"All Malaysians, Chinese and Malay alike, should read both *The Chinese Dilemma* and *The Malay Dilemma*. Only by doing so would they understand the aspirations of the two races and strike a balance between them."
Tun Dr Mahathir Mohamad as reported in the *Nanyang Siang Pau*

# The Chinese Dilemma

## YE LIN-SHENG

"*The Chinese Dilemma* relates comprehensively—and you would expect, confrontationally—to Mahathir's political manifesto of 1970, *The Malay Dilemma*, which was immediately banned then." Duncan Campbell, former Australian Deputy High Commissioner to Malaysia, *The Sunday Star*

# The Chinese Dilemma

YE LIN-SHENG

# 华人的困境

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# PREFACE

I HAVE DWELT on "the Chinese dilemma" in Malaysia ever since I read Mahathir Mohamad's *The Malay Dilemma* (1970) more than a quarter of a century ago. In 1990 I began to put my thoughts down on paper. My progress was tortuous as I lacked the necessary erudition and found it difficult to gather material.

In 1992, I came across Lynn Pan's *Sons of the Yellow Emperor: The Story of the Overseas Chinese* (1990). Two thoughts struck me as I read this saga about the millions of Chinese who left the shores of China to seek their fortunes overseas. The first was that the persecution, cruelty and humiliation these Chinese suffered were perpetrated not by the indigenous peoples of the lands to which they had journeyed, but by the white colonisers—the Spaniards in Manila, the Dutch in Batavia, the British in Australia and Canada, and the white Americans in California.

My second thought was that if I could enlist Lynn Pan's assistance I might be able to tell my story and tell it better. I thought that if I could tap into her command of the English language and her familiarity with the history of the Chinese diaspora, my attempts to spell out the Chinese dilemma might get somewhere.

I got in touch with her through her publisher and we met half a dozen times to talk at length about the issues set out in this book. Among other things, she introduced me to Gunnar Myrdal's *An American Dilemma: The Negro Problem and Modern Democracy* (1940) and Thomas Sowell's *Preferential Policies: An International Perspective* (1990). Reading these books, I became more convinced than ever that the Chinese dilemma in Malaysia called for someone to articulate it.

I am most grateful to her for agreeing to act as scribe. I now know that without her I would have continued to flounder for many more years without result! I must also record my thanks to my Girl Friday Xu Bingyuan, who for so long has typed and retyped many a simple sentence; and to my classmate Chen Hanqiang, whose thoughtful insights and knowledge of the Malaysian Chinese community have informed my understanding of many issues.

I am responsible for the general thrust of the book, the views expressed in it and for any awkwardness in the way I argue my case. Discussing these views with friends and showing them an earlier draft of the manuscript in the closing stages of the book was a salutary exercise. While conscious of the emotions evoked by the subject matter, I must confess to my surprise at finding how sensitive it has remained. I can only ask my many friends across the racial spectrum to believe me, or at any rate to give me the benefit of the doubt, when I say that the arguments I put forward are not intended to score points for any side, but rather to foster understanding between the peoples of our country.

YE LIN-SHENG
Kuala Lumpur
June 2003

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CHAPTER 1

# INTRODUCTION

THE TITLE of this book echoes Dr. Mahathir Mohamad's *The Malay Dilemma*. This is entirely deliberate. Almost all Malaysians will now have heard of *The Malay Dilemma*, and though I am probably right in thinking that most will not have actually read it, few will be unfamiliar with its main thrust.

I first read the book in Singapore in 1970, shortly after it was published. The book had promptly been banned as being too inflammatory by the government of Tunku Abdul Rahman, the nation's father figure and first prime minister. Its appearance had alarmed the non-Malay half of the country's multiracial population, which had collectively deemed its contents as racist or, in local parlance, "ultra." Abroad, foreign observers pronounced it unscientific, racist and shocking. It was certainly candid and even blunt, I myself thought, and some of its strictures on the Chinese did sound misdirected to me, but whether it was racist, I was not so sure.

All the same, you could sense some unease in even the publisher, whose own note at the front of the book clearly

anticipates misgivings in some quarters. I quote: "Not all historians will agree with Mahathir's interpretation of events, historic and recent, in Malaysia and Singapore. This is certain to be a controversial book, and assuredly the author will be called upon to defend many of his statements and claims, indeed even perhaps the accuracy of his historical and biological data. This is not an objective work." And, as if an explanation were called for, the publisher tells the reader that the book is nevertheless published because "this is what an educated, modern, progressive Malay thinks and believes. These are his reactions to the problems of the day, the pressing problems that beset Malaysia. This is how a politically-inclined Malay understands the past, explains the behaviour of his own people and the behaviour of immigrants, and foresees the future ..."

It is hard to read these words without a sense of irony, because we now know what readers could not have known then, that what the author saw for the future, considered so extremist then, would become the future. What had seemed so contentious then would become government policy, a fact of everyday living. The publisher had meant us to read the book as a guide to the thinking of a modern-minded Malay, but it was actually much more than that, more even than a clue to the mind of a would-be prime minister. It was in fact a blueprint for the next twenty-odd years. Its ideas for the betterment of the Malays would find concrete form in the New Economic Policy (NEP), launched in 1971 to increase Malay economic power and breed a Malay bourgeoisie.

The book deals with the relations between the two main races in Malaysia: the indigenous Malays, who form roughly half the population; and the immigrant Chinese, who make up a third. I call them "races" rather than the more fashion-

able "ethnic groups" because, as a businessman rather than a scholar, I simply find the word "race" clearer. I am told that you are supposed to eschew words like "race" and "racial" these days (partly because of the unhappy uses of these terms around the time of World War II), but as this is not a learned treatise, I hope I may be forgiven for my violation of such taboos.

Stated simply, Mahathir's proposition is that the Malays are ill-equipped by their racial traits, upbringing and conditioning to compete against the commercially advanced and acquisitive Chinese in their midst. The Chinese dominated the domestic sector of the economy (that is, the part not owned by British interests), all the more so since the Malay achievement of independent nationhood, confirming the Malay in his fear that he had regained his country from the colonial British only to have it taken from him by the Chinese.

This was an untenable situation, one that could spark off a repeat of the May 1969 crisis. May 13, 1969 was a turning point in Malaysian history, the date on which communal tensions flared up in rioting. "What went wrong?" asks Mahathir in his book. Why this violent rift between the Malays and the Chinese? His answer is that there can be no racial harmony so long as the imbalance of economic power remains. And that imbalance can only be redressed by giving Malays preferential treatment over the other races.

Push the scales to their advantage, Mahathir argues. Give them a better shot at business, for so long considered the special preserve of the Chinese. Left alone, the Chinese may well deliver Malaysia faster to the common goal of national prosperity. But should the Malay stand aside and, poor but proud, watch his country prosper under the Chinese? Or

should he demand a share in that prosperity, even at the cost of slowing down the economy? This, Mahathir says, is the Malay dilemma. It is one which Malays are reluctant to bring out into the open, inhibited as they are by the value their social code attaches to courtesy, accommodation and self-restraint.

As a result, they are faced with the prospect of becoming dispossessed in their own country. Mahathir draws an analogy: "The Malays and the Red Indians of America are more or less in the same category. Malays are accepted as the indigenous people of the country, but the country is no longer exclusively theirs."

This has come of the mass immigration of Chinese (and to a lesser extent Indians) during the British colonial period. It is not possible to describe the Malay dilemma and not discuss the British, any more than it is possible to write about the Malay dilemma and not talk of the Chinese. In his book Mahathir does deal with the British and the Chinese, but of course only as aspects of the Malay problem. The British part in this problem has had its detractors as well as its apologists. But we have yet to see a Chinese follow-up to *The Malay Dilemma*.

In those days, whenever the subject of Mahathir's book cropped up in conversation, people would invariably ask, "Is he anti-Chinese?" After all, in his book he seems displeased with what he sees as Chinese insensitivity to the Malay plight. However, I myself thought that it must have been a most painful book for Mahathir to have to write, because to argue in favour of protecting the Malays against the challenge of the Chinese, he had first to acknowledge the inadequacies of his race. He had to suggest that it is the Malays'

handicap, their inferior position, which earns them the advantage he wants to see conferred on them.

To pull the Malay up, it is generally believed, is to push the Chinese down. This is a belief that is tenaciously held both at home and abroad, but how much truth is there to it? Who are the Chinese who feel most aggrieved? Mahathir calls for a change in certain Malay habits and attitudes; what are the changes required of the Chinese? Over the years, I had toyed with the idea of writing a book examining just such questions. I thought of calling it *The Chinese Dilemma*, riding, obviously, on the coat-tails of Mahathir's notoriety. I thought that such a book might explore, just as Mahathir's has done for the Malays, those traits of culture and character which bear on the Chinese situation in Malaysia. But as to what else it would deal with, I must admit I was none too clear. Indeed I would be hard put to spell out what the Chinese dilemma is.

To be in a dilemma, I see from the dictionary, is to be faced with a choice between equally unwelcome possibilities. So what are the unfavourable alternatives facing the Chinese in Malaysia, or the Malays for that matter? I look to Mahathir's book for a lead, and I find that there isn't always an either/or sense to his use of the word. He does point to one set of alternatives facing the Malays: the choice between speaking up and admitting their shortcomings, and remaining silent and staying poor. But in his other usages the word "dilemma" is often interchangeable with "predicament" or "difficult situation." Perhaps this is why people who try to summarise his book find it so hard to spell out exactly what the horns of the Malay dilemma are. I decide to make life easier for myself by adopting the looser usage too.

One reason I did not until now put pen to paper, I suppose, was that as a businessman I wasn't convinced that I was the right person to tackle such a book. For a time it had also seemed to me that the need for such a book had passed. Surely everything that can be said about Chinese-Malay relations has been said already? Can anything new be added? *The Malay Dilemma* was published in the immediate aftermath of the May 1969 race riots. Today, those riots are a distant memory. And since Malaysia has not been riven by racial and religious conflicts of the kind that has ravaged the former Yugoslavia and elsewhere—and good news doesn't sell—a book on race would serve no useful purpose.

Or so I thought. But I was mistaken. Whenever I see racial violence break out in various parts of the world on my television screen, I think that other Chinese must now feel as I do, thankful to be a citizen of Malaysia, and allow that it is a good country to live in and that its government has run it wisely and skilfully. But what has given me food for thought has been the discovery that many Chinese still do not share my feelings, and a question I find myself constantly asking is: "Why not?" It is that question, I suppose, which prompted me to revive the idea of the book.

In a way I am glad that so many years have passed since I first conceived the idea, because in the lapse of time some of my views have changed and also events and developments both at home and in the world at large have helped put the issue of race in Malaysia in clearer perspective. I did finally put pen to paper, completing the book in 1994. But a feeling that my conclusions were too pat and that the prosperity we were enjoying at the time made it too easy for me to argue my case, held me back from rushing into print. Would

tougher times make a nonsense of my convictions? In hindsight I'm glad I hesitated. We have since been sorely tested, by an Asia-wide financial crisis no less than by domestic discord, but these changes have if anything confirmed me in my convictions, and my views have remained intact.

As for what my views are, I am told by some of my friends that they are unconventional for a Chinese. I write as someone who is proud of his Chinese origin. But I am also trying to write as a fair-minded citizen; and as a fair-minded citizen, I feel I should challenge the conventional Chinese perception of their position in Malaysia. I should add here that my references to "Malaysia" should be understood to relate throughout to peninsular, or West Malaysia—Sabah and to a lesser extent Sarawak having a somewhat different racial complexion which it is beyond the scope of this book to consider.

I should explain that my views are those of a seventy-year-old, one whose working life began in the colonial period. I was born to parents who migrated to Malaya from China in 1931. Rare for Chinese migrants of the time, they were well educated—my mother had had a high school education and had been a teacher, while my father was a Political Science graduate of the renowned American missionary university, St. John's, in Shanghai.

My upbringing could have been typically immigrant Chinese; that is to say, I could have gone, like some of my siblings, to a Chinese-language school where the medium of instruction was Mandarin and the curriculum calculated to imbue the pupils with a Chinese world view and a sense of Chinese history. In other words, I could have been a Chinese-educated Malaysian. But I am not. Instead, I would de-

scribe my upbringing as being typically Malaysian English-speaking and urban. I started in Chinese school before the Japanese Occupation, but then switched almost immediately to the English-medium Christian Brothers English School. Over the years my mother did her best to cajole me into attending Chinese classes—so that, as she put it, "You won't turn out a bull" (meaning "rough and boorish") like the white man. But I can't say she had much success, and I was like many another urban Malayan Chinese in my orientation towards English.

For more than ten years, apart from a sprinkling of Indians and Eurasians, my classmates were entirely Chinese. It was not until my last year at school, in 1951, that I had a Malay for a classmate, my first and only, as it happened. Later, studying Engineering in Kuala Lumpur, I had a little more contact with Malays; and a lot more when, as a government employee, I had them as colleagues, subordinates and superiors, and particularly when I worked in the rural areas. Were I Chinese-educated throughout my school years, I would have gone on to work in the Chinese employment sector, in Chinese-medium teaching, or in Chinese enterprises engaged in mining, wholesale, trading and construction or could have become self-employed as a petty trader. In this sector there would have been little or no chance of coming into personal contact with the other races, least of all with the Malays.

The 1950s, when my working life began, were leisurely and carefree days for most of us in government service. The development projects we worked on were fairly inconsequential. We did our work diligently enough, but much of it was routine. Racial friction did not seem to exist, certainly

not within my circle of Malay, Chinese and Indian friends and colleagues. Instead, there was much camaraderie. There was frank and robust ribbing of each other's racial traits: Malays were "indolent and free-spending," Chinese were "cunning and grasping," Indians were "devious" and so on. No offence was meant or taken, it was just harmless teasing. In our immediate circle, remarks such as *"Keling balik India"* ("[You] Indians, go back to India"), *"Cina balik Tongsan"* ("[You] Chinese, go back to China") and *"Melayu balik kampung"* ("[You] Malays, go back to your village") were merely good-humoured banter and not the taunts they could, and did, become in the context of street quarrels.

Meanwhile, Malay nationalist stirrings, which had been making themselves felt for a long time, were propelling the country to *Merdeka*, or Independence. This came to pass in 1957, but Independence did not break our habit of deference to the old colonial master, and we were still contented to accept the British as our superiors. I was made particularly conscious of that habit by an incident—I will call it my first "race incident"—that took place soon after Independence.

It involved my boss and his boss. My boss was a fiftyish Indian. During the Japanese Occupation of Malaya, he was made the equivalent of State Engineer, the top post in the state. Then, with the end of the war, the British returned, and he was relegated to his old position in the District, a position seven or eight ranks below. His boss was English and barely half his age. One morning, I was helping my Indian boss to do "mustering"—marking the attendance of workers—when his English boss appeared. My boss greeted him by taking off his cork hat and folding it under his armpit, and, standing almost at attention, he addressed the young man as "Sir."

Now I greatly admired my boss, whom I thought an able officer, and whom I looked upon as a father figure to myself. To see a senior officer and gentleman like him having to behave so deferentially to a young white man was unsettling, to say the least. Of course, the scene was a commonplace in those colonial days, the norm as it were. Nor could the British officer be faulted for the way he conducted himself: he was courteous and perfectly "normal." Yet I thought: "Something is not right."

In the early 1960s, I left the government to work for myself. One of the things I tried my hand at was the spare parts business. The country was already independent but the colonial government practice of buying spare parts from the invariably British local agent was still in place. For the agent this was a cushy monopoly, a colonial legacy that had survived the departure of the British. With the help of old colleagues and by offering cheaper prices, we managed to make some inroads into that monopoly and make good money despite our lower margins.

One day, the British boss of the local agent came to see me. He said I had been selling spurious spare parts to his customers and I should desist. But as he was aware that I was carrying some stock, he wouldn't mind my selling that, but thereafter there was to be no more business. Otherwise he could make life difficult for me. All said in a civilised and not unfriendly manner. I listened incredulously and thought, "This white man is still talking like *Tuan* ("Master") almost ten years after *Merdeka*! I will show him!" This was my second "race incident."

I then got involved in the housing development business. In the early days of that business, getting approval for

projects was fairly straightforward—only a question of dealing with the local authorities or the planning and land office. But with the launching of the NEP, land matters in the 1970s came increasingly under the control of politicians and the rules became progressively less precise. I have more to say about the NEP later, but suffice it to note at this stage that the policy was aimed at changing the ethnic pattern of economic power through measures favouring Malays. The rules became less precise because race had entered the picture.

I happened to be involved in a case where I had sold houses on a freehold basis only to be told by the state authorities that approval for subdivision would not be given unless I agreed to surrender the title in exchange for leasehold. It was a case of over-zealous politicians using administrative means to deny a landowner of his legal rights, at a time when it was *de rigueur* for a Malay politician to block Chinese business. The case eventually went to court, though I had been reluctant to resort to litigation. I won the case, but for years afterwards was blackballed for the arrogance and impertinence I had supposedly shown in taking the state government to court. It was my third "race incident," but the party involved was no longer white; it was brown.

As I progressed in business I became better acquainted with what might be called the Chinese merchant community. The majority of the members of this community were monolingual, Chinese-speaking, some fluent only in their own dialects. Many had had limited formal schooling. Some were born in China; others, the second-generation—that is to say, Malaya-born—Chinese, were raised in the immigrant Chinese merchant culture.

These men were the dominant players in the food, construction, mining, rubber and wholesale sectors. In the