland (1990:178) "this could eventually turn out to be an exercise in self-deception on a grand scale and thus become the cause of their ultimate undoing."

43. According to Jesudason (1989:143), the actual value of approved investments for the Chinese stood at a total of $377 million in 1971. The amount was never exceeded since then (except in 1981, 1984, and 1985). If constant 1970 prices had been used, the figures in the 1980s would have been deflated by more than half, making the Chinese hesitancy in investing even more obvious.
44. The Chinese business sector was more attracted to safer investments in property development, plantations, tin-mining, and financial institutions compared to manufacturing, which is too risky.

45. Property development did not have the same risks as manufacturing and promised large profits and quick returns. Furthermore, the oil and commodity boom of the 1970s led to the birth of a middle class; as a result there was increased demand for housing and commercial space. In fact, many companies that started in manufacturing also changed to property and finance to avoid the NEP constraints.

46. MUI was founded in 1960 by Malaysian tycoon Khoo Kay Peng, whose success is a rags-to-riches story. He started life as a clerk in a bank in Singapore and worked his way up into the financial world. From banking, he entered into small-scale manufacturing and later built his empire by acquiring smaller companies.

47. Opportunities in manufacturing lessened as foreign manufacturers started forming partnerships more frequently with state corporations and Malay firms. It was an advantageous for foreign firms to enter into business with Malay or state companies, as they had better access to government in order to circumvent redtape and to obtain favorable assistance from the decision-makers.

48. The Kuok family is the most well known group that has made a name for themselves in the Southeast Asian region. The Kuok business empire, comprising hotel chains, property, trading and shipping companies, started in the 1960s. Today the family has companies in most of the countries in the region. The Kuoks, who are Malaysians, live most of their time in Hong Kong.

49. According to a survey by the Department of Statistics in 1971, 65 percent of the sole proprietorships and partnerships of the Chinese business were family-based. The remaining 35 percent, comprising private limited companies, also have a family-oriented base.

50. The one-sided NEP caused much resentment among the Chinese but they realized that any abandonment of the NEP would threaten the Malay community's belief that all the economic gains that they have achieved since 1970 have been primarily, if not entirely, due to the NEP.

51. The Chinese wholesalers and retailers could keep out competition so long as the Malays were unable to provide
better prices, credit terms, and the same range of products. Under such circumstances, the Chinese wholesalers and retailers have only control of the urban market, while the government sector belongs to the Malays.

52. Under the Fifth Malaysia Plan, thirty residential schools were built with a total enrollment of about 16,000 students, all bumiputras. The MARA colleges were also allocated about M$1.8 billion, double the amounted allocated under the Fourth Malaysia Plan, for the construction of about forty-five mini-colleges.

53. Education has become increasingly subjected to the pressure of restructuring of society to fit a national mold, defined in Malay-Muslim elements. This can be seen in the insistence on a common language, Bahasa Malaysia, and in certain colleges and universities, the Malay dress code.

54. The Chinese support the poverty eradication objective of the NEP, as this also benefits the Chinese poor both in the urban and rural areas, particularly those living in the New Villages, where the hardcore Chinese poverty is found.

55. I am of the opinion that the Chinese community strives for what they see as justice, equality and meritocracy - an end to the discriminatory policies and Malay preferences and the opening up of all sectors of the economy. As such, the Chinese did not want to see the NEP continue into the 1990s, as it might stifle private initiative and serve as a disincentive to Chinese private investment and, hence, to the growth of the economy.

56. Although the Indians, as a community, dislike the NEP as much as the Chinese, they tend to be less hostile. It is true that the Indians sought the same concessions and privileges as did the Chinese community. However, despite being a small community, comprising about 10 percent of the total population, they have been relatively lucky. In some instances, they have benefitted from the NEP, while at other times, they have been unaffected by the policies. Following the introduction of the NEP, the Indians have made much progress in working towards their rightful share of 10 percent in the corporate and economic sectors. In education, more Indians are entering the universities, as the quota for Indian students, which at one time was between three and four percent, has been increased to nine percent (Faaland 1990:177). However, as for the continuation of the NEP into the 1990s, the Indians are apprehensive that an outbreak of violence between the Chinese and Malays will not be to anyone's benefit. On that understanding, they tend to
lean towards the position taken by the Chinese with regards to the future of the NEP.

57. Bumiputras still constitute the single largest poverty group at 23 percent (from over 65 percent in 1970) (Malaysian Business:10, July 1-15, 1991). The NDP will also give extra support to the poorest states, in Kelantan, Sabah, and Trengganu, where more than 30 percent of households are still below the poverty line. In those states, industry has grown slower; at the same time, in the remote villages, there is a lack basic amenities such as water, electricity, and educational and health facilities. However, despite the economic disparities, political reality comes first. With the opposition Islamic party, PAS, forming the state government in Kelantan, and the state government in Sabah joining the ranks of the opposition, both states are realizing the federal government is not all that supportive.

58. According to the Economic Planning Unit, the poverty line is drawn at a household income of less than M$370 per month, which is still relatively high by Third World standards. Although under the NEP the poverty figure fell from 52.4 percent in 1970 to 17.1 percent in 1990 for Peninsula Malaysia.

59. The Second Outline Perspective Plan show Malaysia significantly alleviated poverty among all races in all parts of the country and reduced the economic disparities between urban and rural dwellers. In 1990, 17.1 percent of Malaysian households were below the absolute poverty line (M$370 a month), a sharp drop from the national level of 52.4 percent in 1970. Rural incomes, benefitted from the spread of industries, have also grown faster than in the urban income, thus narrowing the income gap between the rural bumiputras and the urban population.

60. The NDP will retain the more flexible investment policies the government introduced in the mid-1980s, including the possibility of permanent majority ownership of selected businesses by foreigners and non-bumiputra Malaysians. The policy also provides for accelerated privatization of state entities, gradual reduction or elimination of some subsidies, and looser wage and price regulation. And it pledges prudent monetary and fiscal policies and more attention to business-enhancing programs to improve infrastructure, education and research and development.

61. The amount gain in equity share of both the bumiputra and non-bumiputra local population came from the foreign
investors' share, which dropped from 63.3 percent in 1970 to 25.1 percent in 1990. The drop was attributed to the government trust agencies buying many large, colonial-era foreign-controlled companies on behalf of bumiputras. In 1990, an additional 8.4 percent of the country's corporate equity was held in nominee companies. Economic officials believe bumiputras hold some of these shares, thus making the total bumiputra equity in the Malaysian corporations to be as much as 22 percent (Pura, Raphael. Asian Wall Street Journal:11, June 24, 1991).

62. Prior to the announcement of the NDP, the government had already started an effort to craft a policy to replace the NEP. This effort, sometimes quite acrimonious in nature, started informally in late 1988, leading to the formation of the National Economic Consultative Council (NECC). Operating as an advisory body, the NECC had 150 members from all political parties, interest groups, economic associations and prominent individuals with an equal number of bumiputra and non-bumiputra members. Halfway through the talks, the strongest critics of the NEP left the NECC in protest, but the work continued. In 1990, the NECC completed its report, realizing that the recommendations would generate much controversy. Dr. Mahathir did not subscribe to fully to the NECC report, as the group had problems reaching a unanimous agreement on a policy. Instead, the Economic Planning Unit came out with a new policy, which incorporated some of the NECC report's recommendations. One NECC recommendation left out was the creation of an independent body to monitor the implementation of the new policy from abuses and corruption. The opposition parties lobbied hard for the inclusion of this recommendation but without success.
CHAPTER VI

EPILOGUE

This dissertation began on the premise that the Chinese in Malaysia have been troubled by their sense of "homelessness" in the country. In my attempt to find explanations for this problem, I have treated the role of the Chinese in Malaysia as a historical, political and economic construct. My inquiry has shown that in a country like Malaysia, where ethnic differences run deep and have drawn blood, sense of community is hard to cultivate between the ethnic groups. Falling into the category of what Clifford Geertz (1963) calls "old societies and new states," the facts of cultural, political, social, economic, and above all ethnic diversity in the internal structure of Malaysia loom large. Ethnicity and its role in the future of the country are seen as problematic, of the first magnitude in urgency for continuing integration and national solidarity of the political and economic order.

With ethnicity continuing to be a barrier to civil politics in Malaysia, this sense of "homelessness" of the Chinese community remains unresolved. To be fair, it must be recognized that the political, economic and cultural rights of the non-Malays, especially the Chinese, have been moderately protected by the government, and the Chinese have been given some space and scope to develop. But so long as
the Chinese feel that their roles and participation could be further expanded in the country, they remain dissatisfied with the present status quo. Thus, in terms of ethnic relations, not much has changed since the 1969 racial riots to the NEP years, as the same grievances and antagonisms are still being voiced. What are these grievances that are contributing to the volatility of the ethnic discourse in the country?

Politically, the Chinese see their role as being characterized by permanent emasculation, playing second fiddle to the UMNO. The political influence of the MCA and Gerakan party within the coalition government have been reduced to merely placating and reassuring their constituencies of the government's good intentions. The DAP, which has made much headway through the leadership's confrontational political style, also faces the same fate. If they plan to take power and not remain as an opposition in the years ahead, the party must gain the support of the Malay voters. So far, the party has failed to win the Malay voters' confidence; it is trapped by the fact that its constituency is Chinese. Furthermore, this task has become more difficult, as "...in a region where economic prosperity and stability have become associated with firm government and more or less unquestioned one-party dominance, the DAP is increasingly seen as something of a political museum

With little hope of representation through their political leaders, the Chinese see the government as largely bumiputra, more precisely Malay, in character and orientation. Malay interests and aspirations have priority. The composition of Parliament and the State Assemblies, the structure of electoral constituencies, the ethnic character and orientation of the top brass in the civil service give unmistakable signs of Malay dominance in the eyes of the Chinese.

Chinese resentment over Malay dominance is just as strong on the economic front. Following the introduction of the NEP, and now, the NDP, the Chinese see their economic role as captains of industry being replaced by a new class of bourgeois Malays. Ethnic quotas, which favor Malay applicants to institutions of higher learning, are part of a whole array of state policies and programs geared towards Malay interests. There are also special preferences for Malays in allocating houses, awarding business licences, jobs and bank loans. Major government contracts to build highways often end up with Malay companies that are invariably linked to some foreign enterprise.

The list of discriminatory economic policies goes on. I would point out that the NEP, instead of resolving the old
imbalances, has appeared to create new imbalances. The same fears have been expressed with regards to the newly introduced NDP. Many Chinese viewed with resentment the easy rise of a new crop of Malay entrepreneurs, fearing that their outmoded family system will result in Chinese businesses being stuck in the low profit sectors of the economy. The Chinese thus doubt their ability to maintain their past economic strength, which they felt was based on acumen, diligence, adaptability and even superiority as a race.

Also disturbing for the Chinese community than their economic grievance is the government's refusal to give equal status to all the main languages of the ethnic groups in country. The Chinese, for years, have openly articulated that Mandarin should be recognized as an important medium in schools. "The Chinese view the preservation of their mother-tongue as crucial to the preservation of Chinese identity and culture" (Tan 1988a:143). Furthermore, the Chinese have also emphasized the need for a Chinese-language university. All the demands have fallen on deaf ears, although it has not stopped interest groups from voicing positions on the matter.

The Chinese see their role as leaders of their own people as becoming insignificant in the Malaysian polity. They are uncomfortable with the requirement of the use of
the Malay language in dealing with the government. They also consider the presence of Malay symbols in their daily lives as an encroachment on their freedoms and rights, which remind them of Chinese subservience to the Malays. With such grievances, it is very difficult for the Chinese community or any other minority group to consider themselves as part and parcel of the life and soul of the nation. In all domains, it appears that Chinese are subjected to the whims and fancies of the Malay government.

Although the grievances of the Chinese have remained the same through these years, economically the country is going through a major transformation, entering the last decade of the twentieth century on a very healthy and strong economic foundation with a GDP growing at 9.9 percent in 1990. The government does not expect the buoyant economy to pause for a breather, and independent economic forecasters are projecting a eight percent growth rate for the coming years (Duthie, Stephen. Asian Wall Street Journal Weekly:22, Nov 11, 1991). This optimism is not unwarranted as the country is fast moving from an agricultural-based to an industrial-based economy under Prime Minister Dr. Mahathir's leadership. Under his Vision 2020 plan, the country is expected to become an industrialized nation in the next thirty years. As noted by Dr. Mahathir at the 10th convention of the Malaysian Economic Association:
Without a doubt, the decade of the 1990s will herald a new era for the Malaysian economy, with new challenges and opportunities aplenty (New Straits Times:12, August 12, 1990).

Economic growth, however, does not take place in isolation. To ensure a smooth transition in the economy, the development of its human resources is crucial. This study points out that Malaysia is severely riddled with ethnic distrust and tensions. The comment by opposition leader Lim Kit Siang that ethnic relations in Malaysia is a "time bomb" remains true. There is an awareness at almost all levels and among all communal groups of the fragile nature of the societal fabric and of how quickly and dangerously it can be ripped apart by communal violence. This awareness is what Gerald Marynov (1967) felicitously termed as "the eggshell syndrome" or "the shared value of sensitivity to intercommunal tensions." He states that while it is difficult "especially for people steeped in traditional Western notions of nationhood to imagine a nation based in large measure on the shared value of sensitivity to intercommunal tensions, nevertheless that is what seems to have emerged...They all know, often intuitively, that they must tread carefully so as not to go beyond the limits of permissible difference with the implicit threat of the destruction of the whole society."
Social behavior as well as political behavior is adjusted accordingly" (ibid:106).

In the Malaysian context, ethnic moderation serves to lessen communal pressure only when each group feels that its leaders are taking steps to assure the members that their own place in the Malaysian "economic pie," is not diminishing too rapidly vis-a-vis another communal group's portion. Since the 1969 racial outbursts, it is the general awareness of the fragility of the ethnic tensions that helps explain the miracle of the country's "national unity." This dissertation concludes that this brand of "national unity" appears to be losing its appeal with the Chinese community as they had lost faith in their own political leaders' ability to protect Chinese economic interests, especially with the present surge of Malay capitalism and political supremacy. This deep-felt anguish of the Chinese community over the demise of their political and economic legitimacy in the country has serious consequences with regards to their ethnic identity in the country.

This dissertation shows that the pessimistic outlook of the Chinese community in Malaysia has led them to look beyond the superficial aspects of the current fragile political ties and delve into their Chinese traditional culture and their sense of Chineseness. In doing so, Chinese have denied the fact that, after several generations
of their families having settled in Malaysia, many have "gone native" and have developed special characteristics to distinguish them from other overseas Chinese and Chinese from the mainland China. Wu (1991:166-176) points out that this transformation, which he describes using the Malay term peranakanization, is a phenomenon that has occurred repeatedly throughout history for overseas Chinese.

The Chinese in Malaysia have developed a new localized cuisine, the use certain Malay words in their dialects, and incorporate local deities into their religious beliefs. However, in retaliation to a dominant host culture that constantly asserts its power, the Chinese have denied that they have become amalgamated and instead have focused on their Chineseness. The Malays, in turn, have also denied that Chinese have become amalgamated so that they can have a justification for the preferential policies. As a result, communal politics remains the order of the day in the country, and ethnic harmony is an unattainable goal.

Chinese, consequently, have reassessed their status as a community in the Malaysian polity, but have focussed on cultural utilitarianism (hence, the sole end of their action is to be based on their cultural affiliation) rather than a quest for better understanding. As a minority living in constant fear of being subordinated by the Malay majority, the only strategy to ensure their survival appear to be
through their cultural ethnocentrism. Thus, as pointed out in this dissertation, the Chinese outlook in politics, economics and in education has been invariably tinged with an ethnocentrism marked by a desire for immediate results. Such an emphasis for a quick-fix solution, however, spells only trouble when it comes to establishing unity in the Chinese community, in particular, and among the country's ethnic groups, in general.

By highlighting the Chinese community's search for a quick-fix solution to their political demise in the Malaysian polity, Chapter V concludes that the Chinese have been split over which party should represent them politically. As a result, there has been no strong and stable Chinese-based party in the Malaysian polity, no political unity as a community to meet the challenge of the singleminded and unified UMNO party.

Many Chinese leaders, in turn, have lost the support and confidence of the community. Looking at the past two general elections, where most of the Chinese leaders in the coalition government contested constituencies where there is a Malay majority, the political survival of the Chinese leaders has become very much dependent on the good graces and charity of the UMNO leadership. The financial scandals (an example is the Deposit Taking Co-operatives), the humiliation of their political leaders (the arrest of former
MCA president Tan Koon Swan), and the lack of trustworthiness and sincerity among the leaders during internal strife (Lee Kim Sai’s challenge for the MCA presidency) have contributed towards the community’s frustration with the MCA.

For the Gerakan, multiracial rhetoric has become stale, as the party has found itself wedged between the non-Malay and Malay communities. Some twenty-four years since its formation, the party has not succeeded in projecting a "Malaysian" identity. To the Malays, it has always been seen as a Chinese-based party due to its strong ideological commitment and Chinese-dominated leadership. There is no denying that most of its support is confined to urban areas where the concentration of ethnic Chinese is highest, especially in states of Penang and Perak. The Gerakan lacks support from the rural Chinese masses, as they see the party’s multiracial approach as a compromise, usually to the disadvantage of the Chinese. A good example of the alleged compromise is the recent agreement on the appointment of a Malay Deputy Chief Minister in Penang, where about 60 percent of the population are Chinese. Many see UMNO’s aim as an eventual takeover of the state’s Chief Ministership, a position thought to be reserved only for a Chinese leader so long as the Governor of Penang is a Malay.
The dismay towards the Chinese parties in the coalition government has led to considerable support for the chief opposition party, the DAP, in recent years. The party's 20 percent average support of the Chinese vote since the 1960s is proof of a shift in preference for the party as well as the community's lost of confidence in the MCA and Gerakan leaders: "...the DAP has been drawn into playing a surrogate role for the Chinese community," as the MCA and Gerakan has failed many times to be assertive in the wake of issue affecting the Chinese community's well-being (Vatikiotis, Michael. Far Eastern Economic Review: 27, March 5, 1992).

Although the DAP professes to be multiracial in its party manifesto, its natural constituency is still Chinese. As noted by Aliran's chairman Chandra Muzaffar, the DAP remains a major articulator of non-Malay and urban Chinese grievances in a Malay-dominated political context. Despite the party's success, the leaders are well aware of their limited political voice in the country and how little they are able to do for the Chinese community. Many DAP officials concede that they are good for shouting and stirring the emotions of the masses. However, they are unable to deliver the goods or make good their promises as the odds are stacked against them. The ineffectiveness of the DAP leaders to make good on their promises has not been
a handicap, as the Chinese voters just want a Chinese-based opposition maintained as a bulwark against Malay interests. As noted by University of Malaysia professor Lee Kam Heng, "they do not care about the DAP's program; they vote for the party as an opposition" (ibid). This preference for the DAP shows the community's realization that their representatives in the government coalition, the MCA and the Gerakan, lack sufficient influence to protect their interests.

As a general conclusion, all the Chinese-based political parties' commitment towards a multiracial society is skin deep and limited to lip-service, as these pluralistic objectives sit awkwardly with the communal reality. It is obvious that any party that is seeking to realize multiracial ideals runs the risk of undermining support. On the other hand, by accentuating Chinese interests, hence subscribing to an ethnocentric discourse, the Chinese leaders put themselves in direct conflict with the Malay community. In fact, this dissertation concludes that the Chinese political parties have a self-defeating ideology in a time of Malay hegemonic rule, allowing Malay leaders to justify the continued implementation of the preferential policies, and thus serving as a stumbling block to dialogue for better ethnic relations. Caught in a catch-22 situation, the Chinese community today is undergoing a crisis of their political identity in the Malaysian polity.
With a sense of crisis and urgency to resolve their dilemma of Chinese through a quick-fix mentality, combined with mounting political frustration, the result could be proposals for radical and extreme change that reflect only limited consideration of practicalities.

The political dilemma encountered by the Chinese community does not exist in isolation. Economically, Chinese misfortunes in the political arena have entailed the marginalization of their economic role through the implementation of preferential policies. By "marginalization" I mean dwindling opportunities to open new businesses and to expand existing operations without Malay involvement, a development that threatens the very structure of the Chinese family-based organizations. Many Chinese see the forced breakup of their family-owned business as an infringement on their sense of independence and pride; their disgust has reinforced the importance of asserting a Chineseness and added to their fear of becoming "Malay-nized", not "Malaysianized."

The Chinese perception of declining opportunities in the economic arena force them to come to terms with the rise of a new class of Malay bourgeoisie. The latter differ from the Chinese business community in that they have both economic wealth and economic power. Malay efforts to portray the Chinese community as in control of the country’s
economy, I find, is contrary to the facts. The impression of Chinese economic dominance, a product of colonial manipulation, has been constantly used to serve the ruling party's political intent.

As far as the attainment of the NEP's ultimate goal, national unity, is concerned, the government's restructuring efforts have hardly inched towards that direction. Of course, there have been no race riots since 1969, but racial tensions are close to the surface. Through the NEP, ethnic relations for Chinese have been further soured instead of being mended. Through employment and educational quotas, loans, subsidies' licensing preferences and the creation of the bumiputra category, greater rivalry rather than unity has been encouraged between the ethnic groups. In other words, the NEP meant to the Chinese that only the Malays, who are bumiputras, are the real Malaysians, and that Malaysia is for the Malays only.

Not much can be concluded from the newly introduced ten-year-long NDP except that the Chinese community should accept the government's intervention as a way of business practice in Malaysia. The only remedy for Chinese economic frustrations in the future is to cooperate with the regulations and accept a secondary role in the economic domain. There is no room for ethnocentrism, which will only
result in the further decay of the already declining economic voice of Chinese in the country.

All in all, the evidence and arguments presented in this dissertation suggest that the present dilemma faced by the Chinese community is rooted in part in an insistence on an authentic or unadulterated Chinese identity. In their minds, they remain Chinese in the fullest sense so long as they claim a Chinese ancestor, a homeplace in China where this ancestor supposedly emigrated, and they observe some manners of cultural practise. Chinese identity, in actuality, is a constructed ethnic myth in that it contradicts present political and economic subordination in the country. For years, the Chinese in Malaysia have constantly been amalgamating, restructuring, reinventing and reinterpreting themselves, undergoing the process of peranakanization. The seemingly static Chinese "historical" identity has been in a continuous process of assigning new meanings about being Chinese in the Malaysian context.

Although some Chinese are aware of their amalgamation, they deny that they are amalgamated due to the political and economic developments in the country. This dissertation supports the observation of Ratnam, who notes that the Chinese "...are willing to become Malaysians politically; culturally, however, they are determined to remain Chinese. In advocating a policy of cultural pluralism, the non-Malays
protest that it is meaningless to ask them to become absorbed into a common Malaysian culture because that culture has yet to be identified. Consequently, they point out that what is in fact being required of them is not affiliation to a Malaysian culture but a surrender to Malay culture; and this is automatically repugnant to them, since they consider their own cultures to be superior to that of the Malays" (1965:136). In recent years, the Chinese have become more aware of their local identity and have become increasingly tolerant of the Malays. Peranakanization occurred spontaneously, but in more recent years, amalgamation has been due to the government's social engineering programs.

However, if the Chinese continue to define their identity in terms of their Chineseness, the antagonisms between them and the Malays will remain due to differing and strongly held "primordial attachments," to use Clifford Geertz's phase (1963:109). However, it is to the disadvantage of the Chinese community to remain adamant on this matter since they are living in an hostile environment where assimilation into the politically dominant indigenous society is difficult, though not impossible, but at the cost of marginalization in every sector of the society through carefully crafted policies.
Unless and until the Chinese community discard the old discourse of preserving their identity and instead comes to terms with Malay political and economic dominance, there is little hope for them to play a more effective role shaping their own future in the country. Non-assimilationist and uncompromising beliefs in their Chineseness are self-defeating. There is an urgent need for Chinese to adopt a new discourse - one which is more accommodating to the emerging power structure. As a start, Chinese might celebrate the peranakanization process that has evolved in the Malaysian society among the ethnic groups. By so doing they can expect the political, economic and social payoffs to benefit the Chinese community in the long run. As noted by E.V Stonequist in The Marginal Man (1937:5), "The whole history of man has been characterized by the crossing and recrossing of races."

In the final analysis, I propose that the participation of the Chinese community in the Malaysian polity should be aimed at alleviating communal insecurities rather than depending on them. Unless these insecurities are eliminated, the Malay elite, will practice discrimination and introduce restrictions based on ethnic lines.

The Chinese in Malaysia, therefore, cannot define their role, in terms of their identity, culture, and socioeconomic rights, purely by focusing on their own ethnic interests.
alone. Were they to do so, they would merely reinforce the insecurity of the Malays. The time has come for the Chinese to accept the dominance of the Malays as well as their marginalization in the Malaysian polity without a discourse. By doing so, not only will the Chinese gradually gain the confidence and trust of the Malays, but hopefully, they will also enable the Chinese community to establish more realistic expectations, politically, economically and culturally.

In Hirschman’s (1970) terms, the Chinese should downplay the "voice" option to gain political mileage from the community. Instead, a more effective political strategy for the Chinese leaders is to emphasize the "loyalty" option as a commitment towards nation building. Downplaying "voice" to make way for "loyalty" will not lead to the silencing of the former option. In fact, "...the likelihood of voice increases with the degree of loyalty...as a rule, loyalty holds exit at bay and activates voice" (ibid: 77-79). The loyalty factor has also been stressed several times by the UMNO leaders. To Dr. Mahathir, "[l]oyalty and responsibility to the country - that is price of the Malaysian citizenship...Malaysians should not take their citizenship for granted and that privileges they enjoyed were not free" (quoted in The Star:1, August 14, 1991, when the Prime Minister was launching new identity cards).
If the Chinese expect to have a better future, they must consider the interests of the other ethnic groups and rid themselves of the old discourse of Chinese superiority. Only then can dialogue on the communal problems be openly discussed by all the ethnic parties concerned (1). Such dialogue will represent a stepping stone to ease communal tensions and eventually to establish racial trust and harmony in Malaysia. So long as silence is maintained in dealing with the communal problems, coupled with the policies of ambiguity in nation building, Malaysia can be expected to remain a communally divided nation for many more years to come.
ENDNOTES

1. Under the Seditious Act of 1970 it is against the law to discuss the special status of the Malays, the position of the royalty, or question the social engineering programs of the government. No open dialogue is allowed, as the subjects are considered to be ethnically sensitive and could incite violence.


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