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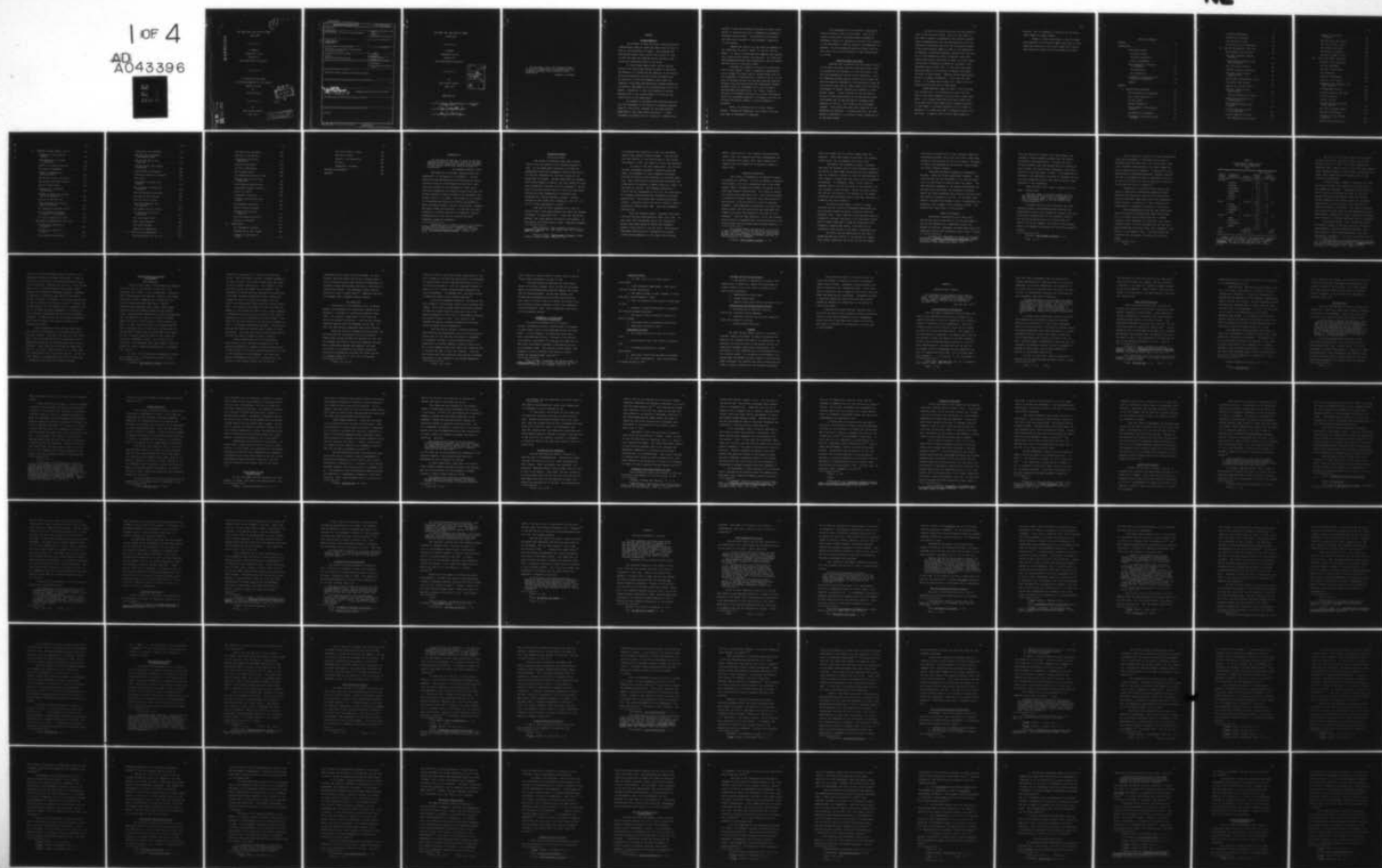
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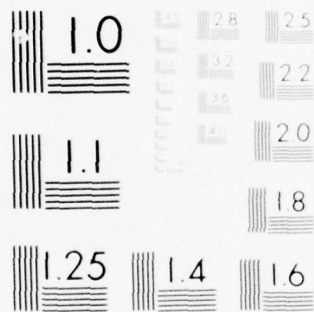
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LEE KUAN YEW: HIS RISE TO POWER  
1950-1968

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A Thesis  
Presented to the  
Faculty of  
San Diego State University

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In Partial Fulfillment  
of the Requirements for the Degree  
Master of Arts  
in  
Asian Studies

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by  
John Calvin Taylor  
Fall 1976

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To the extent that a man acquires power,  
he gains the opportunity to promote solutions  
to social problems which reflect his own  
personality.

Richard H. Solomon

## PREFACE

### Acknowledgments

My interest in Asia was first stimulated during undergraduate study of China and Japan with Dr. Paul S. Dull at the University of Oregon. His dynamism and enthusiasm brought Asian history and culture to life so that the area has remained for me the most interesting and fascinating part of the world.

In the fifteen years since, active military service with the United States Air Force in Thailand, the Republic of Vietnam and the Republic of the Philippines has aroused my curiosity about Southeast Asia. My selection in 1974 for graduate study under the auspices of the USAF Area Specialist Program enabled me to expand my knowledge of an intriguing area and of its people. Therefore, I must first express my sincere appreciation to the United States Air Force for providing me with this opportunity.

My interest in Singapore and Prime Minister Lee Kuan Yew developed in the course of a graduate seminar under Dr. Alvin Coox, Chairman of the Asian Studies Department at San Diego State University. It was furthered in studies with Dr. Rizalino A. Oades who as



teacher, friend and Committee Chairman has been instrumental in providing me with a fundamental knowledge of Southeast Asian history. His direction and guidance have been very valuable in the successful completion of this thesis.

Thanks must also go to the other two members of the committee, Dr. Ray T. Smith, Jr. and Dr. Tae Jin Kahng. Dr. Smith's criticisms and comments have enabled me to improve both content and analysis. Dr. Kahng has made suggestions which have enabled me to better present Lee Kuan Yew as a political figure.

Although not directly involved with the production of this thesis, I want to express my appreciation to Dr. Barbara Pillsbury and Dr. Ronald Himes, both of the Department of Anthropology. Studies with Dr. Pillsbury of Chinese culture and society provided essential insights into the similarities and differences between Chinese culture in Singapore and in pre- and post-Revolutionary mainland China. Dr. Himes' course on cultures of Southeast Asia gave me a better understanding of the indigenous peoples of Southeast Asia and the cultural and social context in which Singapore is situated.

Lastly, my thanks go to my typist, Betty J. Theige. Without her expertise, this thesis would not have been so successfully completed.

The responsibility for analysis, conclusions and any errors of fact is mine alone. None of the views or conclusions contained herein necessarily represent official or unofficial policies of any agency of the Department of the Air Force or the Department of Defense. No such inferences should be drawn from the fact that I am a serving officer in the United States Air Force.

#### Notes on Names and Usage

Whenever one is dealing with the recent history of the Malay Peninsula and the surrounding area, there is a potential for confusion in just what name to use for both geographical and political references. Until the immediate postwar period, Malaya was the name used both for specific reference to the peninsular states as a collective unit, and to these states plus the Straits Settlements of Penang, Malacca and Singapore in more general usage. I have continued to use the name of Malaya to refer specifically to the peninsular states plus Penang, and to use the name of Singapore when speaking of the city, the island or the government thereof. This holds true even after formation of the Federation of Malaysia. In some quotations, the name Malaya is employed in a collective sense, embracing all of the above areas.

Not until the mid-fifties was the term Malaysia used in the political sense. Prior to that time, it was used to denote a geographical and cultural concept which encompassed not only the peninsula but also the Indonesian Archipelago and even the Philippine Islands. I have restricted my usage to refer to the Federation of Malaysia, including Singapore, between 1963 and 1965, and to the Federation, without Singapore, after 1965. Unless specifically mentioned by name, the North Borneo territories of Sarawak and Sabah are included in the Malaysian rubric after 1963. In the political sense, Malaysia refers to the Central or Federal government situated in Kuala Lumpur. Whenever making specifically ethnic or communal references, I have used the term Malay. It is hoped that context will clarify any confusion arising from use of these terms.

Where personal names are used, I have followed for the most part, the convention of using the full name in the first reference, and the family name thereafter. All Chinese names have the family name first while Malay and Indian names follow European practice. In some cases, to prevent confusion or for variety or emphasis, full names are used in references other than the first. A special case is Tunku Abdul Rahman of



Malaysia, who is referred to variously as the Tunku, Abdul Rahman or simply Rahman.

Except in direct quotations, I have followed what appeared to be the most common spellings of Malay names and honorifics--thus Tunku rather than Tengku, Syed instead of Seyed, and Inche rather than Enche.

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## INTRODUCTION

You may take my word for it, this is the most important station in the East, and as far as naval superiority and commercial interest are concerned, of much higher values than whole continents of territories.

Sir Stamford Raffles, 1819<sup>1</sup>

Lee Kuan Yew is the most important political personality in the Republic of Singapore. A third-generation English-educated Straits Chinese and Prime Minister since his young People's Action Party (PAP) first won control of the government in 1959, Lee's political pragmatism and economic realism have been the primary factors in making Singapore the successful and dynamic nation it is today. The purpose of this thesis is to describe and analyze the events and methods by which Lee came to power, and put his political, economic and social ideas into practice. To provide the proper perspective, a brief overview of Singapore's history, demography and of the rise of nationalism among Singapore Chinese is necessary.

---

<sup>1</sup>Quotation from a letter written by Sir Stamford Raffles shortly after his naval squadron landed at Singapore on 29 January 1819. Donald Wise, "A Tight Ship," Far Eastern Economic Review, 6 August 1976, p. 32

### Historical Events

#### Political Status

The island of Singapore came under British control with the landing of Sir Stamford Raffles in 1819. As his words above indicate, he foresaw an exceptional future for Singapore, which at the time of his arrival consisted of a few huts containing 120 Malays and 30 Chinese. Raffles negotiated an agreement with Sultan Hussein of Johore, the sole reason for which was to establish a British claim to Singapore.<sup>2</sup> By the time of the Anglo-Dutch Treaty of 1824 which delimited British and Dutch possessions in Southeast Asia, Singapore was a proven economic success. Chinese immigration had raised their numbers by 1823 to 3,317 out of a total population of 10,863.<sup>3</sup>

From 1824 to 1867, Singapore was a part of British India, first under Bengal then under the Supreme Government of India after 1851. Along with Penang and Malacca, the three made up the Straits Settlements. By the time of the Indian Mutiny (1857), important elements

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<sup>2</sup>Mary Turnbull, "The Nineteenth Century," in Malaysia: A Survey, ed. Wang Gungwu (New York: Praeger, 1964), p. 129.

<sup>3</sup>Victor Purcell, The Chinese in Malaya (London: Oxford University Press, 1948), p. 71.

in Singapore were agitating to have the settlement placed under London's direct contr<sup>l</sup>. This was done with the creation of the Crown Colony of the Straits Settlements in 1867, the capital of which was Singapore.

For most of the next eighty years, the British colonial government provided a regime of peace and order, an atmosphere in which commerce flourished. Although the British were reluctant to introduce democracy, their administration nevertheless accustomed the inhabitants of Singapore to expect stability, peace, law and order as natural. The Japanese occupation of 1942-45 was an interregnum in which all the inhabitants of Singapore experienced harsh government and severe deprivations. The Chinese were treated particularly cruelly, a condition which did much to create a body of nationalist leaders among them. Some were Communist, some were not.

With the Japanese defeat, Singapore came under a British Military Administration (BMA) until 1946. At that time, with the Malayan Union Plan, Penang and Malacca were made states of Malaya and Singapore became a Crown Colony in its own right. The colonial government prevailed until Singapore first gained limited self-government in 1955 under the so-called

Rendel Constitution.<sup>4</sup> Full internal self-government came in 1959, but complete political independence was not achieved until August 1965, when Singapore was expelled from the Federation of Malaysia, formed in August 1963.

#### Economic Background

The vision of Singapore as a mercantile center originated with Raffles. In 1822, he formed a committee of Europeans to act with representatives of the Arabs, Malays, Bugis, Javanese and Chinese, and issued to the committee detailed instructions. The status of mercantile affairs was made quite clear, "the classes engaged in mercantile affairs" requiring "the first attention," particularly in the allocation of land for business purposes. Those employed in handicrafts or labor were ranked second, and the cultivators were expressly forbidden to hold any land expected to be used for town purposes.<sup>5</sup> From the very beginning, social and economic relationships in Singapore were institutionalized in the reverse order from the traditional Chinese practice, in

---

<sup>4</sup>Sir George Rendel was appointed in July 1963 to head a commission to review the whole constitution of the Colony of Singapore, including the relationship between the central Singapore Government and that of the municipality of Singapore.

<sup>5</sup>Purcell, The Chinese in Malaya, p. 70.



which the farmer and the artisan ranked above the merchant. There were almost no scholars, who normally ranked first, and no soldiers until much later.

Throughout the nineteenth century, Singapore dominated the economic life of the surrounding region by its policy of free trade, which was even more important than its location in making it vital to the economies of Java, Sumatra, Celebes and other parts of the Indonesian Archipelago. In Singapore, goods in bulk could be imported free of tax and be broken up into smaller lots for re-export, also tax-free. During the early twentieth century, the growth of the Malayan tin and rubber industries made peninsular Malaya even more important to Singapore than was Indonesia.

The British were deeply involved in these ventures, and as a natural consequence established not only business houses but banks, insurance firms and shipping lines. These remained to be important parts of Singapore's economic structure in the twentieth century. Most of these firms were in some way associated with Singapore's magnificent harbor, which even in its unimproved state was one of the best in Southeast Asia.

The 1920's saw the beginnings of what was to become another major factor in the economy for nearly forty years; these were the naval and military bases.

Construction started with a naval dockyard, depot and associated projects, and by the late 1930's there were extensive installations all over the island. Thousands of people were employed by the military, which became the single largest industry.

Such were the basic elements of Singapore's economy. There was little large-scale industry. That which existed was for refinement of tin ore and reduction of crude latex to a form suitable for export. The most important segments of the economy were mercantile and servicing activities, and Singapore's economic health was highly dependent upon external factors beyond the control of anyone in the city. At the same time, however, Singapore had become a nearly indispensable and certainly vital element in the regional economy. The Chinese had a major part in this process.

#### Social Development

Large-scale immigration which began after the British arrival soon made of the new settlement a city of the uprooted for a generation after 1919. Besides the British, newcomers included those from India (especially Ceylon and neighboring South India),<sup>6</sup> Malays

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<sup>6</sup>A brief but comprehensive history is Sinnappah Arasaratnam, Indians in Malaysia and Singapore (Bombay and Kuala Lumpur: Oxford University Press for the Institute of Race Relations--London, 1970).

from the Peninsula, Sumatra, Java and Celebes, and Chinese in ever-increasing numbers from the coastal provinces of Southeast China. Although the first Chinese probably came from Malacca and the neighboring Rhio Islands, the first direct immigration from China was with a junk from Amoy, in 1821.<sup>7</sup> The proportion of Chinese in the population continued to increase until by the early twentieth century they made up nearly three-quarters of the inhabitants.

From the very first, such a prospect was foreseen. Raffles said:

From the number of Chinese already settled, and the peculiar attractions of [Singapore] for that industrious race, it may be presumed that they will always form by far the largest part of the community.<sup>8</sup>

To govern not only the Chinese but the other immigrant groups, the aforementioned Committee was established to carry out a system of indirect rule which prevailed throughout much of the nineteenth century. The Chinese population was to be placed under the control of its own leaders, who would be the principal direct link between the Chinese and the British administration.

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<sup>7</sup>Purcell, The Chinese in Malaya, p. 70.

<sup>8</sup>Ibid., p. 72.

Such a system of indirect rule had long-standing historical precedents in the great port cities of Southeast Asia and even China, but it was also a practical expedient necessitated by the small numbers of British administrative manpower. In addition to such administrative compartmentalization, Raffles' plan for the city of Singapore called for segregation not only by the major groups, but also by provincial origins of the Chinese and even by occupation.<sup>9</sup>

Subdivision of the major ethnic groups into specific communities rendered the seemingly simple quadripartite population structure politically and socially much more complicated than first appearances might indicate. Statistics in 1966 illustrate the complexities of Singapore's population (see Table 1).

Such differentiation was far less significant among the Malays and Indians than among the Chinese. All of the Malay groups spoke basically a common language, their adherence to Islam was a very strong cohesive factor, and from the beginning the sex ratio among Malays was relatively even, never exceeding 1,383 males to 1,000 females (1891). The implication was therefore that the social structure was relatively normal.

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<sup>9</sup> Ibid.



TABLE 1  
POPULATION BY ETHNIC GROUP  
AND SPECIFIC COMMUNITY,  
1966

Ethnic Group	Specific Community	Numbers	Per Cent of	
			Ethnic Group	Total Population
Chinese		1,519,225	100.0	78.7
	Hokkien		40.6	31.9
	Teochew		22.5	17.7
	Cantonese		18.9	14.9
	Hainanese		7.2	5.7
	Hakka		6.7	5.3
	Foochow		1.5	1.2
	Other		2.6	2.0
Malay		233,997	100.0	12.1
	Malay		68.9	8.4
	Javanese		18.3	2.2
	Boyonese		11.2	1.3
	Other		1.6	0.2
Indian		128,250	100.0	6.7
	Tamil		60.4	4.0
	Malayali		16.8	1.1
	Ceylonese		4.2	0.3
	Other		18.6	1.3
Other		48,261	100.0	2.5
Total		1,929,733		100.0

SOURCE: Warwick Neville, "The Demographic Structure and Its Economic and Social Implications," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), Table 4, p. 75.

Not until 1947 did the figure for the Chinese go below that level, and even in 1966 that for the Indians was still 1,459.<sup>10</sup> The Indian communities comprised such a small portion of the total that despite their disproportionately large economic importance as a group, their subdivision by language was of little political significance.

For the Chinese, however, linguistic and other divisions have been very important in the political development of Singapore. The system of indirect rule, and of leaving the Chinese very much to their own devices reinforced the practice among the various Chinese communities of creating their own individual organizations to provide such social services and community direction as existed. Both secret societies and a wide and varied range of open associations (clan associations, occupational guilds, benevolent societies) were developed, as Chinese immigrants came to Singapore.

As the male-female ratio became more normal and greater numbers of children were born and came to need education, another dichotomy developed. For a small portion of the Chinese population (that most economically successful), the choice was quite often to

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<sup>10</sup>Warwick Neville, "The Demographic Structure and Its Economic and Social Implications," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), Table 4, p. 75.

acquire an English-language education because of the consequent social and economic advantages. A body of politically conservative and English-oriented Chinese was thus created. Schooling for the bulk of the Chinese people was in Chinese-language institutions, where Mandarin soon became the standard language. Therefore, in addition to linguistic and provincial divisions brought with them to Singapore, the Chinese were further divided by education and economic status. Although the Chinese were by far the largest group in Singapore, they were by no means entirely homogeneous, a condition to have important consequences for political development in Singapore. Certainly this lack of complete homogeneity was a factor hindering the growth of some form of Chinese nationalism.

During Singapore's first century there was no real feeling of nationalism in the modern sense among Singapore Chinese. Even among the many who were locally born, they saw themselves not as Singaporeans, but as someone whose home was in China although they lived in Singapore. Their identity as Chinese was based upon a totality of culture, tradition and origin, rather than upon identification with a political entity. It was, in a real sense, an unquestioned given which allowed them to concentrate upon attaining economic success.

Politicization of Chinese  
in Singapore

The Kuomintang

Politics first came to the Chinese of Singapore with the visit of Sun Yat-sen in 1900 (so it is reported) and in 1906. In the latter year, a branch of Sun's revolutionary Tung Meng Hui (Society) was formed. From 1905 to 1909, Singapore was a refuge for anti-royalist revolutionaries from China. Several revolutionary newspapers were started, which waged editorial wars with papers supporting the imperial cause. Revolutionary elements were further strengthened with the addition of a portion of some 700 Chinese rebels who fled to Tonkin after an armed rebellion in 1908. By 1911, Sun's activities in Singapore and the rest of Malaysia led to a warning by the Protector of the Chinese in Penang that he should leave the country. He went to Europe, where he remained until after the revolution succeeded in China. As a result of the revolution, the Kuomintang (KMT) was formed in China in August 1912, and a branch was established in Singapore soon after.<sup>11</sup>

By 1925, the KMT was being suppressed in Malaya and Singapore, for it had become the agent of much

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<sup>11</sup>Purcell, The Chinese in Malaya, pp. 209-10.

nationalist propaganda of a strongly anti-British nature. There occurred a strongly leftward movement in the KMT, and labor unions were formed under the guise of mutual benefit associations. The leaders in this were the Hailams (Hainanese) and the Hakkas. The government in Malaya was very resistant to recognition of the KMT, although the British Foreign Office considered the ban on the party an anomaly, now that Britain had recognized a KMT-controlled Chinese government. The objection was based on a KMT rule that the members in such bodies as labor unions, clubs, chambers of commerce and schools had to conform to KMT forms of organization so as to strengthen the KMT's power. Even after the KMT took control of the Chinese government in 1926-7, the Malayan governments resisted. They did not want the KMT carrying on activities inimical to local government. Not until 1930 was the policy modified and the KMT once again allowed to legally organize.

After the beginning of the Sino-Japanese hostilities in 1937, the KMT was permitted by the Malayan governments to promote Chinese nationalism and to remit funds to the China Distress Relief Fund, to aid in the resistance to the Japanese. Once again the Malayan governments were acting in opposition to the desires of the Foreign Office, for the British



government was at peace with the Japanese. By 1941, however, KMT Youth Corps activities in Malaya were of such an alarming nature that the British ambassador to Chungking asked three Malayan officers to come there to discuss the problem. The Japanese invasion shortly after put a stop to these talks.<sup>12</sup> Communist activity in Singapore had a somewhat shorter history.

#### The Communists

The history of the Communist Party in Malaya begins with disclosure of instructions issued by the Comintern in Shanghai to the Malayan Communist Party (MCP). As a result, there were in 1935 minor MCP activities against the British. Also the MCP launched campaigns against both the Japanese and the KMT. In 1936, the MCP actively organized labor union strikes.

After war broke out between China and Japan, the MCP recruited for the National Salvation Movement, formed after Chiang Kai-shek was captured at Sian, and the Movement was used to foster anti-Japanese feelings. Party organization became very complex, with many activities, all directed by the Central Committee. Anti-British propaganda continued even after the war with Germany began but in late 1940, the Chinese

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<sup>12</sup>Ibid., pp. 213-18.

Communist Party in Hong Kong issued instructions to the MCP to cease all anti-British activities, to concentrate on consolidating an anti-Japanese front and to aid in the British war effort. With the Japanese invasion of Malaya in 1941, the MCP wholeheartedly supported the local governments. In December 1941, the Party joined a common war effort by all Chinese parties.<sup>13</sup>

During the Japanese occupation, the MCP was the major element in the Malayan People's Anti-Japanese Army (MPAJA), which also included other nationalist elements. The KMT had a small force of guerillas, only a few hundred compared to 6,000-7,000 in the MPAJA just before the Allied invasion in 1945. As a result of the Japanese occupation, erstwhile harmonious Sino-Malay relations became quite antagonistic.

With the end of the war, a British Military Administration was established, and the various guerilla forces were for the most part successfully disbanded. In Singapore, the BMA at first accepted offers of cooperation by various Communist groups at face value, but it soon became evident that their real intention was to obstruct the BMA in every way possible. Over the next three years, MCP agitation continued and increased, culminating in the outbreak of the Malayan Emergency,

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<sup>13</sup> Ibid., pp. 218-21.

which lasted for twelve years of bitter jungle fighting, finally being declared at an end in 1960.

Such KMT support as remained was very strong among the business classes, while the MCP was strongest among the Chinese-educated laboring classes, the unions and the Chinese schools. By the late forties, the Chinese had progressed from political identification with events in China itself to internal divisions within the Singapore Chinese community itself along Communist and anti-Communist lines, both increasingly nationalist in the Singapore context.

Singapore: A Unique Case  
of National Development

The special characteristics of location, history, economics and social factors made of Singapore a unique case in what is now sometimes called the Third World. In most respects, Singapore has never been a truly underdeveloped country. Because of its distinctive factors, governments of Singapore have been able to make rapid and massive progress in developing the city to its present state. The following shows clearly that Singapore is quite different from what are usually termed the underdeveloped countries:<sup>14</sup>

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<sup>14</sup>Ooi Jin-Bee, "Singapore: The Balance Sheet," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), p. 12.



Economic Factors

1. In 1966, only 3.5% of labor force in agriculture
2. Some disguised unemployment. Most opportunities outside agriculture
3. Per capita income is \$600, highest in Southeast Asia, second highest in Asia
4. Very low fraction of per capita income spent on food
5. Exports of goods manufactured in Singapore, not food and primary materials
6. Per capita value of external trade one of world's highest
7. Very good credit and marketing facilities
8. Best public housing in Asia

Demographic Factors

1. Low crude birth rate in 1967 of 25.8 per 1,000
2. Low mortality rate, high longevity expectation
3. No gross malnutrition or dietary deficiencies
4. High public health and sanitation standards
5. No rural overcrowding, urban overcrowding no longer serious by 1967

### Cultural and Political Factors

1. One quarter of population in school; high expenditures on education; nearly 100% enrollment in primary schools; only 11.5% (1967) of males over 10 years of age uneducated
2. Essentially no child labor
3. Strong middle class
4. Women's status and position protected by law

### Technological and Miscellaneous Factors

1. Multiplicity of technical training facilities, constantly being expanded
2. Excellent internal and external communications and transport facilities
3. Sophisticated technology

### Summary

Lee Kuan Yew was ideally suited to the role of national leader in Singapore. He came of ancestors who were part of Singapore from nearly its beginnings. His education and training were in the pattern proven most conducive to success, particularly economically, and politically if the referents are to his acceptability to the colonial powers. His education and profession as a lawyer gave him entrée into many levels of the political power structure; his ancestry and family traditions provided at least a contact with the Chinese of Singapore.

The historical events of the years since his birth had created a situation in which a nationalist leader might succeed. Singapore's unique economic and social characteristics, enumerated above, in many ways made it easier for such a leader as Lee to gain and hold power and establish his legitimacy. Singapore was small in area and population, and the British soon proved themselves amenable to alterations in the nature of their Asian empire.

Lee Kuan Yew played the most important part in the final few years of the process by which an erstwhile fishing village was transformed into an independent nation and one of the great port cities of the world. This thesis is devoted to an examination of Lee's part in that process.

## CHAPTER I

### EDUCATION AND IDEOLOGY

We in Malaya are now seeing British domination, after over a hundred years, enter its last phase. Colonial imperialism in Southeast Asia is dead except in Malaya, and our generation will see it out.

Lee Kuan Yew, 1950<sup>1</sup>

#### The Prototypical Singaporean

Over the years, Singapore's Prime Minister Lee Kuan Yew has repeatedly exhorted the citizens of the island city-state to think of themselves not as Malays, Indians or Chinese, but as Singaporeans. They must, he said, build a multi-cultural, multi-racial society in which all strive for common goals. Lee himself is the prototypical Singaporean, the example upon which he has striven to model the people of the small republic. As such, he has sometimes been an enigma to those who would categorize him. Chinese have said he was too un-Chinese, while to Westerners Lee has appeared to be both "an upper-class Englishman, with a Chinese name," and "basically . . . an oriental."<sup>2</sup> Even Lee seems to

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<sup>1</sup>Alex Josey, Lee Kuan Yew, rev. ed. (Singapore: Asia Pacific Press, 1968), p. 30.

<sup>2</sup>Ibid., p. 601.

have felt some estrangement from the specifically Chinese categorization, remarking that in his days at Cambridge, he was more comfortable with Malaysians "of all races" than with Chinese from other parts of Asia.<sup>3</sup> In 1965, he unequivocally declared his identification with Singapore, then part of Malaysia:

My personal ambition is to ensure that people like myself, and their children, and my children, have a future in this country. My roots are here. I have been here three generations, nearly a hundred years. I have no other loyalties, no other homeland. And I want to bring about a situation which will secure the future for those like me.<sup>4</sup>

In those three generations, Lee and his ancestors exemplified the Straits Chinese who achieved affluence and influence in a world that overlapped those of the Chinese and of the British colonial rulers. His great-grandfather was a Hakka immigrant in the mid-nineteenth century, who did well enough to make his family comfortable and to return to China in his old age. Lee Hoong Leong, grandfather of Lee Kuan Yew, was successful as Managing Director of one of Singapore's pioneer shipping lines, and had been educated in English at the Raffles Institution.

His son, Lee Chin Koon, was also educated in English, at the Anglo-Chinese Secondary School. During

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<sup>3</sup>Ibid., p. 100.      <sup>4</sup>Ibid.



his business life, Lee Chin Koon was for some years a clerk with the Shell Oil Company, and more recently, a salesman in the shop of a leading Singapore jeweler, De Silva and Company.<sup>5</sup> Cross-cultural ties have been normal in the Lee family, and were certainly continued with Lee Kuan Yew.

#### Lee's Early Education

From his earliest school days, Lee Kuan Yew mingled with students of all races,<sup>6</sup> learning to speak several languages including Malay. After attending a Chinese kindergarten, he entered Telok Kurau English-language primary school at the age of eight. One instructor described him as not very studious, but said that English was his particular strong point.<sup>7</sup> Having become by this time the special protégé of his paternal grandfather, who declared that his education should be the equal of that of any Englishman,<sup>8</sup> Lee Kuan Yew was sent to the Raffles Institution in 1935. There he

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<sup>5</sup>Willard A. Hanna, "Success and Sobriety in Singapore, Part IV," American Universities Field Staff Reports, Southeast Asia Series, vol. 16 no. 5 (New York: American Universities Field Staff, 1968), pp. 2-3.

<sup>6</sup>For convenience, Lee's own terminology has been adopted, in which he refers to the Malays, Chinese and Indians as separate races.

<sup>7</sup>Josey, Lee Kuan Yew, p. 40.      <sup>8</sup>*Ibid.*, p. 39.

demonstrated many of the qualities which have continued to be characteristic of him.

Intellectually, Lee Kuan Yew was usually at the top of his class, continuing to be strong in English language and literature. He was also outstanding in mathematics and economics, and as student, athlete and leader, was far out in front. He also exhibited another characteristic remarked upon in later times and other contexts, that of ruthlessness.<sup>9</sup> In 1939, Lee was first in his class in the examinations for the Senior Cambridge Certificate. It is apparent from even the sketchy material available on this period of Lee's life that his education and training were modelled more on the English than the Chinese pattern and values.

Lee graduated from the Raffles Institution in 1939 with a scholarship to Raffles College (which later became the University of Singapore). He wanted to go on to an English university, but because of the uncertainties occasioned by the impending war in Europe, decided to use the Raffles scholarship. He said that two good things happened there; he met his future wife and he got a good foundation in economics.<sup>10</sup> During

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<sup>9</sup>Hanna, "Success and Sobriety, IV," p. 4.

<sup>10</sup>Josey, Lee Kuan Yew, p. 5.

his two years at the college, Lee continued his studies in English literature, mathematics and economics, and gained a reputation as an orator in the Union debates. His formal studies came to an end when the Japanese invaded Singapore, an event marking the beginning of Lee's political life.

#### The War Years

Later he recalled that in 1942 he avoided being loaded onto a truck with other young Chinese, ostensibly to do work for the Japanese. He said that they often took such truck loads of youths away and shot them:

Such was their blindness and brutality. They never knew what they did to a whole generation like me. But they did make me and a whole generation like me determined to work for freedom--freedom from servitude and foreign domination. I did not enter politics--they brought politics upon me. I decided that our lives should be ours to decide . . . that we should not be the pawns and playthings of foreign powers.<sup>11</sup>

His wartime experiences thus seem to have generated the nationalism and anti-colonialism which Lee expressed many times in later years. It is also reasonable to assume that Lee was, in common with other Southeast Asians, much impressed by the defeat of the European colonial power by fellow Asians and the knowledge that hundreds of the erstwhile British masters

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<sup>11</sup>Ibid., p. 41.

were imprisoned at Changi on the east end of Singapore Island.

During the sixty-nine days it took the Japanese to complete their conquest of Malaya with Singapore's surrender on 15 February 1942, Lee Kuan Yew served as a medical orderly in the civil defense organization. After the surrender, the nineteen-year old ex-student learned Japanese and became a translator for Domei, the official Japanese news agency.<sup>12</sup> There he had access to world news which was not released to the public at large which gave him some idea of the true state of the war. He was probably well aware by 1945 that the Japanese were losing and that there was a possibility of another battle for Singapore. British journalist, Alex Josey<sup>13</sup> says that Lee quietly moved out of the city in 1945 (possibly into hiding elsewhere on the island or on the mainland) because the Japanese were

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<sup>12</sup>Ibid., p. 27.

<sup>13</sup>Alex Josey is an English-born journalist resident of Singapore for twenty years. His writings include books on trade unionism and socialism, with particular reference to Malaysia, and commentary on Asian affairs. A close friend and unauthorized biographer of Lee Kuan Yew, Josey was the cause and object of one particularly bitter exchange between the Singapore and Malaysian Federal Governments, resulting in his expulsion for a brief period in 1965. Hanna, "Success and Sobriety, IV," pp. 11-13.

suspicious that he had been telling people the truth about the war.<sup>14</sup>

#### Postwar Education

For a brief time after the end of the war, Lee organized an "atmosphere of study" in his home with organized informal lectures by various academics. This ended with the reorganization of the schools and colleges in Singapore and the return of the professors to their regular positions. Also, Lee was impatient to get to school in England. Though both ship passage to England and places in universities there were hard to come by, he managed to find space on a troop ship and to be accepted by the London School of Economics.

Lee did not stay there for long. He did not like the hectic pace of a large city which required that he travel daily across town by bus and subway. The rushing and the fumes and the subway were not his idea of university life and he finally decided to try for Cambridge which he entered to study law after one term in the London School of Economics. According to Willard A. Hanna, there was another and more important reason for the switch.

Lee was unhappy with both the standards and the curriculum at the London School of Economics. Even

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<sup>14</sup>Josey, Lee Kuan Yew, pp. 40-41.



more important was his developing interest in politics. Having come to know young members of the Labour Party and left-wing intellectuals, Lee was initiated into political theory and practice. His nascent philosophy was a mixture of Fabian Socialism with a belief in a perfectionist society, and Marxist extremism with the conviction that he must align himself with the working classes against the privileged upper classes. He was able to express his political feelings through university student associations, notably the Cambridge Union. There he exhibited great skill and fervor as a public speaker, concentrating especially on colonialism.<sup>15</sup>

Academically Lee continued to be superior. He established a record which he was not loath to recall publicly in later years, and displayed the intellectual toughness and ability which remained as his hallmarks. He graduated with first-class honors in his two crucial comprehensive examinations and received a star for special distinction for placing first on the honors list.

Lee's Speech to the  
Malayan Forum

Lee Kuan Yew made his first important political address in January 1950 before the Malayan Forum. The

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<sup>15</sup>Hanna, "Success and Sobriety, IV," p. 5.

Forum was a discussion group where students from Malaya and Singapore gathered to discuss politics, especially the issues of colonialism and nationalism. In his speech, Lee dealt with the role the Asian student should play after his return from studies abroad and enunciated his basic political beliefs and convictions.

Three themes stood out. First was his belief in the inevitability of the end of colonialism. Next, Lee expressed his choice against and fear of Communism as a disruptive influence and political alternative in Malaya (the Malayan Emergency where government forces were attempting to suppress the Malayan Communist Party, was well along at this point). Finally, he set forth the theme of racial harmony as an imperative requirement for the best development of Malaya.<sup>16</sup>

Lee was pessimistic about the possibility that the British would voluntarily grant independence to Malaya and Singapore but he was hopeful that, given a satisfactory alternative in a government run by English educated students, they could be easily persuaded to do so. He pointed out that the returned students had been the spearhead of independence movements in other Asian countries. Thus, these students were in a position to

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<sup>16</sup>Josey, Lee Kuan Yew, pp. 28-33.

decide how and when the change was to be made and whether they were to have any role at all.

The Communists he portrayed as the greatest threat to established Asian governments and to Malaya in particular. He said this was because the nationalist leaders in Malaya had not become organized, as had happened in Burma and India and Ceylon, before the Communists became an important political force. Any new independent government in Malaya had to win popular support and the non-Communists had to both promise and do social justice to counter the appeal and force of Communism. Lee said:

The continued existence of the new Asiatic states depends upon whether they are able to carry out long overdue reforms; whether they can, without the Communist religion, do all that a Communist state can do for the masses.<sup>17</sup>

If this could not be done through the leadership of the returned students, then Malaysians would have only exchanged one set of masters for another.

To reach these goals, there must be in Malaya racial harmony between Chinese and Malays, and development of a united front with the strength to demand transfer of power without resort to force.

The prerequisite of Malayan independence is the existence of a Malayan society, not Malayan Chinese, not Malayan Indian, not Malayan Eurasian,

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<sup>17</sup>Ibid., pp. 30-31.

but Malayan, one that embraces the various races in this country.<sup>18</sup>

The theme of pan-Malayanism, rather than communalism, is fundamental and oft repeated by Lee.

In conclusion, Lee pointed out that some sort of change was inevitable and that all had a role to play. Should the returned students fail to do their part, then the change would be more disordered and there might be no place for them in the government that resulted (implying that the Communists would take over). These remarks certainly brought the name of Lee Kuan Yew to the notice of the colonial government in Singapore, a concern of which he was made aware upon his return in August 1950.

#### Lee Returns to Singapore

Lee has described the special attention he received upon his disembarkation. Immigration authorities kept him waiting until all other passengers had been cleared. When his passport was inspected, the Inspector remarked casually and pointedly that he would do well to be careful. Soon after, Lee was visited by an intelligence agent who let him know that the British were aware that while he had Communist friends, Lee himself was believed not to be one. The inference was

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<sup>18</sup>Ibid., pp. 31-32.

that so long as Lee observed the distinction between Communist sympathies and Communist subversion, no action would be taken against him.<sup>19</sup> This distinction became very important in the next four years as Lee Kuan Yew established his law practice, developed connections in the often Communist-led trade unions, and began to create his own circle of political colleagues which eventuated in the formation of the People's Action Party (PAP) in 1954.

Lee began to form this politically congenial group while he was studying in London. There, he came to know Goh Keng Swee, an economist, and K. M. Byrne, a civil servant and lawyer. The three considered creating an anti-colonial movement open to all Malaysians and especially assessible to non-white collar workers believed soon to be enfranchised. They finally decided to enlarge their circle by making contacts with interested persons at the University of Malaya (at Singapore) and among the most important English speaking unions.<sup>20</sup>

#### Singapore's Political Status in 1950

The Singapore to which Lee returned in 1950 was politically the remnant of the Crown Colony of the

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<sup>19</sup>Hanna, "Success and Sobriety, IV," p. 6.

<sup>20</sup>René Peritz, "The Evolving Politics of Singapore: A Study of Trends and Issues" (Ph.D. dissertation, University of Pennsylvania, 1964), pp. 106-07.



Straits Settlements, formed in 1867. With the end of the Pacific War, the British rearranged their possessions in Southeast Asia. Under the 1946 plan for a Malayan Union, Singapore was to become a separate Crown Colony, while the other Straits Settlements of Penang and Malacca became Malayan states. Between the war's end and the effective date of the Union, Singapore was governed by a British Military Administration.

Civil government under a Governor appointed by the Colonial Office was restored on that date. Singapore had been kept separate from the Federation for two reasons. First, it had great and increasing importance as a military base for British forces which raised special problems in the areas of economics and internal security. Secondly, because the Malayan Union plan reduced the powers and status of the Malayan sultans and gave increased citizenship rights to the Chinese, the belief was that Union would be more acceptable if predominantly Chinese Singapore were kept separate.<sup>21</sup>

The government in 1950 consisted of an Executive Council chaired by the Governor, whose ten members were nominated, and a twenty-two member Legislative Council.

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<sup>21</sup>Singapore, "State of Singapore Annual Report, 1960," in Malaysia: Selected Historical Readings, eds. John Bastin and Robin W. Winks (Kuala Lumpur: Oxford University Press, 1966), pp. 335-36.

Nine of its members were elected, three from the chambers of commerce and six from territorial constituencies. The Colonial Government thus possessed the greatest power and the struggle for a larger popular voice in Singapore's government marked the years until independence was achieved in 1961.

In March 1950, anticipating the next year's elections, the Legislative Council asked the Secretary of State for the colonies to increase the elected members from nine to twelve, a request which was not fulfilled until 1959,<sup>22</sup> and attainment of self-rule. At this time, out of a population of approximately one million, registered voters totalled 48,155.<sup>23</sup> Most of these were Europeans, Indians, and English-educated Chinese. Registration was voluntary until the 1955 election and the great majority of the population, Chinese by culture and education, did not gain the pre-dominance its numbers merited until automatic voter registration was instituted in 1955. At that time, the electoral roles increased to 300,299.<sup>24</sup>

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<sup>22</sup>Ibid., p. 336.

<sup>23</sup>Ibid.

<sup>24</sup>Pang Cheng Lian, Singapore's People's Action Party, Its History, Organization and Leadership (Singapore: Oxford University Press, 1971), p. 2.

### Singapore Demography

Ethnic divisions in the population had remained relatively constant since the early 1900's. The Chinese comprised about 78% of the total; Malays 12%; Indians (including Pakistanis and Sinhalese) 8%; and Europeans, Eurasians and others were the remainder. Though the three major groups can be said to represent specific communal points of view, there are significant subdivisions, particularly among the Chinese, which were very influential on the course of developments, raising issues to which Lee and his group had to respond.

Of all school children in 1950, 37% (of all races) were in English-language curricula, while 51% (nearly all Chinese) were being educated in Chinese-language schools.<sup>25</sup> This dichotomy had very strong effects upon political developments because the Chinese-educated were inculcated not only with what could be termed traditional Chinese culture, but they were also the targets of ideological indoctrination from both the Chinese Nationalist and Communist points of view. The roughly 75% of the population (of all races) comprising the working class was educated, if at all, in other than English language and were prevented by their lack of

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<sup>25</sup> Iain Buchanan, Singapore in Southeast Asia: An Economic and Political Appraisal (London: G. Bell and Sons, 1972), p. 169.

knowledge of English from progressing into the upper levels of society and government. The English-educated constituted a very thin stratum at the top of the social and economic structure.

The Chinese community was further divided linguistically. The principal Chinese dialect, spoken by 41% (32% of the total population), was Hokkien and the related Teochew. Nineteen percent spoke Cantonese and the remainder mostly spoke Hainanese and Hakka. However, most Chinese knew at least one other dialect than their own plus either Mandarin, Malay or English.<sup>26</sup> The Malays were not divided linguistically and while the Indians were, their total numbers were so small that it was not a significant political issue.

Another demographic trend with ever increasing importance was the shift to a younger population. In 1947, 36% was fifteen or younger; by 1957 it was up to 43%.<sup>27</sup> Thus, there was a growing annual increment of new job seekers--a problem not easily solved in Singapore's entrepot economy. Other serious problems with political overtones included extremely crowded and

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<sup>26</sup>Ibid.

<sup>27</sup>David C. E. Chew and Amina H. Degani, "Population and Manpower," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), p. 89.

inadequate housing for a large part of the urban population, insufficient health care, and inadequate public services. These were the problems referred to by Lee in his 1950 speech, and he would gain greater familiarity with them in years to come, both before and after his accession to power.

Upon his return to Singapore, Lee Kuan Yew first joined the law firm of Laycock and Ong for a short time. Then, in partnership with his wife and elder brother, he established the firm of Lee and Lee. Through his law practice and contacts with left-wing intellectuals at the University of Singapore, there developed the ties with the Chinese-educated, Communist-led majority of Singapore which eventually made him Prime Minister, and involved him in a struggle for dominance with the Communists which brought Lee and his followers close to defeat more than once.

#### Trade Union Contacts

Between 1950 and the founding of the PAP in November 1954, Lee Kuan Yew established contacts in the trade union movement. The unions were in a phase of renewed activity after having been severely restricted in 1948 as a consequence of attempts by the MCP to use them as a vehicle to gain political control in Malaya and Singapore.



These contacts were part of a deliberately calculated plan by Lee. He believed that the relatively free but politically unguided labor unions had great potential for becoming instruments for anyone aspiring to power in Singapore. He carefully cultivated the leadership of advisorless and mostly English-speaking unions, becoming legal advisor to some fifty-one unions. Lee thereby gained moderate mass support that was essential in enabling moderates in the PAP to keep the advantage over important Chinese-educated elements. However, Lee and his associates were not able in this early period to make intimate contacts and to amalgamate with the Chinese groups. Lee, Goh, Byrne and others of their group believed the Left had to struggle, if possible, within the limits of the British democratic system:<sup>28</sup>

A party committed to constitutional methods of change would be signing its death warrant if it stood outside the constitutional area and merely protested with words and rude gestures.<sup>29</sup>

As honorary (meaning unpaid) legal counsel to what eventually totalled more than 100 unions, Lee had extensive opportunities to meet and come to know the Communists and their sympathizers who were union leaders.

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<sup>28</sup>Peritz, "Politics of Singapore," pp. 108-09.

<sup>29</sup>Ibid., p. 108.

Two such pro-Communists were Lim Chin Siong, the twenty-two year old Secretary-General of the Singapore Factory and Shop Workers Union (SFSWU) and Fong Swee Suan, Secretary-General of the Singapore Bus Workers Union (SBWU). Both became charter members of the PAP and provided the vital link between Lee's moderates and the more revolutionary Chinese Nationalists.

Lee also met the non-Communist Sinnathamby Rajaratnam, a Ceylon-born lawyer, journalist and Marxist inclined political theoretician; another PAP founder and later Minister for Culture and Foreign Minister.<sup>30</sup> This occurred during the February 1952 strike of the Postal and Telecommunications Uniformed Staff Unions when Lee first gained a significant local reputation both because of the settlement he obtained and the methods he used.<sup>31</sup>

Lee described the significance of the union contacts in a 1961 radio talk. He said that in the 1950's "every genuine nationalist who hated the British colonial system wanted freedom and independence."<sup>32</sup> He and his colleagues worked with the unions, the only

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<sup>30</sup>Pang, Singapore's People's Action Party, p. 1.

<sup>31</sup>Josey, Lee Kuan Yew, p. 5.

<sup>32</sup>Lee Kuan Yew, The Battle for Merger (Singapore: Ministry of Culture, 1962), p. 14.

ones of which were able under the internal security regulations to take "fierce and militant action" were those having no Communist affiliations. When the postal workers struck for revision and retroactivity of their salaries, Lee used their dispute with the colonial government to gain every possible political and material advantage. His goals were to achieve specific gains for the union members and to "[rally] them to fight the British colonial system for freedom, for a more just and equal society,"<sup>33</sup> The method was to halt all mail and telegraph services until public pressure became a weapon against the management. As government employees, the postal workers were mostly English-speaking. They were thereby less susceptible to Communist control of the leadership than were those non-government and mostly laboring unions made up of factory workers, hawkers, and the like.

The particular importance of the union-derived contacts was illustrated by Lee:

The Communists, although they had only a few hundred active cadres, could muster and rally thousands of people in the unions, cultural organizations and student societies.

By working and manifestly appearing to work selflessly and ceaselessly, they won the regard of the people in the organizations. Having won the confidence and regard, they then got the people to support their stand.<sup>34</sup>

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<sup>33</sup>Ibid., pp. 14-15.

<sup>34</sup>Ibid., p. 19.

These mass base and organizational techniques were vital elements in Lee's later bid for power. Furthermore, Lee had demonstrated to his satisfaction that a militant movement within a colonial system could carry on a peaceful struggle for material benefits.

An additional factor which may have contributed to the success of the PAP-Communist united front without the PAP completely losing control, was the arrest of two Communist couriers in Singapore in December 1950. This led to identification and arrest of the entire Singapore Town Committee of the MCP (the Town Committee was the highest level in the local organization, reporting directly to the MCP Central Committee). These arrests left the MCP leaderless in Singapore during the most critical period of the Malayan Emergency so that it was not until 1954 that the Communists again took a significant part in the revolutionary effort.<sup>35</sup> This might be a reason for their willingness to work with Lee and to let him predominate.

#### Lee Builds His Group

Lee's contacts with left-wing intellectuals at the University of Malaya (at Singapore) enabled him to

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<sup>35</sup>Richard Clutterbuck, Riot and Revolution in Singapore and Malaya, 1945-1963 (London: Faber and Faber, 1973), p. 71.

gather the group of English-educated men who became the moderate wing of the founders of the PAP. Among them were Dr. Toh Chin Chye, then a Reader in Physiology and Lecturer in the Medical Faculty, and Goh Keng Swee, Acting Head (1954) of the Department of Social Welfare and a trained economist.<sup>36</sup> Lee had known both men in London where they had often met at the Malayan Forum and had discussed the Malayan situation. Their expertise was to prove vital to the PAP.

Lee is reported to have made "extraordinarily bold statements about the role of violent revolution in achieving social reform and political independence,"<sup>37</sup> at meetings of the university group. Rather than being part of that circle, however, he drew others into one of his own where revolutionary dynamism and practicality were combined. The British did not disturb this group because, in Lee's opinion, they saw it as the least unacceptable of several emerging pro-independence factions and were making long-term calculations on getting a group of people who could hold things together.<sup>38</sup>

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<sup>36</sup>Willard A. Hanna, "Success and Sobriety in Singapore, Part III," American Universities Field Staff Reports, Southeast Asia Series, vol. 16 no. 4 (New York: American Universities Field Staff, 1968), pp. 12, 9.

<sup>37</sup>Hanna, "Success and Sobriety, IV," p. 7.

<sup>38</sup>Ibid., p. 8.



By 1954, the Lee circle had crystallized and was meeting periodically in his home. The fourteen charter members of the PAP included two lawyers, two journalists, two teachers, a lecturer at the University of Malaya and seven prominent trade unionists,<sup>39</sup> the last constituting the party's radical wing. Over several months, they developed the party's principles and determined its goals and means of action. Said Lee:

We organized and worked in the unions, recruited cadres of our own in the English-educated and Malay-educated world. We drew up plans for the setting up of the party.<sup>40</sup>

#### Alliance with the Communists

The English- and Malay-educated represented only a minority of Singapore, however, and certainly did not constitute the mass base necessary to bring a new party to power and keep it there. The support of the Chinese-educated was vital and Lee's description of the first contacts was vivid:

One day in 1954 we came into contact with the Chinese-educated world. The Chinese middle school students were in revolt against national service. Through devious ways they came into contact with us.

We bridged the gap to the Chinese-educated world--a world teeming with vitality, dynamism and revolution; a world in which the Communists had been working for . . . thirty years with considerable success.

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<sup>39</sup>Pang, Singapore's People's Action Party, p. 1.

<sup>40</sup>Lee, The Battle for Merger, p. 16.

We the English-educated revolutionaries, went in trying to tap this oil-field of political resources, and soon found our pipelines crossing those of the Communist Party . . . . We were considered by the Communists as poaching in their exclusive territory.

In 1955 we contested the elections. Our initiation into the intricacies and ramifications of the Communist underground organization in the trade unions and cultural associations had begun.<sup>41</sup>

The "devious" contacts with the students perhaps occurred in November 1954. Lee Kuan Yew and D. N. Pritt, a pro-Communist London lawyer, were defense counsels for student leaders of serious riots and occupation of Chinese schools in May 1954. In their spectacular but unsuccessful defense, they whipped up student enthusiasm. Pritt urged the student to rally behind Lee and to join the workers in a common struggle.<sup>42</sup>

Though this took place just before the public announcement of the PAP, the implicit cause-and-effect linkage is perhaps erroneous, although one writer states that this was indeed the case.<sup>43</sup> However, support and help from Chinese students was an undeniable factor in the PAP's success at the polls in 1955. The original

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<sup>41</sup>Ibid.

<sup>42</sup>Stanley Spector, "Students and Politics in Singapore," Far Eastern Survey 25 (May 1956):68.

<sup>43</sup>Clutterbuck, Riot and Revolution, p. 104.

issue in the May riots, of registration for National Service under the colonial government, was a "godsend"<sup>44</sup> to the MCP and one in which the English-educated could join with the Chinese students.

Lee was well aware that many of those with whom he worked were Communists and that they were aware of his knowledge. But all were joined in "one united anti-colonial front . . . against the common enemy"<sup>45</sup> and the intense disagreements and internal struggles which went on were kept private. The Communists, he said, believed he would ultimately be forced to admit that a "bourgeois" democratic system could not produce a just and equal society. Lee in his turn argued that irrespective of whether the goal were reached via Communism or Democratic Socialism,

to build a more just and equal society in Malaya, we would have to make certain fundamental decisions, such as being Malaysians, uniting the Chinese and Indians and others with Malays, building up national unity and national loyalty, and rallying all the races together through a national language.<sup>46</sup>

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<sup>44</sup>Ibid., p. 183.

<sup>45</sup>Lee, The Battle for Merger, p. 17.

<sup>46</sup>Ibid., p. 18.

## CHAPTER II

### LEE THE NATIONALIST, 1954-1959

The most immediate and urgent task facing any serious political party in Malaya is to end colonialism as swiftly as possible . . . all the constitutional concessions granted so far have been particularly careful to protect and perpetuate the basic economic and political interest of the colonial power . . . [we] call upon all peoples of Malaya, workers by hand [or] brain, to rally to our party to secure national freedom now.

Manifesto of the People's Action Party<sup>1</sup>

The inaugural meeting of the People's Action Party (PAP) was the largest political rally held in Singapore to that time. Nearly 1,500 people were present in Victoria Hall to hear Lee Kuan Yew present the Party program and objectives, and the pro tem Central Executive Committee. Present on the platform with the men of the PAP were Tunku Abdul Rahman, president of the moderate Malayan political party, the United Malays National Organization (UMNO), and Tan Cheng Lock, president of the Malayan Chinese Association (MCA).<sup>2</sup> The MCA was the biggest Chinese party on the Malayan

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<sup>1</sup>Peritz, "Politics of Singapore," p. 110.

<sup>2</sup>Lee, The Battle for Merger, p. 145.

mainland. The theme of the meeting was immediate independence, upon which, said Lee, there could be no compromise.<sup>3</sup>

#### PAP Programs and Policies

The long term aims of the PAP were specified in its Constitution, and illustrated the nationalist nature of the party at this point. Among them were:

1. To end colonialism and establish an independent national state of Malaya, comprising the Federation of Malaya and the Colony of Singapore.

2. To create a democratic unitary government of Malaya based on universal adult suffrage of all those born in Malaya or adopting Malayan nationality.

3. To abolish the unjust inequalities of wealth and opportunity inherent in the then-current system; to establish an economic order giving all citizens the right to work and full economic returns for their labor and skill; and to ensure a decent living and social security to all those no longer able to work due to sickness, infirmity or old age.

4. To infuse into the people of Malaya a spirit of national unity, self-respect and self-reliance, and inspire them with a sense of endeavor in creating a prosperous, stable and just society.<sup>4</sup>

Among the more immediate objectives of the PAP were repeal of the Emergency Regulation, repeal of those portions of the Trade Unions Ordinance which prohibited union participation in political activity, and strong opposition to the then-new constitutions for the Colony of Singapore, and for the Federation of Malaya. There

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<sup>3</sup>Ibid.

<sup>4</sup>Ibid., p. 146.



was no specific reference to establishment of socialism in Singapore.<sup>5</sup> The Emergency Regulations were to be a continual bone of contention between the British and Singapore for some time. They gave the police important powers to maintain internal security, such as those to close roads, enforce curfews, and search premises, vehicles and persons suspected of having weapons. Most hated was the power of detention without trial, and this was the one which neither the British nor succeeding Singapore governments relinquished.

Lee's attack on the Rendel Commission Constitution for Singapore was similar to that of other parties. He said:

We reject the Singapore and Federal . . . constitutions because ultimate power and control still rest in the colonial power and not in the hands of the people. No constitution which curtails the sovereignty of the people can be acceptable to us.<sup>6</sup>

This constitution was the result of a comprehensive review by a commission under Sir George Rendel, which reported in February 1954. It recommended a Legislative Assembly consisting of a Speaker and thirty-two members, of whom twenty-five would be popularly elected. There would be a Council of Ministers presided over by a

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<sup>5</sup>Saul Rose, Socialism in Southern Asia (London: Oxford University Press, 1959), pp. 227-28.

<sup>6</sup>Lee, The Battle for Merger, p. 145.

Governor, three to be ex-officio and six to be drawn from the Legislative Assembly. To the Governor were reserved responsibilities and powers concerning defense, external affairs and internal security,<sup>7</sup> and these were the powers at issue.

Concerning the nature of the relationship between the PAP and the Federation of Malay, Lee made a statement which may have had more significance to Tunku Abdul Rahman in retrospect than it did at the time:

Though, because of the division of Malaya into two territories, we are technically a political party in Singapore, we shall in all our approach to the problems of this country disregard the constitutional divisions. We are as actively interested in the problems of our fellow Malaysians in the Federation as we are in those of Singapore. When Malaysians in the Federation who agree with our aims join us we shall work throughout Malaya.<sup>8</sup>

In any case, in his remarks, the Tunku pledged UNMO support for the new party,<sup>9</sup> a perhaps pro forma commitment which was honored more in the breach than in observance.

#### The 1955 Singapore General Election

Less than three months after this, the PAP leadership took its first real step onto the Singapore

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<sup>7</sup>Great Britain, Colonial Office, Cmnd. 147, April 1957, "Report of the Singapore Constitutional Conference," p. 3.

<sup>8</sup>Lee, The Battle for Merger, p. 148.

<sup>9</sup>Ibid., p. 146.

political stage, when the decision was made to field candidates for seats in Singapore's first Legislative Assembly. Until early in February 1955, the PAP had not yet decided whether to contest the elections at all, mainly because it feared it would be regarded as an opportunist group formed solely for this purpose, rather than as having a true fundamental hostility to the constitution.<sup>10</sup> A special party conference was held to discuss an election stance. The decision was made to enter the race, but with only a few candidates. Rather than try for a total victory, the PAP would become an opposition in the Assembly, where it would be able to expose the short-comings of the Rendel Constitution.<sup>11</sup> Also, the PAP believed it would be irreparably hurt if it had to form a government under that constitution.<sup>12</sup> On Nomination Day, 29 February 1955, the PAP announced four candidates for the Legislative Assembly; Lee Kuan Yew, Lim Chin Siong, Goh Chew Chua and C. V. Devan Nair. Lee and Goh represented the "moderate" wing of the party, Lim and Nair the extremists, the pro-Communists;

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<sup>10</sup>Times (London), 9 February 1955, p. 7.

<sup>11</sup>Pang, Singapore's People's Action Party, pp. 2-3.

<sup>12</sup>Thomas J. Bellows, "The Singapore Party System," Journal of Southeast Asian History 8 (March 1967):125-26.

the PAP itself was the most extreme left of the eight parties which put up candidates.

There were issues common to all of the parties; all emphasized health, housing and social welfare, and unification of Singapore with the Federation.<sup>13</sup> The PAP's program emphasized anti-colonialism and socialist principles; in addition to immediate independence and union with the Federation, the goals were:

1. Repeal of the Emergency Regulations, National Service Ordinances, Trade Disputes Ordinances, and amendment of the Trade Unions Ordinance to enable unions to set up political funds.
2. No votes for those having expatriate privileges, and complete Malayanization of the Civil Service within four years.
3. Establishment of a Worker's Charter, to include such things as a minimum wage law, equal pay for women, a 40-hour week and paid two-week holiday, workmen's compensation and unemployment benefits, a minimum of 48 days annual sick leave, and child-care and maternity allowances.
4. Encouragement of industry via tariffs and subsidies, and full control of foreign trade, dollar earnings, sterling balance, and national savings.
5. Free compulsory education for all children to age 16.<sup>14</sup>

Particularly vital to the success of the PAP campaign were the issues affecting the labor unions, for this was where, with the Chinese schools, the mass of potential support lay. When the Rendel Constitution

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<sup>13</sup>Times (London), 9 March 1955, p. 7.

<sup>14</sup>Rose, Socialism, pp. 228-29.

took effect, the electorate was enlarged dramatically, due to the initiation of automatic registration of voters by use of their identity cards. In 1951, there were only about 35,000 legitimately registered voters, of an estimated 250,000 eligible. The electoral register in 1955 contained 300,299 persons of whom approximately 55 per cent were Chinese.<sup>15</sup> The majority of these new voters were Chinese, and the party which was able to gain their support stood to win its electoral contests. The PAP was the only party with supporters having the mass organizational skills and the symbol wielders able to generate backing among the Chinese, concentrated mostly within the radical wing of the party. Moreover, the PAP was not an illegal party subject to the sorts of internal security pressures that affected the Communists.

The PAP was thus forced to rely upon the trade union workers and leaders in the Chinese middle schools, who were more often than not pro-Communist, to achieve its first electoral goals. The most important was Lim Chin Siong, the young radical Secretary-General of the Singapore Factory and Shop Workers Union (SFSWU). Campaign methods had a distinctly left-wing character, with large rallies attended by unionists and students

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<sup>15</sup>Bellows, "The Singapore Party System," pp. 67-68.



from the Chinese schools. Lee Kuan Yew was now able to utilize the contacts he had made in his work as a legal counsel; equally, the pro-Communists were able to take advantage of Lee's acceptance by the British. Students conducted extensive door-to-door campaigning for the PAP, though the furthest left candidates seem to have received more of this help than did Lee and Goh.<sup>16</sup>

When the election was over, the PAP had won three of four seats for Lee Kuan Yew, Goh Chew Chua and Lim Chin Siong. That Lee appreciated the need for pro-Communist support is illustrated in a statement quoted by David Marshall, leader of the Labour Front; "Any man in Singapore who wants to carry the Chinese-speaking people with him cannot afford to be anti-Communist."<sup>17</sup> Lee also said that the Communists and Socialists in the PAP formed a united front to achieve independence and merger, knowing full well that as soon as freedom was achieved, they would be divided over the nature of independence.<sup>18</sup>

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<sup>16</sup>Ibid., p. 131.

<sup>17</sup>David Marshall, "Singapore's Struggle for Nationhood 1945-1959," Journal of Southeast Asian History 1 (September 1970):102.

<sup>18</sup>Roger M. Smith, ed., Southeast Asia: Documents of Political Development and Change (Ithaca, NY: Cornell University Press, 1974), p. 303.

David Marshall's right-wing Labour Front gained the most seats, ten, in the election and the Progressive Party won four; Marshall became Singapore's first Chief Minister, with the responsibility of forming a government and making the Rendel Constitution work. He did not have to wait long for challenges to his authority.

The first session of the new Singapore Legislative Assembly was opened by Sir John Nichol, the Governor of Singapore, on 22 April 1955. In his address, Nichol had presented a Message to the Assembly from the British Secretary of State, stating that "Today Singapore is governed by a Council of Ministers answering to a Legislature which is predominantly popularly elected."<sup>19</sup> At the first business session of the Assembly, three days later, Lee Kuan Yew rose to protest against thanking the Secretary of State for his Message.

Lee moved to amend the motion of thanks to declare, in effect, that the Constitution was no good. Stating that ". . . this country is fit now for full self-government," he described the Rendel Constitutional Commission as a "useless, spineless lot" and said "this Constitution is a sham . . . colonialism in disguise . . . there are only twenty-five men here who can stand up and

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<sup>19</sup> Josey, Lee Kuan Yew, p. 11.

say, 'I speak . . . for the people of the constituency I represent'."<sup>20</sup> His often strident nationalism continued to be evident in nearly every subsequent statement he made.

Union Agitation Against  
the New Government

From outside the government, one of Marshall's first challenges was to resolve the Hock Lee Bus Strike. The pro-Communist leadership of the Middle Road Group<sup>21</sup> took advantage of the loosening of the internal police powers, which was approved by the Assembly on 27 April 1955. Exploiting a dispute within the bus company, the Singapore Bus Workers Union (SBWU) called a strike on 23 April and by the 29th, events had escalated and thousands of Chinese middle school students organized to bring food to the strikers and provide entertainment. Strikes spread to other unions of the Group, and Lim Chin Siong and Fong Swee Suan, Secretary of the SBWU,

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<sup>20</sup> Ibid., pp. 11-12.

<sup>21</sup> The Middle Road Group was a loose grouping of Communist-dominated trade unions whose leaders met periodically at the premises of Lim Chin Siong's Singapore Factory and Shop Workers Union, on Middle Road. The Group controlled unions in many complete sectors of industry and public services, including all public transport, and through Lim was closely linked to the militant left-wing faction of the PAP. See Clutterbuck, Riot and Revolution, p. 100.

were accused of instigating the use of violence during a May Day rally.<sup>22</sup>

During the first ten days of May, student involvement with the strikers was evident as truck-loads arrived regularly from the schools. Negotiations between the company and the SBWU broke down on 9 May, and events came to a climax on the night of 12/13 May with riots involving crowds of 1,000 or more. During the night, four people were killed. A settlement was finally reached under the ruling of a government arbitrator on 14 May, which appeared to benefit the SBWU. However, the violence shocked the public and brought about a reversal of the limitations on police powers.<sup>23</sup>

That the union movement was intended to be used for political purposes was evident. The militant unions followed a pattern of making demands upon employers, then backing them with strike threats. The strikes often came very quickly after the demands, and there were few attempts at setting up industrial relations procedures, with settlements usually on the individual employer basis.<sup>24</sup> The most powerful of the militant unions was Lim Chin Siong's SFSWU.

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<sup>22</sup>Ibid., p. 109.

<sup>23</sup>Ibid., pp. 109-10.

<sup>24</sup>Alex Josey, Trade Unionism in Malaya, 2nd rev. ed., Background to Malaya Series no. 4 (Singapore: D. Moore Press, 1958), p. 3.

Over a period of eighteen months from late 1954, the SFSWU called twenty-nine strikes, and was very successful in achieving gains for its members. Lim was very highly regarded as a champion of the workers. The political motivations were evident in the union's statement that "the true function of a trade union is to defeat colonialism. Only then will the worker be free from the slave state."<sup>25</sup> The year 1955 was the high-water mark of such activity, with 275 strikes, as compared to eight in 1954 and twenty-nine in 1956.<sup>26</sup>

#### PAP Intra-Party Tension

Lee Kuan Yew was in a dilemma to reconcile his open front links with the pro-Communists with his disquiet over their methods. During the Assembly session on 16 May 1955, in which curfew powers were restored, Singapore Governor W. A. C. Goode accused the PAP and its Communist supporters of wanting violence, bloodshed, and industrial unrest; and David Marshall termed Lee a "cat's-paw" for the Communists in his desire to end colonialism. Lee responded that the PAP could not be responsible for every single member. He said the party was working for a democratic non-Communist Malaya, but that it:

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<sup>25</sup>Ibid., p. 6.

<sup>26</sup>Ibid., p. 95



would not fight the Communists or the fascists to preserve the colonial system . . . we seek to destroy the colonial system and we seek to do so by methods of non-violence . . . we are opposed to any group or quarter from which violence comes.<sup>27</sup>

In the same debate, Lim Chin Siong perfunctorily stated that he was not answerable to a colonial official, and otherwise merely echoed Lee. He refused to answer the question of where his loyalty lay--with Singapore or Communism.<sup>28</sup>

In late June, the PAP held its first annual meeting, at which nascent intra-party differences were apparent. Lee pointed out that there was some ambiguity over the party's position during strikes which took place between 13 and 18 June, in which Lim Chin Siong, C. V. Devan Nair and S. Woodhull had taken part. Lee said that party policy was determined only by the Central Executive Committee (CEC), and that the three had acted on their own.<sup>29</sup> However, only their methods were in question, and not their goals, and the potential split was avoided. None of the pro-Communists stood for election to the CEC.<sup>30</sup> One possible reason might have

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<sup>27</sup>Clutterbuck, Riot and Revolution, p. 110.

<sup>28</sup>Ibid., pp. 110-11.

<sup>29</sup>Times (London) 27 June 1955, p. 7.

<sup>30</sup>Pang, Singapore's People's Action Party, p. 4. The CEC was the policy-making element of the PAP, from which rules governing party activities and conduct were issued.

been to lose whatever goodwill the party had from the British. Another may be, as Pang says, that prior to 1957, the extremists were content to allow Lee's faction to retain control of the CEC.<sup>31</sup>

From the time the Marshall Government took office, there had been discussions with the British on issues in which Singapore wanted further moves toward self-government. Two of the most important were the question of whether the Governor of Singapore had to take the Chief Minister's advice at such times as he was constitutionally bound to seek it, and Singapore's desire for British commitments to hasten full self-government. In August, there were concessions on these matters, including a statement by the British government that it would welcome a delegation to London, at a suitable time, to consider Singapore's situation in light of a year's operation under the Rendel Constitution. The Assembly vote of thanks for these concessions suffered a fate similar to the one in April--all of the opposition members walked out.<sup>32</sup>

#### Internal Security Questions

In April, when the relaxed police powers had been presented to the Assembly for approval, the

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<sup>31</sup>Ibid., p. 34.

<sup>32</sup>Times (London), 19 August 1955, p. 6.

effective period was to be three months, thus requiring renewal in August. In his attack on the British retention of power of detention, Lee had said that the PAP would be content if this were relinquished, as well as restrictions on freedom of speech, assembly and publication.<sup>33</sup> Of course, these regulations were the ones posing the greatest threat to union and student militancy.

When the government raised the issue of renewal on 24 August, it also presented a new bill for the Preservation of Public Security,<sup>34</sup> which was to replace the Emergency Regulations. The new bill restored the powers of search and of imposition of curfews and road blocks. Debate on the issue was lengthy, lasting until 12 October, when it was passed by a vote of nineteen to four (the three PAP members and one Independent) with seven abstentions.<sup>35</sup> According to David Marshall, the

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<sup>33</sup>Clutterbuck, Riot and Revolution, p. 107.

<sup>34</sup>The Preservation of Public Security Ordinance (PPSO) would permit the government to detain an individual for security reasons for four weeks without filing charges, and for two years without presenting evidence. See Arnold C. Brackman, Southeast Asia's Second Front: The Power Struggle in the Malay Archipelago (New York: Praeger, 1966), pp. 22-23.

<sup>35</sup>Clutterbuck, Riot and Revolution, p. 111.

PAP led a virulent mass campaign, with public demonstrations against the measure.<sup>36</sup>

Also introduced in this period was legislation to make the Emergency Regulations valid for three years, rather than three months, and a bill to prevent no-notice strikes in public service occupations. Opposition to both was strong, with debate centered on the best way to beat Communism. Lee claimed the measures were denials of democracy, and with colonialism actually made an opening for Communism.<sup>37</sup> The no-strike bill would certainly have not been in the interests of Lee's supporters in the Middle Road Group of unions, which controlled all public transport and many other services.

Reaction to the new Preservation of Public Security Ordinance (PPSO) was strong and predictable. Even before its passage, the workers in all the major hotels went on strike in September, as did those of the Singapore Traction Company, whose union advisor was C. V. Devan Nair. The transit workers, led by Fong Swee Suan, remained out for five months. In November, the Singapore Bus Workers Union called strikes on the remaining eleven bus companies. Lee Kuan Yew prevented

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<sup>36</sup>Marshall, "Singapore's Struggle," p. 103.

<sup>37</sup>Times (London), 22 September 1955, p. 7.

the obvious defeat of the SBWU when he called for public examination of the books of the bus companies, at which point the employees capitulated.<sup>38</sup> The reason for this was that the unions had claimed the companies could afford to pay more than they were doing, and examination of the books would have shown that such claims were unfounded. Lee's action was an indication of his calculated approach to working with the unions. Rather than blindly siding with labor, he displayed his ability to discern the true merits of the situation and exploit them. In this case, he probably gained some status in the eyes of the employers and the government.

Events of the PAP's first year of existence had demonstrated that while the party had a valuable source of strength in the unions and students with whom it had established the open front, it was in constant danger of being swallowed up by that same militant faction. In consequence, Lee Kuan Yew had to tread a fine line of demonstrating his militancy to the party, while maintaining his acceptability to the British, who remained the ultimate power in Singapore. The militants, however, needed Lee as much as he needed them, for he and his group of English-educated colleagues provided the respectability necessary to give an entrée to power.

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<sup>38</sup>Clutterbuck, Riot and Revolution, p. 111.



Both sides knew that each was using the other for the greatest advantage.

Events also showed David Marshall that the Communist threat to his authority as Chief Minister was very serious. He participated in the Truce Talks in December 1955, along with the new Chief Minister of Malaya, Tunku Abdul Rahman, at which they attempted to get Chin Peng, head of the Malayan Communist Party (MCP) to end the insurrection. The talks broke down over the issue of recognition of the MCP and its freedom to act as a legal political party after hostilities ended, a stand supported by the PAP. With the end of the talks, the MCP issued orders to its branches to concentrate efforts on subversion, especially in the Chinese Middle Schools.<sup>39</sup> This came to pass with a vengeance during 1956.

#### The 1956 Constitutional Negotiations

In December, also, David Marshall travelled to London for preliminary talks concerning the proposed conference on constitutional development. An agenda was agreed upon covering the main issues:

1. A definition of internal self-government
2. The date for its introduction
3. The structure of the Legislative Assembly

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<sup>39</sup>Ibid., p. 112.

4. The future of the Public (or Civil) Services
5. External relations and defense
6. Any other business<sup>40</sup>

In March, a thirteen-member All-Party Delegation was chosen to go to London. Lee Kuan Yew and Lim Chin Siong were two of the eight Members of the Assembly on the delegation which was to leave on 20 April.<sup>41</sup>

Shortly before its departure, a statement by the PAP said that Britain's rights in external affairs and defense must end within five years at the most. The only reason that they were permitted to stay was Singapore's lack of its defense forces, but if union came with Malaya, then joint defense forces could be created.<sup>42</sup>

The mandate given to the delegation by the Assembly was slightly different. It was:

To seek forthwith for Singapore the status of an independent territory within the Commonwealth, and to offer an agreement between the United Kingdom Government and the Singapore Government whereby the United Kingdom would exercise control over external defense and give guidance in foreign affairs other than trade and commerce.<sup>43</sup>

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<sup>40</sup>Great Britain, Colonial Office, Cmnd. 9777, May 1956, "Singapore Constitutional Conference," pp. 4, 9.

<sup>41</sup>Times (London), 17 March 1956, p. 5.

<sup>42</sup>Times (London), 16 April 1956, p. 6.

<sup>43</sup>Alex Josey, Democracy in Singapore: The 1970 By-Elections (Singapore: Asia Pacific Press, 1970), p. 35.

The British offered a constitution giving Singapore a new title, altering the style of the Queen's representative, and granting internal self-government plus a large share in the conduct of external affairs. They proposed that the United Kingdom have the ultimate say in matters of external defense, external affairs, and internal security, to be used in instances of clear necessity.<sup>44</sup>

The conference was a failure on the issue of internal security. Marshall's delegation took the stand that the only way the British could assume full responsibility was to suspend the constitution. The British wanted less drastic provisions permitting action in an emergency, feeling that such flexibility was needed, particularly in matters of internal security.<sup>45</sup> In the end, the delegation voted against the British proposals, and the conference ended on 15 May 1956.

Three days later, Marshall made an effort to reopen the discussions. The British Secretary of State for the Colonies requested that all the members of the delegation still in London meet with him so that he could assess Marshall's support; only two others came with Marshall.<sup>46</sup> Lee stated that "I for one will not

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<sup>44</sup>Great Britain, "Conference," Cmnd. 9777, p. 5.

<sup>45</sup>Ibid., pp. 5-8.

<sup>46</sup>Ibid., pp. 37-38.

be a party to this madness." He said Marshall had no mandate from the people of Singapore for the new attempt, that it was absurd to continue such bickerings, and that they should go home and have new elections.<sup>47</sup> Marshall, in his turn, accused Lee of torpedoing the conference by refusing to reopen negotiations.<sup>48</sup> This charge seems to be more pique than anything else, since the effort to reopen the conference was entirely on Marshall's personal initiative, and only two others of the thirteen met with the Secretary of State.

Lee returned from London a few days before Marshall, and made clear both his dissatisfaction with the British stand and the continued existence of the Rendel Constitution. He accused the British of causing the breakdown of the conference because of their conception of Singapore as a fortress.<sup>49</sup> This was a not-unreasonable point of view, for in their basic policy when they entered the talks, the British said one objective was to maintain Singapore's position as a major strategic center and base in the free-world defense system.<sup>50</sup>

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<sup>47</sup>Times (London), 18 May 1956, p. 10.

<sup>48</sup>Times (London), 26 May 1956, p. 5.

<sup>49</sup>Times (London), 23 March 1956, p. 3.

<sup>50</sup>Great Britain, "Conference," Cmnd. 9777, p. 5.

The constitution Lee proposed to undo by constitutional means. He envisioned a new general election to choose a new government which would refuse to govern under the constitution. If the PAP were the winner, it would "jam" the constitution, and its election program would call for a new one. PAP members would be sworn in as ministers only to discuss with the Governor of Singapore full internal self-government. To describe the party's intended methods to undo the constitution, Lee said, "Read the history of the Congress movement in India."<sup>51</sup> Earlier he had said, "If you have an undesirable constitution, you shake it and shake it until it is unworkable."<sup>52</sup> In any event, general elections were not held, though David Marshall resigned as Chief Minister, and was succeeded by his deputy, Lim Yew Hock.

Lee and the PAP continued to extract political advantage from the issue over the next few months. In late July, a series of public rallies was held, at which resolutions were passed blaming the British for failure of the talks, and calling for the Labour Front government to call a convention of all "anti-Colonialist" parties to consolidate Singapore's stand for the next delegation. Cards were also distributed, stating the

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<sup>51</sup>Times (London), 23 May 1956, p. 10.

<sup>52</sup>Times (London), 21 May 1956, p. 5.



PAP's desire to establish an independent national state of Malaya, which would include both the Federation and Singapore.<sup>53</sup>

In September, Lee reiterated his call for a unified stand toward the British, in the Assembly. He said that the situation would be different if the British saw a solid phalanx of parties, and knew its intentions both at the talks and if the talks failed. The PAP would vote with the government if it conformed to the PAP's conception of how to win complete internal self-government.<sup>54</sup> Saying that the government had already stated the necessity for such actions, Lim Yew Hock termed Lee's proposal "party politics;" he was grateful, however, that the opposition would support the government.<sup>55</sup>

Within the PAP, Lee faced a growing challenge from the extremists, who were trying for control of the party after an initial period of quiescence. At the July conference, four pro-Communists were elected by the members present to the Central Executive Committee, and Lim Chin Siong received more votes than Lee. The eight

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<sup>53</sup>Times (London), 23 July 1956, p. 7.

<sup>54</sup>Times (London), 6 September 1956, p. 8.

<sup>55</sup>Times (London), 7 September 1956, p. 8.

moderates supported Lee to continue as Secretary-General,<sup>56</sup> but the extremists had not given up.

Having lost in this try to control the CEC through the popular vote of all members of the party branches, an attempt was made to amend the party constitution to the extremists' advantage. They pressed for nominations to the CEC to be made by the branch committee, rather than through selection by open, secret ballot. In this way, by first gaining control of the branch committees, which in many cases they already had done, the extremists could achieve control of the CEC. The attempt was resisted successfully by Lee and his group,<sup>57</sup> but they were clearly aware of the intentions of the extremists to take over the party.

#### The Chinese Middle-School Riots

The new Chief Minister, Lim Yew Hock, did not share Lee's belief that there could be cooperation with the Communists. As long as there was doubt about the government's ability to maintain control of Communist erosion of its powers, neither the British nor the Malaysians would permit full independence or even control of internal security. Lim, therefore, cooperated fully

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<sup>56</sup> Lee, The Battle for Merger, p. 20.

<sup>57</sup> Clutterbuck, Riot and Revolution, p. 117.

with the governor and the commissioner of police, who had developed a comprehensive internal security operations plan in anticipation of riots following failure of the London talks.

With the confidence stemming from the knowledge that it was prepared to deal firmly with the Communist challenge, Lim's government ordered the banning of two front organizations, and dissolution of the Singapore Chinese Middle School Students' Union (SCMSSU) on the grounds that it had broken its pledge not to take part in political activities. Thus began in September a series of events which were to be of pivotal importance to Singapore.

The arrest of the Secretary-General of the SCMSSU on 1 October brought classroom protest by 15,000 students, a mild precursor to the violence which was to come. In the Assembly, Lee Kuan Yew made a motion to censure the government for the arrests and for the dissolution of the societies; it was heavily defeated. He stated that a new phase had opened in Singapore politics, where arbitrary actions could be taken without any pretext. Lee said:

If we believe in democracy, we must allow people to work within the constitutional framework. If you do not, you will face armed revolution and eventually armed victory.<sup>58</sup>

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<sup>58</sup>Times (London), 5 October 1956, p. 5.

Lee stressed the non-democratic aspects of the government actions, but events in the future were to show that he was not averse to keeping and using the same powers.

On 10 October, students occupied the two largest Chinese high schools, beginning a confrontation with the government that lasted for two weeks. On 24 October, seeing trouble spreading into the other Chinese schools, the government issued a warning to parents of students to remove their children by 8 p.m. of the 25th or they would be removed by force.<sup>59</sup> It soon became evident that forceful removal would be necessary, and the government set in motion its plans to effect this. Concurrently, Lim Chin Siong held a protest meeting near one of the high schools, intending to stir up a big enough crowd to force the government to either capitulate or be first to use force. As a second objective, he used the meeting to brief branch leaders of the Middle Road unions to call sympathy strikes and to lead the strikers to a mass demonstration of workers and students in the city center.<sup>60</sup>

The first violence came from the students on the evening of the 25th, but the police cleared the schools with little resistance at dawn on the 26th. During the

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<sup>59</sup>Clutterbuck, Riot and Revolution, p. 120.

<sup>60</sup>Ibid., p. 122.

day events built from disturbances by small bands of roving students into larger gatherings of up to 3,000. Police and army patrols and procedures kept the groups to small sizes, though disturbances were widespread throughout the city of Singapore. The peak violence was in the early afternoon, and by nightfall was confined to small gangs.<sup>61</sup> However, the most important action of all took place during the night of 26/27 October.

#### The Middle Road Arrests

The Special Branch raided six meetings at various places in Singapore, including the headquarters of Lim Chin Siong's union. There, Lim and seventy-three other leaders of branches in the Middle Road Group of unions were gathered for a conference. All seventy-four, who constituted the entire first-level leadership of the unions and the open front were detained without trial, and considerable evidence was found to fully implicate them in the planning and conduct of the disturbances.<sup>62</sup> As a result of this action, the top extremists in the PAP were effectively purged for nearly three years, in which time Lee was able to consolidate and expand his control of the party. In consequence, many of his statements regarding the event could be

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<sup>61</sup>Ibid., pp. 123-30.

<sup>62</sup>Ibid., pp. 130-31.



taken as designed to maintain the support of Lim's followers, while solidifying his own position.

In debate, Lee submitted a motion criticizing the government's use of detention and banishment, and termed its characterization of rioting students as tools of the Communists as rank hypocrisy. He protested Lim Chin Siong's arrest, saying if Lim had made seditious statements, he should be prosecuted in open trial.<sup>63</sup> In both issues, Lee seems to have been very much the politician, for he certainly must have been aware of Communist links with the schools. In 1961, he mentioned new recruits to the Communists, ". . . largely from the Chinese middle schools of . . . the Federation and Singapore."<sup>64</sup> And the Minister for Education reported that during the rally held by Lim Chin Siong, he had told the people that rather than shouting "Merdeka" (Freedom), they should shout "Pah Mata" (Beat the Police).<sup>65</sup>

#### Lessons of the 1956 Riots

Aside from the definite advantages Lee gained from the detention of Lim and other PAP extremists,

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<sup>63</sup>Times (London), 6 November 1956, p. 9.

<sup>64</sup>Lee, The Battle for Merger, p. 9.

<sup>65</sup>Josey, Trade Unionism in Malaya, p. 10.

there were other lessons learned from the riots of May 1955 and October 1956. The Communists had learned that unless they were able to weaken the power and decisiveness of internal security forces, they would be unable to oust the government. The government itself realized, as Lim Yew Hock had demonstrated, that well-organized internal security was essential if the British were to be persuaded to grant full independence, and the Malaysians to allow them into the Federation. The British had been made more cautious about granting independence, and the Malaysians were hostile to any kind of merger.<sup>66</sup>

#### The 1957 Constitutional Negotiations

Internal security thus became a major political issue during the period from 1956 to 1963, and was the subject of heated discussion at the 1957 Singapore Constitutional Conference in London. This conference was arranged for in December 1956 when Lim Yew Hock had informal discussions with the Secretary of State for the Colonies. A provisional agenda was agreed upon for discussion in the spring to include the matters of internal security, external relations and external defense, the designation of the Queen's representative

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<sup>66</sup>Clutterbuck, Riot and Revolution, p. 142.

in Singapore, and the date on which the new constitution would come into force.<sup>67</sup>

Lee Kuan Yew had supported the government in December on a new policy of Malayanization of the civil service, which had its own internal security implications, and was to be discussed at the conference. The process was to start with transfers for the chief civil service posts immediately, and most of the others within six years; officials forced to retire prematurely would receive compensation. Lee's comment was that the flood gates were now open, and the white man would be swept out. But, his party was not satisfied that a white judiciary and police force would continue to be imposed upon Singapore.<sup>68</sup> In the end, Malayanization was extended to these areas, also.

Prior to departure of the Singapore delegation for London, the Assembly discussed and agreed upon the subjects for discussion. Among these were the nature of the division of powers between Great Britain and Singapore, arrangements for an internal security council, and demands for a Malayan judiciary and governor-general.<sup>69</sup> The delegation chosen comprised

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<sup>67</sup> Great Britain, "Conference," Cmnd. 147, p. 18.

<sup>68</sup> Times (London), 6 December 1956, p. 9.

<sup>69</sup> Times (London), 6 March 1957, p. 7.

only five persons, rather than the thirteen of a year earlier. They were Chief Minister Lim Yew Hock, Minister for Local Government, Lands and Housing Abdul Hamid bin Haji Jumat, Minister for Education Chew Swee Kee, and Assemblymen Lee Kuan Yew and Lim Choon Mong.<sup>70</sup>

Lee's inclusion on the delegation was despite the apprehension with which he and his fellow PAP moderates (a label which he disowned in 1958)<sup>71</sup> were regarded, because of the party's willingness to accept people known to be Communists. Some felt he was watching the trend, and was ready to follow the Communists if they prevailed, and the PAP's call for merger with the Federation was regarded suspiciously. The Federation felt that merger would not only create a Chinese majority, but would bring in an urban revolutionary party just as the MCP was being defeated in the jungle.<sup>72</sup> Lee was included, however, and played a dominant role in negotiation of the constitutional proposals.<sup>73</sup>

The Constitutional Conference lasted from 11 March to 11 April 1957, and resulted in a more favorable constitution than some had thought possible. This is

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<sup>70</sup>Great Britain, "Conference," Cmnd. 147, p. 18.

<sup>71</sup>Clutterbuck, Riot and Revolution, p. 292.

<sup>72</sup>Ibid., pp. 142-43.

<sup>73</sup>Ibid., p. 143.

attributed to Lim Yew Hock's prestige in London stemming from his firm handling of the October riots.<sup>74</sup> The main features of the Constitutional Proposals which were agreed upon were:

1. All ex officio and nominated membership of the Assembly be abolished, as well as ex officio ministerial portfolios. The Assembly would be increased to fifty-one elected members, and the Chief Minister would become Prime Minister.<sup>75</sup>

2. The British Governor would be replaced by a Malayan-born head of state appointed by the Queen on advice of the Governor and the Singapore Government.<sup>76</sup>

3. The representative of the British Government would be a High Commissioner, who would receive the agenda of the Singapore Council of Ministers, and have the right to see papers he considered liable to affect U.K. responsibility for external affairs and defense.<sup>77</sup>

4. An Internal Security Council was to be created, consisting of three British, three Singaporean, and one Federation member (who would have the deciding vote).<sup>78</sup>

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<sup>74</sup>Ibid., p. 142.

<sup>75</sup>Great Britain, "Conference," Cmnd. 147, p. 5.

<sup>76</sup>Ibid., p. 6.

<sup>77</sup>Ibid., p. 7.

<sup>78</sup>Ibid., pp. 8-9.



5. The British Government reserved the right to suspend the Constitution and assume the government of Singapore if in its opinion the internal situation had deteriorated to the point of threatening its abilities to carry out its responsibilities for external affairs or defense, or if the Singapore Government contravened the Constitution.<sup>79</sup>

The U.K. Government would be responsible for external defense of Singapore, with rights to occupation, control and use of bases in Singapore, and for external relations. The Singapore Government would be responsible for all other matters.<sup>80</sup>

By giving the Federation Government the swing vote on the Internal Security Council (ISC), Malaya was implicitly given a stake in Singapore's future and stability. Also, this could be taken as an indication of Singapore's willingness to move from the status of a British colony to that of a sub-unit of Malaya.<sup>81</sup>

#### The Anti-Subversive Clause

The strongest debate developed over a provision insisted upon by the British, and which would determine their agreement to the internal security provisions in

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<sup>79</sup>Ibid., pp. 14-15.

<sup>80</sup>Ibid., p. 8.

<sup>81</sup>Brackman, Second Front, pp. 22-23.

particular and the Constitution as a whole. This was:

To ensure that persons known to have been engaged in subversive activity should not be eligible for election to the first Legislative Assembly of the new State of Singapore.

The Singapore Delegation at first stated that it could not accept this proposal,<sup>82</sup> an objection seen to be more pro forma than sincere, to maintain the anti-colonial image.<sup>83</sup> In the end, their stand was to take note of the British Government's intention "with regret."<sup>84</sup>

According to Lim Yew Hock, this provision had been put into the agreement as a result of a visit by him and Lee Kuan Yew with the Secretary of State. Lee termed this an outright lie,<sup>85</sup> and the Colonial Office denied the charge.<sup>86</sup> However, according to another source, discussions in Singapore during 1964-65 indicated that Lim's statement was accurate.<sup>87</sup> Apparently the charge was not noted by the Chinese press, and after

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<sup>82</sup>Great Britain, "Conference," Cmnd. 147, p. 10.

<sup>83</sup>Clutterbuck, Riot and Revolution, p. 144.

<sup>84</sup>Great Britain, "Conference," Cmnd. 147, p. 10.

<sup>85</sup>Times (London), 18 March 1959, p. 9.

<sup>86</sup>Times (London), 20 March 1959, p. 9.

<sup>87</sup>Thomas J. Bellows, The People's Action Party of Singapore: Emergence of a Dominant Party System, Monograph Series no. 14 (New Haven, CT: Yale University Southeast Asia Studies, 1970), p. 138.

his return to Singapore, Lee said the PAP would fight the clause.<sup>88</sup>

My assumption is that this provision was indeed acceptable both to Lee and the delegation as a whole, and that their objections were simply a recognition of political realities. For Lee, the prohibition might keep his intra-party rivals safely out of the way, enabling him to maintain the support of the extremists' followers by opposing the British stand, which he knew would not be changed. For the rest of the delegation, the reservation implied that the main Communist element would be kept out of the government. Later actions by Lee tend to support both hypotheses.

Marshall Challenges Lee  
to a By-Election

Upon his return to Singapore, David Marshall attacked Lee Kuan Yew's role in the London talks, and challenged Lee to a by-election in his own constituency, which Lee accepted. The PAP had in any case decided that Lee should resign at the end of debate on the conference.

Lee intended to contest Marshall on two issues, the Constitution (which he supported), and his opposition to the anti-subversive clause. He charged Marshall

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<sup>88</sup>Times (London), 15 April 1958, p. 3.

with being for the British reservation, and against the constitution, while Marshall insisted he, too, was for the constitution but not the anti-subversion clause.<sup>89</sup> In his election manifesto, Lee said that the election was to see if those who had elected him in 1955 approved of his stand as a PAP member and delegation member on the issues of the constitution and anti-subversion.<sup>90</sup> Should Lee lose on an issue on which his stand was the same as that of the government, Lim Yew Hock's administration would also lose by implication, and might have to resign.<sup>91</sup>

Only three days after issuing his challenge, David Marshall announced his decision not to fight Lee in the by-election, and to retire from politics. The PAP leadership met to decide whether Lee should continue with plans for the by-election,<sup>92</sup> and decided in the affirmative. Having forced Marshall's retirement from politics, Lee was seen as the only gainer in the debates over the constitution. His defense of it was on the basis that Singapore, as an important British military base on a predominantly-Chinese island was unlikely to

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<sup>89</sup>Times (London), 27 April 1957, p. 5.

<sup>90</sup>Clutterbuck, Riot and Revolution, p. 292.

<sup>91</sup>Times (London), 29 April 1959, p. 3.

<sup>92</sup>Times (London), 30 April 1957, p. 3.

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AIR FORCE INST OF TECH WRIGHT-PATTERSON AFB OHIO  
LEE KUAN YEW: HIS RISE TO POWER 1950-1968. (U)  
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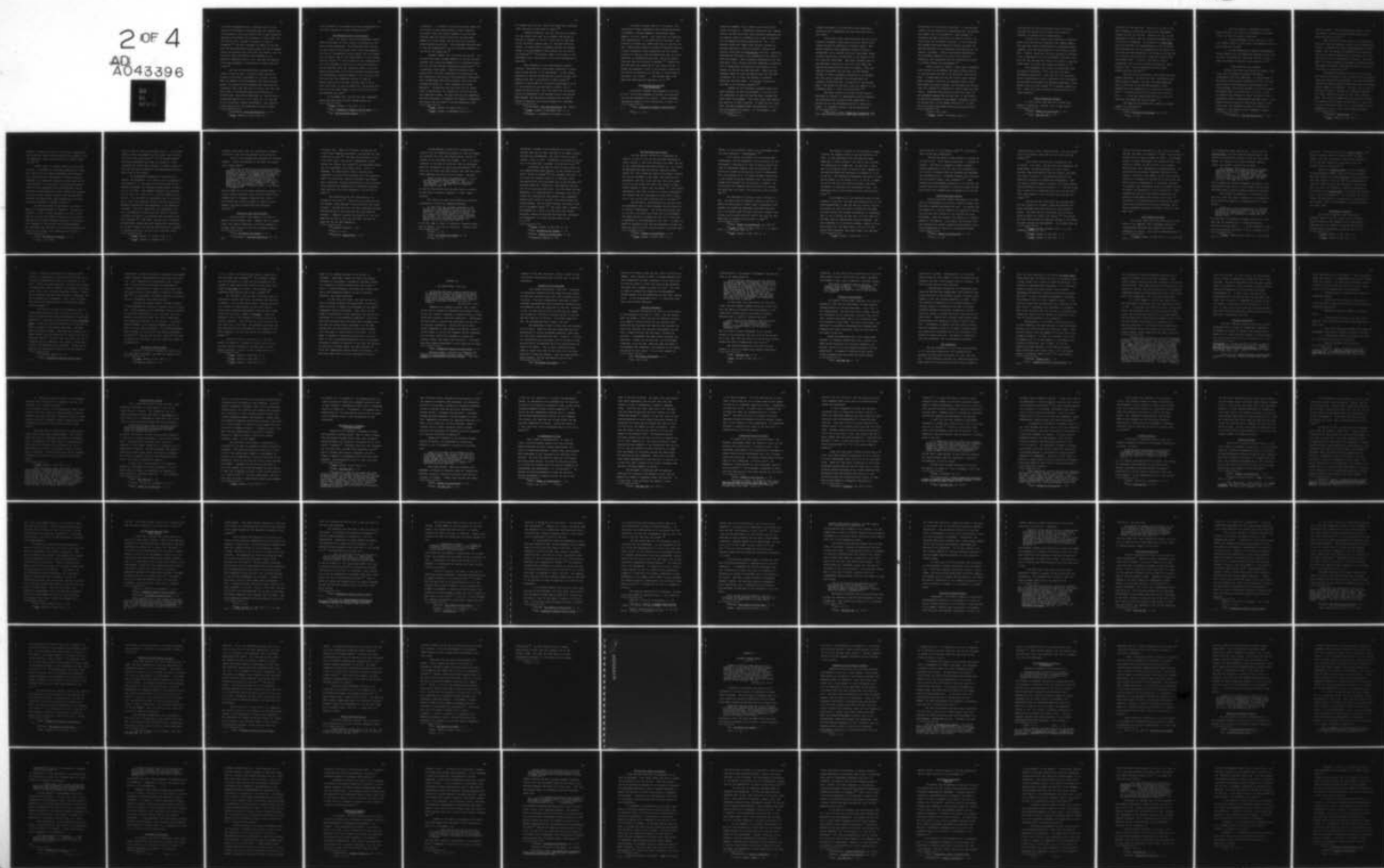
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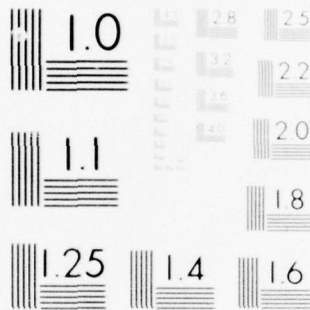
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MICROCOPY RESOLUTION TEST CHART  
NATIONAL BUREAU OF STANDARDS-1963-A

be granted independence as a separate state, so the object of the people of Singapore must be a merger with the Federation; this would never come to pass unless the Federation government had the means to ensure that the MCP was not being allowed to establish a base in Singapore.<sup>93</sup> Lee also insisted, on behalf of the PAP, that the anti-subversion clause would have to be removed before the constitution could come into effect, that the PAP would never take office while members of its Executive Committee were in jail, and that new negotiations were necessary if the British insisted upon the clause.<sup>94</sup>

Lee Kuan Yew had effectively accomplished several things at once. He had at least implicitly placed Lim Yew Hock's government in his debt, he had seen the removal of David Marshall from the political scene, the British and the Malaysians had been given an intimation that there was hope in working with Lee, and both wings of the PAP had been given something to satisfy them. When the returns were in, Lee had won by a lop-sided majority of 4,707 votes, to 1,315 and 887 for two relatively unknown challengers. The organizational abilities of the extremists was most evident

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<sup>93</sup> Clutterbuck, Riot and Revolution, p. 145.

<sup>94</sup> Times (London), 29 April 1957, p. 9.

when thousands of pro-Communist Chinese demonstrated at the news, outside of Victoria Memorial Hall.<sup>95</sup>

#### PAP Moderates Nearly Lose Control

Within the month, Lee and the moderates faced a serious challenge to their control of the party at the annual party conference. The extremists were critical of Lee's stand at the London talks; they were opposed to the idea of independence through merger with the Federation of Malaya, and to the establishment of the Internal Security Council.<sup>96</sup> The followers of the imprisoned Lim Chin Siong managed to elect six of their own people to the CEC because, said Lee, admission cards to the conference distributed to the party branches had been given to pro-Communist non-party members. Lee, Toh Chin CHye and the other four moderates refused to take any officer positions on the CEC, feeling that to do so would lend cover to the pro-Communists, and knowing that they would have been unable to get a decisive vote for non-Communist policies.<sup>97</sup>

On 22 August 1957, the Lim Yew Hock government repaid the debt which Lee had imposed during the

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<sup>95</sup>Times (London), 1 July 1957, p. 9.

<sup>96</sup>Pang, Singapore's People's Action Party, p. 4.

<sup>97</sup>Lee, The Battle for Merger, p. 21.

by-election. It arrested thirty-five persons under the provisions of the Preservations of Public Security Ordinance; five were radical members of the PAP CEC, thirteen were PAP branch executives, thirteen were members of trade unions, and the last four included three Chinese journalists. The government declared that it had the responsibility to act to prevent takeover of the PAP by the Communists.<sup>98</sup>

Assembly debate over the matter was bitter. Lim Yew Hock said that nineteen members of the PAP who were arrested were identified members of the Communist Party, and that the PAP had been dangerously penetrated.<sup>99</sup> In a government White Paper, Communist documents were quoted which laid down techniques for penetrating the PAP, especially the Cultural and Educational Committees, which termed basic PAP policy correct, and which discouraged splitting it. Lee's response was rather defensive. He admitted that the party was not impervious to penetration, but denied that the PAP was the only Communist target. He said that the PAP leadership had been consistent in stamping out Communist propaganda activities, and had taken a firm non-Communist stand.

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<sup>98</sup> Times (London), 24 August 1957, p. 6.

<sup>99</sup> Times (London), 13 September 1956, p. 9.

He claimed that the PAP, unlike the Trade Union Congress (TUC) was able to take care of itself.<sup>100</sup>

Counter-attacking, Lee said that the true reason for the arrests was that the government was acting to prevent a takeover of the TUC, which was the mass base of Lim Yew Hock's Labour Front, by the more left-wing unions. He moved that the Assembly deplore the inaccuracies in the government's White Paper, but the effort was defeated.<sup>101</sup> The evidence seems to have been on the government side, and Lee was at this point attempting to save face.

David Marshall, in an understandably gleeful outburst, described the "significant spectacle" of Lee's group losing control to the extremists. It was "adroit maneuvering" and the detentions which saved the day, and restored the PAP to the control of Lee's group.<sup>102</sup> Whether it really was Lim's intention specifically to do so, his actions did put Lee back in control, for a second fortuitous time. Now, both the first and second levels of leadership of the extreme wing of the PAP had been removed, and Lee and his faction lost no time in acting to forestall any future attempts at a takeover.

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<sup>100</sup> Clutterbuck, Riot and Revolution, pp. 146-48.

<sup>101</sup> Times (London), 13 September 1957, p. 9.

<sup>102</sup> Marshall, "Singapore's Struggle," p. 104.



To achieve tighter control of the party, four categories of party membership were created--probationary members, ordinary members, probationary cadre members, and full cadres. Only those who had "contributed substantially to the good work of the party" were eligible to become full cadres and thus to vote for the CEC. Cadres were chosen by a Board of Selection made up of party moderates, which apparently had the primary function of insuring that pro-Communists were not given important or responsible positions, and still seeing that they were not entirely alienated.<sup>103</sup> Effectively, the CEC chose the cadres who in turn chose the CEC, a system Lee compared to that of the Catholic Church and the similar relationship of the Pope to the College of Cardinals; the "system . . . has existed some 2,000 years and there must be some merit in it."<sup>104</sup>

Ong Eng Guan and the PAP  
City Government

Intra-party struggle was suspended in the fall of 1957, as the PAP prepared to contest the elections for the new Singapore City Council. Local government legislation passed in 1957 provided for a council of

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<sup>103</sup> Pang, Singapore's People's Action Party, p. 7.

<sup>104</sup> Ibid., p. 23.

thirty-two members, with a mayor to be elected from within the council. Depleted by detentions and internal strife, the PAP could only field fourteen candidates for an election which it intended to be a show of strength for the general elections scheduled for 1959. Its program called for, among other things, cleaning up corrupt practices in the City Council (official and personal rectitude are sine qua non with Lee), improving departmental efficiency, and reorganizing the Council to serve the people. Party electoral organization was very elaborate, with a Central Election Committee, a detailed plan of operations, and specific instructions of the conduct of rallies and mass meetings. There was even agreement among the PAP, the Labour Front and the UMNO (Singapore) not to fight one another, to prevent splitting left-wing votes. In the end, the PAP won thirteen of its fourteen contests.<sup>105</sup>

Because of the interparty squabbles among the other parties, the PAP was successful in having one of its councilmen, 32 year old Ong Eng Guan, elected the first Mayor of Singapore. The other twelve PAP councilmen were all in their twenties. In power for the first time, the PAP proceeded almost precipitately to try to put its programs into action. In the process, a new

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<sup>105</sup>Ibid., p. 5.

element developed in the PAP which would eventually challenge Lee's leadership, but that was still far in the future.

The style of Ong's administration was set at the inaugural ceremony itself when he and his fellow councilmen arrived for balloting to choose a mayor. The uproar created by PAP supporters outside City Hall degenerated into a scuffle involving councilmen, demonstrators and police, and resulted in the arrest of Ong and three PAP councilmen. They were released later in the afternoon, arriving at City Hall just after the meeting was cancelled for lack of a quorum. When proceedings reconvened the next day, the PAP members refused to follow customary courtesies of the chamber, and were lustily supported by the spectators who literally filled the hall. As soon as he was elected Mayor, Ong called for and got a vote for removal of the ceremonial mace, a "relic of colonialism."<sup>106</sup>

The basic tactics of Ong and the PAP council continued to include: (1) machinations such as packing the galleries with a clique of PAP supporters; (2) stunts such as the provocations given to cause Ong's arrest; (3) personal insults, such as deliberately

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<sup>106</sup>Willard A. Hanna, Sequel to Colonialism (New York: American Universities Field Staff, 1965), p. 76.

affronting the City Council President; (4) manufactured crises, such as refusing to acknowledge that the session had lapsed; and (5) such populist "vote-jerkers" as banishing the mace (and later the chain of office, two Union Jacks and the Queen's portrait) to the storeroom. Ong staged a continuous series of stunts that kept him and the the party in the spotlight as protectors of the people's interests. Highly questionable appointments and patronage combined with insults and feuding--especially with expatriate British bureaucrats--served to further disrupt city government.<sup>107</sup>

After a month in office, a news report commented that the PAP city government was making people face up to the decisions that had to be made about self-government. It mentioned that Ong had brought about cutting back of electric rates for the smallest users, voted more money for public faucets, and shortened the waiting time for licenses for operators of eating shops and food stalls. Questions were raised of where the money for the necessary changes was to come from, of the effects of the PAP government on free speech, and what a policy of looking first to the masses would do.<sup>108</sup> By 1959, the city council had broken down as a functional body.

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<sup>107</sup> Ibid., pp. 80-83.

<sup>108</sup> Times (London), 28 January 1958, p. 7.



The Minister for Local Government Lands and Housing stripped the council of its powers over staff and finances and called for an investigation.

The PAP City Council made undeniable accomplishments which particularly benefited the "common people," but they were really continuations of programs already underway, with far less fanfare, by the Colonial government. However, Hanna saw the whole episode as intending to be a vote-getter in the 1959 general elections, and once the PAP had used the council as a device to collect those votes, the party then simply discarded it.<sup>109</sup>

The Singapore City Council was abolished after the general elections in 1959, and city and state governments became one. Even then the PAP misguidedly tried to capitalize on Ong's popularity with the masses, and Lee made him Minister for National Development, which proved to be an acute blunder,<sup>110</sup> as became apparent in 1960. Under Ong, public housing projects were put far behind schedule.

#### Direct Communist Contacts

In 1958, having lost most of its open front leaders to detention, the MCP tried to make direct

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<sup>109</sup>Hanna, Sequel to Colonialism, p. 84.

<sup>110</sup>Josey, Lee Kuan Yew, p. 15.



contacts with Lee Kuan Yew. This was to be one of the last attempts to establish an open front arrangement between the MCP and the PAP. According to Lee, he was approached in March 1958 by a purported representative of the MCP in Singapore. To establish his bona fides, Lee told the PLEN (for Plenipotentiary) that he should give instructions for the resignation of one Chang Yuen Tong from the David Marshall's new Workers Party and the City Council, and withdraw all Communist support from the Workers Party. In April, Lee read of Chang's resignation, and in a city council by-election, David Marshall lost. Lee was satisfied that the PLEN's credentials were genuine.<sup>111</sup>

Lee met with the PLEN four times before the 1959 general elections. He says that their discussions were about things in general, and that the PLEN repeatedly tried to find out if the PAP was prepared to work together with the Communists in a united anti-colonial front. "I told him that I did not see much virtue in this . . . it was far better from the P.A.P. point of view that the Communists left us alone."<sup>112</sup>

One analysis attributes Lee's refusal to commit himself to three factors:

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<sup>111</sup>Lee, The Battle for Merger, pp. 27-28.

<sup>112</sup>Ibid., p. 28.

1. Lee was aware of a remarkable swing of public opinion in his favor, as evidenced by the PAP victory in the City Council elections

2. Lee was prepared to go a long way to risk the "stooge" label to insure that the Communists did not gain control of the PAP

3. He was determined to achieve independence through merger with the Federation because he knew that he could not effectively deal with the MCP without at least the threat of superior force backing him.<sup>113</sup>

#### PAP Moderates Gain Strength

Through this last year before the general elections, Lee's statements displayed increasing independence from the Communists. He participated in the London Constitutional Conference of 1958, at which final terms of the constitution were agreed upon. A single-chamber Legislative Assembly of fifty-one seats was established, with elections to be held in 1959. Citizenship was extended to nearly the entire adult population, even to unassimilated Chinese aliens. Citizenship could be gained by renouncing loyalty to any other state, and swearing an oath of allegiance to Singapore. The election rolls increased to nearly

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<sup>113</sup>Clutterbuck, Riot and Revolution, p. 149.

600,000 persons. The new constitution was to run for five years, at the end of which there would be new elections and revisions.<sup>114</sup>

When he returned from London, Lee attacked the British on the now perennial issue, the anti-subversion clause. A question of precise interpretation had been raised, that is, whether the prohibition on political activity by persons detained for subversive activities applied only to the 1959 general elections. Lee said that if it were expanded to encompass by-elections after the general elections, then some way had to be found to circumvent the restriction.<sup>115</sup>

Throughout the period that Lim Chin Siong and the others were detained (and to whom the anti-subversion clause was specifically addressed), Lee had periodically visited with them at Changi Prison and tried to convince them to break with Communism. Further, near the end of the year he began to discuss the impending elections with them, wondering whether the PAP should contest them. One of Lee's reservations was over what Lim and his faction would do after the PAP had won. Lim told him that they should fight to win, and offered to go to Indonesia to study if that would lessen PAP fears.

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<sup>114</sup>Brackman, Second Front, p. 23.

<sup>115</sup>Times (London), 3 June 1958, p. 8.

However, Lee said that even if Lim did so, someone else would take his place, and even should Lim sincerely join the democratic side, the PAP would still have to face the MCP.<sup>116</sup>

Events were, in a sense, making up Lee's mind for him. In contrast to the growing popularity of the PAP, that of Lim Yew Hock's government was declining. As a result of Lim's application of internal security measures, the impression had been building that he was "anti-Chinese." He had failed to distinguish between those who were Communists and non-Communists, and by arresting Chinese-educated student leaders had prompted the belief among Chinese students that they had been arrested not because they were Communists but because they were champions of Chinese culture.<sup>117</sup>

Lee was well aware of the depths of feeling among the Chinese-educated of Singapore. During a by-election in 1958, a local canvasser said that he felt Lee did not know the degree of hatred built up by PAP rank-and-file between different sections of the population, especially the English- and Chinese-educated. Lee responded that now that the non-English-educated had a part in the system, they certainly would fight to

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<sup>116</sup>Lee, The Battle for Merger, p. 23.

<sup>117</sup>Ibid., pp. 57-58.

bring it down if they were excluded from it. If the PAP failed to gain the support of this group, then the only thing left was brute force.<sup>118</sup> The dichotomy between the English-educated and those who learned in other languages had always been a matter of intense concern to Lee, and had been reflected in the educational policies over which he had control.

His heightened confidence in his ability to control the extremists in his party, and to increase his respectability in the eyes of the British and of the Malayan government was displayed during debate on extension of the PPSO. The Assembly extended the ordinance for one year, on a vote of 21-7, the PAP members voting against. But Lee gave his assurances that if his party won in 1959, the ordinance would be retained as long as Emergency Regulations were necessary in the Federation of Malaya. The PAP's opposition, as expressed in the vote, was because the party had been given no mandate to change the stand it had adopted when the measure was first adopted.<sup>119</sup> Once again, Lee was able to achieve multiple ends; Malaya was given unequivocal indications of the PAP's stand, the British were mollified in regard to internal security, and the bulk of the PAP (which

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<sup>118</sup>Times (London), 12 August 1958, p. 5.

<sup>119</sup>Times (London), 10 October 1958, p. 9.



probably would never read the transcripts of debate) could see in the vote the apparent party position.

Not all the messages were delivered by indirect methods. During the debates on the PPSO, Lee stated quite unequivocally:

Next year, we are to be only internally self-governing, and in all security matters which affect defense upon which the Singapore and the British government disagree, the Federation government is to be the arbiter. We accepted that position because we accepted merger as the only way to independence. If we are prepared to accept the Federation and join it as a member state, then it means that we are prepared to allow . . . the Federation to have a decisive voice in the affairs of Singapore.<sup>120</sup>

And Lee seems not to have been unalterably opposed to a strong internal security force, for the former Police Commissioner of Singapore recounted that when he instructed that rifles no longer be used as police weapons, Lee and his associates held opposite opinions.<sup>121</sup>

#### Prelude to the 1958 Elections

Election battle lines began to be drawn in earnest during November 1958. Members from the Labour Front, the Liberal Socialists, and David Marshall's Workers' Party joined to form the Singapore People's

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<sup>120</sup> Lee, The Battle for Merger, p. 47.

<sup>121</sup> Clutterbuck, Riot and Revolution, pp. 134, 292.

Alliance (SPA), under Lim Yew Hock; the parties continued their separate existences, and entered the 1959 elections as such.<sup>122</sup> Lee Kuan Yew had made his position quite clear, calling for independence through merger with Malaya, and release of the detainees before any PAP government would take office. And on 27 November, the Constitution Order in Council was presented to the British Parliament for final approval. Under its provisions, election machinery had already been introduced, including delineation of the fifty-one constituencies and preparation of electoral registers, which totalled 555,565 as compared to the 300,299 in 1955.<sup>123</sup>

The Communists have been described as in a dilemma at this time.<sup>124</sup> They could not associate with the Workers' Party because it was too erratic and unpredictable. The PAP was still the best organized and best disciplined party, and contained many pro-Communist elements. Communist interest was apparent in the four meetings Lee had in 1958 with the PLEN, who said he spoke for the top MCP leadership.

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<sup>122</sup>Singapore, "Report," p. 342.

<sup>123</sup>Ibid., p. 343.

<sup>124</sup>Brackman, Second Front, p. 25.

Arnold Brackman claims that "unimpeachable sources" say the Communists promised to drop all support for Marshall and rally the Chinese behind the PAP if release of the detainees was pledged. Lee, it is said, consented to the deal on condition that the detainees enter his government as "political secretaries."<sup>125</sup> In this way, he would have more control over them and could check Communist agitation on the outside. Lee says,

Never in any one of our meetings did I say or do anything which would commit the PAP. . . . We never asked for their support. Even during the campaign . . . we made our non-Communist stand quite clear.<sup>126</sup>

In view of the actions that had been taken to protect the PAP from a Communist takeover, a "deal" seems unlikely.

The clarity of Lee's anti-Communist stand was illustrated in one of his campaign speeches:

In this fight the ultimate contestants will be the P.A.P. and the M.C.P.--the P.A.P. for a democratic, non-Communist, socialist Malaya, and the M.C.P. for a Soviet Republic of Malaya. It is a battle that cannot be won by just bayonets and bullets. It is a battle of ideals and ideas. And the side that recruits more ability and talent will be the side that wins.<sup>127</sup>

If the PAP came to power, it would not tolerate subversion by anyone, in or out of the party. Despite their

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<sup>125</sup>Ibid., p. 26.

<sup>126</sup>Lee, The Battle for Merger, p. 29.

<sup>127</sup>Ibid., p. 30.

background, release of the detainees was called for because they had all been involved in the same struggle. The PAP was pro-democracy, and would fight all challengers, right or left. "Otherwise, you would end up as one of the Americans' protégés in South-east Asia."<sup>128</sup>

Nomination day was not until 25 April 1959, but the campaign began much earlier, as Lee charged Lim Yew Hock's "bunch of rogues"<sup>129</sup> with improper practices. At the first PAP election rally on 14 February, party chairman Toh Chin Chye disclosed that an SPA minister had received M\$500,000 (US\$165,000) from American sources for use in political activities, that the money had been deposited in an American bank in Singapore, and that an income tax investigation was started, then suspended. Denials were issued by the SPA, the United States Consulate General, and the First National City Bank of New York's Singapore branch.<sup>130</sup> The issue came to debate in the Assembly on 4 March, the day after the alleged recipient, Education Minister Chew Swee Kee, announced his resignation "to clear the good name of the S.P.A."<sup>131</sup>

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<sup>128</sup>Times (London), 29 May 1959, p. 12.

<sup>129</sup>Lee, The Battle for Merger, p. 23.

<sup>130</sup>Hanna, Sequel to Colonialism, p. 100.

<sup>131</sup>Singapore, "Report," p. 343.



### The Chew Swee Kee Inquiry

Lee had earlier called for a Commission of Inquiry to find out why the sum had been deposited to Chew's account in the First National City Bank, and why no tax investigations had been carried out. On 4 March, he declared that Chew had earlier received another M\$3000,000, that Income Tax Office File Number 47909/GS was the key document in the case, that Chew had just purchased a M\$30,000 house, and that the Acting Comptroller of the Income Tax Office had died of a heart attack because of worry over the matter.<sup>132</sup> With Chew's resignation, Lee tried to have the inquiry abandoned on the grounds that the resignation proved Chew's culpability, but Lim Yew Hock insisted that it proceed.<sup>133</sup>

At this point, Lim revealed that Lee had given him assurances that if Chew resigned, the PAP would do no further "mudslinging." But since Lee had gone back on his word, Lim would now reveal that the government had taken actions to cleanse the PAP for its own good, a reference to the detentions of July 1957. Further, he made his revelation that the anti-subversive clause had been the result of Lee's willing action, eliciting Lee's

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<sup>132</sup>Hanna, Sequel to Colonialism, p. 100.

<sup>133</sup>Times (London), 5 March 1959, p. 10.



denial, at first explosive then with a sad comment upon the Chief Minister's "countersmear."<sup>134</sup>

On 17 March, the inquiry not yet having been established, the PAP presented a motion calling for the government's resignation in view of public disgust and loss of confidence stemming from the disclosures. The motion was viewed as the political move it undoubtedly was, and defeated 19-6, but there had been indications in the Chinese press and elsewhere that the public was indeed disillusioned with politicians in general, and the Minister for Commerce said that while the economy was going down the drain, the politicians were slinging mud.<sup>135</sup>

The Commission of Inquiry finally convened in May. Its goals were to determine whether an account of M\$500,000 had existed in Chew's name in September 1958, whether the Income Tax Department had made inquiries, and if so whether they had been improperly stopped, and finally how the particulars of Chew's tax file had been made known to someone not entitled to them.<sup>136</sup>

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<sup>134</sup>Hanna, Sequel to Colonialism, pp. 100-101.

<sup>135</sup>Times (London), 18 March 1959, p. 9; 19 March 1959, p. 8; 20 March 1959, p. 9.

<sup>136</sup>Times (London), 27 May 1959, p. 11.

The official findings of the Commission seemed to point the finger as much at Lee and the PAP as at Chew. It was determined that the money had been deposited to Chew's account, and that he had informed the Comptroller of Income Tax. He had said it was a gift to the Labour Front, of which he was a member having absolute power and discretion to dispose of it as he saw fit. The Income Tax Department was found to have acted properly in the matter, but K. M. Byrne, a member of the PAP CEC and Civil Service staffer, had acted improperly by conveying tax information to Lee. The Commission said he was subject to Civil Service discipline.<sup>137</sup>

The proceedings of the Commission were far more damaging to the SPA. Lee Kuan Yew conducted much of the cross-examination in this and the City Council inquiry. He brought out that the total of M\$8000,000 had been received through the alleged intermediary of Archbishop Paul Yu Pin of Taipei and New York, and that some of it had been used for questionable private purposes. One was investment in a tin-mining company, shares of which, Lee brought out, had been given to the wife of the Deputy Chief Minister, Dato Abdul Hamid, who was also

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<sup>137</sup>Times (London), 2 June 1959, p. 8.

party chairman of the Singapore UMNO.<sup>138</sup> The effects upon the SPA were devastating.

The SPA had begun to make headway in forming an anti-PAP front. After these revelations, it started to crumble. The UMNO in Singapore, hitherto almost a certain supporter of the SPA, was riven internally by its action in dropping Hamid as chairman and candidate, then reinstating him. Prominent members left the party, and much public support went elsewhere.<sup>139</sup> Other parties also reconsidered association with the SPA, and entered their own candidates in districts where the SPA was running thus fragmenting the opposition to the PAP.

#### The Ong Eng Guan Inquiry

Similar political tension developed at the same time in the Singapore City Council, where PAP Mayor Ong Eng Guan's methods had become too much. In protest over his conduct of a Council meeting, the opposition walked out and took their protest to the Minister for Local Government, Lands and Housing, who asked for a verbatim report of the meeting. On 26 March, the Minister took over certain City Council powers and announced he would form a Commission of Inquiry to investigate alleged

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<sup>138</sup> Hanna, Sequel to Colonialism, p. 101.

<sup>139</sup> Ibid., p. 102.

irregularities in Ong's administration. The only powers left to the Council were the city utilities and road repairs.<sup>140</sup>

Both sides took political advantage of the situation. On 4 April, the day after the Commission was established, the PAP announced at a rally that if elected, they would abolish the City Council and transfer public utilities to a government board and the remaining functions to appropriate departments. When the Inquiry finally began in mid-May, the Chief Administrative Officer of the City Council, P. C. Marcus called Lee a stooge of the Communists and said that the Mayor could give orders to city officials only through the Council.<sup>141</sup>

Ong and the PAP councillors had resigned from the City Council on 19 April, after the Minister for Local Government had used some of his newly-assumed powers. Lee Kuan Yew and his brother were acting as legal counsels for them in the Inquiry,<sup>142</sup> the results of which could affect the election chances of the twelve who were running for the Assembly. Lee claimed that the

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<sup>140</sup>Times (London), 28 March 1959, p. 9; and Singapore, "Report," p. 344.

<sup>141</sup>Times (London), 20 May 1959, p. 8.

<sup>142</sup>Times (London), 12 May 1959, p. 8.

Inquiry was being conducted in a way that would smear the PAP, and harm its chances on 30 May; his role was to insure that the Inquiry helped the party. He attacked Marcus, a former PAP member, for conspiring with rival parties to defeat Ong and the PAP in the Council. Marcus denied this, responding as mentioned above. He also said that as Senior Assistant Treasurer of the Council, and still a Pap member, he had given the PAP details of a proposal by the SPA which would have cost M\$14 million in compensation to foreigners replaced by Malaysians, and information which had enabled the PAP to defeat its opponents in a city by-election. Lee's response was that this had been an opportunity to prevent the Europeans from looting the country.<sup>143</sup> Once again it was demonstrated that Lee was not above using every situation to political advantage, while making statements designed to present the PAP in the best light.

#### Lee Attacks the Press

In a third issue which also took place in the midst of the campaign, Lee's statements gained him international notoriety and prompted yet another Commission of Inquiry, this time by representatives of

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<sup>143</sup>Times (London), 15 May 1959, p. 11; and 20 May 1959, p. 8.



an international press association. Saying that the Straits Times, the major English-language paper, was playing up differences between the PAP and Tunku Abdul Rahman, and implying that these concerned communal issues, Lee issued a warning to the press:

Any newspaper that tries to sour up or strain relations between the Federation and Singapore after May 30 will go in for subversion. Any editor, writer . . . or reporter that goes along with this line will be taken in under the preservation of Public Security Ordinance. We shall put him in and keep him in.<sup>144</sup>

Five Singapore and Malayan newspapers protested to the Commonwealth Press Union, on the grounds that the PPSO was specifically directed against Communist subversion.

Lee offered his definition of subversion the next day, which was rather revealing of his tendency to define political behavior in Singapore-Centric terms. He said:

Subversion is any political activity designed to further the aims and interests not of our own people but of foreign powers . . . not just Russia and China but also America and Formosa and the western block.

He clarified his statement on press subversion to indicate that he referred only to "foreign-owned and foreign-controlled press. . . . We are prepared to deal with the publisher and editor if he is a stooge of the

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<sup>144</sup>Times (London), 20 May 1959, p. 8; and 21 May 1959, p. 8.

white man." The British-controlled Straits Times, which had only recently moved its head offices to Kuala Lumpur, said the clarification made little difference for if Lee were elected he would define what was foreign-owned or controlled.<sup>145</sup>

Calling the Straits Times a "bird of passage," Lee distinguished between local and non-local papers. The local papers could make bona fide criticism because they were forced to stay and take the consequences of "foolish" policies which they advocated. Others were safe from that, an allegation vigorously contested by the editor of the Straits Times, who pointed out that he still lived in Singapore.<sup>146</sup> In this issue, as in the others, Lee displayed his predilection to see things in very drastic light, and to respond to situations with a very heavy hand.

#### The Election Campaign

The election campaign itself progressed extremely smoothly due to a system which prevented undue influence by any elements, and incorporated a committee which met weekly to hear and resolve complaints about the electoral process by any of the

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<sup>145</sup>Times (London), 21 May 1959, p. 8.

<sup>146</sup>Times (London), 23 May 1949, p. 5.

parties. Campaign regulations were based upon the report of a Commission of Inquiry which had been set up on Lee's recommendation after his by-election in July 1957. Voting was made compulsory, controls were placed on numbers and sizes of posters, and treating (providing gifts, food, etc.) was more rigorously defined. Forbidden on election day were free transport, canvassing, the use of badges and loudspeakers, undue crowd influence near polls, and participation by students and secret society members.<sup>147</sup>

The PAP set the pace of the campaign, and its disorganized opposition never was able to catch up. The party's objectives and plans for Singapore's future were presented in a series of publications entitled The Tasks Ahead. These gave detailed descriptions of policies on health, education, the economy and labor. Goh Keng Swee, the party economist, announced that formation of a common market with the Federation of Malaya would be an immediate task.<sup>148</sup> Lee said that the fiscal policies of Singapore and the Federation were closely-linked, that in fact "The Federation sets the pace." He was not so eager as the other parties were for foreign money for

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<sup>147</sup>Singapore, "Report," p. 343.

<sup>148</sup>Pang, Singapore's People's Action Party, p. 7.

development, proposing instead an industrial development board internally capitalized with mobilized local capital. Still displaying his nationalist side, he said that it would be more attractive for Americans or Britons or Australians to invest in Africa where they still had thirty or forty years to "exploit" the black man.<sup>149</sup> In a few years, his policy would be to actively solicit investments from these countries.

Election day passed without untoward incident in the atmosphere of the public holiday, which it was by law. Ninety percent of the electorate voted, 50 percent by noon and 85 percent by 5 p.m. The PAP, which had entered all fifty-one races, won forty-three seats (with absolute majorities in thirty-one). Of sixteen elected members of the previous Assembly who ran in 1959, only five were re-elected. All three PAP members were returned, but only two of the former government's ministers.<sup>150</sup> One was Lim Yew Hock, whose SPA had come in second with four seats, and who became the leader of the opposition.

#### The PAP in Power at Last

Selected by the PAP to become the Prime Minister, Lee Kuan Yew formally informed the Governor, Sir

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<sup>149</sup> Times (London), 29 May 1959, p. 12.

<sup>150</sup> Singapore, "Report," p. 345.

W. A. C. Goode, that he would not name a cabinet until the detainees were released.<sup>151</sup> The Governor's agreement was obtained on 2 June, and Lee arranged for the release to take place after the PAP Victory Rally which, observed The Times (of London), would prevent the detainees from stealing any of Lee's thunder.<sup>152</sup>

At the Rally, held in front of the City Hall on Singapore's largest open area, the Padang, Lee gave his listeners a look at what was to come. Terming the evening a moment of great change, he said that though a constitution had been promulgated, that was only a step toward the real goal, merger and Merdeka. Times had changed--a rise in the standard of living could not be created overnight. The good things would come only with hard work over a long time. The paramount principle was that policies would be followed for the interest of the whole community, even at the risk of the interests of a segment.<sup>153</sup>

Though they didn't yet realize it, Lee had placed the people of Singapore on notice that the disruptions and self-interest of the past were to be no longer tolerated. Lee and the PAP leaders were fully

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<sup>151</sup>Times (London), 2 June 1959, p. 8.

<sup>152</sup>Times (London), 3 June 1959, p. 10.

<sup>153</sup>Times (London), 4 June 1959, p. 10.



aware of the immense problems which existed in Singapore. Employment lagged far behind the annual increment of job-seekers, Singapore's entrepot economy was incapable of creating enough new jobs without a shift to industrialization, and there was a dense population with imperative needs to be met in housing, education, and social services.

In less than five years, Lee Kuan Yew and his fellow returned students had established a firm base of power and risen to become the government of the nearly-independent State of Singapore. More than a little aided by the actions of other agencies, Lee had met the challenges of his pro-Communist supporters. Twice his left-wing socialist party had been nearly dragged over the edge into revolutionary extremism, but had been rescued and with the detention of the party's extremists, had begun to swing slowly to the right. As he began to succeed in displacing the British, the stringency of Lee's nationalism moderated, and his statements indicated a greater willingness to work with the British to achieve his further goals, the most important of which was independence through merger with Malaya. The next four years were to be much concerned with that.

### CHAPTER III

#### LEE TAKES POWER, 1959-1961

We believe that only a swift elimination of the unequal and inferior distribution of wealth in the country can give the people the basis for building up this happy and prosperous Malaya in which every Malayan regardless of race, class or creed can contribute his best and live his fullest.

Lee Kuan Yew, 1955<sup>1</sup>

Redeeming his campaign promise, Lee's first action was to release the detainees from Changi Prison. He was not, however, prepared to accept entirely at face value their avowals of political repentance. Precautions had been taken to exclude the detainees from any role in the party leadership. Having obtained Governor Goode's agreement to the release, Lee called a meeting of PAP cadres, at which the incumbent CEC was reelected and the party constitution amended to provide for biennial rather than annual CEC elections.<sup>2</sup> The moderates were thereby entrenched in their positions as party

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<sup>1</sup>Pang, Singapore's People's Action Party, p. 73.

<sup>2</sup>Michael Leifer, "Politics in Singapore: The First Term of the People's Action Party, 1959-63," Journal of Commonwealth Political Studies 2 (May 1964): 105-106.

leaders for the next two years, making it safe to free from prison those who had been the hard core of the PAP extremists.

#### Release of the Detainees

The release took place 4 June 1959. The group of extremists included Lim Chin Siong and seven others who had been detained since 1956; Lee's pledge was thus fulfilled. The eight subsequently published a signed statement wholeheartedly and unreservedly endorsing the non-Communist aims and objectives of the PAP. According to Lee, all had told him that the PAP must not repeat the mistakes of 1955-56 by allowing the MCP to use the PAP and "mess up" its policy. If the MCP fought the PAP, the ex-detainees would support the PAP.<sup>3</sup>

The assurances of most of the eight were assumed to be sincere. Three of them were appointed political secretaries in various government agencies; these were Lim Chin Siong, Fong Swee Suan and S. Woodhull. Lee was not convinced of Lim's sincerity but he believed "a man was entitled to be believed until his actions prove his words to be false." Just in case, precautions were taken to insure that none of the three could use their positions to harm the country. None was given access to secret matters, and Lim was specially put in the

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<sup>3</sup>Lee, The Battle for Merger, p. 23.

Ministry of Finance, where Lee felt that he could do no damage. Over a period of time, it became apparent that Lim's repentance had been insincere, but as long as he did nothing openly to block PAP policies and programs, the party saw no reason to break with him.<sup>4</sup> Only when he chose to disavow the objective of independence through merger with the Federation did the final rupture occur. Of the ex-detainees only C. V. Devan Nair kept faith with the PAP moderates.

#### The New Government

The first PAP Cabinet was sworn in on the steps of the Singapore City Hall on 5 June. The new government had chosen to move from the old Assembly Building as a symbol of having thrown off the colonial yoke. Among the new ministers were Deputy Prime Minister Toh Chin Chye, Minister for National Development Ong Eng Guan, Finance Minister Goh Keng Swee, Minister for Culture, S. Rajaratnam, and Home Affairs Minister Ong Pang Boon. Except for Ong Eng Guan, who soon became notorious in his own way, these men were the heart of the moderate PAP leadership, and remained so far beyond the period of this thesis. In his first address as

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<sup>3</sup>Lee, The Battle for Merger, p. 23.

<sup>4</sup>Ibid., pp. 23-25.

Prime Minister to the people of Singapore, Lee set the tone of his administration:

We are the best organized and most coherent political leadership in Singapore. Every one of my ministers has gone through years of political struggle before we reached this position. . . . The business of a government is to govern and to make firm decisions, so that there will be certainty and stability in the affairs of our people. We shall do our best to give you not only firm and stable government, but one which will carry with it the support and cooperation of the majority of people.<sup>5</sup>

By this time, four days after the 1959 elections, Lee had already tweaked the British lion's tail over the matter of possible PAP participation in the traditional celebrations of the Queen's birthday. Implying that it would be limited, Lee said,

We do not go into ecstasies over the British monarchy. Part of the battle is against symbols. . . . We shall always be polite as befits a civilized people, as the people of Singapore are.<sup>6</sup>

And in an echo of Ong's banishment of the mayoral regalia to the storeroom, Lee said that he had thought for a long time that the playing of the British national anthem over Radio Singapore was "a bit silly."<sup>7</sup>

Lee believed Singapore should have its own symbols, to which its people must develop instinctive

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<sup>5</sup> Josey, Lee Kuan Yew, p. 96.

<sup>6</sup> Times (London), 2 June 1959, p. 8.

<sup>7</sup> Ibid.



responses. By the time of the installation of the first Malay head of state, Inche Yusof bin Ishak, Singapore had adopted a flag, coat of arms and a national anthem.

They serve a powerful emotive function. Small country though we may be, it is nevertheless necessary that we develop . . . instinctive emotive responses [to them] so vital to the survival of a people.<sup>8</sup>

#### Factors in Development

The symbols would become important only with the passage of time, and the achievement of some concrete accomplishments by the new government, a fact that it well appreciated. Now that they were in power, Lee and his colleagues had to articulate in detail their political, economic and social goals, and to develop plans and programs to reach them. To attain their goals, they were heir to significant advantages and disadvantages stemming from prior situations, some of which were the two sides of one coin.

Among the advantages were a well established entrepot (or trading) economy more than a century old. There was an efficient civil service created by the British (and still to a high degree staffed by British expatriates). Singapore's revenues and per capita living standards were well above the Asian average,

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<sup>8</sup> Josey, Lee Kuan Yew, p. 113.

second only to Japan. Geographically, its area was mostly urban and very compact, while the population was energetic and had a high general level of literacy, with some limited sectors highly educated.

Disadvantages included an over-dependence upon trade and related high unemployment rate because of the limited ability of the entrepot economy to create large numbers of new jobs through expansion of trade. There was industrial stagnation due to limited mobility of internal capital, reluctance on the part of foreign investors because of political instability, and the flight of capital to Malaya and other locations for the same reason. Housing was in gravely short supply while the population was growing at a rate of nearly 4 per cent. Furthermore, Singapore was politically isolated from its neighbors, owing to its mostly Chinese population among Malay neighbors, and to its reputation as a center of radical politics. Lee meant to capitalize upon the advantages, and to overcome the problems.

#### PAP Leadership

The PAP leadership, in both the qualifications of its individual members and its corporate prior planning for political action was of a very high caliber. As was previously pointed out, detailed plans had been drawn up for the political action they intended to

take, and were published in the series The Tasks Ahead. These plans were the result of years of discussion among a group imbued with a sense of reform and mission. All believed in representative government, civil liberties, economic growth and social reform; they rejected unreasoned nationalism, racism and doctrinaire economic policies.<sup>9</sup> As Lee's statements repeatedly illustrate, PAP economics were of a very pragmatic nature. In the political sphere the PAP perceived the Communists as the main threat to representative government in Singapore. They firmly believed that the only way to neutralize the Communists' appeal was for democratic socialism to provide the things promised by the Communists.

Educationally, an extremely high proportion of the PAP leadership had been educated in English-language schools, very often through the university level. This was particularly true for members of the CEC and of the Singapore Assembly. In 1968, for instance, 74% of the CEC members and 47% of the members of the Assembly had university educations, and of these, 74% and 62% respectively were educated in the English language. These percentages were higher than in 1959, and represented a consistent upward trend.<sup>10</sup> To a large degree,

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<sup>9</sup>Brackman, Second Front, p. 27.

<sup>10</sup>Pang, Singapore's People's Action Party, pp. 44-45.

the prevalence of English-language educations was a natural outgrowth of the colonial situation, where upward economic mobility was most available to those who spoke English. This same factor also contributed to the success of the PAP, for the British saw in its moderate leadership people with whom they could work, and to whom they could conceivably turn over political power.

In a 1967 speech to the British Labour Party, Lee described the situation that had confronted the PAP in 1959. It had come into office, he said, having promised a new and better world to the workers and trade unions which constituted the bulk of its mass support. The PAP found that the previous government under Lim Yew Hock had emptied the treasury (an allegation not entirely accurate);<sup>11</sup> a situation which necessitated stern measures before such things as free education, better housing, higher wages and free health services

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<sup>11</sup> Despite Lee's allegation, preceding Singapore governments were both solvent and active in development projects. The years 1950-51, 1955-56, and 1959-60 were boom times, while the intervening years were prosperous. Rubber and tin brought high prices, and there were satisfactory proceeds from Singapore's entrepot trade. Current expenses were met from receipts, and reserves of M\$325 million accumulated (which covered 1959 and 1960 deficits and financed development projects). Funds invested overseas provided M\$273 million in credits in the UK and in other colonies and commonwealth countries. The total state and municipal debt was M\$387 million, for a majority of which the PAP city government had been responsible. See Hanna, Sequel to

could be provided. In view of this, the PAP realized that it could not immediately provide all that it had promised. The choice was made to put national purposes ahead of sectional or class interests, thereby risking short-term unpopularity while getting the economy straightened out. In Lee's view, the duty of the government was to do what was best for the nation as a whole, and in the end it commanded the respect if not the support of those who had votes against it.<sup>12</sup> By 1961, he said, the jibe was that the socialist government was running the capitalist economy better than the capitalist colonialists ever had.

#### National Development

The most important general objectives of Lee's government were to create an independent, democratic, non-Communist society by peaceful and constitutional means, and to restructure the economy to provide employment for all those entering the job market, with a more

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Colonialism, p. 111, and Willard A. Hanna, "A Note on the Federation of Malaya and the State of Singapore," American Universities Field Staff Reports, Southeast Asia Series, vol. 8 no. 5 (New York: American Universities Field Staff, 1960), p. 23.

<sup>12</sup> Lee Kuan Yew, Social Revolution in Singapore (Singapore: Government Printing Office, 1967), pp. 4-6.



equal distribution of the proceeds.<sup>13</sup> This new society would best achieve its independence from Britain through merger with Malaya. The PAP's first Four-Year (later Five-Year) Plan outlined the specific areas in which society and the economy were to be developed:

1. Industrialize, to change from a trading to productive economy
2. Abolish the City Council, leaving public utilities under a board and transferring other powers to appropriate ministries
3. Maximize training of people in technical skills
4. Change school curricula to a more "Asian" emphasis, with subjects having more direct bearings on daily lives
5. Unify the trade union movement and create an independent labor court to handle industrial disputes
6. Decentralize hospitals and health services, with one class of wards for all patients
7. Develop fisheries and agriculture

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<sup>13</sup>Willard A. Hanna, "Success and Sobriety in Singapore, Part II," American Universities Field Staff Reports, Southeast Asia Series, vol. 16, no. 3 (New York: American Universities Field Staff, 1968), p. 2.

8. Emancipate women, beginning with monogamous marriage laws, which would not, however, conflict with religious (i.e. Islamic) beliefs.<sup>14</sup>

In the broadest sense, this and subsequent plans concentrated on the four areas of industrialization, housing, education and labor policies, creating a milieu in which internal politics, economics, social questions and even international relations were synergistically interwoven.<sup>15</sup>

The first year in office was one of beginnings rather than of much real accomplishment. The initial steps were taken to implement the Economic Development Plan, to reorganize the labor unions, to establish the first official contacts with the Federation, and to consolidate the position of the PAP as the new government of Singapore. Major efforts were made to increase the amount of housing, and to revamp the educational system.

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<sup>14</sup>Times (London), 3 June 1959, p. 10.

<sup>15</sup>The agricultural base, while small was not insignificant. Singapore agriculture involved about 25,000 families, who were extremely productive through intensive methods. The island was self-sufficient in pork, poultry and eggs, and had a surplus for export. Fisheries met only about 20% of the demands of a population with the highest per capita consumption of fish in the world, and the goal was expansion to produce an export surplus. Expansion of both agriculture and fisheries was a way to reduce imports of foods.

### Relations with Malaya

Only a week after taking office, Lee and a small delegation travelled to Kuala Lumpur to call on the Prime Minister of Malaya. The communique that was issued indicated the visit was mostly a pro forma political nicety, but it addressed an issue that was to loom large in future relations between the two governments.

Both Prime Ministers and all Ministers present were firmly agreed that under no circumstances would they countenance any attempts to arouse racial or communal friction.<sup>16</sup>

As events would prove, neither side was above appealing in some way to communal sentiment to bring about desired ends. The Malays were concerned about being outnumbered by the Chinese, especially if Singapore were to become part of Malaya. The PAP Government was unable to completely resolve these fears, and those of Singapore as a center of radical activity, and even manipulated them to get Malaya interested in merger.<sup>17</sup>

In Lee's view, the problem was "to establish Federation confidence in the PAP government," so that merger would ultimately be possible, and cooperation could develop in important matters.<sup>18</sup> A very important

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<sup>16</sup> Josey, Lee Kuan Yew, p. 96.

<sup>17</sup> Leifer, "Politics in Singapore," p. 115.

<sup>18</sup> Hanna, Sequel to Colonialism, p. 115.

matter to him was creation of the Malayan Common Market, incorporating the Federation and Singapore. It would protect Singapore's entrepot trade, which had declined because Malaya and Indonesia were dealing more directly with customers for their primary products rather than through Singapore brokers and merchants. Malaya would not establish competing facilities so rapidly, and would be a growing market of some ten million people for the products of Singapore industry. Singapore stood to gain most from the Common Market by gaining an assured market and handling Malaya's traditional primary products, rubber, tin and lumber.

Lee also had to bring about a restoration of confidence on the part of Singapore business interest in Singapore. The unsettled political conditions of 1957 and 1958 had caused large numbers of businessmen to transfer their headquarters or entire operations to the Federation, which at the time was a very stable business environment. Opponents of the PAP had made much of this, and alleged that other businesses had been afraid to come into Singapore for fear of what the PAP might do if it came to power.<sup>19</sup> To allay these fears, Lee said that there would be no restrictions placed upon movement

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<sup>19</sup>Times (London), 23 May 1959, p. 5.

of capital out of Singapore.<sup>20</sup> He emphasized that the fiscal policies of Malaya and Singapore should go hand in hand, because a comparatively heavy hand in Singapore would drive money out. Furthermore, if Singapore had a separate policy, the implication would be that it meant to be a separate entity, just the opposite of PAP intentions.

Relations with Indonesia  
and Great Britain

Relations with Indonesia, Singapore's second most important trading partner, were in need of repair. They had become strained during 1958, when Indonesia accused Singapore of harboring instigators of the 1958 revolt in Sumatra.<sup>21</sup> Indonesia also felt that Singapore had too much profit already from Indonesian trade,<sup>22</sup> that it offered facilities to smugglers, and was a threat in general to Indonesia's well being and independence. From Singapore's point of view, relations

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<sup>20</sup>Times (London), 2 June 1959, p. 8.

<sup>21</sup>Josey, Lee Kuan Yew, p. 96.

<sup>22</sup>Historically, much of the rubber and other products produced on Sumatra entered world markets via Singapore rather than through Indonesian ports because of its proximity and the lack of suitable entrepot facilities in Indonesia. A great deal of this trade was in small coastal vessels, and of an "unofficial" nature. Particularly under the complex and all-encompassing import-export regulations of the Sukarno regime was this true.



were affected because Indonesia was deliberately diverting imports and exports from Singapore, and Indonesian political and economic instability threatened Singapore through disrupted trade and political connections between groups in Singapore and Malaysia. Indonesian Foreign Minister Subandrio visited Singapore in late 1959, expressing the desire for improved relations. As a move in this direction, the PAP government adopted a tougher policy toward Indonesian rebels, became stricter with smugglers and promoted cultural exchanges as a catalyst for better relations.<sup>23</sup>

Speaking to students at the Chinese-language Nanyang University, Lee expressed his perennially defensive view of Singapore's situation in Southeast Asia:

Never let us forget that Singapore is part of Southeast Asia; that we are in the centre of a Malaysian people; that despite the fact that eighty percent of our population are Chinese we cannot escape from our environment. . . . Our geographical and ethnological situations are realities which we must face. . . .<sup>24</sup>

With Great Britain, upon whom Singapore was dependent in matters of internal security, defense and external relations, relations have been described as "correct but formal." Toward local Britons Lee tended

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<sup>23</sup>Hanna, Sequel to Colonialism, p. 115.

<sup>24</sup>Josey, Lee Kuan Yew, p. 111.

to use his full authority in a prickly and peremptory manner, as indicated by his statement that he would not be bound in any manner by accepting a seat on the United Kingdom-Singapore Foreign Affairs Committee.<sup>25</sup> One Briton who was immediately affected was P. C. Marcus, the ex-Chief Administrative Officer of the Singapore City Council with whom Lee was at odds during the Ong Eng Guan Commission of Inquiry. Marcus was fired on 6 June, the first victim of Malayanization of the Civil Service.<sup>26</sup>

#### A Singaporean Culture

Lee's brand of Malayanization, at least at first, involved polemics against the "de-vitalized" English-educated who were "almost emasculated, as a result of deculturalization." Before long, such attacks were terminated in the interests of an efficient civil service. The new Civil Service class was to be those who might speak English, but were not English-oriented in attitude and outlook (the Civil Service tended to be intransigent and reactionary, i.e. pro-British).<sup>27</sup> He defined the English-educated as those who had gone through government or mission schools (as had he and

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<sup>25</sup>Hanna, Sequel to Colonialism, p. 113.

<sup>26</sup>Ibid., pp. 107-8.

<sup>27</sup>Ibid.

most of the PAP ministers), and among their good points were their homogeneity and the fact that they had ceased to think of themselves in primarily communal terms. This was also their weak point, for (he said) they had been deculturized and lost contact with the vernacular masses.<sup>28</sup> However, it was the "role" of the English-educated to carry social revolution further by extending the rights and privileges they had won from the British to the masses of their own people. Such a role was exactly the one Lee called for in his 1950 speech to the Malayan Forum. The English-educated returned students had the duty to strive to improve the lot of their compatriots. By logical extension, those English-educated members of the bureaucracy also had the duty to use the benefits of their education to insure that the masses of the people enjoyed the same rights and benefits as they possessed. While this attitude might seem condescending or self-serving, it was all of a piece with Lee's concept of the duties incumbent upon the more fortunate members of society.

New policies in education had the greatest potential for creating a new Malayan culture, and for meeting the needs of Singapore rather than Britain. On 22 June 1959, a new institute was opened to train

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<sup>28</sup>Josey, Lee Kuan Yew, pp. 100-101.

of the Malay language. With the beginning of the fall term, schools were put on a six-day week and new emphasis was put on languages (especially Malay), mathematics, sciences and civics. By year's end, a completely new syllabus was ready for implementation on 1 January 1960.<sup>29</sup> This was the first in a series of actions designed to make of Singapore schools a primary instrument in the creation of the Singaporeans. The importance attached to education was shown by the fact that it received 24% of the state budget.

#### Industrialization and Labor

To tackle the task of industrialization, the Economic Development Board was created to carry out the planning and construction of industrial sites. The Parliament then passed a bill enabling the government to raise a M\$100 million Development Loan, and a Pioneer Industries Ordinance. The latter offered special inducements to new enterprises, including partial tax exemption, tariff protection, and guaranteed repatriation of profits.<sup>30</sup> The government attempted to raise the first M\$40 million from local capital but the effort

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<sup>29</sup>Hanna, Sequel to Colonialism, p. 109.

<sup>30</sup>Willard A. Hanna, "Go-Ahead at Goh's Folly," American Universities Field Staff Reports, Southeast Asia Series, vol. 12 no. 10 (New York: American Universities Field Staff, 1964), p. 4.

proved to be very difficult, and the possibility that some Singapore money might have to be recalled from abroad was considered.

In 1959, Singapore's economy was basically unchanged from its traditional colonial nature, in which the overriding emphasis was upon trade and trade-servicing, and the maintenance of a large military garrison. More than 75% of its income came from the service sector of the economy which provided 70% of all jobs. Entrepot trade and military servicing employed 20% to 25% of the labor force, and another 25% was in petty trading and servicing occupations. Manufacturing employed in 1960 a little more than 16% of the labor force and accounted for 7.2% of the gross domestic product.<sup>31</sup>

Under the first plan, diversification was to be first into labor intensive industries so as to relieve the high unemployment which was 9% to 15% of the labor force. Among the first major industries in the Jurong Industrial Estate were an iron and steel mill, a ship-breaking concern and shipbuilding. Scrap recovered from shipbreaking was converted by the steel mill into structural steel and reinforcing bar, enough to meet much of the demand of Singapore's construction

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<sup>31</sup>Buchanan, Singapore, pp. 59-60, 81-83.



industry.<sup>32</sup> As these and similar industries which employed large numbers of relatively unskilled people began to reduce unemployment, there would be a shift to more capital-intensive industries requiring technically skilled labor. Examples were oil refineries, chemicals, electronics assembly and manufacture, and watches.

It was felt that the industrial development necessary to change this situation was vital to the very survival of the PAP.<sup>33</sup> Without a disciplined labor force, such development could not be realized. Lee, therefore, was quite explicit when he spoke to a worker's group on 28 June:

It is imperative that the trade union movement, which will grow and expand under the PAP government, should be imbued with the same democratic, non-Communist, socialist ideals. Otherwise, there are bound to be frictions and collisions between the labour movement and the political movement.<sup>34</sup>

The PAP had a clear mandate to bring about by peaceful and constitutional means an independent, democratic, non-Communist, socialist Malaya.

The PAP labor program announced by Minister for Labor K. M. Byrne on 7 June, proposed to unify the

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<sup>32</sup>Hanna, "Go-Ahead," pp. 5-7.

<sup>33</sup>B. Simandjuntak, Malayan Federalism 1945-1963: A Study of Federal Problems in a Plural Society (London: Oxford University Press, 1969), p. 97.

<sup>34</sup>Josey, Lee Kuan Yew, pp. 97-98.

movement under government auspices. A labor court was to be established to settle disputes, splinter and "yellow" unions would be controlled,<sup>35</sup> and unions working against the interests of the workers (presumably those politically active) would be dissolved. Individual union centers were to be built to house the leadership, union headquarters, meeting rooms, and other facilities.<sup>36</sup>

A hinderance to effective government control of the union movement was that most of labor was organized on a broad basis, each union including all employees in a particular company or industry. Lim Chin Siong's Singapore Factory and Shop Workers' Union was one notorious example; the Naval Base Laborers' Union slightly less so. The government proposed to replace such unions with craft unions, which were less easily infiltrated because of the specialist qualifications necessary for membership. Further, the PAP hoped to bring all unions under a central Trade Unions Congress, from which approval would have to be obtained before a union could call a strike.

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<sup>35</sup>The appellation "yellow" derives from Communist terminology, in which things in accordance with Marxism are "red," those which are not are "white." Thus, "yellow culture" refers to things neither one nor the other. In the Singapore context, these were such Western cultural impositions as juke boxes, rock music, strip-tease shows and other "sexually-obsessed" activities.

<sup>36</sup>Hanna, Sequel to Colonialism, p. 108.

This proposal was opposed by the left-wing unions, then already grouped in their own federation. The government finally decided to leave things as they were, and relied upon instead its registration powers under the Societies Ordinance to control the labor unions. Two "umbrella" organizations, the National Trade Unions Congress and the left-wing Singapore Association of Trade Unions thus emerged in Singapore reflecting the two factions in the 1961 internal split of the PAP.<sup>37</sup>

#### Internal Security

In the area of internal security, also, Lee claimed a mandate to maintain the Emergency Regulations in effect. He said:

Those who want the Emergency laws abolished in Singapore should try to help to establish conditions of peace and security in the Federation so that they may no longer be required here.<sup>38</sup>

For the already discussed political reasons, and because the government was determined to eliminate secret society intimidation and gang warfare, Singapore's Preservation of Public Security Ordinance (PPSO) was thus retained. It was supplemented with a new Criminal

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<sup>37</sup>Leifer, "Politics in Singapore," p. 106.

<sup>38</sup>Josey, Lee Kuan Yew, p. 109.

Law which made possible quicker, surer action against the societies, gangs, and those forces causing "communal" strife. This law was criticized for giving government sanction to police methods described as incompatible with human dignity and freedom, allowing as it did for discretionary application of police authority.<sup>39</sup> Those who complained most loudly were the same ones who were trying most energetically to depose Lee with less than benign methods. Lee felt that special precautions had to be taken against these elements for the good of the largest number of Singapore citizens.

#### Housing Programs

Housing was an area of obvious need by a very large number of Singapore's population. In its election platform, the PAP had espoused the policy of building low-cost apartments so housing would be within reach of the poorer classes of the public.<sup>40</sup> Between 1947 and 1959, the Singapore Improvement Trust (SIT) had built only 22,000 such units which met only 20% of the need and by 1959, had created an acute shortage.<sup>41</sup>

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<sup>39</sup>Hanna, Sequel to Colonialism, p. 111.

<sup>40</sup>"Massive Housing Project," FEER, 25 January 1962, p. 147.

<sup>41</sup>Teh Cheang Wang, "Public Housing," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), p. 173.

The government housing consisted of one to three rooms plus kitchen, bath and balcony, ranging from 344 to 600 square feet. Constructed in apartment blocks as much as thirty stories high, the rents were \$20, \$40 and \$60 per month, prices approximately one-tenth those in private developments. After 1966, four and five room flats were also built, and a time-purchase plan instituted.<sup>42</sup>

To replace the SIT, the Housing and Development Board (HDB) was formed in early 1960. A public agency responsible to the Minister for National Development (at this time, Ong Eng Guan), its broad responsibilities included planning, construction and management of public housing estates, redevelopment and resettlement for slum clearance, provision of low-cost loans for purchase of developed land, and other functions assigned by the Minister. Immediately after its formation, the HDB conducted a survey of Singapore's housing needs. The survey showed that 150,000 apartments were needed in the decade 1961-70 to relieve urban overcrowding, to provide for new families, and to house those affected by development projects, slum clearance and urban renewal. Of

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<sup>42</sup>Willard A. Hanna, "Singapore Success Syndrome Revisited, Part II," American Universities Field Staff Reports, Southeast Asia Series, vol. 21 no. 5 (New York: American Universities Field Staff, 1973), p. 8.



the 15,000 units needed annually, 11,000 were to come from the public sector. First construction started in mid-1960, and by the end of 1965, 54,000 one, two and three bedroom flats had been completed.<sup>43</sup> Its housing program came to be one of the PAP government's outstanding accomplishments.

The HDB and the public housing program were among the few activities over which Ong, as Minister for National Development, had actual jurisdiction. When Lee's government took office, the Singapore City Government was abolished, and its functions transferred to various national ministries. These allocations were made by Lee,<sup>44</sup> and while part of the reason possibly was the recollection of the shambles ; had made of the city government, another motivation may have been a desire to neutralize Ong's influence. In his own constituency of Hong Lim, Ong was very popular, and even within the party he had been second in balloting for the post of Prime Minister. That he was coming to be regarded as undesirable within the PAP was illustrated by Lee's private demand to Lim Chin Siong and fellow union leaders that labor collectively condemn Ong's

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<sup>43</sup>Teh, "Public Housing," pp. 173-74.

<sup>44</sup>Times (London), 20 June 1960, p. 10.

actions. This they refused, feeling that the party had made too many blunders in its first year in office.<sup>45</sup>

Ong Eng Guan and the First  
Party Schism

In June 1960, the PAP held a party meeting to review its first year in office. There, Ong's ambition collided with what may have been a decision by the party leadership to reveal what it saw as his "blunders" to the public<sup>46</sup>--his administration of the public housing program, crucial to the government's hopes to have an impact upon the lower income groups had been ineffectual.<sup>47</sup> In conjunction with the PAP Party Branch in his constituency of Hong Lim, Ong presented sixteen Resolutions which, according to him, were an objective, impersonal approach for rectifying the Party's mistakes and paving the way to a better future.<sup>48</sup> The Resolutions criticized PAP deviation from its 1954 party manifesto, its anti-colonial stand and its progress

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<sup>45</sup>Peritz, "Politics of Singapore," p. 173.

<sup>46</sup>Pang, Singapore's People's Action Party, p. 10.

<sup>47</sup>Bellows, The People's Action Party, p. 38.

<sup>48</sup>For complete text of the sixteen Resolutions and of the PAP CEC's point by point rebuttal, see Shee Poon Kim, "The People's Action Party of Singapore 1954-1970: A Study in Survivalism of a Single-Dominant Party," (Ph.D. dissertation, Indiana University, 1971), pp. 40-45.

toward merger. They made populist appeals for "soak the rich" taxes, and challenged both the nature and legality of the cadre system and the leadership selected by that system.<sup>49</sup>

Ong's actions were perceived by the CEC as an attack on the collective leadership of the PAP and to be damaging to party unity. He was accused of defaming Lee Kuan Yew, smearing others of his colleagues, forming cliques, insincerity, and of trying to cover up his own failures. Lee suspended him from his ministerial post, the duties of which were assumed by Deputy Prime Minister Toh Chin Chye.<sup>50</sup> The CEC issued a detailed refutation of Ong's sixteen Resolutions which enumerated and re-emphasized the PAP stand on the issues raised. The fundamental charge was that Ong had been disloyal to the PAP and incompetent as a Minister. Further, he had tried to build a party based upon a personality cult. Breaches of party discipline simply would not be long tolerated in the PAP. Finally, on 28 June, Ong and two PAP MP's who had supported him, as well as the Hong Lim Branch Committee, were expelled from the party. The three immediately formed the United People's Party (UPP),

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<sup>49</sup> Ibid., p. 40.

<sup>50</sup> Times (London), 21 June 1960, p. 9; 22 June 1960, p. 9; 23 June 1963, p. 10.

which fell between the MCP and PAP in the left wing of the political spectrum.

The expulsion may have been a form of political "blackmail" to influence the Federation government to actively espouse merger by presenting it with two alternatives. These were to accept merger and enable the moderate PAP to remain as the government or do nothing and see Singapore shift once more to the extreme left.<sup>51</sup> Lee described the incident as a

. . . test of loyalties [which] was allowed to run its full course so that . . . weak points within the party, and the threats from without . . . could be brought into the open and clearly seen.

It was an attempt by "left wing adventurers" who tried to push the PAP to the left<sup>52</sup> for doctrinaire reasons. "The politics of the PAP," he continued, "were evolved out of its own experience of struggle under local conditions, not out of doctrinaire principle."<sup>53</sup> Now in power and having the responsibility for making progress, Lee and the PAP were rapidly coming to evince a pragmatic outlook.

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<sup>51</sup>Pang, Singapore's People's Action Party, p. 11.

<sup>52</sup>Lee Kuan Yew, The Socialist Solution: An Analysis of Current Political Forces in Singapore (Singapore: Ministry of Culture, 1960), pp. 5-6.

<sup>53</sup>Ibid., p. 17.

The Ong Eng Guan affair had not yet run its course. During debate in the Parliament on the 1961 budget, Ong accused Lee Kuan Yew and K. M. Byrne, Minister for Labour and Law, of nepotism. Deputy Prime Minister Toh Chin Chye moved that the House condemn Ong for

. . . dishonorable conduct . . . in that he repeatedly used his privilege in the Assembly as a cloak for spreading malicious falsehoods to injure unjustly innocent persons. . . .<sup>54</sup>

Ong stated his willingness to substantiate his allegations, but resigned the day before he was to present his case. A Commission of Inquiry was formed within the Assembly to investigate the factual and legal implications of the matter.

During the inquiry, Lee acted in the role of unofficial public prosecutor, ruthlessly discrediting Ong by exposing details of his private life.<sup>55</sup> To prove that Ong was a man of no principles and a liar, Lee alleged that Ong was a bigamist, which prompted many Chinese in Singapore to see Lee as more European than Chinese for having worked to crush Ong with no chance to save even a little face.<sup>56</sup> In the end, Ong was censured for "untrue, groundless and reckless" allegations, and

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<sup>54</sup>Bellows, The People's Action Party, p. 38.

<sup>55</sup>Leifer, "Politics in Singapore," p. 107.

<sup>56</sup>Josey, Lee Kuan Yew, p. 613.



labelled "a person not to be believed." Lee and Byrne were exonerated.<sup>57</sup> Despite the victory, the affair left the impression of an ineffectual administration overly concerned with internal squabbles and of a Prime Minister too determined to have his own way.

In the by-election which was necessary to fill the seat vacated by Ong, the pro-Communist union leaders under Lim Chin Siong continued to back Lee. Not yet prepared to break with Lee, they issued a statement supporting him, "the PAP has a very considerable task before it, and its policies as set out in its election manifesto are fundamentally correct."<sup>58</sup> Ong strongly attacked the government as a stooge of the British and the United States and criticized the PAP for not having fulfilled its promises on social welfare. His campaign had a populist and very communal appeal and he exploited to the fullest his role as underdog to the PAP and the government.

In an intense campaign lasting forty-eight days, Ong and the PAP candidate, Jek Yuen Thong (Lee's political secretary) fought head to head for a victory the PAP saw as a test of the people's support of its policies. Ong had the strong advantage of being a Hokkien

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<sup>57</sup> Bellows, The People's Action Party, p. 39.

<sup>58</sup> Pang, Singapore's People's Action Party, p. 8.

in a working-class constituency largely made up of first-generation citizens of Hokkien ancestry. He exploited the dissatisfactions of the people with PAP leadership, calling for independence from the rich, the British and the "Lee Kuan Yew regime."<sup>59</sup>

The PAP called upon all its resources, both in the party and the government. It was supported by Lim Chin Siong and representatives of thirty-two left-wing labor unions, but the nature of Lim's statements during the campaign earned Lee's criticism afterwards, concentrating as they had on calls for left-wing unity without supporting independence through merger.<sup>60</sup> The campaign took three approaches: to identify Ong with a counter-attack against the PAP by right-wing and opportunist elements; to show Ong to be morally degenerate through references to his bigamy; and to dwell on such subjects as industrialization, unemployment, and high birth rates among the poor.<sup>61</sup> The PAP felt it was in a commanding position.

The election results proved otherwise. Capitalizing upon superior oratorical skill, a long record of

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<sup>59</sup>Peritz, "Politics of Singapore," p. 178.

<sup>60</sup>Milton E. Osborne, Singapore and Malaysia (Ithaca, NY: Cornell University Press, 1964), p. 12.

<sup>61</sup>Shee, "People's Action Party," p. 46; and Peritz, "Politics of Singapore," p. 178.

taking care of his constituents, and his role as an underdog to the might of the government and the PAP, Ong gave the PAP "the drubbing of their life."<sup>62</sup> Ong criticized the PAP government for not having fulfilled its promises on social welfare, and he used to great effect a populist, communal appeal to his constituents. He won with 7,477 (73.3%) votes, to only 3,820 (26.7%) for Jek,<sup>63</sup> and the victory caused much political soul-searching among both the moderates and the pro-Communists in the PAP.

The left-wing elements began to wonder if there were continued advantages to cooperating with the Lee leadership. It appeared that the PAP government had lost confidence in itself, and that its reputation of dedication to effective government had little effect on the voters. Were Ong to come to power by coalescing communal support, the leftists would be condemned by their association with a discredited PAP government. Lee expressed the feelings of the leadership of his own party:

After the Hong Lim by-election, when the political future appeared futile and barren, with no merger and common market in sight and no

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<sup>62</sup>Bellows, The People's Action Party, p. 40.

<sup>63</sup>Shee, "People's Action Party," p. 46.

economic development possible, the PAP leaders were contemplating resignation.<sup>64</sup>

The extremists were alarmed at this prospect, and persuaded Lee to remain in office, fearing that he might be succeeded by a coalition which the British could manipulate into an anti-Communist stance.

To judge by Lee's May Day speech only two days after the election, thoughts of resignation had been quickly cast aside. He challenged everyone in Singapore to carefully consider where they stood on the issues, and if there were those who thought they could lead better than the PAP, they should step forward. Anti-colonialism was a necessary slogan, but the ways of achieving it had to be clarified. He placed the government on the side of sanity, national unity and independence through merger, and told the people to take their stand:

For us, as those who are supposed to guide your destinies in the government, it is our business to see that you are brought along a road which leads to national happiness, national unity and national independence.<sup>65</sup>

The series of events involving Ong Eng Guan had brought the fortunes of the PAP and government to their extreme ebb. Lee, looking for signs that his programs

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<sup>64</sup>Ibid., p. 47.

<sup>65</sup>Josey, Lee Kuan Yew, pp. 135-36.

and ideas were striking a responsive chord in the minds of the voters, saw in the Hong Lim results an apparent repudiation. The intra-party conflict with Ong had given the appearance of a political group unable to control and discipline its members. Furthermore, the important PAP goals of merger and a common market seemed futile, and without them economic development was believed to be impossible. In the end, however, the very factors seeming to indicate impending collapse of the PAP became important elements in the struggle to achieve merger.

To this time, the PAP government had struggled to make progress in merger discussions with the Federation. There were numerous ministerial visits to Kuala Lumpur, and Lee had even established sufficient rapport with Rahman to be a frequent golfing partner. But there had been no indications of any impending changes in the Tunku's aversion to merger, or of progress on a common market.

#### The Tunku Proposes Merger

Consequently, the Tunku's remarks to the Foreign Correspondents Association in Singapore on 27 May 1961 came as a great surprise to his listeners. Near the end of his speech, touching upon the subject of Southeast Asian political and economic cooperation, he said that



"Malaya today as a nation realizes she cannot stand alone and in isolation." Therefore:

Sooner or later she should have an understanding with Britain and the peoples of the territories of Singapore, Borneo, Brunei and Sarawak. It is premature for me to say now how this closer understanding can be brought about, but it is inevitable that we should look ahead to this objective and think of a plan whereby these territories can be brought together in political and economic co-operation.<sup>66</sup>

The proposal probably gave Lee and his group much needed encouragement at a moment of political stress, for they were faced with the necessity of another by-election, the Assemblyman for Anson having died. The decision to call an election had been delayed and was not made until 30 May.

Four days later, Lee made his first public response to Rahman's proposal during the National Day celebration. He reiterated his conviction that "we share a common destiny with our people in the

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<sup>66</sup>That Lee's golfing and ministerial contacts with the Tunku may have had more impact than was thought may be implied from a portion of the Tunku's merger motion to the Federal Parliament on 16 October 1961:

"Therefore the Prime Minister of Singapore . . . approached me with some of his problems and difficulties. We made a careful study of the situation and came to the conclusion that the only salvation for Singapore would be in some form of closer economic and constitutional association with the Federation." (Lee Kuan Yew, The Battle for Merger, pp. 122, 126).

Federation," and then said,

We welcome and support the declaration of the Prime Minister of the Federation of Malaya that it is inevitable that we should look ahead to this objective of closer political and economic association between the Federation, Singapore, Brunei, Sarawak and North Borneo.<sup>67</sup>

Now that there was a real prospect for merger, the election in Anson was the first opportunity for the voters to express popular support for the idea.

#### The Anson By-Election

The PAP candidate was a Malay (as had been the former Assemblyman), Mahmud Bin Awang, president of the Trade Union Congress. He had the support of Lim Chin Siong and other pro-Communist members of the TUC Secretariat. The only other well known candidate of a total of five was David Marshall, who had come out of retirement to form the Worker's Party. Marshall's program, as opposed to the PAP platform of independence through merger, with internal security in the hands of the central government, was to call for independence without qualification. This included release of all detainees, elimination of the Internal Security Council, and repeal of the PPSO. Marshall's position was to the left of the PAP, along with Lim Chin Siong's trade unions, Ong Eng Guan and the UPP, and opponents of the PAP who perceived

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<sup>67</sup> Josey, Lee Kuan Yew, p. 138.

danger to civil liberties in Singapore.<sup>68</sup> It was an interesting aggregation of all those groups whose political liberalness was more radical than that of the PAP.

Lim's faction, though it supported the PAP candidate at the outset, was openly critical of the moderate PAP policy. It called for a full anti-colonial effort and complete internal self-government by 1963, and asked the government to demonstrate its sincerity by four actions: releasing all political detainees, encouraging the formation of a single union movement, granting Singapore citizenship and the franchise to those "loyal" to the nationalist cause, and allowing freedom of speech, press and assembly to those working to achieve these objectives.<sup>69</sup> These demands were similar to Ong's sixteen Resolutions and to Marshall's platform, and the policy debate prompted C. V. Devan Nair to warn that the PAP was ready to part with those who had changed their views on the fixed party position. Two days later he accused Lim and his associates of using the issue of detainees to distract attention from their own deviation from basic PAP policies and principles.<sup>70</sup>

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<sup>68</sup>Peritz, "Politics of Singapore," pp. 182-83.

<sup>69</sup>Ibid., p. 180.

<sup>70</sup>Pang, Singapore's People's Action Party, p. 12.

At this point, less than a week before election day, eight PAP Assemblymen reacted to this statement by announcing their support of Lim and fellow unionists. The three radical political secretaries dared Lee to fire them, which he did,<sup>71</sup> and at the height of the campaign Lim and his associates decided to break with Lee and support Marshall. Particularly devastating was the action of the PAP head of the Harbour Board Workers' Union, who advised his members to vote for Marshall. (Union members and their families were 25-30 percent of the Anson electorate.)<sup>72</sup> Marshall won by a margin of 546 votes (43.3% of all votes) to 36.7% for the PAP. Third was the right-wing SPA, connected to the Alliance Party in the Federation, with 17.8%.<sup>73</sup>

The Anson by-election had three important outcomes. The end of the road had come for the united front between Lee's and Lim's factions, merger had been placed squarely in the center of Singapore politics, and

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<sup>71</sup>These political secretaries were Lim Chin Siong, Fong Swee Suan and S. Woodhull, who were also among the so-called "Big Six" union leaders. The other three of the "Big Six" were S. T. Bani, Dominic Puthucheary and Jamit Singh. Bani and Lee Siew Choh, who became Chairman of the Barisan Socialis, were Assembly members. See Shee, "People's Action Party," p. 48.

<sup>72</sup>Bellows, The People's Action Party, p. 43.

<sup>73</sup>Shee, "People's Action Party," pp. 48-49.

the moderates had conducted their most systematic and concerted attacks on the extremists and Communist ideology. The intra-party split came about not because of MCP impetus, but rather appears to have been the deliberate objective of Lee's faction. The moderates went out of their way to force the extremists to take a stand on the merger proposal, in the knowledge that they would be against it.<sup>74</sup> The moderates also kept their opponents in the dark about any progress of discussions between Singapore and the Federation on the subject of merger, prompting first suspicion then conviction that internal security would come under Federation control.<sup>75</sup>

The day after the election, Lee Kuan Yew offered his resignation as Prime Minister to PAP Chairman Toh Chin Chye and the CEC. Toh replied that the CEC had chosen Lee to fulfill the political program of the party, and that all shared responsibility for successes or mistakes.<sup>76</sup> It is possible that Lee's offer was as much aimed at eliciting an unequivocal statement of support from the CEC as it was anything else. Having

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<sup>74</sup>Pang, Singapore's People's Action Party, p. 131.

<sup>75</sup>Bellows, The People's Action Party, p. 43.

<sup>76</sup>Shee, "People's Action Party," p. 50.



this support, he could proceed in his campaign against the dissidents in the party, which reached a climax on 20-21 July.

#### Formation of the Barisan Socialis

This took place not in a party cadre meeting, as might have been expected with what was essentially an intra-party matter, but in the Assembly. After David Marshall was sworn in as the Member for Anson, Lee moved for a vote of confidence in the government. The debate went on through the night, dealing mostly with the subject of merger. Lee charged the British with attempted manipulation of the political situation; the eight Assemblymen who supported Marshall with betrayal of the PAP; and the "pro-CP Left" with trying to capture the party.<sup>77</sup> The vote, at ten minutes to four in the morning, sustained Lee by one; he received twenty-seven votes to eight in opposition, with thirteen abstentions, all by PAP members. Only the addition of a single SPA vote to his twenty-six saved him.

The thirteen Assemblymen, which included Lim Chin Siong and his supporters, were expelled from the PAP. Also expelled were fourteen district secretaries, and within a short time thirty-five branch committees

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<sup>77</sup>For Lee's speech to the Assembly, see Josey, Lee Kuan Yew, pp. 139-46.

resigned. In all, the PAP moderates were left with a rump of only 19.6% of the party membership; lost were 4.9% who resigned or were expelled, and 75.5% whose memberships had lapsed. The issue was brought before the Assembly rather than before a meeting of party cadres and branch executive committees (as might have been expected) because there the moderates might have lost out. In the Assembly there was a possibility that the opposition members might support the PAP moderates rather than face the alternative of bringing down the government and going to the polls.<sup>78</sup> Lee won his gamble. The split saw nearly all of the Chinese-educated members of the party leaving the PAP, and with it the mass base upon which Lee had relied for so long. On 26 July, the Barisan Socialis Party was formed, with Lim Chin Siong as Secretary General, and Lee Siew Choh as Chairman.

Having lost both a large part of its membership and the main source of its strength, the PAP made marked changes in its organization, ideology and leadership. The government now became the primary agency for gaining popular support, and the party became a tool to carry out government programs, rather than the other way

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<sup>78</sup>Pang, Singapore's People's Action Party, p. 14.

around. In those constituencies still held by the PAP, the loyal Assemblymen became the branch chairmen, a practice which became standard. Without the young, Chinese-educated socialist radicals, the party attracted mainly successful middle-class professionals or individuals seeking employment in the PAP. The party leadership decided that the English-educated would continue to rule the party, and the top echelon remained a closed caucus.<sup>79</sup> Long before this moment, Lee had ceased his counterproductive criticisms of the English-educated portion of society.

Within the labor movement, the split was reflected in the dissolution of the Singapore TUC. The pro-Communists formed the Singapore Association of Trade Unions (SATU), under Lim Chin Siong. The SATU was never legally registered under the Societies Ordinance. Moderate unions were represented by the National Trade Union Congress (NTUC), led by C. V. Devan Nair and Mahmud bin Awang.

#### Merger and PAP Survival

The split raised the central issue of merger to one of survival for the PAP, and the subsequent power

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<sup>79</sup>Shee, "People's Action Party," pp. 57-58. For a thorough analysis of the reasons for and the implications of the split, see pp. 51-59.

struggle between the PAP and the Barisan revolved around this question. Each new development in the process toward merger brought charges and countercharges from both sides.

There were four principal PAP arguments for merger. First, merger was seen to be the key to Singapore's economic health for Malaya was the hinterland producing the rubber and tin vital to Singapore's economy.<sup>80</sup> Second, merger would make Singapore part of an entity with military and political viability, for the PAP did not believe Singapore alone had this capability.<sup>81</sup> Third, in view of the leftward trend shown by the election results from 1955 through the Anson election, the PAP felt the necessity to bring this to an end as a precondition to industrial peace necessary for successful industrialization. With merger, internal security powers of the federal government would be available to use against the extremists.<sup>82</sup> (This would also curb the threat to Malaya from a radical Singapore.) Finally, as part of a "democratic non-Communist socialist Malaya," the PAP would have the opportunity to broaden its political base by expanding

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<sup>80</sup> Lee, The Battle for Merger, p. 5.

<sup>81</sup> Shee, "People's Action Party," p. 59.

<sup>82</sup> Ibid., p. 60.

into Malaya.<sup>83</sup> The last objective was to become particularly crucial when the attempt to do so was actually made. The next two years were to be much occupied with working out the details of the merger.

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<sup>83</sup>Ibid., p. 61.



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## CHAPTER IV

MOVEMENT TOWARD MERGER  
1961-63

Merger is going to take place not just because it is the desire of the PAP or merely because it is the wish of the Federation Alliance government. It is as inevitable as the rising and setting of the sun. The two territories are so intertwined and interwoven in their economic, political and military complex that no man can keep up the artificial barrier at the causeway for long.

Lee Kuan Yew, 1961<sup>1</sup>

Preliminary discussions had been going on throughout this trying period to formulate the basic terms of merger. The first public statement came in a joint communique issued by Federation Prime Minister Tunku Abdul Rahman and Lee Kuan Yew on 24 August 1961:

Among many matters examined was the question of Federation responsibility for defense, external affairs and security. The Singapore Prime Minister laid particular stress on the necessity of Singapore's retaining local autonomy, especially on matters of education and labour.<sup>2</sup>

According to Lee, the Tunku had made quite clear that the central government had to control internal security,

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<sup>1</sup>Lee, The Battle for Merger, p. 4.

<sup>2</sup>Ibid., p. 116.

and that if the Communists in Singapore (in the unions and political parties) tried to make trouble, he would go all out to counter their efforts.<sup>3</sup> Barisan dissatisfaction with the agreement displayed the gulf between it and the PAP.

#### Response to Criticisms of Merger

Barisan criticism was that the PAP government had accepted a plan for a "phony merger" which placed some powers in the hands of the central government and reserved others to Singapore. What should have been sought was a "true merger" in which Singapore would join the Federation on the same basis as had Malacca and Penang when they were incorporated into Malaya in 1949. The most serious drawback to this form of merger, however, was the matter of citizenship. Under the 1958 Singapore Constitution, citizenship had been granted on a much more liberal basis than had been that provided in Malaya for non-Malays under the 1957 Federation Constitution. Merger under those terms would have meant the disenfranchisement of nearly half of all Singaporeans, those born outside its boundaries. The PAP took maximum advantage of this, stressing that the Federation was unlikely to waive its citizenship requirements, especially to enfranchise what would be

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<sup>3</sup>Ibid., p. 52.

a Chinese majority. The Federation was also inflexible on the matter of internal security, and was not inclined to accede to the Barisan demand for abolition of the Internal Security Council.

To counter the claims of the Barisan, and as one tool to reestablish the PAP's legitimacy, Lee delivered a series of twelve talks over Radio Singapore during September and October. He described the process by which he and the other English-educated PAP leaders had come to join with the pro-Communists in the united front, and how they had fought to maintain control of the PAP over the years. He thoroughly discussed the merger issue, and explained the reasons for the terms which had been agreed upon. In the final talk, Lee detailed the deficiencies in the Barisan plan for merger, and gave the reasons for Singapore's insistence upon control of education and labor.<sup>4</sup>

The last two matters were particularly important, for they had, in Lee's view, direct bearing upon the progress of industrialization and upon development of a non-communal, Singaporean outlook. "Workers," he said,

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<sup>4</sup>See Lee, The Battle for Merger. The twelve talks plus the twelve appendices are a rich source of both historical details and of Lee's views on a number of topics which were vital to his political success between 1954 and 1961, and serve as his recapitulation of political events in that period.

"want to be assured that our pro-labour policy will continue."<sup>5</sup> (Left unsaid, perhaps, was the warning that the pro-labor policy was dependent upon labor's cooperation with the government.)

The Importance of Control  
, of Education

Concerning education, Lee promised that

Chinese parents who want their children to go to Chinese schools want to be assured that the present policy of equal treatment of all streams of education will go on.<sup>6</sup>

The concept of different educational streams based upon the language of instruction had its origins in practices dating to the very beginnings of the colonial period. English-language instruction had originally been designed to train clerks for Western commercial establishments and the lower levels of government, but dedicated efforts by some Englishmen and Asians had resulted in creation of a few primary and secondary schools of very high quality, producing graduates with capabilities far beyond the clerkly level. English-language diplomas were sought because of the economic advantages which they conferred.<sup>7</sup> Such economic

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<sup>5</sup>Ibid., p. 79

<sup>6</sup>Ibid., p. 78.

<sup>7</sup>For a concise, thorough analysis of the nature and implications of education policies in Singapore, see Peter A. Busch, Legitimacy and Ethnicity: A Case Study of Singapore (Lexington, MA: D. C. Heath, 1974), pp. 28-35.



advantage was not, however, matched by the cultural and political importance which the Chinese attached to education in Mandarin.

Under the earliest colonial regimes, the Chinese had been left to themselves in matters of education, which meant that not only the curriculum but the instructional materials themselves were based upon and even consisted of importations from China. The Chinese schools began to be politicized during the 1911 Chinese Revolution, and in the 1930's were thoroughly radicalized through the efforts of the Communists, who supplied both teachers and texts. By the 1950's, the combination of political radicalization with the traditional Chinese view of education in the vernacular as a fundamental component of "Chinese-ness" had made the question of the nature and extent of control of education profoundly important. Efforts to control the radical political aspects of Chinese education were perceived as attacks upon Chinese culture itself, which Lim Yew Hock discovered.<sup>8</sup>

Malay vernacular education was the poor relative in the educational household, despite support by Malay intellectuals and colonial establishment. Not until the

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<sup>8</sup>Ibid., p. 29; and Lee, The Battle for Merger, p. 58.

PAP took power were Malay-language secondary schools established. With them came some increased upward mobility for Malays, especially teachers, but in other areas there was little change. While Malay was made the symbolic National Language, English and Chinese continued to be the economically important languages, which had in more recent years prompted Malays to enroll their children in the English stream.<sup>9</sup> Thus, when Lee obtained the guarantee of continued local control of education, the political and economic objects were the Chinese and their vernacular education, and how to bring them into line with the philosophy of a non-communal nation. In 1956, Lee quoted from a White Paper on Education:

If Malaya is to survive as a nation, and if our people are to achieve social, political, economic and cultural advancement in the modern world, the most essential prerequisite is to abolish the communal divisions, antagonisms, rivalries and distrusting which threaten the unity of our country. . . . The instrument to achieve this aim is a truly national education policy.<sup>10</sup>

#### Merger and Internal Security

The preliminary division of responsibility in the proposed federation as set forth in the August communiqué, while dealing with important issues (especially

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<sup>9</sup>Busch, Legitimacy and Ethnicity, p. 30.

<sup>10</sup>Lee, The Socialist Solution, p. 14.

internal security and its ramifications), reflected agreement easily reached on matters about which there was little question, or upon which a concession was not painful. That on education and labor was of the latter sort, internal security of the former. Security was, in fact, the key issue in causing the Tunku to change his originally nearly adamant stand against merger to a subsequently firm belief in its necessity, and one which Lee exploited to bring about just this result. It had been no secret that the Tunku and his government regarded Singapore as a potential source of subversion because of the ties between the radicals on the island, and the MCP elements in hiding in the Malayan jungle.

Up to 1960, Malaya had been actively engaged in trying to suppress the MCP during the Emergency, which had dragged on since 1948. They were well aware of the radical nature of Singapore politics at that point, and had no desire to incorporate an additional source of turmoil. As 1963 approached, however, with the prospect of new discussions on the Singapore Constitution which could possibly bring independence, the viewpoint changed. In his speech introducing a motion for merger to the Federal Parliament, Rahman said,

While Singapore is under the British there is no threat of open action by the Communists which might endanger the peace and security of the

the Federation, but with an independent Singapore, anything can happen.<sup>11</sup>

In another part of the same speech, he indicated that the reasons for keeping the two apart were now justification for bringing them together:

. . . times change, and so must our outlook; hence what was not agreed to yesterday might be agreed to today when we give it a second thought; and so the idea of Malaysia took shape.<sup>12</sup>

Lee had worked to change Rahman's mind both indirectly and directly. Over the long term, he had endeavored to allay Malayan fears. When Lee agreed to creation of the Internal Security Council on which the Malay representative had the swing vote, he recognized Malayan interests in an orderly, peaceful Singapore (he also, as events showed, had a means to control his opponents in Singapore at second hand, as it were.)

More immediately, in his discussions with the Tunku, Lee apparently was very frank in his description of the situation in Singapore. Rahman was evidently quite impressed by his arguments:

The Prime Minister of Singapore . . . has come to Kuala Lumpur . . . to discuss all the problems which would arise, some of which are rather frightening.<sup>13</sup>

And,

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<sup>11</sup>Lee, The Battle for Merger, p. 127.

<sup>12</sup>Ibid., p. 125.

<sup>13</sup>Ibid., p. 127.

We made a careful study of the situation and came to the conclusion that the only salvation for Singapore would be in some form of closer economic and constitutional association with the Federation.<sup>14</sup>

Lee himself said that "from Singapore the Federation can be undermined. Singapore is vital to the security and survival of the Federation. . . ." <sup>15</sup>

Agreement having been reached upon the desirability of merger, and upon the initial terms, it was now necessary to discuss matters less amenable to rapid settlement. In August, a working committee was established to discuss financial and other matters deriving from the situation in which Singapore had local autonomy on certain matters, and to consider the financial contributions Singapore should make to the national government. In mid-September, following another meeting between Lee and Rahman, it was announced that Singapore would become the twelfth state in the Federation by June 1963, a date which was revised twice.

#### The Heads of Agreement

By November, the working committees (which sometimes included the Prime Ministers or Cabinet Ministers) had arrived at the more detailed terms of merger, or Heads of Agreement, published on 16 November as

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<sup>14</sup>Ibid., p. 126.

<sup>15</sup>Ibid., p. 6.



Singapore Command Paper 33. These revealed that it had been easier to reach agreement on political terms than on financial and economic matters, for the former were much more specific than the latter. Some of the political terms, particularly provisions concerning citizenship and Singapore's representation in the Federation House of Representatives, aroused strong controversy in Singapore's local politics. The debates over financial and economic arrangements were resolved only in very general terms, and had the long-term effect of engendering a strong rivalry between the PAP and the Malayan Chinese Association (MCA). This rivalry was to become the source of bitter acrimony between Singapore and the Federation and contributed significantly to the tensions which ultimately brought about the splitting off of Singapore from Malaysia.

Among the terms of the Heads of Agreement were the following: Singapore would become a State in the new Federation with fifteen seats in the House of Representatives and two senators; it would have greater local autonomy in education and labor and broader state powers than the other states. These broader powers included Singapore's right to a larger portion of state revenue than usual under the Federation Constitution (to support Singapore's educational system, housing program

and social services on the existing scale.) Singapore's trade position would be protected by inclusion of Singapore members on overseas trade missions.<sup>16</sup>

Singapore citizens would retain their Singapore citizenship and acquire Federation nationality, and the special position of Malays would be safeguarded under the new constitution. The Singapore Head of State would be appointed by the Federation Head of State rather than by the British monarch, and he would be the head of the Islamic faith in Singapore, assisted in that regard by a Council of Muslim Religion.<sup>17</sup>

Debate in Singapore  
on Merger Terms

In Singapore, the last two months of 1961 were filled with debate over the Heads of Agreement which had been endorsed by the Federation Parliament on 16 October. Lee's opponents--the Barisan, the Worker's Party, Ong's UPP, and the Singapore Alliance (SA)--all declared their basic support for merger, but expressed displeasure that the PAP government had conducted unilateral negotiations. There should have been more consultation with the people (Barisan); with the other parties (SA, UPP); and freer debate upon the issue

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<sup>16</sup> Simandjuntak, Malayan Federalism, pp. 139-40.

<sup>17</sup> Ibid., p. 138.

(Worker's Party). The basis for the Barisan's support for merger has already been described. It also objected to the non-proportional representation granted Singapore, claiming that Singaporeans were thus "second-class citizens." As an alternative, the Barisan (and the Worker's Party) believed the idea of some form of confederation should be explored, giving Singapore full control of internal matters, including security, leaving only defense and foreign affairs to the central government. David Marshall, of the Worker's Party, described the announced arrangements as colonialism from Kuala Lumpur, while the UPP and SA thought that they were not really merger terms, but a vague constitutional arrangement.<sup>18</sup>

Debate on the Heads of Agreement as the basis for merger began with the motion of the Minister of Labor, on 20 November, that

. . . this House affirms and declares that the first object of all true patriots of Malaya is to achieve the re-unification of these territories in a merger of Singapore with the Federation of Malaya.

Lee Siew Choh, leader of the Barisan in the Assembly, moved an amendment to strike out the last nine words, and insert:

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<sup>18</sup>Ibid., pp. 137-39.

genuine merger with the Federation of Malaya with Singapore as the twelfth state and all its citizens to automatically become Federal citizens on Merger Day.<sup>19</sup>

Debate occupied the next thirteen Assembly sessions, during which the government detailed the flaws in the Barisan proposal (see page 156 of this text). The vote was finally taken on 6 December when the government moved that

. . . as an immediate practical step towards the ideal goal of complete merger, this House accepts the heads of agreement . . . as a working basis for the reunification of the . . . territories.

The Assembly sustained the motion by a vote of thirty-three to zero, with eighteen absences: The Worker's Party, the Barisan and the UPP walked out claiming that the vote had been "railroaded" through because the Singapore Alliance had given its support so as not to go against something having the blessings of the Federation Alliance.<sup>20</sup> Because of opposition protests about invalidity of the vote, the resolution was reintroduced on 30 January with an amendment which satisfied the Worker's Party and the UPP, the Barisan again voted against.<sup>21</sup>

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<sup>19</sup>Osborne, Singapore and Malaysia, pp. 20-21.

<sup>20</sup>Peritz, "Politics of Singapore," pp. 295-96.

<sup>21</sup>Willard A. Hanna, The Formation of Malaysia: A New Factor in World Politics (New York: American Universities Field Staff, 1964), p. 17.

The British Bases and Borneo

While Lee was fighting for acceptance of the Head of Agreement, Tunku Abdul Rahman had gone to London for discussions with the British. From the Foreign Office he obtained acceptance of the concept of Malaysia as a desirable objective, and of a special formula to enable the British to retain their bases in Singapore after merger. Disposition of the bases and the future of the Borneo territories were the two main issues of the discussions.

In Singapore, the bases were a political issue, being a continued presence of the colonial power, and an economic matter, by virtue of their contribution to revenue and employment. Lee was able to gain some political capital at the expense of the British, with little danger to himself. He accused them of being too slow to discuss the status of the installations because they wanted to "squat on their bases." One of his concerns was that since after merger the 1957 British constitutional agreement with Malaya would then extend to Singapore, and as Malaya was not a SEATO member, British bases in Singapore could not longer be used for SEATO purposes. Such use, said Lee, would be "out of the question."<sup>22</sup> Largely at Lee's insistence, the Tunku

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<sup>22</sup>"British Bases in Singapore," FEER, 26 October 1961, p. 241.



got the British to agree to a face-saving formula which gave both sides what they wanted. The British would continue to use the bases "for the purpose of assisting in the defense of Malaysia, and for Commonwealth defense and for the preservation of peace in South East Asia."<sup>23</sup>

In this way, an important economic asset to Singapore was preserved. The British bases directly employed over 30,000, about one-sixth of the total labor force. When families of laborers, casual labor, and secondary suppliers were considered, between 100,000 and 150,000 people were affected. Annual expenditures were nearly one-fifth of Singapore's annual revenue. Even S. Woodhull, the pro-Communist legal advisor to the Naval Base Labour Union, said "We should not run away with our political emotions, but face harsh facts."<sup>24</sup>

On the question of the Borneo territories, the British were reluctant to include them in the Malaysia scheme because for the most part they were far from ready for self-government. However, according to one analysis, British acquiescence came about for four reasons: Malaysia was a solution to the dilemma of how to end the last British colonialism; there was a fear that when the Indonesians finally gained West Irian they

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<sup>23</sup> Simandjuntak, Malayan Federalism, p. 141.

<sup>24</sup> "British Bases," FEER, p. 243.

would then desire North Borneo, so merger offered a stable opportunity which might never recur; the British knew that an independent Singapore might well go Communist, prejudicing the British defense system in Asia; finally, and least important to the British, inclusion of Borneo would provide enough non-Chinese to offset the Chinese of Singapore.<sup>25</sup> Lee's role in gaining British acceptance of the idea was to exploit his record of strong anti-British attitudes and statements to press the British more aggressively than the more moderate Tunku could.<sup>26</sup>

In his New Year message, Lee characterized 1961 as a year in which the line had been drawn between the Communists and non-Communists. He foresaw 1962 as the year in which events stemming from this relationship would come to their logical conclusion.<sup>27</sup> During the debates of the last months of the year, the Barisan had called repeatedly for the resignation of Lee and his government. The PAP was determined to stay in office, for it did not know the full extent of the damage it had suffered to its mass base. Publicly, it had justified its stance on the grounds that the PAP wanted to see

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<sup>25</sup>Simandjuntak, Malayan Federalism, pp. 129-30.

<sup>26</sup>Osborne, Singapore and Malaysia, pp. 27-28.

<sup>27</sup>Josey, Lee Kuan Yew, p. 153.

merger through, and the support of the SPA enabled the PAP to retain control of the government.<sup>28</sup>

#### The Merger Referendum Election

The debate with the Barisan occupied in one form or another most of 1962, finally being resolved in the Singapore Referendum in September. Although constitutionally a referendum was not necessary, Lee chose to submit the issue of merger to the public, but not on a simple pro or con basis. Believing that his government already had a mandate to bring merger about, as a result of the victory in 1959 and Assembly approval of the Heads of Agreement in December and January, the referendum was to decide on the form of merger. Goh Keng Swee had felt that to rely upon the Assembly decision would be to evade the Barisan challenge, and Lee felt that without a referendum, credence would be given to the Communist claim of a "sell-out" of Singapore to the Federation.<sup>29</sup>

First mention of the possibility of a referendum was in a 21 September statement by Goh Keng Swee, four days after the Barisan announced its position on "complete" merger. Not until March 1962 did the idea become

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<sup>28</sup>pang, Singapore's People's Action Party,  
p. 15.

<sup>29</sup>Simandjuntak, Malayan Federalism, p. 148.

a firm proposal in the Assembly. The National Referendum Bill which was placed before the House contained three areas which were especially objectionable to the opposition. Most controversial was the clause which allowed unmarked ballots to be counted as accepting or being willing to accept the decision of the Assembly. The government position was that the voter, though indifferent or not understanding the issue, went to the polls because voting was compulsory and he was willing to have his representative make the decision.<sup>30</sup>

A second provision made a person who intentionally destroyed a ballot liable to a fine, imprisonment and disenfranchisement for seven years. The government felt that this was a necessary safeguard against Communist or pro-Communist sabotage; the opposition said the technique would "out-Hitler Hitler."<sup>31</sup>

The third disagreement was over the wording of the referendum questions. Both sides realized the importance of phraseology. The opposition claimed that the only way to have a fair referendum was if they had a part in framing the questions; for the government to insist upon the sole right to do so was to allow the PAP to present the issue dishonestly. Three lawyers, including David Marshall, called for the government to

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<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

delete the provisions denying the right to say "yes" or "no," which was ignored on the basis that the mandate for merger had been already given.<sup>32</sup> Lee stated his position quite clearly:

. . . let us be clear in our minds that the Government is under no compulsion to have this referendum and there is no need to resort to trickery. . . . The final position we want to achieve is . . . a merger under which the various races in Malaya will live in peace and harmony . . . . It is the duty of the government to try and bring merger and Malaysia about peacefully by consent with the maximum of goodwill . . .<sup>33</sup>

Following this debate, the bill was referred to an Assembly committee for study, and did not come up again until June. During the intervening period the Barisan attacked both the Federation and PAP, claiming that acceptance of the Malaysia proposal would promote communal feelings, and it threatened the British with possible "brutal confrontation" if Lee succeeded in "selling out our interests."<sup>34</sup>

Lee and the PAP countered in two ways. They argued that the Barisan was a front for Communist activity, and they stressed the advantages of their own program. Lee said that the Barisan's real concern was not the nature of citizenship after merger, but that new

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<sup>32</sup>Ibid., p. 149.

<sup>33</sup>Josey, Lee Kuan Yew, p. 156.

<sup>34</sup>Osborne, Singapore and Malaysia, p. 24.



security arrangements might limit its activities. The PAP also alleged that the Barisan was in contact with the Indonesian Communist Party (PKI), and that because the Barisan expected the PKI to gain power in Indonesia this meant the Barisan preferred merger with Indonesia. The PKI had, in December, announced its opposition to Malaysia, an action used later by the PAP to discredit the Barisan. On the positive side, the PAP stressed the practicability and desirability of merger.<sup>35</sup>

In the debate on final terms of the referendum, the PAP was working with an absolute minimum of twenty-five seats, an Assemblywoman having crossed the floor to the opposition. Passage of the bill was obtained with support of the Singapore Alliance members. It offered three alternatives to the voters of Singapore:

Proposal A. The constitutional arrangements set out in Command Paper 33 of 1961 giving Singapore autonomy in education and labour.

Proposal B. A complete and unconditional merger on an equal basis with the other eleven states in accordance with the constitutional documents of the Federation of Malaya.

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<sup>35</sup>Ibid., pp. 24-25.

Proposal C. Entry into Malaysia on terms no less favourable than the terms for the Borneo territories.<sup>36</sup>

Unless the voters chose the first proposal, the PAP could no longer justify its continuance in office. Proposal B was what the PAP claimed was the Barisan's position, and the third had been added at the behest of Lim Yew Hock, though there was at the time no indication of what those terms would be.<sup>37</sup>

In a move to focus world attention upon the situation, the Barisan persuaded seventeen Assemblymen to petition the United Nations Special Committee on Colonialism to send an observer to Singapore for the referendum. On 26 July a five-man committee including Lee Siew Choh and David Marshall representing the Barisan and four splinter parties, presented its memorandum. They argued that the merger was a British plan to maintain its bases and protect a privileged economic position. The referendum and the citizenship provisions were criticized and the suggestion was made that Singapore would be placed in a position of trusteeship under Malaya. Lee appeared in person to make a detailed

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<sup>36</sup>Pang, Singapore's People's Action Party, p. 6.

<sup>37</sup>Osborne, Singapore and Malaysia, p. 25.

<sup>38</sup>Ibid., pp. 26-27.

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LEE KUAN YEW: HIS RISE TO POWER 1950-1968.(U)  
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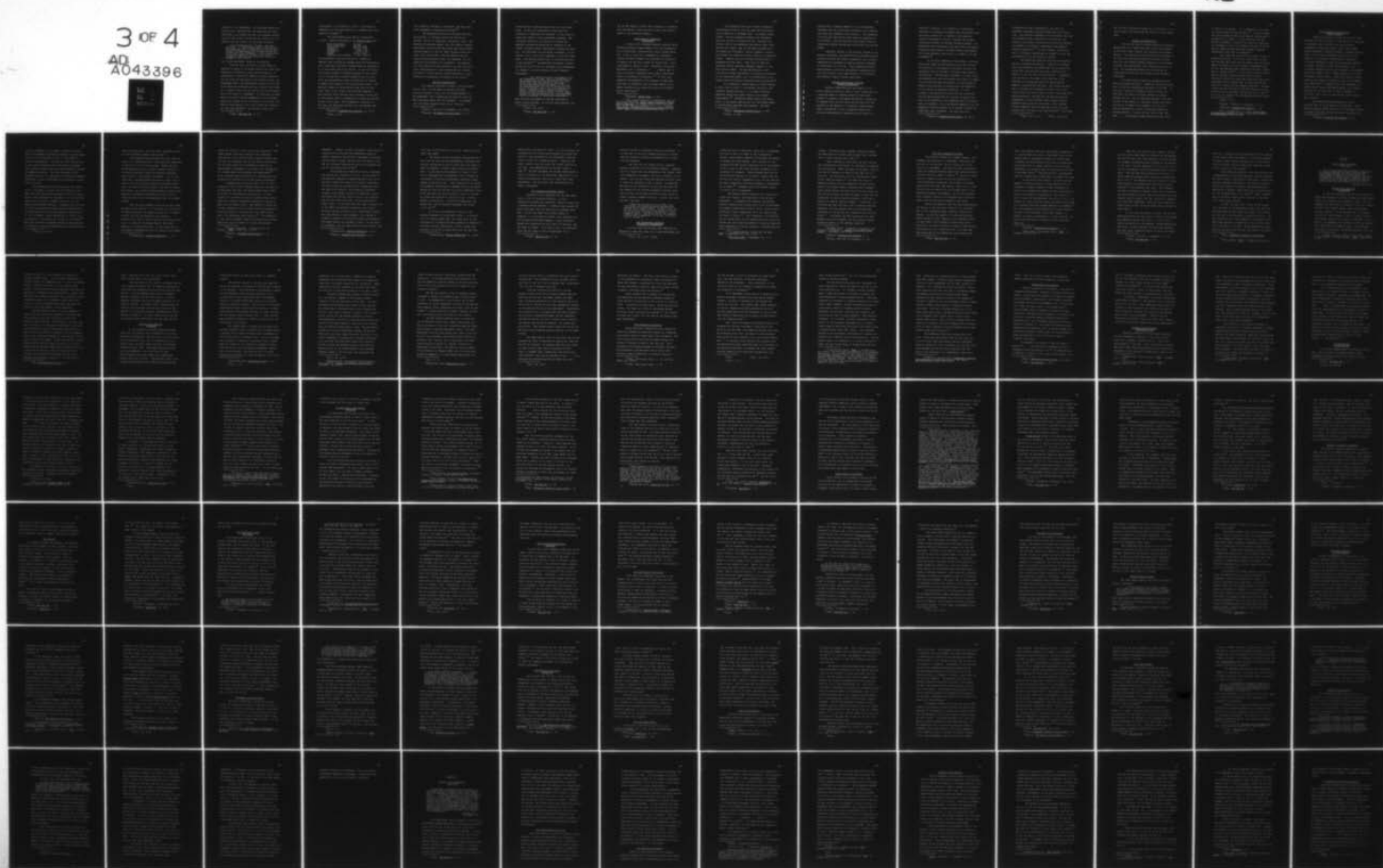
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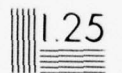




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MICROCOPY RESOLUTION TEST CHART  
NATIONAL BUREAU OF STANDARDS-1963-A

rebuttal of the memorandum. He disclaimed merger as a British plot, declared that the terms were the best obtainable, and pointed out that the Singapore government had been freely elected and was carrying out its mandate from the voters. He concluded by saying:

If my understanding is correct, then this petition . . . must stand unique in the annals of this Committee, as it comes from a group of politicians in Singapore who do not want to see the country free and independent. Their sole purpose in fighting merger in Malaysia is to retain Singapore's semi-colonial status for political reasons of their own.<sup>39</sup>

Only Poland and Russia voted for the petition.

From New York, Lee went to London where he obtained a change in the merger terms which would grant Federation citizenship, rather than nationality, to Singaporeans. Essentially cosmetic in nature because it did not alter the realities of the original terms, the propaganda effect was nonetheless valuable for the PAP. This change was announced upon Lee's return from London on 14 August, along with the notice that the referendum would take place on 1 September. The ensuing two weeks were filled with vigorous campaigning, the government making the fullest use of its control of the radio, and implying that merger on any other terms than Proposal A was less than desirable. The Barisan called Lee's

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<sup>39</sup>Josey, Lee Kuan Yew, p. 161.



announcement on citizenship a "bluff," and urged its supporters to cast blank ballots to indicate their disapproval of merger.<sup>40</sup>

The referendum gave the PAP an overwhelming victory. Results announced in the Straits Times were:

Total electorate	624,000
Total votes cast	561,599 (90%)
Proposal A	397,623 (71%)
Proposal B	9,422 (1.5%)
Proposal C	7,911 (1.4%)
Blanks	144,077 (26%)
Uncertain and rejected	2,523 (0.1%) <sup>41</sup>

The government's majority was due to a number of reasons, most influential perhaps being that Proposals B and C contained significant disadvantages as compared to A, so the voters had little choice. At the last minute the Chinese Chamber of Commerce appealed to the voters not to be deceived by parties appealing only to negative, non-constructive views of relations with Malaya, an appeal which seems to have carried much weight. The heaviest numbers of blank ballots came from the more rural areas of the island, while the PAP appeared to have received votes from all major sources of power and to have brought about a cooperation of Malay and Chinese voters on the issue. Such cooperation, conscious or not, may have destroyed the myth that the Chinese were

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<sup>40</sup>Osborne, Singapore and Malaysia, pp. 27-28.

<sup>41</sup>Ibid., p. 28.

only temporary residents in Singapore, and made them more acceptable to conservative Malays.<sup>42</sup>

The referendum definitely indicated political polarization in Singapore around the PAP and the Barisan, but not on completely ideological lines. The Barisan had enlisted support from the rightist Liberal Socialists, while the PAP had called upon the Alliance grouping made up of the SA, UMNO, Malayan Indian Congress (MIC) and the MCA. The PAP emerged from the election more optimistic about its prospects, for the opposition had proved to be vulnerable. Furthermore, with the district tallies available, the PAP now knew in which constituencies it must concentrate its efforts, and where it could nominate favored candidates in safe districts to strengthen its control of the party.<sup>43</sup>

#### The PAP Consolidation

With general elections in mind, to be held sometime in 1963, the PAP began an intensive advance publicity program to point out its accomplishments in the government, and to establish the position that the PAP would make merger work for Singapore. In November 1962, Lee began speaking tours of all fifty-one

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<sup>42</sup>Peritz, "Politics of Singapore," pp. 263-64.

<sup>43</sup>Bellows, The People's Action Party, p. 50.

constituencies, which continued until the 1963 elections. He met with committees in each district, listening to complaints and assuring, to the limits of reason and capacity, swift government response. The government carried on its efforts to provide all possible services and amenities to residents of the island, including water, electricity, schools and housing. Its Four-Year Plan was ahead of schedule, as was housing, with 21,232 units completed in less than three years. The PAP was proving that it could deliver what it had promised.<sup>44</sup> Lee described the general problem facing not only his but all Southeast Asian governments in a speech to an Asian Seminar on Urban Community Development:

. . . the industrialization programmes of the new governments in Asia, and the landlessness of the younger sons--are bringing about the inevitable drift from the country to the towns. . . . In the higgledy-piggledy tenements of the city new problems arise, not only of re-housing them but of re-forming them in new group patterns to create a community which ensures a satisfying social life and effective forms of social organization to help co-ordinate with, and supplement welfare programmes of government departments.<sup>45</sup>

This was also the essence of the PAP government's public housing program. By solving these problems, Lee

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<sup>44</sup>Ibid., pp. 50-51.

<sup>45</sup>Josey, Lee Kuan Yew, p. 164.

and the PAP hoped to ensure their chances of triumphing over the Barisan, which was still intent upon gaining power in the Singapore Assembly.

Beginnings of Indonesian  
Konfrontasi

In early 1963, Indonesia became a serious factor affecting progress toward merger, with the declaration of its Konfrontasi (Confrontation) policy toward Malaysia. Prior to late 1962, statements by Indonesian Foreign Minister Subandrio had indicated no objections to merger, and had even wished the venture well. This stand began to change in 1962. Subandrio said during a September visit to Singapore, ". . . I merely want to make it clear why Indonesia cannot remain indifferent toward the formation of Malaysia."<sup>46</sup> By this time, Indonesia had prevailed in its struggle to make West Irian part of Indonesia, and no longer needed to dissemble concerning its intentions toward the northern Borneo territories.<sup>47</sup>

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<sup>46</sup>Brackman, Second Front, p. 129.

<sup>47</sup>For a brief analysis of Konfrontasi, see Ide Anak Agung Gde Agung, Twenty Years Indonesian Foreign Policy 1945-1965 (The Hague: Mouton, 1973), pp. 444-506. A more lengthy treatment is in J. A. C. Mackie, Konfrontasi: The Indonesia-Malaysia Dispute 1963-1966 (Kuala Lumpur: Oxford University Press, 1974).



The watershed event which brought Indonesian anti-Malaysia policies into the open was the abortive Brunei Rebellion of December 1962. Its leader, Sheik Azahari, had had extensive contacts with Indonesian political parties (including the PKI, Partindo--the leftist wing of the Indonesian Nationalist Party (PNI) and the PNI itself), and, as the Tunku pointed out to the Federation Parliament, leftist elements in Brunei and Sarawak had received military training in Indonesian Borneo. (Azahari had also visited Lim Chin Siong in Singapore more than once.) When this all came out, President Sukarno declared Indonesian support of the North Borneo rebels. He labelled Malaysia a neo-colonialist concept detrimental to the national interests of the Indonesian people, and in contradiction to his foreign policy principle of militant anti-colonialism.<sup>48</sup>

On 11 February, Sukarno spoke to a mass meeting, at which time he said, "I now declare officially that Indonesia opposes Malaysia." In a press interview, Subandrio warned that armed conflict might become "unavoidable."<sup>49</sup> Eventually armed conflict did occur, mostly in the Borneo territories, but the primary means of confrontation employed were economic. The most

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<sup>48</sup>Agung, Indonesian Foreign Policy, p. 460.

<sup>49</sup>Ibid., p. 463.



sweeping was a complete embargo on all trade between Indonesia and the territories of Malaysia (with effects far worse upon Indonesia than Malaysia.) For Singapore, the political implications were nearly as important as the economic. The PAP exploited the alleged political connections between the Barisan and the PKI with telling effect.

Important factors in the eventual outcome of the Malaysia experiment included similarities between mainland political parties and those in Indonesia, and invidious comparisons by Singapore of Malayan economic responses to Konfrontasi with its own. Such comparisons exacerbated personal, political and economic antagonisms having their origins in the negotiations on the economic and financial terms of merger (see below).

#### Further Anti-Barisan Internal Security Operations

Barisan connections with and support of the Brunei Rebellion were, at least in part, responsible for a surprise sweep by internal security forces which placed 111 persons in Singapore and Malaya in detention. In December both Lim Chin Siong and Lee Siew Choh had referred to the Rebellion in classical class-struggle terms, contrasting it with a predicted Fascist and military dictatorship to come about as the result of

Malaysia's creation. On 2 February, a coordinated operation in Singapore and Malaya made the arrests which once again placed Lim, S. Woodhull, and James and Dominic Puthucheary in prison. Besides the alleged connections between the Barisan and Sheik Azahari, the detentions were justified on the basis that the Barisan planned to participate in further violent acts against the future Malaysian territories, to judge by its past statements.<sup>50</sup>

In his first comments on the arrests, returning from Kuala Lumpur and the meeting of the ISC at which the decision for the operation was made, Lee gave the impression that he had been a reluctant participant in the decision. The Singapore Government, he said, would have preferred to leave the action until after 31 August (by this time the date for merger), but had chosen to abide by the principle of working with the Federation on this matter of national importance. In this instance, Lee received criticism from two directions; Lim Yew Hock attacked him for failing to stand by his duty to the Federation, and suggested that the arrests were not necessary, while the Malayan members of the ISC apparently reacted strongly to an attempt to shift the blame onto their shoulders. Lee later said his

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<sup>50</sup>Osborne, Singapore and Malaysia, pp. 32-33.

statements had been misunderstood, and that the Singapore Government certainly upheld the ISC's decision. One personal assessment of the situation was that the detentions were justified by the evidence, and possibly were equally indicative of British and Malayan willingness to neutralize increasingly obstreperous internal opposition.<sup>51</sup> In this instance, Lee was not able to completely camouflage his attempt to shift the responsibility for the arrests to others.

The detentions seriously affected the Barisan's ability to operate effectively. Those of its leaders still free denounced the detentions and the conditions under which the detainees were kept, carrying their efforts to the very door of Lee's office. A demonstration was held on the steps of the City Hall which resulted in the eventual arrest of twelve Barisan members, including Lee Siew Choh. The charge was abetment to overawe the government by force, and in the interim until the twelve came to trial on 29 August they were periodically involved with various hearings and preparation of their defense, which probably greatly hampered their political activities. Their defense counsel commented that the case had little to do with criminal law, but much to do with politics.<sup>52</sup> While Lee

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<sup>51</sup>Ibid., pp. 31, 33.

<sup>52</sup>Ibid., pp. 33-34.

may not have liked being blamed for the situation, it is quite likely that he and the PAP used it to their advantage.

#### Origins of PAP-MCA Feud

Much of the last six months before the scheduled merger date of 31 August was taken up with discussions on the final terms, notably the financial and economic matters. The discussions were significantly affected by the feud which developed between the PAP and the MCA, which was the Chinese communal component of the Malayan Alliance, and represented a very conservative point of view. The antagonisms between the two parties had significant bearing upon the outcome of the Malaysia experiment.

The relationships among the protagonists were more than simply political. Federation Finance Minister Tan Sin Siew was concurrently President of the MCA. He was also a cousin of Singapore Finance Minister Goh Keng Swee, and there was strong personal antipathy between the two. Lee, as Secretary General of the PAP, saw Tan as the leader of a mainland Chinese Party which was trying to expand into Singapore, and Tan had a similar appreciation of Lee's intentions toward the mainland states. In fact, Tan had said in May 1963 that ". . . the Malayan Chinese Association has a duty



to perform in Singapore. It is Singapore's only hope for future stability and progress."<sup>53</sup> It was no wonder that Lee regarded the MCA, only recently reorganized in Singapore, as a threat. He was convinced that the Malayan government's stand on the financial conditions for Singapore's entry into Malaysia was part of an MCA plot to topple the PAP and allow the MCA "merchant adventurers" free play in Singapore.<sup>54</sup>

Less clear was the role Lee intended to play in Malaysian politics. In his 1961 radio talks, he had said the PAP would work with the Labour Party and Party Rakyat of Malaya, but this prospect disappeared after the PAP was expelled from a Malaysian Socialist Conference in January 1962.<sup>55</sup> In 1954 Lee had made his statement at the PAP inaugural meeting about working throughout Malaya, but since that time he had been quite circumspect and in August 1963, he said that the PAP would not contest the 1964 Federal elections: "We want to show the MCA that even if the PAP keeps out of the elections on the mainland, the MCA will still lose."<sup>56</sup> It is in this context that the negotiations took place.

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<sup>53</sup>Ibid., p. 44.

<sup>54</sup>Leifer, "Politics in Singapore," p. 113.

<sup>55</sup>Osborne, Singapore and Malaysia, p. 45.

<sup>56</sup>K. J. Ratnam and R. S. Milne, The Malayan Parliamentary Elections of 1964 (Singapore: University of Malaya Press, 1967), p. 24.



Final Economic and Financial  
Terms of Merger

There were actually two series of talks, from February to April and again in June and July. The areas of discussion were two-fold; who should control Singapore's taxes after merger, and in what manner should Singapore's surplus be shared. Closely linked to these, in the view of Singapore officials, was the question of a Malaysian common market; Federation officials preferred to keep the two problems separate. To enable Singapore to sell the products of its increased industrialization and investment, an expanded market was needed, which a common market with the rest of Malaysia would provide. There was already a common currency and effective linkages in banking and commercial operations.<sup>57</sup> Singapore felt that agreement on a common market should come before merger, while Malaya believed it was sufficient to reach agreement in principle, and to work out the details after Malaysia was a reality.

Lee offered the PAP government's initial position when the talks opened on 28 February. After merger Singapore should keep all of its revenues including taxes collected, and pay an annual lump sum to the

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<sup>57</sup>Osborne, Singapore and Malaysia, p. 50.

central government for its share of Federal services. Later the Singapore government insisted it should retain over 75% of its revenues so that it could meet its internal requirements. Tan Siew Sin first replied that it was utterly necessary that the central government have ultimate control over what would eventually be seen as Federation revenue. With the refinement of the Singapore position, he persisted in claiming the Federal government's right to determine what Singapore's contribution would be.

The discussions were inconclusive, and carried over to late March, at which time the Federation proposal was that the central government retain all monies beyond those necessary for Singapore to run its services and pay for its share of Federal services (21.2% of common pan-Malaysian services.) Singapore said this was too much and proposed its share should be determined on the same proportion as its parliamentary representation (15 of 159 members), which emphasized its concern that its capacity to pay should be a factor in the amount.<sup>58</sup> They also objected to proposed Federation appropriation of Singapore's surplus revenues believing surplus-sharing

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<sup>58</sup>Ibid., pp. 52-53.

should be conditional upon any actual increases resulting from favorable common market terms.<sup>59</sup>

The stalemate which brought the first round of talks to an inconclusive end illustrated the differences in points of view of the two sides. Rahman had perceived merger as a way to insure internal security in the area by placing a source of potential subversion under control of the Federal Government. Lee, on the other hand, had manipulated the security issue, both to prevail over his political opposition and more importantly, to bring the Tunku around to the idea of merger. With merger, Lee foresaw expanded markets, greater labor peace and increased investments which would lead to industrialization and less dependence upon the entrepot economy.

When the talks resumed, positions on both sides had been further altered. On the matter of distribution of budget surpluses, Tan wanted one-half put at Federal disposal plus 25% of Singapore's tax receipts. Singapore felt that to give up half of its surplus would limit its abilities to finance capital facilities essential to industrialization; it also argued that if the Federal Government got half the surplus Kuala Lumpur

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<sup>59</sup>Simandjuntak, Malayan Federalism, p. 152.

should be willing to cover half of any deficits.<sup>60</sup> The common market issue was resolved to the immediate satisfaction of all parties when a meeting between Lee and Goh, for Singapore, and Tan and Deputy Prime Minister Tun Abdul Razak for the Federation resulted in announcement of agreement in principle for introduction of a common market once Malaysia was established.<sup>61</sup> Still unsettled were distribution of surpluses and the proportion of revenue to go to the central government.

Singapore was willing to offer 27.3% of total revenues or 39% of total national taxes for its share of pan-Malaysian services, and wanted common market terms to be part of the Malaysian Constitution. It also offered to loan M\$150 million to finance Bornean development as a means of satisfying Federation interest in obtaining the surplus funds. The Federation wanted 28% of total revenues or 40% of taxes, and for Singapore to grant M\$50 million; the details of the common market were to be determined after Malaysia.<sup>62</sup> The Federation at this point rejected Singapore's proposals and Rahman cancelled a trip to London to initial the Malaysia

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<sup>60</sup>Anthony Bottomley, "Financial Hitch for Malaysia," FEER, 19 May 1963, p. 373.

<sup>61</sup>Osborne, Singapore and Malaysia, p. 54.

<sup>62</sup>Ibid.

Agreement. Instead, he sent a delegation under Razak to discuss with the British the outstanding issues on merger, especially the matters of Singapore and Brunei. Lee also was in London, and the last two weeks of July saw two bilateral negotiations going on--Singapore and the UK, and Malaya and the UK.<sup>63</sup>

Final terms were resolved by mutual concession and details were released on 6 July. As its share of pan-Malaysian expenses, Singapore agreed to pay 40% of national income from taxes to the central government. The amount would be reviewed by an "independent body" one year after Malaysia, and biennially thereafter. Singapore also agreed to grant a fifteen-year loan to the Borneo territories, M\$100 million to be interest-free for the first five years, and the remainder at normal rates. It was also given the right to supply 50% of the labor for projects financed by loan funds, a potential partial solution to its unemployment problem. The terms generally gave Singapore a fair degree of freedom to control of its future economic development.<sup>64</sup> The common market was included in Annex J of the Malaysia Agreement, but the terms were brief and general, and

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<sup>63</sup>Simandjuntak, Malayan Federalism, p. 154.

<sup>64</sup>Osborne, Singapore and Malaysia, p. 55.



left much to be fleshed out in detail (something which never came about).

The feeling among the Malayan representatives in the talks was that Lee had deliberately frustrated the earlier discussions so that he would have the chance to make his demands in London, before signing the Agreement. He had said he was prepared to "squat it out," and to "persuade and be persuaded," which through the intercession of British Commonwealth Secretary Duncan Sandys he eventually was. Final signature of the Malaysia Agreement was delayed by demands from the Singapore delegation that the British give up War Department lands which they were not using and had no title to, and pay for those they desired to continue to use. Through Rahman's intervention, a figure for compensation was agreed upon, and the Malaysia Agreement was signed 9 July 1963.<sup>65</sup>

On 30 July Lee presented a motion to the Singapore Assembly to bring about merger. He pointed out in a lengthy speech that the "theme song" of the inevitability of merger had been presented to Federation officials at every opportunity, "softly, gently and politely," so as not to alarm them with the idea that

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<sup>65</sup>Simandjuntak, Malayan Federalism, pp. 154-55.

merger might come about by force. In his conclusion, he insisted that two things were necessary for anyone who wanted to take advantage of the development funds set aside to carry out industrialization: "Absolute and utter integrity that can stand the closest scrutiny at any time. And determination to see that right is done."<sup>66</sup> The PAP government had already demonstrated a level of integrity in its day-to-day operations, at all levels of bureaucracy, that put to shame most other governments. Lee had proven that determination was there in abundance.

#### The Japanese Blood-Debt Affair

Internally, Lee's opponents had one more opportunity to try to frustrate Malaysia. In April construction workers had unearthed a cache of bones from a Japanese wartime massacre. A memorial was planned and public sentiment grew for some form of Japanese atonement. During the summer the Chinese Chamber of Commerce, in a well-meaning gesture, took leadership of the so-called blood-debt campaign. Public sentiment seemed more concerned with this than with Malaysia, and Lee faced a dilemma. If he took no part, his opponents could use the issue to unite Singaporeans of all

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<sup>66</sup> Josey, Lee Kuan Yew, p. 178.

factions against an apparently uncaring government; if he took part in the anti-Japanese agitation, he might harm the chances of obtaining Japanese help to industrialize Singapore.

Lee took the only prudent option, assuming personal direction of the blood-debt campaign. Addressing on 25 August what was described as the largest crowd ever assembled in Singapore (and with a revolver in his pocket), Lee told the crowd what measures had been taken to force the Japanese to come to terms. He described how both his own brother-in-law and Goh Keng Swee had been members of the wartime Singapore Volunteer Corps, and told that his brother-in-law was killed, while he himself narrowly escaped that fate. Linking that time and 1963, Lee said:

I speak for one and all of you when I say that we have had enough of being the pawns and playthings of foreign powers. We have a will of our own, and a right to live in peace on our own. So let us unite in Malaysia and prevent it ever happening again. And let us settle the legacies of World War II peacefully if we may, but otherwise if we must.<sup>67</sup>

Lee Unilaterally Declares  
Singapore's Independence

Six days later was the day long scheduled for Malaysia to come into being, but a late development had

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<sup>67</sup> Ibid., pp. 172-73, 179-81.

caused the Tunku to announce a delay until 16 September. This was so that a UN team, at the insistence of Sukarno, could conduct sampling of sentiment for merger in Sarawak and North Borneo. Lee's actions in this instance provided another indication of his willingness to act in what he felt were the best interests of his conception of Singapore. Having already said that he would proclaim Malaysia on 30 August, rather than have Tan Siew Sin come to Singapore to do it on the next day, Lee then unilaterally declared Singapore's independence on 31 August.<sup>68</sup> Singapore would hold Federal powers "in trust" until 16 September.

The Malayan Cabinet labelled this "unconstitutional and illegal," and complained to the British Government. It supported the complaint and perhaps narrowly legalistically stated that an act of Parliament was needed to make such an action valid. Britain would technically retain sovereignty until the Queen signed the Order in Council.<sup>69</sup> Lee's response to the Malaysians did not soothe them, for he insisted that his action was correct and criticized the naïveté of those who received power presented on a silver platter by uniformed British

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<sup>68</sup>K. Krishna Moorthy, "Which Way for Lee?," FEER, 19 September 1963, pp. 721-22.

<sup>69</sup>New York Times, 3 September 1963, p. 5.



royalty. The Malays were incensed, especially Rahman and UMNO Publicity Officer Syed Ja'afar Albar (who was soon to prove a bitter foe of Lee.)<sup>70</sup>

Lee's reasons for doing this had both internal and international motivations, all designed to strengthen his own position. About the delay he had said, "This is the time for Malaysia to stand up and fight for its position. We cannot give in to an international black-mailer [meaning Sukarno]."<sup>71</sup> He used the crisis to demand and obtain from the Federation further settlements on the common market, assurance that Singapore could refuse Malayan citizens entry into the island, as well as the reverse, and special powers to deal with the suppression of secret society gangsters (which had a bearing on internal security powers). Internally, the rationale was that this was a way to disprove the pro-Communist line that Malaysia was a neo-colonialist conception, to be settled only between Britain and the Malays.<sup>72</sup> A precedent had been established for independent action by Singapore, and Lee possibly gained electoral support in the upcoming elections.

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<sup>70</sup>Michael Leifer, "Singapore in Malaysia: The Politics of Federation," Journal of Southeast Asian History 6 (September 1965):57-58.

<sup>71</sup>Osborne, Singapore and Malaysia, p. 47

<sup>72</sup>Leifer, "Politics in Singapore," p. 116.



### The 1963 Singapore Elections

The election itself was a speedy process. The Assembly was dissolved on 3 September, nomination day was set for the twelfth, and the voters went to the polls on 21 September. Nine days was felt to be sufficient for campaigns because people were getting tired of politics and the climate of tension.<sup>73</sup> While this haste could be viewed as a way to give the opposition as little advantage as possible, the prospect of general elections had not been kept secret. When a bill to set the date for an election for the fifteen seats to the Federal Parliament was defeated, the PAP had announced that a general election for Singapore's own fifty-one seats would be held after Federation came about.

During the campaign, Lee once again demonstrated his ability to get his point across to his listeners, and in four languages--Malay, Mandarin, Hokkien and English. He got the support of the Barisan-oriented Harbor Worker's Union, despite a firm government stand on labor peace, which severely limited labor union activities. He said he could not agree to their threatened strike at such a sensitive time, told them they were being used by the Communists, and promised that

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<sup>73</sup> Josey, Lee Kuan Yew, p. 181.

their wage demands would be given proper consideration if a strike were not called. Three days later he was cheered when he announced concurrently interim wage increases and cancellation of the union's registration. He had been able to present merger so the electorate understood it, and could show it was practical now that it had taken place.<sup>74</sup> The PAP had also, as mentioned earlier, visited every constituency to present its case.

On the eve of the election, the Tunku was persuaded by Chinese advisors in Kuala Lumpur to fly to Singapore to speak on behalf of UMNO candidates, an action which angered PAP leaders who had understood him earlier to promise no interference. Lee called it a plot to split the non-Communist vote so as to let in the Barisan, at which time the central government would step in to restore order and suspend democratic government.<sup>75</sup> This was perhaps an over-reaction to a normal effort on the part of the President of the UMNO (Rahman) to support the party's candidates in a local election, but Lee and the PAP were not entirely certain that they would win.

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<sup>74</sup>Osborne, Singapore and Malaysia, p. 36.

<sup>75</sup>Alex Josey, "Lee Angers Tunku," FEER, 10 October 1963, pp. 55-57.

When the votes were counted, however, the PAP had won thirty-seven seats to thirteen for the Barisan and one for Ong's UPP, thus breaking a historic pattern of incumbent governments being replaced by one farther to the left. The PAP received 47% of the total vote to 33% for the Barisan, nine of whose seats were in rural areas. The only UPP seat was gained with 8% and in seven races UPP presence split the vote, enabling the PAP to win.<sup>76</sup> The election had shown the PAP to nearly have regained its strength which had been so sorely depleted in the preceding four years. The Singapore Alliance and Marshall's Worker's Party were eliminated, and large numbers of Malay voters had switched from the communal UMNO to support the PAP, resulting in defeats for three UMNO candidates. This last fact angered the Tunku enough so that he called these Malays traitors to their race.<sup>77</sup>

In its first four years in office, the PAP had demonstrated that not only could it shake off and defeat the Communist support once vital to it, but that it could also deliver on its promises. Enough housing had been built to break the back of the housing shortage; the first major industrialization projects (including a

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<sup>76</sup>Leifer, "Politics in Singapore," p. 116.

<sup>77</sup>Josey, Lee Kuan Yew, p. 56.

steel mill, shipbuilding and shipbreaking) were underway at the Jurong Industrial Estate, a 9,000 acre prototype of more to come; schools had been built so that every child of primary age had a desk; and there was a M\$400 million surplus in the treasury.<sup>78</sup>

The victory was seen as a vote for evolution and a demonstration of political maturity, with the electorate having found a party able to make social reforms and economic progress concurrently. The PAP was viewed as having the potential to become a pan-Malaysian party, especially in Sarawak, where there was no rallying point for the "progressives" of all races.<sup>79</sup> Such a prospect was not entirely a happy one for parties on the mainland, particularly the MCA.

By 1963, the PAP, once a party of the extreme left, as shown in the elections of 1955, 1957 and 1959, was identified and saw itself as a party of the center. But this was in the context of Singapore politics. Now that Singapore was in the Federation of Malaysia, there were other parties to contend with, most of which were far to the right of the PAP. Having defeated his opponents to the Left, Lee now had a new array on the Right.

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<sup>78</sup>Pang, Singapore's People's Action Party, p. 18.

<sup>79</sup>"The Lee Way," FEER, 3 October 1963, pp. 5-6.

## CHAPTER V

### THE MALAYSIA EXPERIMENT 1963-1965

Two or three years after Malaysia, when unity has been established and men's minds focused on the broader horizons of a bigger nation, all these present problems will be dwarfed into insignificance as we forge ahead, united and free to higher goals which Malaysia's enormous human and natural resources make possible for all of us.

Lee Kuan Yew, 1963<sup>1</sup>

#### The Political Spectrum in Singapore

At the time of merger, the political spectra of Malaya and Singapore had several common political groupings but the emphasis was different in each. That of Singapore was most heavily weighted on the left, despite the PAP's shift toward center; that of Malaya was strongly rightist. At the extreme left in Singapore was the MCP, which because it was an illegal organization, served primarily as a point of reference. Because most of its membership was Chinese, the MCP was unavoidably identified as a communal party. The strongest legal party on the left, the Barisan Socialis, had also

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<sup>1</sup>Quoted from 1963 letter to Tunku Abdul Rahman. Harvey Stockwin, "A House Divided," FEER, 4 March 1963, p. 371.



identified itself by its statements on merger as a Chinese communal party. It had strong connections to the MCP through its leadership and its ties with Chinese schools, Nanyang University, and the radical labor unions. Both Lee and the Tunku repeatedly described the Barisan as a Communist front organization. Lastly, Ong Eng Guan's UPP remained important only insofar as it had retained one seat in the Assembly, based upon Ong's victory in his all-Chinese constituency and upon this potential continued appeal to that electorate.

The PAP declared itself to be non-communal, a claim which had gained more substance in the 1963 general elections, with PAP victories in three Malay dominated constituencies. Ideologically, the Party was left of center in its espousal of democratic socialism, but the socialist goals of more equal distribution of wealth were not allowed to interfere with the pragmatic need to use capitalist methods and institutions to bring about economic development. Three years before, Lee had stated that PAP policies were evolved out of its own experiences of struggle under local conditions, not out of doctrinaire principle, and that the party would continue to be guided by principles evolved in the "Malayan revolutionary situation."<sup>2</sup> For Lee and his

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<sup>2</sup>Lee, The Socialist Solution, p. 11.

party, ideology was a tool, not a mold within which their actions were to be constricted.

The only party on the right in Singapore was the tiny Singapore Alliance (SA), an umbrella organization containing two communally-oriented parties and one that was not. The non-communal group was the Singapore People's Alliance (Lim Yew Hock's party), and the communal components were the Singapore branches of the UMNO and the MCA. The UMNO's first interests were the condition and progress of the Malays, while the MCA aspired to be the most important representative of the Chinese of Malaysia. All were right-wing but the SPA was slightly more conservative than the UMNO and MCA.

#### The Political Spectrum in Malaya

On the mainland, a similar spectrum existed. There too, the extreme left was marked by the illegal and mostly Chinese MCP. The legitimate left-wing party was the Socialist Front (SF), an aggregation of the Labour Party, the Party Rakyat and the tiny National Convention Party (NCP). The Labour Party was essentially non-communal, while the other two were Malay-oriented; socialism rather than communalism brought them into alliance. Nevertheless, racial considerations prevented their complete integration and

enabled each party to react more freely to communal issues.<sup>3</sup>

The central portion of the political spectrum which was occupied in Singapore by the PAP had no analog on the mainland. Thus there was a considerable distance to the moderately right-of-center position of the Alliance Party which represented the inter-communal ideals of its three constituent parties and provided them with essential support. Existing only at different coordinating levels, the Alliance was made up of delegates from the three member parties, the UMNO, the MCA and the Malayan Indian Congress (MIC).<sup>4</sup> These parties were completely communal in nature and essentially non-ideological in philosophy.

The largest party in Malaya was the UMNO which had been formed in 1946 to protect the privileged status of Malays and the powers of Malay rulers threatened by the British plan for a Malayan Union. The Union scheme also proposed to liberalize citizenship roles, thereby enabling a majority of non-Malays to become citizens, which would have left the Malays outnumbered, particularly by the Chinese. The UMNO was able to arouse enough Malay sentiment to cause the Malayan Union to be

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<sup>3</sup>

Ratnam and Milne, Elections of 1964, p. 43.

<sup>4</sup>Ibid., p. 31.

abandoned, and to bring about a Federation of Malaya Agreement which protected Malay special privileges and restricted citizenship eligibility for non-Malays. These remained as central interests of the party even after the decision to form the Alliance with the MCA in 1952.<sup>5</sup>

The MCA of Malaya was created in 1948 by prominent (and wealthy) members of the Malayan Chinese community to be the equivalent of the UMNO. Its first president was Tan Cheng Lock, father of Tan Siew Sin. The objectives of the party were to both "promote and maintain inter-racial harmony in Malaya," and to work to secure justice for the Chinese community in Malaya. Such ambivalence invited criticism both from within and without the Chinese community, even after the Alliance with the UMNO was established in 1952. The partnership started as an ad hoc arrangement between the MCA and UMNO during the Kuala Lumpur municipal elections to put up MCA candidates in predominantly Chinese constituencies, and UMNO men where Malays were most numerous.<sup>6</sup> By 1963 the MCA had suffered internal divisions and defections due to its unwillingness to push Chinese communal issues to the very end, and had gained the

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<sup>5</sup> Ibid., pp. 31-32.

<sup>6</sup> Margaret Roff, "The Malayan Chinese Association, 1948-65," Journal of Southeast Asian History 6 (September 1965):41-42.

image of being cautious, right-wing, middle-class and capitalist. In Chinese-dominated constituencies, the MCA was generally suffering defeat by left-wing parties, which called into question its claim to speak for the Chinese of Malaya.<sup>7</sup>

The MIC was formed in 1946 to represent Indian interests in Malaya, and became a part of the Alliance in 1955. Its membership in the Alliance was of more importance to Indian candidates, through the Chinese and Malay support Indian candidates could gain, than for the reverse.<sup>8</sup> Beyond historical interest, however, the MIC had little bearing upon the events of this thesis.

The most extreme communal party in Malaya was the Pan-Malayan Islamic Party (PMIP) whose appeal was mainly religious in the rural under-developed and mostly Malay states of northern and eastern Malaya. The PMIP emphasized the claim that Malays were "sons of the soil" and that the government should devote more energies to promoting their welfare, and it advocated a more equitable division of wealth in a manner claimed to be prescribed in the Koran. The PMIP was the only effective alternative to Rahman's UMNO, and its outlook was attractive especially to those Malays preoccupied with

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<sup>7</sup>Ibid., p. 53.

<sup>8</sup>Ratnam and Milne, Elections of 1964, p. 40.



religion and who held to a communally exclusive form of nationalism.<sup>9</sup> The extremists within the UMNO did not have far to look for a way to express their dissatisfaction with any of Rahman's policies.

Such was the political matrix of the new Malaysia within which the principal elements were Lee Kuan Yew and the PAP, and Rahman leading the UMNO. Their differing perceptions of what Malaysia was to be and of how to achieve the goal were fundamental factors in the eventual failure of the experiment. Transforming the situation into a triangle were the bitter personal and political differences between the PAP leadership and that of the MCA, so that in nearly every crisis of the twenty-three months of Malaysia, the issues were multi-polar. This became evident nearly as soon as the ballots for the Singapore general election of 1963 were counted.

The UMNO defeats, which as mentioned earlier had prompted the Tunku to describe the Malays who voted for the PAP as "traitors," so angered UMNO Publicity Director Syed Ja'afar Albar that he resigned his post. Albar, a vehement Malay communalist, then called Lee a "100% dictator" whom "we are prepared to fix . . . if he continues his dictatorship when he shows up in the

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<sup>9</sup> Ibid., pp. 48-51.

Malaysian Parliament." The Tunku, less overtly violent in his statements but apparently under the pressure of other UMNO leaders, reiterated his claim that the party had been betrayed by traitors, when he and Albar visited Singapore a few days after the election.<sup>10</sup>

Lee's response was to express his sorrow that pro-democratic and pro-Malaysian opponents seemed to treat the PAP's re-election as the victory of a hostile force. "We are not an enemy force. We may be political rivals. But there is a world of difference between political rivals and political enemies."<sup>11</sup> With Malaysia less than a month old, the tone of the rhetoric had been established.

#### Anti-Communist Operations

Having previously defined political enemies as those who rejected the democratic system for Communism, Lee promptly acted to remove some within Singapore. The first target was the millionaire rubber merchant and founder of Nanyang University, Tan Lark Sye. Tan's citizenship was revoked because he allegedly "actively and persistently collaborated with an active anti-national group of Communists in Nanyang University."

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<sup>10</sup>Josey, "Lee Angers Tunku," p. 56; and this thesis, pp. 198-99.

<sup>11</sup>Josey, "Lee Angers Tunku," p. 56.

Tan was accused of signing statements by these Communists, who were standing as Barisan candidates, denouncing the government. Such intervention in the elections could not be allowed to jeopardize the peace and prosperity of Singapore.<sup>12</sup>

On 27 September, police acting on orders of the Central Government arrested more than twenty Nanyang students, including a graduate who had opposed Lee during the election. The arrests were termed necessary to disrupt "Communist-directed subversive activity," and were approved by the PAP Government so long as they were aimed at Communists out to exploit Chinese education for Communist ends.<sup>13</sup>

Lee, to help "re-establish confidence between the Singapore and Central Government," announced he was going to give the PLEN (the Communist emissary with whom he conferred during 1961) two weeks to leave Malaysia, after which he would identify him to the Central Government.<sup>14</sup> In further actions against the Singapore Left, five Associations were dissolved under the provisions of the Societies Ordinance, on grounds that their subversive and Communist activities were incompatible with

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<sup>12</sup>Ibid.

<sup>13</sup>Ibid., pp. 56-57.

<sup>14</sup>Ibid., p. 57.

their stated objectives.<sup>15</sup> All five also represented centers of Barisan strength.

The following thirty days saw a succession of events designed to reduce the power of the MCP and its front organizations. On 3 October, Nanyang students began a three day boycott of classes to protest continued detention of those arrested earlier. They were augmented by thousands of Singapore Association of Trade Unions (SATU) members. Barisan spokesmen and publications began a series of tirades against Malaysia, denounced "brutalities" inflicted upon students, and criticized the lack of press freedom in "semi-fascist" Singapore. On 6 October, the SATU threatened a "mass action" if the Singapore government did not release frozen funds of three SATU affiliates, and cancel plans to dissolve seven major SATU unions. The government refused to be intimidated, and appealed to workers and students not to become tools of the Communists. A strike against nearly 100 companies on 8 October dissolved in chaos, and many unions began to disassociate from the

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<sup>15</sup>"Lee Strikes Again," FEER, 24 October 1963, pp. 182-83. The five were the Singapore Rural Residents' Association, the Singapore Country People's Association, the Singapore Hawkers' Union, the Singapore Itinerant Hawkers' and Stallholders' Association and the Association of Singapore Hawkers. The first two were said to have been recruiting and training centers for Communist cadres in the rural areas.

SATU. Malaysian and Singapore security forces arrested many SATU leaders, including three Barisan Assemblymen, while two other Assemblymen and ten SATU leaders disappeared. By 9 October the strike was broken, unions were disaffiliating from the SATU in increasing numbers, and Nanyang University and Chinese Middle School students had been placed on notice by the Federation Minister of Security that the government would no longer tolerate student participation in Communist-related activities. With the 31 October dissolution of the seven major SATU unions, the PAP-oriented National Trade Union Congress (NTUC) gained nearly a score of the smaller SATU unions. Thus, within six weeks after the creation of Malaysia, the major Communist front organizations in labor, education, and the Barisan had all been brought under strict control.<sup>16</sup>

Anti-Communist activities slowed after this point. There was some thought that the PAP might not look with favor upon such massive Central Government security operations within Singapore, and the cool relations between Lee and the Tunku remaining from the election and declaration of independence, were also a

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<sup>16</sup>Justus M. van der Kroef, Communism in Malaysia and Singapore: A Contemporary Survey (The Hague: Martinus Nijhoff, 1967), pp. 70-71.



factor. Not until after the April 1964 Malaysian general elections were they resumed at a high level.

### Konfrontasi and Singapore

External opposition to Malaysia, in the form of Indonesian Konfrontasi, underwent a mutation during this period. Having failed to prevent the creation of Malaysia by diplomatic opposition to the concept, Sukarno's government declared on 25 September that it would fight and "crush" the new country. His methods were to include border raids on Sarawak by Indonesian-based guerrillas, Indonesian naval harassment of Malayan fishing boats to prevent smuggling between Sumatra and Malaysian ports, and a November regulation banning all trade with Malaysia.<sup>17</sup> The sharply increased defense expenditures for Malaysia were a financial burden which restricted programs in other areas, and the decrease in trade was especially felt in the port cities of Singapore and Penang.

By December as a result of what Lee termed "a battle for . . . our survival as a separate entity," Singapore income was down by 3.7%.<sup>18</sup> He predicted that by February or March of 1965, total cargo handled in the

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<sup>17</sup>Agung, Indonesian Foreign Policy, pp. 490-91.

<sup>18</sup>Josey, Lee Kuan Yew, p. 189.

Port of Singapore by Harbour Board workers would be off by 15%, and suggested that the new states of Sabah and Sarawak sell their copra, rattan and crude rubber directly to Singapore.<sup>19</sup> To protect both workers who lost their jobs as a result of Konfrontasi, and businesses who were affected, two programs were instituted.

In October, a Department of Economic Defense was established to respond to the possibly 8,500 workers who would be out of work. Such unemployed persons would be retained in their positions and receive two-thirds of their normal pay, one-half to be payed by the employer and the rest by the government. Workers would be encouraged and helped to move into other jobs, retraining for which would be underwritten by the government.<sup>20</sup>

#### The Role of the Economic Development Board

Measures proposed to aid businesses reflected the PAP government's interest in continued business growth and increased industrialization. There were three aspects to the plan. First, the Economic Development Board (EDB) would encourage equity participation by business in large industrial enterprises planned by the

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<sup>19</sup>Anthony Oei, "Path to Perth," FEER, 5 December 1963, p. 498.

<sup>20</sup>Anthony Oei, "Goh Confronted," FEER, 24 October 1963, p. 183.

EDB. Second, the EDB would provide technical and managerial assistance to businesses which would invest money and management in small and medium enterprises. Third, businessmen would be encouraged to pool their resources and form industrial investment companies to carry out their own equity participation in industrial ventures.<sup>21</sup> By such methods the effects of Konfrontasi would be reduced, and the economic base expanded so that Singapore was not so dependent upon the entrepot sector of the economy. Both of these programs were put into operation, and proved quite effective, probably aiding in the case of the first one by the fact that unemployment never rose to the levels predicted.

Lee reported to the Singapore Assembly on Indonesian activities in Singapore designed to disrupt economic activities and cause alarm by terrorism. Stating that three Indonesian commercial organizations had been used as intelligence and financial covers, he went on to report that guerrillas and infiltrators were being trained in the Rhio Islands, just a few miles from Singapore. He called upon the public to report to the police any suspicious movements of persons or

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<sup>21</sup>Alex Josey, "Singapore Confronted," FEER, 26 December 1963, p. 653.

vehicles.<sup>22</sup> Events in the ensuing eighteen months were to prove that Indonesian infiltrators found no welcome even in the completely Malay areas of Singapore.

At the opening meeting of the Assembly, Lee spoke both of the external threat to Singapore and of the internal situation. Reminding the members that the PAP was dedicated to democratic socialism and a more equal society through a process of "levelling up rather than . . . down," he warned that the Barisan and Communist-front organizations still represented a threat to these goals. To ensure the continuation of the democratic system, he said there had to be an "honest and effective government that produces results," and maintained contacts with the masses of the people. He promised to create within the next five years a special department within the Prime Minister's office to build up grass-roots organizations "in every village . . . street . . . and community."<sup>23</sup>

Lee and the PAP  
on the Mainland

In his first speech before the Malaysian Parliament, Lee criticized the proposed Federal Budget presented by Finance Minister Tan Siew Sin as being

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<sup>22</sup> Josey, Lee Kuan Yew, p. 190.

<sup>23</sup> Ibid., pp. 187-88.

inadequate to bring about rapid and visible improvements in the conditions of the "have-nots" in the urban and rural areas. This was necessary to insure a continued "tolerant and reasonable leadership of the rural Malay population," which was unlikely without "social change to create a more equitable society, where rewards are based on performance and effort, and not on property and rent. . . ." <sup>24</sup> Such criticisms of the social insensitivity of Tan's fiscal policies, and the emphasis upon the urgent need for the socialist methods in Malaysia were to become part of nearly every speech by Lee. Tan and the MCA were very conscious of the PAP's desire to become the major Chinese party on the mainland. All Alliance parties, but especially the UMNO, looked with disfavor upon Lee's analysis of Malaysian society in terms of economic classes rather than communal groupings. He had, in fact, postulated the PAP's role to be that of forerunner of a new order where appeals to the electorate could be made across communal lines. <sup>25</sup>

The question of the exact role that Lee and the PAP intended to play in Malaysia increasingly bedeviled mainland politicians. Statements made at different

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<sup>24</sup> Ibid., pp. 192-93.

<sup>25</sup> Lee Kuan Yew, Malaysia Comes of Age (Singapore: Ministry of Culture, 1963), p. 8.



times were contradictory, but the overall impression was that the PAP intended, as stated by Lee at the party's inaugural meeting, to move into the mainland states. In September, Lee intimated that the PAP would not contest the 1964 parliamentary elections, saying "we want to show the MCA that even if the PAP keeps out of the elections on the mainland, the MCA will still lose."<sup>26</sup> The implications of this statement were offset by Lee's proposal that the PAP be given two portfolios in the new Malaysian Cabinet, to which Tan replied that this would only be possible if the MCA left the Alliance, something for which Rahman was not prepared.

In January, S. Rajaratnam said that the PAP had to start operating as a pan-Malaysian party to help build a prosperous, independent and peaceful Malaysia, another intimation of PAP expansion intentions.<sup>27</sup> The situation was rapidly developing in which all of the parties persisted in reading hidden meanings into every statement and action. It was as if Rahman and the Alliance had found that, in taking Singapore into Malaysia to keep out the MCP tiger, they had managed to lock the fox in with the chickens. Furthermore, the fox looked like it might grow to be a wolf.

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<sup>26</sup>Ratnam and Milne, Elections of 1964, p. 24.

<sup>27</sup>Ibid.

Lee's status as something more than merely the Prime Minister of a constituent state of Malaysia was augmented during January and February of 1965. At his suggestion and with Rahman's "grudging" approval,<sup>28</sup> a twenty-five man "Truth Mission" toured seventeen African capitals from 20 January until 26 February. With Lee at its head, the group's purpose was to help newly-emergent nations to know and understand Malaysia for what it was in order to combat claims that Malaysia was a neo-colonialist plot to encircle Indonesia. The presence of British forces had been cited as evidence for this intent; Lee asked "how are we, a small nation, to settle a confrontation between unequal Asian forces with a bigger neighbour?"<sup>29</sup> The trip was highly successful, Lee having gained an attentive hearing among African leaders, and having enhanced his own reputation as a national and international statesman (a result felt by many Alliance leaders to be the primary objective). Upon his return, Rahman invited Lee to head a similar mission to Washington and New York. The invitation was

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<sup>28</sup>Willard A. Hanna, "The Importance of Being Afro-Asian: Malaysia Feels Pressures Toward Ideology," American Universities Field Staff Reports, Southeast Asia Series, vol. 12 no. 11 (New York: American Universities Field Staff, 1964), p. 11.

<sup>29</sup>Anthony Oei, "Off to Africa," FEER, 6 February 1964, p. 294.

withdrawn within hours of a political bombshell exploded by PAP chairman Toh Chin Chye on 1 March 1965.

#### The Pap Enters 1964 Federal Elections

Toh announced that the CEC had decided "as a non-communal Malaysian party" to play a "token" part in the 1964 elections to be held on 25 April. In this decision to test the PAP's strength as a national party in Malaysia, Lee was accused of having broken the pledge he made in his September statement. The intent of that campaign rhetoric was, however, more probably to delineate the PAP's position of continued support for the UMNO government under Rahman, even while striving to convince Chinese in Malaya that the PAP was more suited to represent their interests than was the MCA. The hope was that Rahman would be persuaded to drop his support of the MCA in favor of the PAP.

Only nine candidates were eventually entered in races for House of Representatives seats, none of whom opposed UMNO candidates. All were in urban areas (five in Kuala Lumpur, and one each in Penang, Seremban, Malacca and Johore), against MCA candidates. According to Lee, the reason for entering so few candidates was the Malaysian political situation in which anyone appearing to be trying to take over Malay political

leadership would arouse communal suspicions that could lead to the nation's collapse. A massive intervention could have been perceived by rural Malays as a Chinese threat to the UMNO. This might have encouraged extremists to generate fears that the concept of Malaysia endangered the Malay position, and that the town Chinese were trying to seize power.<sup>30</sup>

There were also some practical reasons which possibly had bearing upon the extent of the PAP effort. In the seven weeks from Toh's announcement until election day, the PAP had to be registered in Malaya, party branches established, candidates nominated, and campaign machinery created. Only three branches were set up, in Kuala Lumpur, Penang and Seremban, and a team of thirty key men from PAP headquarters in Singapore led by S. Rajaratnam was to determine election strategy and set up campaign machinery. Another group of four, led by Toh Chin Chye, set out to find likely candidates<sup>31</sup> (under the terms of the Malaysia Agreement, Singapore citizens were not eligible to run for seats on the mainland).<sup>32</sup>

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<sup>30</sup>Lee Kuan Yew, The Winds of Change (Singapore: Ministry of Culture, 1964), pp. 15, 36.

<sup>31</sup>Nancy McHenry Fletcher, The Separation of Singapore from Malaysia (Ithaca, NY: Cornell University Press, 1969), p. 36.

<sup>32</sup>Great Britain, Colonial Office, Cmnd. 2094, July 1963, "Malaysia: Agreement concluded between the

The election manifesto of the PAP, publicized on 20 March, stated the aims of the party: to assist in the "building of a united democratic and socialist Malaysia . . . and to ensure that the Socialist Front does not benefit from substantial protest votes against the MCA."<sup>33</sup> Further, the PAP was running in the urban areas "because of the ineffectiveness of the MCA," and its task was to "ensure that the protest votes in the urban areas do not become votes against Malaysia and for Soekarno (sic)."<sup>34</sup>

Lee, as the most prominent spokesman for the PAP, made a series of speeches setting forth the major themes of the campaign. Generally, these speeches were repeated by Lee in at least one other language. In all of them, Lee stressed his belief in and support for the continued leadership of the UMNO, under Rahman and Tun Abdul Razak. Usually this was followed by an indictment of MCA and a warning of the danger of voting for the Socialist Front as a protest against the MCA. He pointed out the need for fundamental social and economic changes in Malaysia to narrow the gap between the urban

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United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak and Singapore," art. 31.

<sup>33</sup> Josey, Lee Kuan Yew, p. 198.

<sup>34</sup> Pang, Singapore's People's Action Party, p. 19.



and rural populations, often in the process stingingly criticizing the economic policies of the Finance Ministry under Tan Siew Sin. In all of the speeches, Lee cited the dangers posed by Konfrontasi to the very survival of Malaysia, and the need to choose candidates who would work to promote Malaysia's best interests.<sup>35</sup> Nine of these were PAP candidates.

The last proved to be the central, predominant issue of the campaign from the very beginning for both the Alliance and the PAP. The other parties, especially the SF, were forced to concentrate their energies on refuting the charges of disloyalty made against them. Both the SF and the PMIP were accused of receiving Indonesian money for their campaigns and of otherwise being in complicity with Indonesia.<sup>36</sup> The PAP urged voters to choose the PAP over the SF as a way of showing their dissatisfaction with the MCA, their opposition to Konfrontasi, and loyalty to Malaysia.

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<sup>35</sup>These speeches are valuable for their quite specific criticisms of the MCA and its leaders, the Socialist Front, and PAP proposals for changes in the economic and social structure of Malaysia. They present the PAP's case for its incorporation into the Malaysian government and make it apparent how the PAP could have come to be seen as a threat by many different elements in the Malaysian political and social spectra. See Lee, The Winds of Change.

<sup>36</sup>Ratnam and Milne, Elections of 1964, pp. 111-18.

In choosing this approach, the PAP played into the hands of the Alliance. The Alliance said that the voters could best show their loyalty by supporting the candidates of the incumbent party; i.e., the Alliance, and Rahman made a personal statement of support for the MCA as a valuable partner in the Alliance. Tan Siew Sin and Syed Ja'afar Albar led the Alliance campaign against the PAP, Tan taking the line that it was a question of whether the PAP or the MCA was to represent the Chinese in Malaysia. Albar maintained that the PAP was out to destroy all three Alliance parties, and made many statements concerning the dire status of the Malays in Singapore, foreshadowing his role as communalist agitator in the months to come.<sup>37</sup>

When the votes were counted, only one PAP candidate, C. V. Devan Nair, had won. A well-known trade unionist of Indian descent, Nair won in a heavily-Indian constituency. In the other eight races, the losses were apparently due to the PAP's inadequate organization, candidates not familiar to the voters, and its confusing campaign technique of expressing support for the UMNO while opposing the MCA.<sup>38</sup> The MCA, while

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<sup>37</sup> Ibid., pp. 139-52; Fletcher, Separation, pp. 32-39; and Osborne, Singapore and Malaysia, pp. 78-85.

<sup>38</sup> Fletcher, Separation, p. 39.

it may have been losing some Chinese support, still remained powerful especially with the Tunku's personal endorsement, and in some of the contests the votes had been split between the PAP and SF, allowing the MCA to win.

The defeat marked the end of attempts by Lee and the PAP to become part of the ruling elements of the Central Government. The relationship on both sides from this point on was characterized by increasing opposition and antagonism, foreshadowing the eventual disintegration of Malaysia. Lee's opposition remained constructive, and his speeches continued to reflect optimism about Malaysia's prospects for success, if certain basic problems could be solved. Unfortunately, he sometimes seemed unable to realize that the "rightness" of his proposals might not be as self-evident to others as it was to him, and that the Tunku and other Alliance leaders suffered from constraints imposed by their backgrounds, philosophies and political situations which made other ways appear to be the best.

#### Malay Rights in Singapore

Having failed in his attempt to expand the PAP into the mainland, Lee now experienced the reverse situation as the UMNO moved to extend its strength in Singapore, particularly over the issue of Malay rights.

Leading the UMNO efforts to expand the statutory special rights of Malays in Singapore was Ja'afar Albar, whose efforts were aided and abetted by the Malay press, especially the major daily, Utusan Melayu.<sup>39</sup>

Though they were not guaranteed the special rights of Malays on the mainland, Singapore Malays probably expected that their position would improve through association, after Malaysia was formed. This

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<sup>39</sup>The Constitution of Malaysia of 1957 contained specific reserved rights to insure that the special rights of Malays within their own country would be protected. Article 153 required the Head of State to safeguard those rights, and the legitimate interest of the other communities. It mandated that an appropriate proportion of federal public service positions, educational opportunities and trade or business permits and licenses be reserved for Malays. Article 89 continued the historical practice of land reservations for the specific use of Malays, confirming existing reservations and establishing procedures for new ones. These were to protect rural Malays against economic exploitation and to promote rural development. (Article 89 also tended to promote cultural conservatism, enabling Malays to continue their traditional ways of life.) See Great Britain, Statutory Instruments, The Federation of Malaya Independence Order in Council, 1957, 5 & 6 Eliz. 2, articles 153, 89.

The Malaysia Act specifically excluded Singapore from these provisions. See, Malaysia, "Agreement," art. 68. However, the preamble to the Singapore Constitution stated that it would be the deliberate policy of the Singapore Government to recognize the special position of the Malays as the indigenous people of the island and those most in need of assistance. The Government therefore had the responsibility to protect, safeguard and promote the interests of Malays and the Malay language. See George W. Keeton, gen. ed., The British Commonwealth: The Development of its Laws and Constitutions, 14 vols. (London: Stevens and Sons, 1961), vol. 9: Malaya and Singapore, The Borneo Territories, ed. L. A. Sheridan, p. 111.



had not come about by mid-1964, and disruptions of Malay society by Singapore Government urban renewal and development of the Jurong Industrial Estate, coupled with increased job competition brought about by the effects of Konfrontasi had heightened discontent among the Malays. Malays objected to being forced to relocate from their traditional semi-rural villages of individual houses into government-built apartment blocks where some were unable to pay the rents (although the Singapore Government had a rent subsidy program).

Utusan Melayu harped on the depressed state of the Malays in Singapore, claiming that they were being persecuted by Lee in a "social revolution for the destruction of our race."<sup>40</sup> The UMNO, most often through the voice of Albar, charged that the Singapore Government was deliberately expelling Malays from the city. This referred to relocation of some 200 Malay families, among a total of 2,000, from the Crawford area of the city to enable urban redevelopment to proceed. Radio Indonesia also broadcast accusations echoing these views.<sup>41</sup> The Government replied that its projects were designed to help the most dilapidated areas, that rent

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<sup>40</sup>Leifer, "Singapore in Malaysia," pp. 63-66.

<sup>41</sup>Josey, Lee Kuan Yew, p. 208.



subsidies were being considered for those unable to pay for apartments, and that Singapore's land shortage necessitated construction of apartment blocks. Unfortunately, the explanations were insufficient to dispel the discontent, particularly as exacerbated by Albar and the Malay press.

Consequently, the Singapore Minister for Social Affairs invited representatives of some 103 Malay cultural, social, sport and other non-political associations, as well as Malay local leaders, to a 19 July meeting. There the problems of the Malays would be discussed with government officials. No publicity was given to the meeting, but a week later the Singapore UMNO found out about it and issued a counter invitation to a meeting of its own on 12 July.

At this meeting, with numerous officials from the UMNO on the mainland in attendance, a twenty-three-man Singapore Malay National Action Committee (SMNAC) was formed. The SMNAC was ostensibly to be the body through which the Malay community would speak. Among its members were several who had been identified with recruitment of Indonesian agents on the mainland, according to Lee and others. The main speaker at the meeting was Albar, who referred to the long history of oppression of Singapore Malays, and boasted "If we are

united, no force can break us. Not even a thousand Lee Kuan Yews."<sup>42</sup>

The day before the Government-sponsored meeting, Lee warned of the dangers of Malay chauvinism, saying that it was equally as dangerous as Chinese chauvinism. Everyone "must be prepared to fight both extremes, or Malaysia will perish. The concept of Malaysia was conceived as a Malaysian nation not as a Malay nation. . . ."<sup>43</sup> The concept of "Malaysian Malaysia" was to reappear in nearly every speech made by Lee in the following year, its sheer repetition an indication of the growing gulf between his concept of Malaysia and that of Rahman, and more importantly, of the more extreme elements in the UMNO.

To the nearly one thousand Malays gathered in Victoria Hall, Lee presented his view of the situation in Singapore, and the role of the Malays. No PAP members, as such, were present; Lee said that this was to make it clear that any policy resulting from the meeting was that of the Government alone. He stated that one part of the problem was the undeniable unequal development between the Malays and non-Malays, and that the Government had the responsibility to work to remove

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<sup>42</sup>Fletcher, Separation, pp. 41-42.

<sup>43</sup>Josey, Lee Kuan Yew, p. 208.

that imbalance. The Government must, however, balance all interests, both the special ones of the Malays and those of the rest of Singapore. To solve the problem of unequal development, Lee said three areas must be addressed: education, employment and housing. With expanded education, better employment would be possible. Because Singapore's limited area forced development of housing blocks, Lee hoped that the Malays would be able to overcome their desire for their traditional villages. In closing, Lee warned that there were many, both Malay and Indonesian, who were working to break up Malaysia and divide Malays and Chinese.<sup>44</sup>

#### Communal Violence in Singapore

The next day, leaflets appeared in Singapore under the name of the SMNAC claiming that the Chinese in Singapore had a plan to kill the Malays. Their message ended by saying "before Malay blood flows in Singapore, it is best to flood the state with Chinese blood."<sup>45</sup> On the following day, during a parade celebrating The Prophet's birthday, communal violence between Malays and Chinese broke out. The violence continued at varying levels for nearly a week, resulting in twenty-two

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<sup>44</sup>Ibid., pp. 209-10.

<sup>45</sup>Liefer, "Singapore in Malaysia," p. 64.

fatalities and nearly 500 injuries. On 26 July, Lee reported that order had been restored, and appealed to the people to get on with their work in peace and amity, and to squash all talk of communal hatred and revenge.<sup>46</sup>

### The "Truce"

An attempt to defuse the communal time bomb was made during late September and early October. Talks had been underway since the July riots concerning ways to avoid communal issues. In the first two weeks of October, Lee disappeared from Singapore. When he returned to Singapore on 17 October, he said he had been in the Cameron Highlands of Malaya, recovering from influenza. During his absence, he and the Tunku had conferred and reached an agreement "to avoid sensitive issues." The PAP had also agreed not to expand its activities by its branches already established in Malaya.<sup>47</sup> This "truce" was supposed to last for two years.

This was only shortly after Rahman had made a speech in Singapore attacking the PAP for entering the mainland elections, and saying "there's an undercurrent to contest my leadership of the Malaysian people by

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<sup>46</sup> Josey, Lee Kuan Yew, p. 211.

<sup>47</sup> Fletcher, Separation, p. 45.

trying to make out that I am leader of the Malays only."<sup>48</sup> As a result of the "truce," Lee chose not to make a reply to this speech.

It soon became apparent that each side had differing interpretations of what constituted "sensitive issues." In late October, in remarks made at the opening of five new Singapore UMNO branches, the speaker (then-Minister of Agriculture and Cooperatives Khir Johari) said that the SA was in the process of a major reorganization so that it could win the next Singapore election. Toh Chin Chye responded that the remarks did not accord with the truce, which was designed to consolidate national solidarity by eschewing party politics for two years. Johari knew nothing of the truce, and implied that the PAP was afraid of Alliance rivalry. Rahman then stated that the truce was only in respect to communal issues, and did not mean that the SA could not be reorganized to be more effective. Toh's response was to accuse Johari of violating the spirit of the agreement, and shortly after to announce the PAP was to soon be reorganized on the mainland.<sup>49</sup> Once again the problem of interpretation of statements had exacerbated

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<sup>48</sup>Leifer, "Singapore in Malaysia," pp. 66-67.

<sup>49</sup>Fletcher, Separation, pp. 45-46.



rather than mitigated the difficulties between the PAP and the UMNO.

Lee Travels to London  
and Sweden

Such suspicions had afflicted those in the Central Government during Lee's trip to the Socialist International, and to London just after. It was felt that Lee was attempting to make deals with British leaders, and appealing to British liberal sentiment in order to get British aid in gaining PAP representation in the cabinet. Rahman warned that any attempt to try to force one side to give up its place in favor of the other was bound to meet with trouble.<sup>50</sup> While this was apparently not the case, Lee certainly used the opportunities afforded by the Socialist Conference and audiences in London to air his views on socialism and the internal and international relations of Malaysia.

In a speech which foreshadowed the foreign policy of Singapore as an independent nation, Lee said of the new "non-aligned or . . . neutral nations" that:

We are non-aligned if we are asked to choose between competing power blocs. We are non-aligned if we are asked to choose between the interests of competing ideologies of Communism

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<sup>50</sup>Leifer, "Singapore in Malaysia," p. 66.

or Capitalism when our own existence, our happiness, and our future is at stake.<sup>51</sup>

His pragmatism was further displayed a month later when he told the Singapore Foreign Correspondents' Association that the dispute with Indonesia should be settled through civil discussions. If it were not, a pattern of Balkanization of Southeast Asia would be set with each small nation having the backing of a great power whether it desired this or not.<sup>52</sup>

Describing the role of democratic socialism in the new nations, Lee pointed out that the appeal of an equal society to Africans and Asians was so great that no post-colonial regime dared call itself a party of the right. Unfortunately, many of the leaders of such states did not understand the mechanics of power and how to exercise it. Only where living standards had been raised above the "rice line," and the administrative organs of the state were effective had democratic socialism prevailed against either the Communists or a move to the right; Ceylon, India and Singapore were cited as examples. Lee pointed out that freedom had often been acquired by holding out the prospect of a

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<sup>51</sup>Lee Kuan Yew, One Hundred Years of Socialism (Singapore: Ministry of Culture, 1965), p. 19.

<sup>52</sup>Anthony Oei, "Balkanisation," FEER, 7 November 1963, p. 291.

socialist paradise, but that the only answer to rising expectations was, at least in the beginning, to distribute poverty more equally and (the perennial, and effective, Lee theme) more hard work to produce the things worth distributing.<sup>53</sup> The call for hard work and for an abolition of special privileges as a means of advancement had already come out in the Malaysian context.

He presented his view of the Malaysian situation to students at Malaysia Hall in London. Lee's increasing pessimism came out in his remarks. He began with the statement that while Malaysia's formation was inevitable, its success was not. The problem was how to withstand the pressures of both Indonesian Konfrontasi and of the selfish yearnings of the whole Malaysian community. The Malay community set the pace for the whole nation to come together on common ground or to split on communal lines. Consequently, said Lee, "Malaysia survives or fails, depending upon whether we set out to create a Malaysian nation or a Malay nation." A Malay Malaysia, thought Lee, could only end up in the hands of the biggest Malay chief in the area, namely Sukarno.<sup>54</sup> While thus appearing to place the onus upon

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<sup>53</sup> Lee Kuan Yew, Socialism, pp. 19-24.

<sup>54</sup> Ibid., pp. 36-40.

the Malay leadership, Lee was only recognizing the reality of politics on the mainland. By publicly alluding to them, however, rather than strengthening the moderates among the Malays, he inflamed the extremists even more.

#### Lee Analyzes the Malaysian Situation

By late 1964, Lee's speeches showed that he had begun to make a distinction concerning the application of socialism to Singapore and to the mainland. In Singapore the PAP had had to work to maintain a basic faith and conviction in its socialist ideals, where it had been faced with a completely capitalist economy impossible to convert to a socialist form without disastrous consequences. Therefore, it had striven to redistribute the rewards of labor through social welfare, housing, educational opportunities and raising of living standards, rather than basic reorientation of the economy.<sup>55</sup> For the rest of Malaysia, however, Lee believed that there was still the opportunity and the necessity to restructure society on a socialist basis.

The situation in Malaysia, as he saw it, was one of great income disparity between the urban areas and the countryside, causing a drift of job seekers to the

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<sup>55</sup> Josey, Lee Kuan Yew, p. 223.

towns and cities of Malay, or on to Singapore. To resolve this problem, the only course was socialist planning, not free enterprise. If it were not solved, Lee predicted a widening gap between town and country, and increased racial tensions because the Malay immigrant races divisions tended to follow the same pattern. Ultimately, the leadership which was to solve the problems had either to be socialist or Communist, and to prevent the latter, the economy must be kept from going broke.<sup>56</sup> The proposed Malaysian budget presented to Parliament only a few days later was not, in Lee's estimation, one which would be a start on the process he had just outlined.

#### The 1965 Budget Controversy

There were more immediate objections to the budget, and circumstances which made Lee fear that Singapore was not going to get what he felt to be fair treatment while a part of Malaysia. In order to raise enough money to meet the demands of increased military spending necessitated by Konfrontasi, as well as to continue and expand social welfare and other non-defense programs, Tan Siew Sin proposed a number of new or higher taxes. He also announced that he wanted a

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<sup>56</sup>Lee Kuan Yew, Some Problems in Malaysia (Singapore: Ministry of Culture, 1964), pp. 25-30.



review of the financial arrangements between Singapore and the Central Government so that Singapore would hand over more of its revenue (perhaps 60% rather than 40%).<sup>57</sup> Lee's responses to both were that Tan intended to have the poor pay proportionately more so that the rich would not have to pay.

The tax proposals were for indirect taxes, such as sales, payroll and turnover taxes. Lee said that careful study of the budget had led to the conclusion that in the majority of cases, the tax burden would be passed on to the consumer, with no relation of the burden to the capacity to pay. Rather than these, he maintained that there should be more direct taxes; on income, capital gains and profits.<sup>58</sup> Tan responded that Lee was saying that taxes should fall not on Singapore but upon the Malays.<sup>59</sup> Harvey Stockwin of the Far Eastern Economic Review felt that Lee's criticisms of the budget were analytical and constructive, and that the responses to them had been rather wild and illustrative of the continued prevalence of the communal point of view in Malaysian politics.<sup>60</sup>

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<sup>57</sup>Fletcher, Separation, p. 17.

<sup>58</sup>Josey, Lee Kuan Yew, p. 227.

<sup>59</sup>Harvey Stockwin, "Budget Politics," FEER, 31 December 1964, p. 642.

<sup>60</sup>Ibid.

In Singapore, employers and workers protested against the taxes, and the Malaysian Central Government responded by banning some of the protest meetings. Such actions caused even the conservative Straits Times to comment that criticism of the government was resented, plain and fair speech condemned, and opposition to government policies and programs apparently considered disloyal.<sup>61</sup> Lee quite bluntly asked if such attitudes on the part of the Malaysian Government would lead ultimately to the collapse of Malaysia. He minced no words:

By the time you cannot hold a meeting to protest against the budget, to protest against Government revenue proposals which will hurt or injure your interests, then there's something wrong with the country.<sup>62</sup>

Carrying his case to the Parliament, Lee presented a detailed criticism of the trends he saw after a year of Malaysia. He demanded to know if it was an open society where ideas could be freely expressed, or a closed one where the mass media fed men's minds with a constant drone of sycophantic support for a particular orthodox political philosophy. He pointed out that the commission of inquiry into the riots had not met, and that even in the parliament chamber a pattern of

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<sup>61</sup>Leifer, "Singapore in Malaysia," p. 68.

<sup>62</sup>Josey, Lee Kuan Yew, p. 227.

vituperation and abuse from the "small fry" had emerged to shout down unwanted discussion.<sup>63</sup>

The budget debate marked the end of a phase in Lee's attempts to bring about a Malaysia matching his concept. The first phase, an attempt to bring about change through cooperation with the Tunku within the existing political structure, climaxed with the 1964 elections. Failure to gain seats in that contest led the PAP to move into a second phase, to work for change through the role of a loyal opposition. The bitter words and hostile reactions to Lee's criticisms of the budget marked the transition to the third phase, in which Lee and the PAP pursued every available means to create a Malaysian Malaysia. Many times Lee's speeches reflected in harsh and immoderate terms his frustration with the slow progress. The result was an ever-expanding sequence of action and reaction by both sides in the dispute which took the situation nearly out of control.

The deterioration of the relationship between the Singapore and Kuala Lumpur governments was demonstrated in the controversies over closing the Bank of China in Singapore, and a dispute with Britain concerning textile quotas. In both cases, disagreements over

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<sup>63</sup>Ibid., pp. 227-81.

what should be done, by whom and how escalated rapidly, until the original issue was lost to view.

#### The Bank of China Matter

Tan Siew Sin had warned in late December that the Singapore Branch of the Bank of China would be closed. The reasons given were that its continued operation constituted a threat to national security, and that the Bank served as a conduit for Communist funds to the PAP, as well as a means for the PAP to send out funds for safe-keeping. The proposal was vigorously opposed by S. Rajaratnam, who said that the Bank was an asset to Singapore, and called upon the Central Government to produce proof of its allegation.<sup>64</sup> Lee argued that closure might affect trade with China and would create economic hardship in Singapore. Furthermore, the Central Government would be breaking an understanding made before merger, by which banks operating in the new states prior to merger would be allowed to continue, even though they might not satisfy the Malayan Banking Ordinance which prohibited operation of banks with 50% or more of their capital owned by foreign governments.<sup>65</sup>

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<sup>64</sup>Anthony Oei, "Bank of Contention," FEER, 7 January 1965, p. 7.

<sup>65</sup>Fletcher, Separation, pp. 24-25.

The dispute illustrated once again the problems arising from a merger agreement that was not sufficiently detailed, and from the grey area of the exact relationship of Singapore to the Central Government. In this case, Singapore would have had to defer to Kuala Lumpur, had not the Separation taken place.

The dispute was still going on in July, and had become so irritating by then that the Tunku issued a statement emphasizing the security threat posed by the Bank. He said the Central Government would reconsider if the directors cut all ties with Peking. The Bank Negara (Central Bank) Malaysia took over the Bank of China in August, to wind up its business, and the closing was to have taken place on 14 August.

#### British Textile Quotas

The other major dispute, over textile quotas to Britain, epitomized

. . . the degenerating relationship between Kuala Lumpur and Singapore, the growth of mistrust as to each other's intentions, the lack of communication between the leaderships to overcome this mistrust.<sup>66</sup>

There were implicit questions concerning the nature and extent of Singapore's foreign relations, and explicit

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<sup>66</sup>Harvey Stockwin, "Broken Threads in Malaysia," FEER, 15 April 1965, p. 119.



disagreements between Singapore and Kuala Lumpur as to their relationship.

The problem stemmed from a British announcement that it would not renew its quota for Singapore textiles but would establish instead one for all of Malaysia. Some months after, Singapore threatened to ban British goods in retaliation for the economic effects of the lower quotas. Intermittent discussions between Britain, Singapore and Malaysia went on for several months, until in March Goh Keng Swee announced they had broken down because of "differences between the Singapore and Central Governments as to how the latest British proposal is to be handled."<sup>67</sup>

The proposal had offered quotas in woven textiles and made-up goods, as well as licensing of Singapore's existing contracts as of 1 March. The Central Government had claimed most of the quota for made-up goods for the mainland states, an action strongly protested by Singapore. It was noted that there was a scarcity of textile factories in Malaya, while many in Singapore lacked work and stood idle. The dispute degenerated into a political feud, with the Central Government holding that dealings with other countries were a Federal matter, while Goh said the

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<sup>67</sup>Fletcher, Separation, p. 22.

British wanted agreement by both governments. The Tunku claimed the disagreement played into the hands of the Communists.<sup>68</sup> Both sides seemed to lose sight of the real issue, that of how to distribute a potential market for the best advantage of Malaysia as a whole, or that through a united front Singapore and Malaysia might even have gotten the quotas increased.

Lee Tours Australia  
and New Zealand

Similar disagreements and tendencies to see things in parochial terms arose out of a tour by Lee of Australia and New Zealand in March and April 1965. By this time, the PAP had come to see the possibility of separation from Malaysia as the most realistic and attainable alternative of several designed to expand the influence and organization of the party. (The other two were the remote possibility that the UMNO might yet accept the PAP in a coalition cabinet, or that the PAP might by 1974 be strong enough to win enough seats in the federal elections to be able to set up the government.) One reason for Lee's tour was to create a body of favorable foreign opinion to forestall the possibility that he and some of his colleagues might be

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<sup>68</sup> Ibid., pp. 22-23.

detained, or that Singapore's constitution might be suspended and the Central Government take over in Singapore.<sup>69</sup>

It was reasonable, then, for those in Kuala Lumpur to fear that Lee would use his oratorical and diplomatic talents to undermine Australian and New Zealander confidence in the Alliance government, and to feel he was strengthening his bid for national leadership. Even before Lee's return, Kuala Lumpur announced it was sending a team of its own to Australia and New Zealand, which gave the impression in Canberra that its purpose was to "correct" Lee's impact.<sup>70</sup> The reported purpose of Lee's trip was to convince his hosts that Malaysia was worth saving, from both the security and economic points of view.<sup>71</sup>

In his numerous speeches, Lee repeated common themes. After discussing the development of Southeast Asia as an identifiable area, he pointed out the interests that Australia and New Zealand had there. Both nations had political, economic and historical ties with

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<sup>69</sup>Bellows, The People's Action Party, p. 102.

<sup>70</sup>Peter Boyce, "Politics Without Authority: Singapore's External Affairs Power," Journal of Southeast Asian History, 6 (September 1965):102.

<sup>71</sup>Anthony Oei, "Lee Down Under," FEER, 25 March 1965, p. 538.

Malaysia, and stood to benefit if Konfrontasi could be overcome and all three could get on with their business. Lee also pointed out that many Chinese, Indians and other immigrant groups regarded themselves as Malaysians and that if the Malay leaders would support the concept of a multi-racial society, then the Malays too would see themselves as Malaysians.

Press response was uniformly positive, too much so in fact for Rahman and his colleagues. The New Zealand Herald described Lee as one of the architects of the New Malaysia and said he was leader of the only organization in Malaysia with some prospect of forming an alternative government to than of the Tunku.<sup>72</sup> The Canberra Times labelled him "something of an elder statesman," while the Sydney Morning Herald wrote that "Mr. Lee . . . can be fairly ranked as the most able political figure in all South-East Asia; shrewd, tough-minded, supremely a realist."<sup>73</sup> Upon Lee's return to Singapore, he was not treated so kindly by his UMNO opponents.

The Malaysian Minister for Information and Broadcasting alleged that Lee's tour was, indeed, to

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<sup>72</sup>Lee Kuan Yew, Malaysia: Age of Revolution (Singapore: Ministry of Culture, 1965), p. 66.

<sup>73</sup>*Ibid.*, pp. 68-69.

project his personal image upon the international scene. Lee's response was to ask, "What do you expect me to do when I go to Australia--build a bad image for myself?" He went on to point out that it had not been his task either to go there to run down the Tunku; he went "to consolidate Malaysia because my interests and my survival depend upon that." To an accusation of mis-use of television and radio to his own advantage, Lee stated that the Central Government had been given full coverage. If "by giving them full cover, it creates a not favourable impression of the Central Government, what can we do? We report faithfully."<sup>74</sup> Full coverage was not, however, what the Central Government seemed to want, at least not by Lee.

#### The Speech from the Throne

The war of accusations, claims and counter-claims, of contending concepts of what Malaysia was to be and how it was to be attained, reached a climax during May. At the opening of the Second Session of the Malaysian Parliament, the Yang di-Pertuan Agong (King) presented the customary Speech from the Throne. In the last paragraphs, the King warned:

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<sup>74</sup> Lee Kuan Yew, The Battle for a Malaysian Malaysia, vol. 1 (Singapore: Ministry of Culture, 1965), pp. 66-67.



We are now facing threats to our security from outside (defined to be Indonesia). In addition, we are also facing threats from within the country. Both these threats are designed to create trouble. If those concerned achieve their objective, it will mean chaos for us and end to democracy.<sup>75</sup>

The responses to the speech from each side of the aisle were predictable.

From the Government benches, UMNO member Dr. Mohammed Mahathir presented a motion of thanks in which he discussed the internal threats, including labor struggles and contests for power. He described the PAP as "pro-Chinese, Communist-oriented and positively anti-Malay," and Lee as a good example of the "insular, selfish and arrogant type of Chinese" which lived in a purely Chinese environment where the only Malays were at the chauffeur's level.<sup>76</sup> Mahathir implicitly warned the Chinese to be thankful for what they had in Malaysia, and said that the "myth of Malay domination" had been built up by the PAP.

Lee's response to Mahathir and the Speech from the Throne took nearly one and one-half hours, and was a catalog of all of the faults he perceived in Malaysia. Beginning by asking who was meant by the "threat from within," Lee answered himself by asking if the PAP were

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<sup>75</sup>Ibid., p. 5.

<sup>76</sup>Harvey Stockwin, "Crisis in Malaysia," FEER, 22 July 1965, p. 187.

the threat. He then assured the Parliament at great length of the PAP's willingness and desire to uphold the Malaysian Constitution in all its particulars, and decried the continued campaign by Albar and other UMNO extremists to place Malay interests first. In conclusion, Lee offered an amendment to Mahathir's motion of thanks which raised shouts of "Sit down, get out":

[the House] regrets the Address . . . did not reassure the nation that Malaysia will continue to progress in accordance with its democratic Constitution towards a Malaysian Malaysia but that on the contrary the address has added to the doubts over the intentions of the present Alliance Government and to the measures it will adopt when faced with a loss of majority popular support.<sup>77</sup>

In the storm of protests from Government ministers and back-benchers, Lee was liberally misquoted. He requested to be allowed his right of reply to his critics, but it was refused through application of a procedural technicality. Consequently (and perhaps preferably) Lee held a press conference in the Parliament Building, at which he answered his critics point by point, presenting a detailed case demonstrating that there had been for a long time a communal campaign against him by second-level UMNO leaders. Liberal quotations from the Malay press, especially Utusan Melayu, and from Ja'afar Albar demonstrated his

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<sup>77</sup> Lee, Malaysian Malaysia, pp. 5-51.

contention. His conclusion was that the UMNO wanted Singapore out of Malaysia so that it could then apply its communal technique unhindered to the rest of the country.<sup>78</sup> The result of this entire affair was to end all hope for cooperation between the Singapore and Central Governments.

The Malaysian Solidarity  
Convention

Lee believed that the event which caused the extremists in Kuala Lumpur to decide that he had to be stopped was the success of the Malaysian Solidarity Convention held in Singapore on 6 June.<sup>79</sup> The convention was an attempt to form a pan-Malaysian non-communal party in response to the April creation of the Malaysian National Alliance Party, comprising the separate Alliance parties of Malaya, Singapore, Sabah and Sarawak. Members of the convention were the PAP, the People's Progressive Party and United Democratic Party (Malay), the Sarawak United People's Party and the Machinda, also of Sarawak. The MSC was to be organized on ideological and socio-economic rather than racial

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<sup>78</sup> Lee Kuan Yew, The Battle for a Malaysian Malaysia, vol. 2 (Singapore: Ministry of Culture, 1965), pp. 1-46. See especially Chapters 2, 7, 13, and 14.

<sup>79</sup> Josey, Lee Kuan Yew, p. 265.

lines, though in fact its membership was mostly non-Malay and predominantly Chinese.<sup>80</sup>

Alliance leaders termed the MSC an insidious plot and a device to enable Lee to capture the Central Government. They also were distressed because this action had raised the question of what might be the possible future political trends in Sarawak and Sabah. Lee's speech to the MSC, in which he once again accused the UMNO of communalism, was considered by "responsible persons in high places in Kuala Lumpur" to be subversive and cause to imprison Lee.<sup>81</sup> While such a possibility was denied by all responsible parties, Lee insisted the prospect had indeed existed.

The Tunku left for London in early June to attend the Commonwealth Prime Ministers' Conference and, as it turned out, to extend his stay for a month to convalesce from a severe attack of shingles. Shortly after his departure, on the eve of which he expressed his distress at the controversy and at Lee's actions, the Alex Josey affair erupted.

#### The Alex Josey Affair

On the basis of an article written for the Australian Bulletin of 19 June, British correspondent

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<sup>80</sup>Fletcher, Separation, pp. 49-50.

<sup>81</sup>Josey, Lee Kuan Yew, p. 268.

(and intimate of Lee Kuan Yew) Alex Josey was accused of being anti-Malay and guilty of interference in Malaysia's political activities. He was given two weeks to leave Malaysia (the deadline was 20 July), an action termed "clumsy and unjustifiable" by the London Times.<sup>82</sup> Because of his close association with Lee, Josey's comments both in the Bulletin article and in earlier ones were viewed as a means for Lee to criticize Malay culture as inferior, and to describe Kuala Lumpur politicians as inept, immature, corrupt, communalistic and chauvinistic. Toh Chin Chye saw the expulsion as the first step toward suppression of liberalism in the political arena, but the Tunku expressed his concerns at what he saw as Josey's deliberate attempts to disrupt inter-racial harmony.<sup>83</sup> By this point, both sides were using every opportunity to criticize the other, and often failed to objectively address the issue at hand.

#### Hong Lim By-Election

The Josey affair came right in the middle of an unexpected by-election campaign in Singapore brought about by the 16 June announcement of Ong Eng Guan that he was renouncing politics forever, with which he

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<sup>82</sup>Times (London), 8 July 1965, p. 13.

<sup>83</sup>Hanna, "Success and Sobriety, IV," p. 12.



resigned his Assembly seat. Ong's reason for resigning was that the Assembly met so seldom that Assemblymen did no good.<sup>84</sup> At this time, the Assembly sat for only a few days per month, so that Ong's complaint had some justification.

All parties concerned placed great importance upon the election, believing that the results would be a sign of the validity of their particular point of view. The PAP faced the most painful dilemma, caught between its avowed non-communalism and the political facts of life in 95% Chinese Hong Lim. This area in the heart of Singapore's Chinatown had suffered severely from the economic embargo of Konfrontasi (many of its workers were employed by the Singapore Harbour Board), and it had benefitted little from the public housing programs. The PAP had therefore to adjust its non-communal position, taking the position that the voters should choose the PAP so that "we can stand up to Kuala Lumpur."<sup>85</sup> In this way, without specifically saying so, the intimation was made that a vote for the PAP would strengthen the Chinese voice.

Opposing the PAP was the Barisan Socialis, which had been severely weakened as a result of internal

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<sup>84</sup>Harvey Stockwin, "Hong Lim Result," FEER, 29 July 1965), p. 210.

<sup>85</sup>Ibid.

security actions. The Singapore Alliance did not put up a candidate, which diminished its already low prestige. It hoped that by staying out the Barisan would have a better chance to win, thereby proving that Lee was losing support in Singapore. The paradox of the situation was that the Singapore Alliance was supporting the Chinese-communal Barisan, with strong links to the Communists and to Indonesia, in order to prove that the PAP was also communal. The Barisan ran on an anti-Malaysia platform consistent with what it had always claimed, that Malaysia was a neo-colonialist plot and not a real merger. The Barisan-oriented trade unions wanted outright secession of Singapore from Malaysia, but the party leadership was against this, although its slogan was "Crush Malaysia."

In another instance of an unrelated issue overshadowing the matter at hand, the Hong Lim election was affected by the question of whether the Central Government had sometime in June given orders to build a case for Lee's arrest. The charge was made by Toh Chin Chye during a press conference on the Josey expulsion, and was immediately met by Acting Prime Minister Razak's statement that he had warned all political leaders not to use communal issues to disrupt the people's harmony. To this, Lee responded by asking point-blank whether

there had been a case made against him. Not even the Tunku directly answered this question in a statement three days after the election. He only said that there had been, as far as he knew, no evidence to warrant Lee's arrest.<sup>86</sup> Nevertheless, the exchange was characteristic of the charges that were made on both sides of the Straits of Johore, and indicative of the rate at which Malaysia was coming apart at that particular seam.

On 10 July, the PAP candidate in Hong Lim received 54% of the votes, winning by a margin of 2,000. The Party hailed the victory as an endorsement of the policy of a Malaysian Malaysia, which infuriated the Alliance, and worried them.<sup>87</sup> The greater significances of the victory were that it represented the last gasp of the Barisan as an opposition party, and confirmed the PAP's total ascendance. From this point, Singapore was effectively a one-party system. The victory also pointed out that the PAP was now in such control that the internal security issue which had been the basis of Rahman's acceptance of Singapore as a part of Malaysia was now no longer a problem, or a reason for its continuance as a part of the Federation.<sup>88</sup> That this was true

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<sup>86</sup>Josey, Lee Kuan Yew, pp. 277-78.

<sup>87</sup>Pang, Singapore's People's Action Party, p. 21.

<sup>88</sup>Bellows, The People's Action Party, p. 65.

was proven by the rapid sequence of events following Rahman's return from London on 6 August, which culminated a process of deliberation on the Tunku's part dating at least to 29 June.

#### The Tunku Decides

On that date, the Tunku reached his decision that separation was necessary, unless the intense political activity possibly leading to bloodshed were ended. He instructed Razak to meet with Lee to review the situation, a meeting which caused the UMNO Youth Movement to demand an explanation. On 22 July Razak informed Rahman, then in France, that all senior cabinet ministers were agreed that no accommodation could be reached with Singapore. The Parliament was summoned for a meeting to be held on 9 August, at which a Separation Bill was to be passed.<sup>89</sup>

Toh Chin Chye received a brief letter from Rahman on 7 August. The Tunku said that after "utmost consideration" of the matter of a break with Singapore, he found that "in the interest of our friendship and the security and peace of Malaysia as a whole there is absolutely no other way out." Admitting that he was not strong enough to exercise complete control of the

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<sup>89</sup> Josey, Lee Kuan Yew, p. 280.

situation, Rahman "earnestly" requested Toh to agree.<sup>90</sup> The same day, Lee met with Rahman and asked him if ties between the Central Government and the states could be loosened somewhat. He requested a political truce, and that Utusan Melayu stop publishing inflammatory material. Rahman rejected the proposals.<sup>91</sup>

Toh responded the following day, expressing sadness and resignation. He pointed out that he and his colleagues preferred that Singapore remain in Malaysia, but that as the Tunku had

. . . indicated that Singapore remaining in Malaysia will lead to a situation you may not be able to control, we have no alternative but to be resigned to your wish that Singapore leaves the Federation of Malaysia.<sup>92</sup>

From these exchanges, it was clear that the action taken on 9 August was no surprise to the governments of Singapore or of Malaysia.

Speaking to the House of Representatives, Rahman announced the immediate separation of Singapore from Malaysia as the only acceptable course of action open to the Federal Government. The other was "to take repressive measures against the Singapore Government for

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<sup>90</sup> J. M. Gullick, Malaysia and its Neighbours (New York: Barnes and Noble, 1967), pp. 168-69.

<sup>91</sup> Josey, Lee Kuan Yew, p. 286.

<sup>92</sup> Ibid. p. 169.



the behavior of some of their leaders . . ."<sup>93</sup> At the same moment, Lee Kuan Yew issued the Proclamation by which Singapore

should cease to be a state of Malaysia and should . . . become an independent and sovereign state and nation separate from and independent of Malaysia . . . .<sup>94</sup>

With the avowals of anguish and sadness from the two leaders, the nation for which Lee had struggled for so long split apart and he found himself Prime Minister of one of the smallest states in the world. The battle for Malaysia now lost--the battle for survival was only beginning.

#### Reasons for Separation

The fundamental reason for the failure of Malaysia lay in the differing concepts of what it should be on the part of Lee Kuan Yew and Tunku Abdul Rahman, and in the disparity between their basic reasons for entering into the agreement. Without stretching the analogy to the breaking point, Malaysia failed because

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<sup>93</sup>Tunku Abdul Rahman, "Singapore Breakaway," speech presented to the Malaysian House of Representatives, Kuala Lumpur, 9 August 1965, pp. 1-2.

<sup>94</sup>Singapore, Ministry of Culture, Separation (Singapore: Government Printing Office, 1965), p. 1. Contains the Singapore and Malaysian Proclamations of Separation as well as chapters presenting the Singapore Government's views on the implications of Separation.

of the incompatibility of Lee's aggressive, liberal and revolutionary outlook with the more accommodative, conservative and evolutionary approach of the Tunku.

In Lee's view, the difference was that,

One was a conservative, static society, wanting to keep what was in the past and to reinforce the forces that kept the society where it was. The other was an innovative society, prepared to reach out for the stars, to experiment, and pick the best that suited the country.<sup>95</sup>

Rahman had intended to make Singapore the New York of Malaysia (thereby implying that Kuala Lumpur was to be its Washington, D.C.) He felt that Singapore politicians should have placed the interests of Singapore above their own personal glorification.<sup>96</sup> Unfortunately, he does not seem to have realized that New York and Washington have their differences, and that a great port's commerce influenced politics as much as it was governed thereby.

Lee's pushfulness very quickly aroused the antagonisms of conservative Malay communalists, as they saw his concept of a Malaysian Malaysia, in which all races had equal rights, threatening a Malayan Malaysia, wherein the Malays had special rights because of their status as the original race. A party originally formed

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<sup>95</sup> Ibid., pp. 7-9.

<sup>96</sup> Rahman, "Singapore Breakaway," p. 5.

to protect those rights and prevent their diminution was not soon going to abandon that objective, especially when preponderant economic power was still in Chinese hands. Within the UMNO-dominated Alliance, therefore, the concept was that each race must be united first; then attempts could be made to establish non-communalism. To Lee, such an approach only prolonged an unsatisfactory situation; the goal should be to create a truly non-communal society in ten or fifteen years.

In Singapore, of course, Lee had overcome his communal opposition, and he had the advantage of a population in which the racial balance was so heavily Chinese that the lesser communities did not pose such an obstacle. In fact, his major problems lay within the Chinese sector of the population; to resolve the dichotomies between the Chinese- and English-educated. On the mainland, Rahman faced a population balance where the Malays were a bare plurality, and there was a strong opposition party within the Malay sector (the PMIP). Even within the UMNO, the conservative wing of the party was very communally-minded.

Had Rahman truly desired to reduce the communalism apparent within the mainland political environment (which is doubtful), Malay communal pressures within the UMNO and PMIP made such a prospect nearly

impossible. Furthermore, there was agitation for greater political power for the Chinese by those within and outside of the MCA. It was easy to see such desires as threatening the Malay position.

Finally, with the passage of time and events, the original reasons for Malaysia's creation came to have less importance. No longer was internal security such a compelling reason to have Singapore in, rather than out. Central Government security operations had eliminated the most dangerous elements within the Communist and Communist-front organizations, and PAP accomplishments as the Government of Singapore had made people willing to support them in office. Thus, there was no longer the danger that Singapore might turn into a Southeast Asian Cuba, as Rahman had feared.

The economic objectives for which Singapore had wanted Malaysia had not been attained, particularly the common market. The provisions of the Malaysia Agreement concerning its creation had been general in nature, and protectionism in favor of the mainland prevented any substantive steps toward its implementation. Furthermore, Konfrontasi turned out not to have the effect upon Singapore's economy that was originally feared (although this was not part of the original reasons for Malaysia), and Singapore had found that it could make economic

progress through its own efforts. Now, as the newly-independent Republic of Singapore, it would have the opportunity to find its own path in the world.



## CHAPTER VI

### SURVIVAL AND SOVEREIGNTY 1965-1968

We are here in Southeast Asia for better or for worse and we are here to stay, and our policies are designed to ensure that we stay peacefully. . . in accord and amity with our neighbours but with a right to decide how we order our own lives in our own homes. And every action, every policy must be decided by this yardstick. . . . We have not sought this particular form of survival, but it is now the basis on which we move forward; and with independence comes an independence of action in policy and planning which can help establish that enduring basis for ourselves in Southeast Asia.<sup>1</sup>

Lee Kuan Yew  
8 December 1965

With Separation, the two themes of survival and sovereignty became predominant in Singapore's relationships with the rest of the world and in the PAP government's internal policies and programs. For many years, Lee had reiterated his conviction that Singapore's best chance for survival was as a part of a greater Malaysia, with access to a common market encompassing Singapore's economic hinterland. A prospect acknowledged only on paper in the Malaysia agreement now had not even that much recognition in the new state

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<sup>1</sup>Josey, Lee Kuan Yew, p. 300.

of affairs. In their new status as two politically sovereign states, Singapore and Malaysia seemed determined to demonstrate such sovereignty, even to the detriment of their best long-term mutual interests. This is not to say that the expulsion of Singapore from Malaysia was for this reason; rather, the motivations were probably more emotional than rational, a conclusion reinforced by the fact that it was the pragmatic Lee who was the first to modify his stand. Whatever the reasons, the acrimony which had brought the parting of the ways continued to characterize their non-international relations during much of the following three years. Even as Indonesia's Konfrontasi was drawing to a close under the new Suharto government, it was being replaced by the new Singapore-Kuala Lumpur confrontation.

#### The Tasks Ahead for the PAP

Malaysian threats to develop alternative trade patterns to reduce the dependence upon Singapore's entrepot facilities forced Lee and his colleagues to hasten already intensive planning for economic development. Ways had to be found to diversify Singapore's "one-crop" entrepot economy, a process which in Lee's estimation involved not simply creation of new industries and markets, but also called for extensive

transformations of Singapore's culture and society over a long period of time. It was necessary to achieve internal political stability, to create a responsible labor establishment, and to bring about a truly Singaporean sense of civic self-identification.

As the government of a politically independent nation, Lee and his fellow ministers, no longer had the administrative buffer previously provided by the Malaysian or colonial governments to cushion contacts with foreign governments. It was fortunate that Lee, Rajaratnam, Goh Keng Swee, Toh Chin Chye and the rest were a particularly realistic and hard-headed group with long experience of working together. Their individual and collective talents were to be thoroughly exercised in the first years of independence, especially after the British decided that it would be necessary to reduce their military forces east of Suez. British withdrawal posed the most serious economic threat of this period. It also forced Singapore and Malaysia to acknowledge that cooperation was necessary for mutual defense, and eventually, in other areas.

#### The Separation Agreement

Separation was formalized in an agreement between Singapore and the Malaysian Central Government. According to the Tunku, the separation was made on the

understanding that there would be close cooperation on matters of defense, trade and commerce.<sup>2</sup> The purpose of the Agreement was to grant independence to Singapore and to establish it as a sovereign state. Among the more important clauses were provisions which stated that the two countries would conclude a treaty on external defense and mutual assistance (Article V), that talks were to be held to provide facilities for trade and commerce (Article VI), and rescission of Annexes J and K of the Malaysia Agreement relating to the common market and broadcasting and television.<sup>3</sup> Lee's statement at a press conference immediately after separation, echoed the Tunku's sentiments calling for "the closest cooperation . . . in defence . . . security . . . commerce and industry." He wanted as few changes as possible, especially in such areas as the movement of people, goods and currency.<sup>4</sup>

Such expressions of cooperativeness were offset by the sentiments expressed by Singapore Foreign Minister S. Rajaratnam,<sup>5</sup> who stated that "as a sovereign

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<sup>2</sup>Rahman, "Singapore Breakaway," p. 9.

<sup>3</sup>Ibid., pp. 9-11. <sup>4</sup>Singapore, Separation, p. 27.

<sup>5</sup>Cabinet portfolios were exchanged at periodic intervals so that within the space of two or three years, a man might hold two or three cabinet positions. The changes were for reasons varying from creation of new portfolios to a desire to match a particular expertise with the problem of the moment.

and independent country, we must behave and act like one."<sup>6</sup> Within a week, the Tunku also was saying that Malaysia would never allow Indonesia or any other country opposed to Malaysia to renew trade and diplomatic relations with Singapore.<sup>7</sup> When Singapore imposed import duties and quotas on nearly 200 classes of Malaysian goods entering Singapore, Malaysia regarded the action as the opening shot of an economic war. Discussions between Finance Ministers Tan Siew Sin and Lim Kim San resulted in an agreement to abolish quotas, an agreement that was repudiated by the Singapore cabinet which said economic union was necessary first. The agreement finally concluded was one which eliminated the quotas and provided for consultations on other matters. Neither country acted as if economic integration was essential to the solution of their problems. Lee claimed that Malaysia wanted to slow Singapore's economic growth so that a "medieval feudal society;" i.e., Malaysia, could survive. The Tunku's response was a personal attack on Lee, comparing Lee's "ranting" to that of a "mad frustrated man."<sup>8</sup>

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<sup>6</sup>Anthony Oei, "Hopes Blighted," FEER, 9 September 1965, pp. 489-91.

<sup>7</sup>Ibid.

<sup>8</sup>Harvey Stockwin, "Divided Stand," FEER, 28 October 1965, p. 162.



### Decline of the Barisan

Within Singapore, Lee was achieving great success in besting his political opposition, both through his own efforts and because of the unrealistically rigid ideological stance and internal schisms of the Barisan. As was revealed nearly a year later, the Police Special Branch agents had thoroughly penetrated all organizations in the Communist united front so that information could be gathered at all levels. According to Defense Minister Goh Keng Swee, no united front organization was invulnerable to Special Branch penetration.<sup>9</sup> He justified such action, as well as detention without trial, on the basis that special methods had to be used against the Communists, and that extreme care was taken in application of these sanctions and methods.

Even aside from such government controls, the Barisan, as the largest organization with Communist front connections, had been steadily moving ideologically to the left, becoming ever more impractical and unrealistic. Within the Barisan, this ideological shift caused a schism between those who espoused a revolutionary line and those who were more moderate, a situation which made the already ineffective party even less

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<sup>9</sup>Mirror (Singapore), 5 September 1966, p. 4.

attractive to potential supporters. The Barisan also suffered by comparison with the PAP government and its accomplishments which had vastly improved the lot of the common man in working conditions, housing, education and social services. While the Barisan were still calling for "true independence" after which programs could be started to accomplish revolutionary objectives, Lee had brought such programs to fruition under the direction of his colleagues in the government.

The Barisan did not acknowledge Separation, just as it had not acknowledged Merger. As long as British bases were present in Singapore, according to the Barisan, true independence did not exist. Singapore's democratic process was "phoney," Lee and the Tunku were "puppets," and Konfrontasi was a "people's war" ended by a "CIA-backed military regime" in Jakarta and Anglo-US "stooges" in Kuala Lumpur and Singapore.<sup>10</sup> This line was characteristic of Lee Siew Choh who had bolted the party in 1964 and was reinstated as chairman in mid-1965. In December 1965, he once again split the Barisan with the decision that they would boycott the Singapore Parliament.

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<sup>10</sup>Derek Davies, ed., 1967 Yearbook (Hong Kong: Far Eastern Economic Review, 1967), p. 319.

The Barisan held thirteen of the fifty-one seats, the PAP the remaining thirty-eight. Of these thirteen MP's, two had been long in Jakarta, three were in detention and the remaining eight were at large but under sentence of detention. To get around the parliamentary rule requiring a by-election to fill the seat of any member absent from two consecutive sessions, the Parliament sat in alternate months. As one observer pointed out, "Obviously, it suits the PAP to have a disreputable opposition rather than to become a monolithic party . . . if . . . by-elections were held."<sup>11</sup> Such a view appears to have some validity, for in the absence of the Barisan Members of Parliament, Lee asked the Speaker of the House to allow PAP back-benchers to function as an opposition by presenting the pro and con of every bill and policy.

When the boycott decision was announced, three reasons were given. In the view of the Barisan, the Singapore Parliament had been convened to:

1. Give the legal seal to Singapore's departure from Malaysia which was a neo-colonialist plot to divide and rule
2. Provide legal cover for the PAP government's abuse of public funds

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<sup>11</sup>Harvey Stockwin, "Victory by Default," FEER, 3 February 1966, p. 147.

3. Use the parliamentary session as a platform for propaganda to cheat and confuse the people

In the Barisan's view, the boycott would show the falseness of democracy under the PAP and its anti-people views.<sup>12</sup> Another possible reason was that the Barisan knew that its parliamentary speeches would be severely edited for the radio while Lee's eminence as a debater and his ability to dominate Parliament made the Barisan MP's no match for him.<sup>13</sup> The last was probably true for the Barisan MP's were mostly Chinese-speaking with only secondary education and of working-class backgrounds, so that they were at a real disadvantage among the better-educated, multi-lingual and professional PAP MP's.

After ten months of boycott, the Barisan carried its extremism to the logical limits by having its nine sitting MP's resign in October 1966. However, the Speaker of the House accepted only two of the resignations, a move which prevented the necessity for seven by-elections. The Barisan moved into what was called the "Parliament of the streets," but was unable to capitalize upon any discontent with the policies of the

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<sup>12</sup>Josey, Democracy, p. 50.

<sup>13</sup>Alex Josey, "Singapore: One-Party Democracy," Nation, 19 December 1966, p. 662.

Lee government, and had made itself vulnerable to the public security forces whenever it engaged in demonstrations.

#### No Effective Political Opposition

The other possible political opposition parties had also been reduced to impotence through their inability to attract significant support and because application of the Societies Ordinance divorced them from support outside Singapore. Forced by compliance with the Ordinance to reorganize so that all its members and officers were Singapore citizens, the Singapore Malays National Organisation (successor to the UMNO) never was able to attract sufficient Malay support to gain a parliamentary seat. The Party Rakyat refused to reorganize to comply with the Ordinance and so could not legally engage in political activity. By late 1966, Rajaratnam was moved to say that the PAP had been "put in a position of being a one-party government by consent of the Opposition . . . ."<sup>14</sup> Although he and Lee made statements calling for an effective Opposition which would be capable of conducting the business of government, the true state of affairs was probably most accurately set out as follows:

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<sup>14</sup>Mirror (Singapore), 14 November 1966, p. 2.



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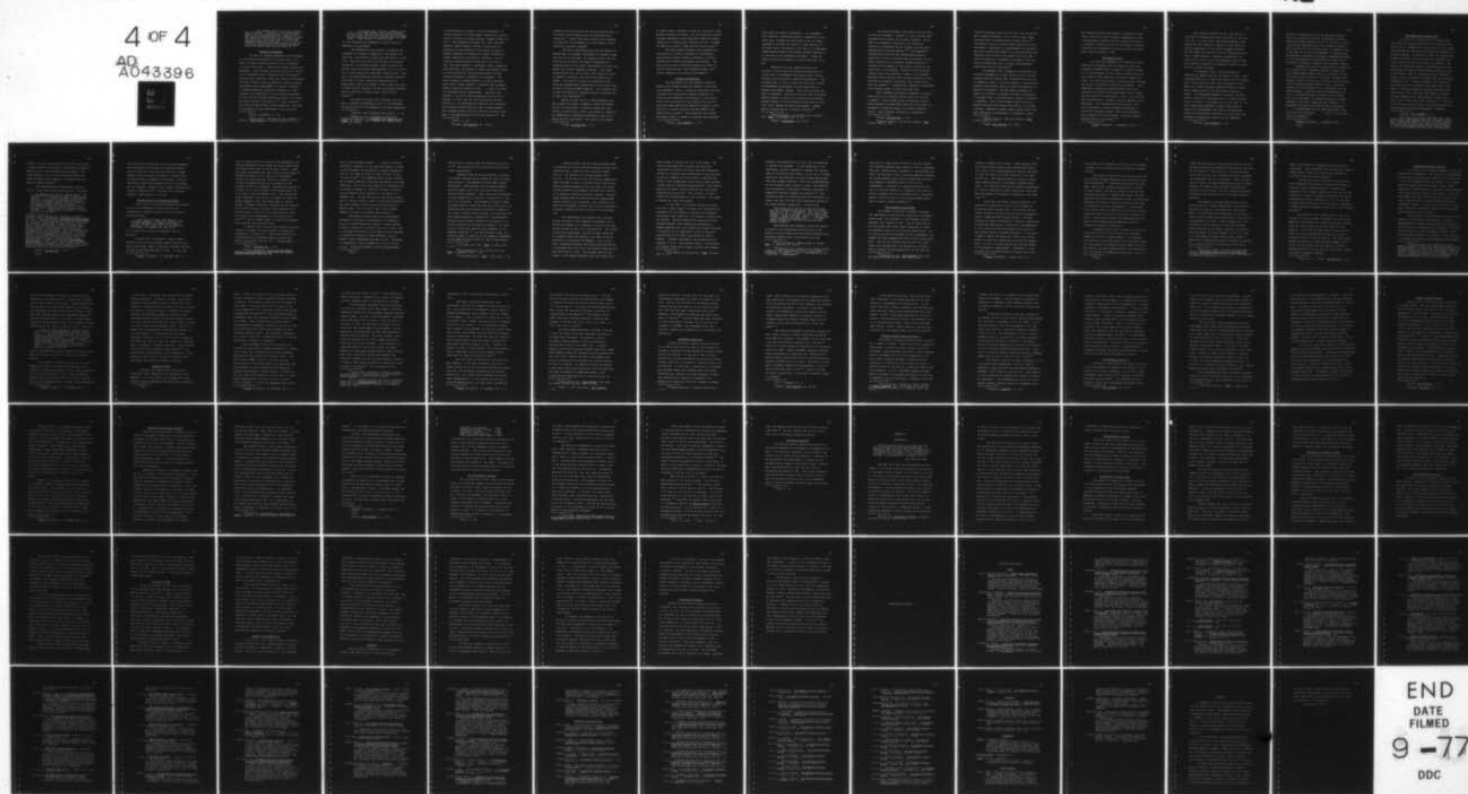
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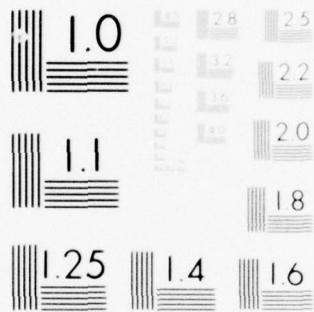
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MICROCOPY RESOLUTION TEST CHART  
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. . . the ultimate test of any form of government is whether it continues to give the people a better life and a secure future. There are far more serious problems ahead for Singapore to tackle than the antics of Barisan Socialist street mobs. The police will look after that. It is to the problems affecting our economic and political survival that the government, Parliament and people should now devote their serious attention.<sup>15</sup>

### Economic Development

All else in Singapore depended upon development of the economy and economic motivations were at the heart of nearly everything done by Lee's government. To achieve this goal, a lengthy but logical formula was necessary. This included: political stability, continuity of leadership and an effective political machine; reliance upon technical rather than financial assistance; realistic economic planning combining carefully-phased development with encouragement of foreign investment in selected sectors; arbitration machinery in labor disputes; and cooperation of the average Singaporeans to whom Lee did not make grandiose promises but insured equitable sharing of the profits.<sup>16</sup> Lee's warning to his fellow citizens shortly after separation, reflected his perception of the seriousness of the situation:

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<sup>15</sup>Josey, "Singapore," p. 662.

<sup>16</sup>Peggy Durdin, "Lee Kuan Yew and Singapore: A Profile," Asian Affairs 3 (January/February 1974):157.

. . . I tell you this; this is a lesson in survival. Take a deep breath; forget about bonuses and this, that and the other for the next two years. We have really got to pull ourselves up by the bootstraps. Those already in jobs are lucky . . .<sup>17</sup>

It also indicated the standards of conduct which he expected of Singaporeans.

The changed political status of Singapore was reflected in a change in emphasis of the second Five-Year Plan, the skeleton of which was made public in late 1965. The first Five-Year Plan had had two principal objectives: to increase national income to match the natural population growth (approximately 3.6% in 1947-57) and to create additional employment opportunities. This was to be accomplished by promoting industrial development under a Pioneer Industries Ordinance and by establishing industrial estates (Jurong being the first). Of M\$946 million allotted, 62% was for economic development and 36% went to social areas, mostly public housing.<sup>18</sup>

The second Five-Year Plan increased the allotment to economic development to 64% of the programmed M\$1,520 million with the emphasis to be upon development

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<sup>17</sup> Bellows, "The Singapore Party System," p. 123.

<sup>18</sup> Ashok K. Dutt, "Singapore: Planned and Progressive Economy," in Southeast Asia: Realm of Contrasts, ed. Ashok K. Dutt (Dubuque, IA: Kendall/Hunt, 1974), pp. 191-92.

of manufacturing for export. Social development, to consist primarily of urban renewal coupled with continuation of the public housing program, dropped slightly to 32%.<sup>19</sup> The Singapore government felt there were four potential export markets, entrée to which would be gained not so much because of the quality or type of products exported, but because of vested interests of trading countries in Singapore's viability. As outlined by Finance Minister Lim Kim San at the end of 1965, they were markets in developed, highly industrialized countries, new markets in Africa and Eastern Europe, or those provided by countries consistently running favorable balances of payments with Singapore. The fourth category included markets in "those countries which have a vested interest in ensuring that Singapore remains viable and stable so that . . . their own security interests are not jeopardised." Admitting that markets in the first three categories would be slow to develop, Lim said that the last represented the best possibility. He expressed the hope that such countries would provide enough access to their internal markets that Singapore would be able to provide an annual increment in job opportunities of 8-10,000 annually.<sup>20</sup> The

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<sup>19</sup>Ibid., p. 192.

<sup>20</sup>Davies, 1967 Yearbook, pp. 325-26.



prospects of quick results were not much better than in the other three categories and the expectation was unrealistic. Rather than making goods for the markets, the hope was to find markets for their goods; an attitude which eventually changed.

Even while industrialization and the search for markets were in progress, development of entrepot trade had also to be continued. To accomplish this, Lee and other senior ministers led numerous delegations to different parts of the world, particularly to Africa and Russia and the East European countries. Lee's most extensive such trip was in April 1966 taking him first to Cambodia, Thailand, the United Arab Republic and London. From London, he went to Stockholm for the Socialist International Congress and on the return trip, visited five East European capitals. His intention was to make the Republic of Singapore known to everyone and to seek trade everywhere.<sup>21</sup>

Before the year was out, trade agreements had been signed with Russia, Bulgaria, Poland and Hungary, as well as North Korea. Welcome as these were, and certainly indications of Lee's willingness to trade with all regardless of ideological persuasion, their total effect was not significant. The trade of the largest

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<sup>21</sup>Josey, Lee Kuan Yew, p. 327.

of these, Russia, amounted to less than the annual total between Singapore and Sabah. The most important trading partners immediately after Separation remained Malaysia (despite the "confrontation" between the two), followed far behind by Britain, Japan and the United States.<sup>22</sup>

The trade between Malaysia and Singapore was a continuation of historic patterns of long-standing relationships between Malaysia producers of primary products and Singapore processors and shippers. Personal and political differences between ministers of the two countries had little immediate effect upon private commercial and economic arrangements.

#### An End to Konfrontasi

The development with the greatest potential effects upon entrepot trade was renewal of relations with Indonesia. While it would be overstating the case to equate the confrontation between Singapore and Malaysia with Indonesia's Konfrontasi, it was rather ironic that relations with an erstwhile military and political enemy should have improved so rapidly, while those with a former political partner seemed to be deteriorating so badly. The pragmatism which should have been evident in respect to Malaysia was displayed

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<sup>22</sup>Davies, 1967 Yearbook, p. 327.

quite early in regard to Indonesia. In a September 1965 interview, Rajaratnam stated in reference to Indonesia that, "recognition would mean we are no longer regarded as an enemy and trading is then possible."<sup>23</sup> Two weeks later, the events of the night of 30 September placed General Suharto and Foreign Minister Adam Malik at the head of the Indonesian government. These two moved as rapidly as possible to bring Konfrontasi to an end.

Because of initial uncertainty about the solidity of their power and Sukarno's continuation of titular head of government and national hero, Suharto and Malik did not abruptly terminate Konfrontasi. They announced that it would in fact continue until a peaceful settlement was reached; military operations in Sarawak soon ceased, however. The first overtures were made to Singapore. Malik said this was done on Sukarno's orders as part of a policy of intensifying Konfrontasi against Malaysia on the diplomatic rather than military level which angered the Tunku's government. Rahman publicly warned Lee not to swallow the bait.<sup>24</sup>

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<sup>23</sup>Harvey Stockwin, "Interview with S. Rajaratnam," FEER, 16 September 1965, p. 526.

<sup>24</sup>Mackie, Konfrontasi, pp. 318-19.

Lee assured Malaysia that nothing would be done to harm its interests. However, he also indicated that Singapore would pursue its own best interests. On the matter of diplomatic recognition, he stated that "Malaysia's friends may be our friends, but Malaysia's enemies need not be our enemies."<sup>25</sup> Such apparently contradictory positions only exacerbated Malaysian suspicions of Lee's intentions and the prospect of Indonesian recognition of Singapore prompted Malaysia to increase the stringency of immigration controls at the Johore end of the causeway. Persons holding Singapore identity cards were required to report to the nearest Malaysian police station after entering Malaysia and construction of elaborate immigration and customs facilities was started.<sup>26</sup> Interestingly, Malaysia's discussions with Indonesia began at nearly the same time.

Both Singapore and Malaysia engaged in bilateral negotiations with Indonesia during April and May 1966 in Bangkok. Talks between Malik and Malaysian Deputy Prime Minister Tun Abdul Razak were well publicized, but Singapore's discussions seem to have been conducted quietly. When Indonesia announced its readiness to

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<sup>25</sup> Josey, Lee Kuan Yew, p. 292.

<sup>26</sup> Harvey Stockwin, "Divide and Conquer," FEER, 28 April 1966, p. 178.



recognize Singapore, Lee told the Tunku that the action was a complete surprise. Only a little later, Malik announced that the negotiations had been going on,<sup>27</sup> the apparent duplicity which further angered the Tunku. Fortunately, some amount of rapprochement was achieved when Lee visited Kuala Lumpur on 8 June and assured the Malaysian Prime Minister that despite official Indonesian recognition of Singapore, diplomatic relations would be established only if Jakarta simultaneously established them with Malaysia.<sup>28</sup>

By September 1966, Singapore and Indonesia had concluded agreements on trade, banking and air service. Singapore private traders were to provide S\$150 million in commercial credit to private traders in Indonesia and Indonesia would permit export by approved exporters of produce to Singapore. The Bank Negara Indonesia reopened its offices in Singapore and banks incorporated in Singapore were to be permitted to establish branches in Indonesia. Both nations opened trade and airline offices with service following soon after. By the end of August, Indonesian coastal trading vessels were once again thronging the anchorages in Singapore's harbor.

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<sup>27</sup>Harvey Stockwin, "And now--Konfusi," FEER, 21 April 1966, p. 143.

<sup>28</sup>Josey, Lee Kuan Yew, pp. 322-23.



The renewed political and economic linkages with Indonesia, while not of real economic consequence in 1966, contained great potential for the future and proved to be valuable in making up some of the losses in revenue caused by the withdrawal of British troops from Singapore, first announced in 1967.

#### The Currency Split

The new-found agreement with Indonesia by both Malaysia and Singapore was the reverse of their own persistent movement apart in matters of mutual concern. One of the few areas in which there had been continued joint action after Separation was that of common currency. For near eighty years, the Malay dollar had been the medium of exchange in Malaya and Singapore. After Separation, Singapore Finance Minister Lim Kim San proposed that either the Currency Board (which issued the Malay dollar) be continued, or that a joint central bank be established. Neither idea was accepted by the Malaysians. The International Monetary Fund (IMF), which was asked to provide technical assistance in formulating another proposal, noted that Singapore's major concern was for the safety of foreign exchange reserves backing the currency.<sup>29</sup>

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<sup>29</sup>Mirror (Singapore), 5 September 1966, p. 6.

This concern proved to be the vital issue in the series of negotiations which took place in June and July 1966. At their start, Bank Negara Malaysia (BNM) agreed that the respective reserves of both countries would be separated, but the draft agreement produced did not answer the question of how to handle the ownership of these reserves. Malaysia proposed that the value of the land on which the Singapore branch of BNM was located be credited to Singapore's account but that the title remain with BNM.

In Singapore's view, this would have its reserves and assets under the trusteeship of BNM. Their counterproposal was to place the assets of both countries with a third party--the IMF, Bank of England or World Bank--or to make the Deputy Governor of BNM for Singapore a separate entity and vest therein control of assets. Lee expressed Singapore's attitude, "We must have our position so guaranteed that if something goes wrong, our share of the assets will not be lost."<sup>30</sup> Two final negotiation sessions in August were unable to resolve the disagreement and finally the Malaysians broke off talks because, according to Lim Kim San, the printers in London were pressing for an immediate

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<sup>30</sup>Davies, 1967 Yearbook, p. 100.

decision on production of the new Malaysian notes.<sup>31</sup> The final conclusion was that the Malaysian Currency Board would cease operation as of 12 June 1967, at which time the two countries would issue separate currency. While the onus for the currency split is generally laid at the feet of Lee and his government, it appears that the Malaysian government was equally responsible because of its unwillingness to acknowledge the importance to Singapore's economy of complete local monetary control.

Although the original proposals had included one for a central bank, Singapore decided to remain with the currency board system after the currencies divided. The Currency Board could not, as could a central bank, engage in deficit finance; all currency had to be backed 100% by foreign exchange assets or gold. Singapore currency thus would remain fully convertible into any other currency, a condition which was believed to be vital to continued growth and health of the economy. Also, the requirement for complete backing by foreign exchange or gold was a hedge against inflation. Lim expressed the rigorous attitude of Lee's government, ". . . if Singaporeans wish to spend more money, then they must first earn more . . . . There is no alternative for Singapore."<sup>32</sup>

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<sup>31</sup>Mirror (Singapore), 5 September 1966, p. 7.

<sup>32</sup>Ibid.

Lee Summarizes the First Year

On the eve of National Day on 8 August 1966, Lee spoke to Singapore summarizing the progress of the first year of independence and describing in clear terms the attitudes and actions he believed were necessary for further progress. He pointed out that the internal and external political situations were much improved from a year before and that the economy had improved. The figures for important economic indicators bore him out. Both imports and exports had increased, electricity and gas production were up (indicating heavier industrial usage), and air passengers increased even while aircraft landings did not. Shipping movements were higher and more cargo was both discharged and loaded than a year before. Although industrial stoppages had been quite high in early 1966, they were down sharply by August and the consumer price index averaged slightly more than a point higher than a year previously.<sup>33</sup> Lee went on to say that such political "ground organizations" as the Citizens Consultative Committees,<sup>34</sup> Community

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<sup>33</sup> Davies, 1967 Yearbook, p. 324.

<sup>34</sup> Citizens Consultative Committees (CCC) were established in each constituency and consisted of chairmen of subordinate Kampong (village) or Street Committees. The CCC forwards local requests and complaints to higher levels and disburses special funds allocated to it by the government for such minor but meaningful



Centres, and the Vigilante Corps had done much to help in administration and effecting coordination between the administration, the Government and the people. The effectiveness of the police and army was better and there had been a good response of volunteers for the People's Defence Forces.<sup>35</sup>

Continued success and development would not, however, come without effort and sacrifice. Said Lee:

The emphasis must be on a rugged society. We are providing many amenities free or heavily subsidized . . . . From now onwards, we must concentrate our expenditure on the areas which help directly to increase productivity and accelerate our economic growth [such as] education . . . in the system of wages and salaries which we pay . . . we must make it worth while for everyone to work his best . . . rewards must be equated to results, and not just to time.<sup>36</sup>

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projects as bicycle paths and extension of water or electric lines. See Bellows, The People's Action Party, pp. 106-7. Community Centres were similarly established (as of 1965) in more than 180 locations as focal points for organized leisure and cultural activities for adults, youth and children. Placed in public places such as temples or near markets, the Centres were equipped with a television set, radio, basketball court, two sewing machines, and reading material. Staffed by persons directly responsible to the Prime Minister's Office, they provided both recreation and social services and a way to involve local residents in the decision-making process. See Bellows, The People's Action Party, p. 103. The Vigilante Corps is a paramilitary reserve component of the Singapore Armed Forces which provides part time national service training for those not taken into active military service.

<sup>35</sup> Josey, Lee Kuan Yew, p. 332.

<sup>36</sup> Ibid.



Thus the tone of discipline, sacrifice and ruggedness was articulated as the model for Singapore society. Such an ideal was to be very pertinent as it became apparent that the British intended to withdraw their military forces in Singapore and Malaysia. The most significant aspect for Singapore of such a withdrawal was the economic; however, mutual defence considerations played an important part in bringing the Singapore-Malaysia "confrontation" to an end.

#### British Plans for Military Withdrawal

Lee's view of the British presence was consistent with his pragmatism in other areas and not fundamentally changed from even his most stridently nationalist days:

I don't mind the base. Why should I? It protects Singapore, it protects Malaysia, and it gives employment and money to my people. Moreover, I don't think that the British would want bases in Singapore for very long.<sup>37</sup>

At it turned out, he was more prophetic than he realized.

In early 1967, the British, looking toward possible entry into the European Common Market and for ways to save money, began to seriously consider reducing military forces stationed east of Suez. In June, Lee

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<sup>37</sup> Mirror (Singapore), 26 September 1966, p. 4.

went to London where he conferred with Commonwealth and Defence Secretaries Angus Bowden and Dennis Healy about the possible draw down of the British military. Based upon these discussions and upon a British White Paper on Defence published in July, Lee and his government thought that they would have most of a decade in which to build up defense forces and to prepare for the economic effects of withdrawal. The British proposed to withdraw all of their forces by the mid-seventies and to be down to half by December 1971. Both Lee and the Tunku attempted to get Britain to change its mind and Rahman suggested joint Five-Power Talks to include Britain, Singapore, Malaysia, Australia and New Zealand. By the 1973-75 period, Lee felt that Singapore would have had time to "build all the sinews we can so that we will not just be passengers in any defence alliance."<sup>38</sup> Only six months later, he found out Singapore would have not even half that time.

In January 1968, the British announced that they intended to close all of their bases in Malaysia and Singapore by 1 January 1971. Lee's first reaction was to denounce this as treachery and to threaten that Britain would have to pay for it.<sup>39</sup> He castigated "a

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<sup>38</sup> Josey, Lee Kuan Yew, p. 375.

<sup>39</sup> Dennis Bloodworth, An Eye for the Dragon: Southeast Asia Observed 1954-1970 (New York: Farrar, Strauss and Giroux, 1970), p. 319.

small group of Labour leaders . . . ready to jettison everyone's interests" to get left-wing support in order to be re-elected, and threatened to remove Singapore's £200 million reserves from the sterling bloc, as well as other moves.<sup>40</sup> His immediate anger cooled, however, and he began planning to minimize the effects of British departure. One of the first steps was an immediate trip to London to attempt to induce the British to stretch out the schedule which resulted in a new date of 31 December 1971. He was also able to gain British agreement to leaving aircraft, radar, air defense installations and naval vessels, as well as providing training to operate them. In all of this, Lee's first concern seemed to be more with defense than economics.

The economic aspects were not inconsiderable. Estimates of the British contribution to Singapore's national income ranged from fifteen to twenty percent. A total of nearly 90,000 would be put out of work, half of them employed directly on the bases and the remainder in occupations catering to base personnel, such as hawkers, small shopkeepers and taxi drivers. Estimates of compensatory credits needed ran as high as \$3,500 million. The British agreed to provide approximately

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<sup>40</sup> Ibid.

S\$400 million to help offset the effects of the pull-out.<sup>41</sup> This figure did not include the value of the fixed installations.

Measures taken by Lee's government to protect the workers affected and to offset the loss of income, were similar in thoroughness to those taken against Konfrontasi. The severance pay of workers affected would be placed into a fund from which they would receive monthly payments. Thus, they would be assured of some income during a period of transition to a new job or of retraining. The government created a Bases Conversion Board to study how best the facilities to be abandoned might be converted to productive commercial use; these included three airfields, the naval base and the largest dockyard in Singapore.<sup>42</sup> Lee personally offered to John Hunter, Chairman of the Board of the British Shipbuilding and Repairing Company, the opportunity to take over operation and management of the Sembawang dockyard.<sup>43</sup> This was eventually done, the operation being in addition to the company's management of the Keppel Shipyard under the name of Swan Hunter.

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<sup>41</sup>"Military Side Step," FEER, 21 March 1968, p. 510.

<sup>42</sup>Arun Senkuttavan, "Flying High with LKY," FEER, 22 February 1968, p. 306.

<sup>43</sup>"Conscience Money." FEER, 6 June 1968, p. 507.



Finance Minister Goh Keng Swee announced plans to raise S\$1,070 million through overseas aid and loans (S\$550 million), taxes and local borrowing (S\$350 million), and reduction of overseas assets (S\$170 million). By the end of 1968, the British compensation funds had begun to come in and they were to be divided equally between defense and civilian uses; the latter included conversion of Sembawang dockyard and financing of an extensive technical education program. Although these programs came far from solving the unemployment problem caused by the withdrawal, they resulted in the addition of extremely valuable facilities to Singapore's industrial complex with the potential of future expansion.

The relationship with Malaysia was initially further strained by the prospective withdrawal but in the end, the necessity to cooperate on matters of mutual defense brought an end to the confrontation. Soon after the British announcement, Lee and Tun Abdul Razak met in Singapore where they agreed on the need for mutual cooperation in economics and defense. Only a little later, Singapore announced that most Malaysians working in Singapore would have their work permits cancelled and they would have to leave. The argument was that the roughly 45,000 persons affected would make room for an



equal number of workers laid off at the bases. The decision was based upon figures given Lee which reinforced his belief that there were more Malaysians working in Singapore than Singaporeans on the peninsula. He was not prepared for Kuala Lumpur's response that nearly 50,000 Singaporeans would have to leave Malaysia to make room for repatriated Malaysians.<sup>44</sup> After another meeting with Razak, reason prevailed and the planned expulsion was called off. Such on-again, off-again conduct was unfortunately all too prevalent, but seemed to smooth out after this period.

In June 1968, a Five-Power Defense Conference was held in Kuala Lumpur to discuss the implications of withdrawal for the defense of Malaysia and Singapore. Participants were these two, plus Britain, Australia and New Zealand. British prodding and Australian and New Zeland emphasis that Commonwealth cooperation in defense depended upon true cooperation between Singapore and Malaysia led to commitments by both to maintain installations within their territories for mutual defense. Singapore had come to the conference quite prepared to do so. The southern radar in the Malaysian air defense system was at Tengah Airfield and Singapore

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<sup>44</sup>"The Search for Exclusivity," FEER, 28 March 1968, p. 593.

accepted the responsibility to train its own personnel to operate the equipment. On the second day of the conference, Malaysia undertook to operate the northern radar at Butterworth near Penang, as well as to consider additional contributions to mutual defense beyond what they were already providing. While the accomplishments of the conference were limited in scope, they nevertheless represented a significant change for the better in cooperation between Singapore and Malaysia.<sup>45</sup> Lee's conclusion after the conference was that "relations are closer than they have been since separation because of the common defense necessities." He continued:

The simple way we put it is that the British have left a radar screen behind: half is in North Malaysia and half in Singapore. Well, half a radar screen is no use to anybody, so the two must keep together. Apart from that, there is a feeling that in this turbulent Southeast Asia . . . our basic common interest for survival and security has greater impact.<sup>46</sup>

Both Malaysia and Singapore looked with anxiety to events on the Indochinese Peninsula and to the effects of United States policies toward Southeast Asia. President Richard Nixon's 1968 election and the

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<sup>45</sup>Harvey Stockwin, "Defence Deals at Dinner." FEER, 27 June 1968, pp. 655-57.

<sup>46</sup>Transcript of an interview with George Thomson, Director of the Singapore Political Science Center, "Singapore: The Israel of Asia?," Yale Reports No. 480, 9 June 1968. (Mimeographed.)

beginnings of peace talks in Paris to end the Vietnam war produced anxieties about America's future intentions. Thailand, suffering from insurgency in the Northeast and North, was anxious to have a continued American presence, and Prince Sihanouk quite candidly described the American presence in Southeast Asia as vital to his independence. Lee Kuan Yew, although he did not want the U.S. military actually in Singapore, said that the American presence had given Southeast Asia a "breathing space" in which nations of the area had become better able to resist internal subversion.<sup>47</sup>

#### The Singapore Armed Forces

The prospect of British withdrawal increased the importance of creating and developing the Singapore Armed Forces, the successor to the Singapore Infantry Regiment (SIR) created in 1957. The two battalions of the SIR gained some actual combat experience in Sabah and Sarawak as part of the Malaysian armed forces. As with most policies and programs of Lee's government, the reasons for heavy expenditures upon military forces were many. When the 1967 National Service Bill was introduced, Lee indicated that its purpose was to create a body of trained citizens appreciative of the need and

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<sup>47</sup>Derek Davies, ed., 1969 Yearbook (Hong Kong: Far Eastern Economic Review, 1969), pp. 42-47.

methods to defend their country. These soldiers would be citizen soldiers rather than professionals except for a hard core of approximately ten percent who would do their two years of national service on full time active duty. The remainder would be liable to twelve years reserve service in the People's Defence Force (PDF), the Vigilante Corps and the Special Constabulary. All were to constitute an elite force which would command the respect of Singapore's neighbors, on the Swiss model.<sup>48</sup>

Aside from the purely military aspects of its existence, the SAF was to also be an instrument to accomplish other national aims. The military was the logical extension of Lee's drive to make of Singapore a robust, rugged and self-reliant society. Military training was seen to be healthily rigorous, intellectual and physical conditioning, serving as a counterbalance to the softness and self-indulgence which Lee saw as the eventual result of greater affluence. It was also a means to hasten the advent of a truly multi-racial society in which all races would live and work harmoniously. In 1967, military service was also one answer to the problem of unemployment. Furthermore, it was believed that a credible national defense force would

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<sup>48</sup>Mirror (Singapore), 6 March 1968, p. 8.



both enhance the investment climate and give Singapore a greater voice in regional and international defense councils.

The National Service Act provided initially for five Regular Infantry battalions and two para-military Police Battalions.<sup>49</sup> Under Defence Minister Goh Keng Swee, and with the valuable assistance of an Israeli military mission, the SAF was rapidly converted from the planning stage to a combat-ready force. British technical and training assistance, as well as facilities, equipment and materiel turned over during the process of withdrawal were also instrumental in the process. By the end of 1968, in addition to the infantry forces, twenty men were training as pilots with the Royal Air Force, a Navy Training School was established and six patrol boats ordered, and preparations were well advanced to create an armored unit.

Government policy was to create an "elite" and "credible" force of 15,000 active duty conscripts, backed by 45,000 in a ready reserve. To accomplish this objective, the prime targets for conscription were the very element of Singapore society least willing to participate; the most promising sons of the most affluent, influential or enterprising families. Many of

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<sup>49</sup> Ibid.



these were the leading Chinese families who have traditionally equated the profession of the soldier with that of the brigand.<sup>50</sup> Thus ruled out in great part were those most willing to be included, the poorly educated, the unemployed, and the ill-adjusted. These included both the Malays (the most disadvantaged group of Singaporeans) who traditionally welcome the opportunity provided by the military, and the non-English speaking Chinese who had dropped out of the Chinese stream of education.

The potential problems posed by such racial distinctions and economic disparities were eventually overcome, at least in their most overt and obvious forms. The SAF generally successfully met the multi-racial, multi-lingual and multi-religious ideal held up for Singapore as a whole. Mutual acceptance of such differing racial practices as diet were fostered, English was used as the common language, and recruits were encouraged to achieve greater fluency in it and in the language of another racial group. Terms of service for officers were slightly shortened to counteract a suspiciously high failure rate on qualifying

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<sup>50</sup> Willard A. Hanna, "The New Singapore Armed Forces," American Universities Field Staff Reports, Southeast Asia Series, vol. 21 no. 1 (New York: American Universities Field Staff, 1973), p. 4.

exams, while those for noncommissioned officers was lengthened. Young conscripts were encouraged to choose career status through the prospects of stipends for university study at home or abroad.<sup>51</sup>

Lee realized that no realistic military force which Singapore could afford to create could conduct a lengthy military operation against a sizeable foe. Singapore could, however, demonstrate that "we have the wherewithal to make it extremely unpleasant for anybody contemplating taking liberties with us." In this way, Singapore would show that it was not merely a passenger in common defense arrangements made with its Commonwealth partners.<sup>52</sup>

The concept of the "rugged society" with discipline, drive and courage was applied with particular emphasis to two groups with which Lee had been involved since the earliest days of the PAP--labor and the students. With both, Lee made clear in quite certain terms that their cooperation was required to carry Singapore through a difficult period. The relationship between Lee and both of these groups stemmed from the stress that was placed upon the theme of "survival against adversity" and the idea that there were "others" who wanted to destroy Singapore.

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<sup>51</sup>Ibid., p. 5.      <sup>52</sup>Josey, Lee Kuan Yew, p. 425.

### Government--Student Conflict

The conflict with students stemmed in part from regulations promulgated in 1966 dealing with employment. The regulations required work permits for non-citizens in the lower income brackets and special visa endorsements for expatriates in the higher levels. They amounted to pressure upon non-citizens to decide whether they should opt for Singapore citizenship. One of the requirements was that non-citizens would have to pay school fees for their children attending Singapore government schools, a condition which brought in only a small revenue but harvested a great deal of hostility among students and their parents.

This hostility was made manifest during disturbances at the University of Singapore. Students demonstrated to protest the requirement for suitability certificates as a prerequisite for entrance,<sup>53</sup> and what they perceived as a lack of academic freedom. Also, some Malaysian students who had come to the University of Singapore for education had apparently demonstrated

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<sup>53</sup>The requirement that entering university students possess a suitability certificate dated to the Malaysia period. At that time, the Central government started the system by which would-be students have, in effect, a background investigation to ensure that they had no Communist connections. After separation, the Singapore government continued the requirement.

against the Singapore government in conjunction with Communist front organizations to express their frustration at being unable to find jobs. Student leaders who visited Lee in his office were received quite sternly. One delegation was received and heard Lee read to them from their Special Branch files (presumably compiled during the investigation for suitability certificates); another group was asked how many were Singapore citizens thereby having the right to complain to him. Lee said:

We are not against Malaysian students coming here, getting a good education, and even a good job . . . . But we cannot tolerate, and will not tolerate students who come here and let off their venom, their frustrations . . . against a government that really is not responsible for them. . . . I can understand their frustrations . . . I cannot condone nor will I acquiesce in lawlessness . . . and in . . . indiscipline which is going to do them and Singapore no good.<sup>54</sup>

Similar disturbances occurred at Nanyang University and Ngee Ann College, as well as in some Chinese Middle Schools.

At Nanyang, 150 students gathered at the Vice-Chancellor's office to protest the dismissal of two students for their participation in an illegal demonstration four months earlier, in July. They accused the Vice-Chancellor of plotting with the police to dismiss the two, and demanded that he not seek police assistance

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<sup>54</sup>Mirror (Singapore), 28 November 1966, p. 1.

in the future. The demand was rejected and the demonstrators departed. At Ngee Ann College, the cause of discontent was government plans to reorganize it as a community college while the students felt that it should be raised to university status. According to Defence Minister Goh Keng Swee, members of Communist front organizations had visited the Ngee Ann students occupying one of the college buildings, causing them to switch to a more blatant anti-government stand. Their claim became that the government was destroying Chinese culture and education (a claim belied by the facts). Government response to all of the student disturbances was based upon the conviction that there was a Communist plan to coalesce all student discontent in one organization to more easily manipulate the students.<sup>55</sup> Lee believed that students should apply themselves to their studies in order to gain the sort of education that would make them productive members of society.

#### Control of Labor

Similarly, the labor unions were placed on notice that their cooperation was expected and even demanded. In a 1966 speech, Lee stressed that trade unionism must be responsible and responsive to society's

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<sup>55</sup> Ibid.



needs. Working efficiency had to be restored and production increased to pay for benefits already promised or desired. He pointed out that his work on behalf of the unions in the early 1950's had not been for the unions themselves, but to develop a force strong enough to sweep away colonialism.<sup>56</sup> Now, the workers must be re-educated away from adversary patterns to more cooperative modes. Their leaders had to achieve better understanding of Singapore's economic realities so that they could help bring about higher productivity and stimulate economic growth. Lee repeatedly emphasized that internal order was a necessary condition to encourage foreign investment in Singapore.

Basic government policy was to minimize the influence of the leftist Singapore Association of Trade Unions (SATU) and to promote that of the government-sponsored National Trade Union Congress (NTUC). The seven leading member unions of the SATU had been deregistered in 1964 under terms of the Societies Ordinance because of their connections with Communist elements and because of illegal strikes. The NTUC was the only legal union association and by 1966, it represented approximately 110,000 of a total of nearly 250,000 laborers. In 1968, its membership was 130,000

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<sup>56</sup>Mirror (Singapore), 26 December 1966, p. 1.

in forty-four affiliated unions.<sup>57</sup> While these by no means included all laborers or all unions, the largest and most important were for the most part included.

The government encouraged union participation in politics to produce within them capable, practical leadership which would thus pre-empt Communist exploitations of labor. The PAP, as the government, exercised strong dominance over the unions. After the split in the party in 1961, the PAP began to organize its own unions and when these began to be successful, unions previously affiliated with the SATU were permitted to transfer their allegiance. The party strongly influenced the election of top union leaders and policy decisions in the union movement. The government provided assistance to the unions through the Labour Research Unit and pressured employers to help the NTUC. Labor laws, Arbitration Courts and referees, the Ministry of Labour and the law courts were all-important in keeping labor peace and promoting responsible trade unionism in Singapore.<sup>58</sup> The willingness of the

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<sup>57</sup>Tae Yul Nam, "Singapore's One-Party System: Its Relationship to Democracy and Political Stability," Pacific Affairs 42 (Winter 1969-70):475-76.

<sup>58</sup>W. E. Chalmers and Pang Eng Fong, "Industrial Relations," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), pp. 119-21.

government to use its powers was illustrated in late 1966.

The Public Daily-Rated Employees' Union threatened a strike if its demand for more pay were not met. Lee stated that at Singapore's current stage of economic development, the government could not accede to the demand. To do so would be to show that it could not control labor, thereby indicating a poor investment climate for new industry. In the apocalyptic terms often present in his speeches, he said that higher taxes would result, the economy would be upset and Singapore would be closed down. He urged the unions to consider their threat carefully and reiterated a promise that wage scales would be reviewed in 1968. Unsubtly, he pointed out that if non-citizens in the unions chose to strike, there were 70,000 young Singapore citizens registered for jobs and willing to work.<sup>59</sup>

Left wing loss of influence in the unions was made apparent in 1967 when the Barisan called for a general strike on May Day to protest against the Trades Union Act, the Societies Ordinance and the National Service Act. Only three unions responded with purely token representation. Of 660 people who took part in isolated demonstrations, half were women (the Barisan

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<sup>59</sup>Mirror (Singapore), 26 December 1966, p. 5.

was accused of hiding behind their skirts). The most serious incident involved 400 demonstrators who refused to disperse and were fired upon by police after attacking a police patrol. Two police and eleven demonstrators were injured and forty-eight arrested, including the Vice-Chairman of the Barisan.<sup>60</sup> The extent to which trade union peace had been achieved is shown by the decrease in strikes from 116 in 1961 to 14 (1966), 10 (1967) and only 4 in 1968.<sup>61</sup>

Lee often became personally involved in the way in which the labor unions were regulated, particularly in cases where employment or production could be increased through changes in working procedures or stricter application of the labor laws. A typical example involved the Singapore Harbour Board Union (SHBU) whose members loaded and unloaded ships and operated the port facilities. Noting that many union members were working large amounts of overtime, Lee brought pressure to have this changed. By reducing overtime and adding a third shift during the working day, many new positions were made available for unemployed workers. Such situations were responsible for a clause limiting the

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<sup>60</sup>Derek Davies, ed., 1968 Yearbook (Hong Kong: Far Eastern Economic Review, 1968), p. 291.

<sup>61</sup>Ibid., p. 294; and Davies, 1969 Yearbook, p. 281.



amount of overtime a worker could work per month in a comprehensive Employment Act which was passed in late 1968. The Act also provided for retirement bonuses, standardized the work week to six and one-half eight-hour work days per week, liberalized annual leave benefits, and provided for severance pay after three years of service.<sup>62</sup> Although there were some instances of labor slow-downs to protest loss of overtime (as happened in the SHBU), Lee threatened those "anti-national" elements with deprivation of citizenship and deportation.

#### Investment Incentives

A stable political climate, national security and reliable labor were only part of the elements of a favorable investment climate designed to attract foreign capital and industry. At the end of 1966, Finance Minister Lim Kim San announced new legislation granting greater incentives to investors to become effective with the New Year. To this point, incentives for investment had included lengthy tax holidays under the Pioneer Industries Act, benefits for plant expansion, accelerated depreciation on productive equipment, tax exemptions on royalties, fees and interest on foreign

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<sup>62</sup>Chalmers and Pang, "Industrial Relations," p. 125.



loans, tariff protection for selected industries, duty free importation of equipment and raw materials, preferential government buying of local products, and financial and technical assistance. On exports, there were further tax concessions, profits and capital could be freely repatriated, deposits in external accounts in Singapore banks were taxed at reduced rates, and the property tax on land was waived for an initial six months.<sup>63</sup>

The improved investment incentives included even more liberal terms for pioneer industries and special privileges for investors. One example of the latter was a law entitling foreign investors with a minimum of S\$250,000 in local production enterprises to citizenship after five years. Among investment proposals received after promulgation of these new laws, those from the United States totalled S\$200 million, and Hong Kong and Canada indicated similar interests. The rate of inquiry about investment jumped from 180 proposals in 1966 to 402 for the first half of 1967.<sup>64</sup> Overall, the year 1967 was a turning point in the rate of economic growth in Singapore.

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<sup>63</sup>Ooi, "Singapore," p. 5.

<sup>64</sup>Davies, 1968 Yearbook, pp. 298-302.

As was described earlier, among the earliest major industries to be established were an iron and steel mill, shipbreaking and shipbuilding. In the period 1959-1966, however, chemicals and petroleum products were the industry group experiencing most rapid growth. By 1966, this group accounted for 3% of all growth in the manufacturing sector, and produced 20.3% of all manufacturing output. Behind this group came basic metals, tobacco, rubber products, furniture and textiles--all with growth rates over 20% per annum.<sup>65</sup>

#### Economic Growth--Rates and Growth

From 1960-67, economic growth had been sluggish for a number of reasons. Regional political instability (Konfrontasi, internal policies, Vietnam) inhibited investment, trade developed erratically, local Singapore private investment was timid and unimaginative, and heavy public spending had been in areas which were economically unproductive (such as public housing) or productive only in the long run (Jurong and other industrial estates). By 1967, favorable changes included better adjustment by Singapore and Malaysia to the fact of separation and the new regime in Indonesia which had

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<sup>65</sup>Goh Chok Tong, "Industrial Growth, 1959-66," in Modern Singapore, eds. Ooi Jin-Bee and Chiang Hai Ding (Singapore: University of Singapore, 1969), pp. 132-33.

reopened that nation to investment and re-established trade with Singapore. The difference was apparent in comparison of changes in gross domestic product (GDP) and capital formation (CF) for the period 1960-64 and 1965-69.

In the earlier period, total GDP increased at an average rate of 7.2% per annum, the per capita change was 2.9% and CF increased by 35.9% per annum. During the later period, total GDP increased at 15.5%, per capita rate was 9.3%, and capital formation dropped to a rate of 18.6%. The differences in rate of capital formation were due to declines in private investment in the manufacturing sector in 1965-66, a slow-down in private housing development and contraction of construction of industrial infrastructural facilities. After 1967, the rates of capital formation once more increased dramatically to 42% in 1968 and 24.8% in 1969.<sup>66</sup>

The economic policies of Lee's government in the first years after independence could be viewed as attempts to capitalize upon any advantages possessed by Singapore (which were not insignificant), while seeking out and developing all possible new sources of revenue and employment. The government was not able to fundamentally change the basic pattern of dependence upon

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<sup>66</sup>Buchanan, Singapore, pp. 65-68.

entrepot trade and in fact, had to balance promotion of that trade with encouragement of industrialization which presented contradictory tariff considerations. By 1968, industrial development was burgeoning. In Jurong alone, there were 137 factories in operation compared to eighty a year before. A total of sixty-six companies were issued pioneer certificates in 1967 bringing the total to 223 pioneer industries. Mobil Oil was planning a refinery, such light industry as a bicycle factory, small arms ammunition and textiles were in operation, as well as expanded heavy industry.<sup>67</sup> The government was also planning to develop more fully in the areas of tourism and shipping. Generally, the first three years after separation were a period of consolidation of Singapore's economic structure and preparation for movement into a more secure and productive period.

#### The Japanese Connection

Singapore's relationship with Japan illustrated vividly the process of industrial development in conjunction with foreign investors. By late 1967, Japan had become, after Malaysia and Indonesia, Singapore's principal trading partner. The Japanese were described by Lee as very hard-headed businessmen ready to

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Davies, 1969 Yearbook, pp. 287-89.

fill any gap left by the British withdrawal. He also stated that Singapore was not reticent about looking to Japan for capital, technological skills and management expertise. All of these were provided in abundance but with the Japanese proviso that the Singapore government put up at least 40% to Japanese investors' 51% to ensure that all will go well.

The major joint venture between the Economic Development Board (EDB) and Ishikawajima-Harima Heavy Industries (IHI) was the Jurong Shipyard which had grown so in three years that it was building a drydock capable of handling ships of over 200,000 tons. Other joint ventures were in steel tube manufacture, sugar, tires, chemicals and plywood veneer. By mid-1967, Japanese capital was 24% of all foreign investment in new industries. Workers in these plants received on-the-job training and special technical courses in Japan, and in 1968, an intergovernmental agreement provided for creation of a production training center to give workers experience under actual production conditons.<sup>68</sup>

Having struggled to create favorable investment conditions so as to industrialize and provide employment for Singapore workers, Lee's government also worked to

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<sup>68</sup>"Military Side Step," FEER, 21 March 1968, p. 510.



bring about social development in Singapore. From the very beginning of his administration, Lee had realized the seriousness of the social problems extant in Singapore. He knew that the part which could point to significant improvements in such areas as housing, education and employment would have a great political advantage and it was in the social context that his "democratic socialist" ideology was most fully employed. By bringing about more equal distribution of the wealth of Singapore, whether in the form of better wages or improved services, a more unified society would be created. The goal was to create a multi-racial, multi-cultural society with a common identity and goals.

It is easy to see most clearly the authoritarian aspects of Lee's government and to attribute to them the results which were achieved. Although such methods were certainly used against dangers which were quite real, the social justice aspects of his regime were also quite genuine. Under his administration, the citizens of Singapore became better housed, better fed, better educated and richer. Furthermore, the PAP was returned in every election by greater margins of victory by an electorate quite sophisticated politically.

### Public Housing Programs

Public housing had been the most obvious area of accomplishment. The goals established under the first Five-Year Plan which ended in 1965, had been dramatically overfulfilled. The second plan had goals of construction of a total of 60,000 units of one-, two- and three-bedroom flats including 1,000 urban renewal units monthly.<sup>69</sup> By the end of 1966, over 12,000 flats had been constructed and 26% (657,442 persons) of the population was housed in Housing Board accommodations.<sup>70</sup> The public housing developments were designed as planned communities with schools, markets, health clinics, shopping and community centers, and telephone sub-exchanges. A deliberate policy was to mix all races in the developments so as to promote better understanding between them. Another policy was to integrate the housing with employment either by building in close proximity to such industrial areas as Jurong or by building flattened factories for light or clean medium industry among the residential structures. This policy was particularly useful in getting more women into the work force.

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<sup>69</sup> Davies, 1967 Yearbook, p. 322.

<sup>70</sup> Buchanan, Singapore, p. 191.

Quantitatively, the Singapore government could justifiably take pride in the success of its housing programs for they were by far the most extensive of any country in Asia and compared favorably with those of the most advanced nations. Qualitatively, the programs were harder to assess. Urban renewal and other forms of resettlement caused significant disruptions in traditional patterns and necessitated major readjustments in the way of life of many people. Nevertheless, the government was able to achieve a number of objectives, including upgrading housing, urban renewal in deteriorated areas, maintenance of employment in the construction industry and some movement of capital within the economy.

Expansion of utilities and services to support the increasing needs of Singapore was an important part of annual budgets. In the budget for 1967 there was provision for construction of two large electrical power stations at Jurong. They would provide for expanded domestic and industrial service and permit wider rural electrification. Another accomplishment was completion in 1967 of the first phase of the Johore River Scheme which increased the reliable source of water by thirty million gallons daily.<sup>71</sup>

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<sup>71</sup>Mirror (Singapore), 12 December 1966, p. 5.

### Education and the New Singapore

Education had always been an important tool in achieving government objectives as was made evident in Singapore's insistence upon control of education as a precondition of entry into Malaysia. The most significant reason then had been to promote internal political stability by controlling agitation arising from the middle schools and universities, but other reasons gained ascendance later on. One was promotion of acculturation toward the concept of Singaporeanness; the other was economics.

Speaking to a meeting of Singapore teachers, Lee set out his concept of the purpose of education. First, the quality of teaching had to be improved to create a corps of teachers who commanded the respect of their classes and gave unstintingly of themselves. Then, the students had to be inculcated with the spirit of group thinking which would insure the survival of the community and not just the individual. Eventually there must be produced men and women capable of running Singapore's tightly-knit society and with the determination to do so. Education had to produce the necessary qualities of leadership at the top and of cohesiveness at the bottom of society. To bring about the necessary unanimity of outlook, the government had assumed

complete jurisdiction over the curriculum in all of the schools--English, Malay, Tamil and Chinese. As time passed, the advantages to education in the English-language stream became apparent and enrollment in the other streams decreased (particularly the Malay).<sup>72</sup>

The economic factor in the nature of education was the conviction that more and better education was a means of improving the capabilities and productiveness of Singapore's citizens, thus promoting economic development. In particular, Lee called for more students to study technical and scientific subjects and for extension to the necessary educational facilities. In this way Singapore would gain the skilled technicians it needed to carry on its development into a center of technology and industry in Southeast Asia. Among the modern facilities provided was the first educational television system in Southeast Asia. All secondary schools, both government and government-aided, received a set. The Minister of Education stressed that television was an additional tool, not a replacement for the teacher, and he called upon everyone from production crews to students to cooperate for the best use of the

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<sup>72</sup>Lee Kuan Yew, New Bearings in our Education System (Singapore: Ministry of Culture, 1966), pp. 7-9.



system.<sup>73</sup> In no aspect of life would the Lee spirit of determination and discipline permit slacking.

By 1967, Lee's government had achieved its earliest objective of free universal primary education which guaranteed ten years of school to every child.<sup>74</sup> Out of a population in which more than half were under twenty-one years of age, 30% were in school. Ninety-nine percent of all children of school age were receiving education and each was entitled to six years free education in the chosen language stream. Special provisions were made for Malay students to enable them to better compete; all could have free tuition through the university level.<sup>75</sup>

After 1967, the government shifted its emphasis to expansion of education at the secondary and tertiary levels with the goal being to have a place for every child in the secondary schools. The school budget rose from S\$129 million in 1966 to S\$144 million in 1967, including S\$15 million for expanded technical/vocational training. By this time, tertiary school enrollment was as follows:

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<sup>73</sup>Mirror (Singapore), 13 February 1967, p. 1.

<sup>74</sup>Ibid.

<sup>75</sup>Davies, 1968 Yearbook, pp. 295-96.

University of Singapore	3,000
Nanyang University (private)	2,000
Polytechnic College	2,642
Ngee Ann College (private)	852 <sup>76</sup>
Adult Education Board Course	70,000

Singapore had one of the most effective educational systems in Asia outside of Japan and one which was an integral part of the government's drive to create a cohesive society. Even the SAF was involved with the schools through such extra-curricular activities as military or police cadet corps. Every aspect of Singapore society was related to the others, a situation of which Lee and his fellow ministers were fully aware and that they strove to exploit to the fullest.

#### The 1968 General Election

With the New Year of 1968, there was much speculation as to when new general elections would be called. The term of office of Lee's second government was due to expire in August. The uncertainty was ended with the 7 February announcement that President Yusof bin Ishak, on the advice of Prime Minister Lee, would dissolve Parliament as of 8 February. Nomination Day would be 17 February and the elections were to take place on 13 April. The reason for the decision to advance the elections was, according to S. Rajaratnam,

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<sup>76</sup>Ibid., p. 296.

"to seek a fresh mandate from the people to tackle new problems arising from the accelerated British pull-out by 1971." To have elections in the midst of negotiations on such vital issues would give rise to "an air of uncertainty."<sup>77</sup>

The PAP put up candidates in each of the fifty-eight constituencies (increased from fifty-one in a reorganization to make allowance for population growth and to make all constituencies roughly equal in population). Eighteen were new candidates who either stood in the constituencies of Barisan MP's or those of the nine PAP back-benchers who did not run. The Barisan boycotted the election; they also urged the people to do so, a move which made them liable to prosecution under the Elections Act. The Singapore Alliance and the Singapore Malay National Organisation finally chose not to enter any contests and the Singapore Islamic Party also boycotted. In the end, only seven seats were contested, among them Lee Kuan Yew's constituency in Tanjong Pagar. Five were Independents and two were put up by the Worker's Party. The PAP was thus returned to control of the government by virtue of the fifty-one seats in which they were unopposed.

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<sup>77</sup>Alex Josey, The Crucial Years Ahead: Republic of Singapore General Election 1968 (Singapore: D. Moore Press, 1968), p. 11.

During the campaign which was marked by arrests of eighteen Barisan supporters for distributing pamphlets urging the people not to vote, Lee and the other Ministers gave lengthy talks over radio and TV detailing their views on "The Crucial Years Ahead" (the title of the series). Lee took a historical perspective, detailing the accomplishments made by the PAP government over the years and calling upon the people to meet the challenges presented by the British withdrawal.<sup>78</sup> The other ministers discussed the future in some detail in terms of their particular portfolio. Taken all together, the talks comprised a comprehensive official review of Singapore's condition and its prospects.

When the polls closed on 13 April, the PAP had been returned in all seven contests. Of the total electorates involved (84,883), 77,984 actually voted, with a total of 65,812 going to the PAP. Lee received 9,128 votes to only 548 for his opponent. All of the races were won by the PAP with at least a ten to one advantage.<sup>79</sup> The extent of the PAP victory was shown in a comparison made by the Straits Times of the 1963 and 1968 elections. In the earlier one, a total of 210 candidates entered, of which the PAP had fifty-one, the Alliance forty-two and the Barisan forty-six. At that

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<sup>78</sup>Ibid., pp. 39-43.    <sup>79</sup>Ibid., pp. 69-71.

time, the Barisan had received 193,000 votes and thirteen seats.<sup>80</sup> Not only had the PAP won for a third time, but it had done so almost by acclaim.

#### The PAP is Returned

Lee Kuan Yew and his cabinet were sworn in by the Acting President of the Republic of Singapore on 16 April. Of the eleven ministers, five had been in the cabinet and the party since the beginning, attesting to the dedication and cohesiveness of the men Lee had gathered around himself in the early Fifties. Besides Lee, these were Toh Chin Chye, Goh Keng Swee, S. Rajaratnam and Othman bin Wok. Under Lee's leadership, they had brought Singapore from the status of one of the last British colonies to that of an independent nation in one of the most turbulent areas of the world.

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<sup>80</sup>Ibid., p. 72.



## CHAPTER VII

### CONCLUSIONS

The PAP has survived all the pressures from both the extreme left and the extreme right because it does not allow theory to dictate policy in disregard of realities. It is the practical approach of what is possible in our society that has been the cornerstone of successful policy.

Lee Kuan Yew, 1964<sup>1</sup>

Lee Kuan Yew is the last and perhaps most successful of the Asian nationalist leaders to be produced by a European colonial system. At the time of his birth in 1923, most of the great nationalists had either been active for several years (Ho Chi Minh, Quezon, Gandhi) or were to soon begin their work (Ba Maw, U Nu, Aung San and Sukarno). Lee was uniquely favored by the colonial situation into which he was born. The British administration in Singapore was one of the most liberal of a generally benign form of colonialism and from the very first had placed a premium upon individualism and initiative, particularly in commercial affairs. Those Chinese who desired to acquire English-style educations

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<sup>1</sup>Lee Kuan Yew, The Winds of Change (Singapore: Ministry of Culture, 1964), p. 22.

in order to further their entrepreneurial ventures were encouraged to do so; a practice which created a class of English-speaking Chinese who were at home in both worlds.

Lee was the third generation of such a family and received all of the educational advantages available to an intelligent, aggressive young Singapore Chinese. The significant variation in the way he followed the pattern of being educated into nationalism by the institutions of the colonial power was the Japanese occupation of 1942-45. During these years, he tasted the bitterness of a truly harsh and cruel colonial administration; an experience which awakened and tempered his determination that all forms of colonialism had to be done away with. This was the background of experience which Lee took with him to London for his university years; a time during which he formulated his fundamental nationalist concepts and the basic model of his program. It is possible that the ten year difference in ages between Lee and Lim Chin Siong may have been an important factor in making Lee the more realistic and pragmatic and Lim the more ideological, for Lim did not experience the Japanese occupation as an adult. In combination with his more limited education in the Chinese-language schools and his lower socio-economic origins, this

difference in experience was perhaps significant in making Lim much more politically rigid.

#### The Fundamental Concept

The key to Lee's rise to power and to his success in achieving political legitimacy and retaining power is the concept of pragmatism which Lee habitually and consistently practiced. From the very beginning, once he decided upon his goals, Lee did not allow himself to be restricted by ideological rigidities in the manner in which he acted to achieve those goals. The objectives themselves were well thought out and well attuned to the pragmatism of his methods.

#### Foundations of Lee's Power

Even before his schooling in London, Lee had a reputation for hard work, intelligence and achievement. To this reputation and to the nascent elemental nationalism resulting from his experiences under the Japanese, he added an ideological foundation and a well structured plan for the future of Malaya (including Singapore). Contacts with British socialists resulted in the form of democratic socialism which Lee came to espouse.

Its Fabian aspect of belief in a perfectionist society can be seen as the basis for the philosophical

side of Lee's ideology which accorded well with his own personality. A perfectionist society implies dedication, discipline and cooperation in order to achieve it, as well as a commitment to social justice. The later term used for Lee's concept of what Singapore should be, the Rugged Society, is a logical outgrowth of his Fabianism. The Marxian aspect calling for alignment of the educated classes with the working classes provided the operational element of his ideology. He eventually accomplished this alignment and used it to gain the mass base he needed to gain power.

The plan for Malaya's future contained three elements which recur throughout much of Lee's political life. The first was anti-colonialism which proved to be the vehicle by which he gained his first position of power. Second was the decision that Malaya must be non-Communist. Third and perhaps most revolutionary in Malayan context, was Lee's belief that a new society had to be constructed upon the concept of racial harmony, or non-communalism.

Neither ideology nor a plan of action to achieve certain goals are of any use without a group to implement them. Here, too, Lee began in London to gather about him like-minded, capable and realistic associates who were to help in bringing his concepts to fruition.

They were the core of a group which not only had the objective of an end to colonialism, but realized that they could not wait until it came about before planning for what was to follow. Very early on, then, the practice of careful and detailed planning for the future became an integral element of the Lee Kuan Yew system.

#### Creation of the Base of Power

When Lee returned to Singapore after completing his studies, he was already known to the colonial administration which was aware of his careful distinction between sympathizing with Communist goals and using Communist methods. Lee successfully exploited his position as the least unacceptable to the British of several nationalist leaders in order to further expand his group. Besides gathering about him even more men similar to himself in background and education, he deliberately began to cultivate contacts with the labor unions to build a power base.

Having successfully proven that it was possible to develop such a base in his work with the non-Communist and English-speaking unions, Lee and his group then did the same with the Chinese-speaking unions which had extensive links with the Communists. The simple political fact of life was that for any nationalist group to succeed, it needed the support of the great



mass of Singapore's Chinese, much of which was Communist led. By the time that the People's Action Party was formed in 1954, a marriage of political convenience had been contracted with the pro-Communist elements having their strength in the Chinese unions and the Chinese middle schools. Both partners in the union were aware each was using the other and that a moment of truth would eventually arrive some time after the common nationalist goals were achieved. The seeds for intra-party conflict were sown here. Lee's factions came to be considered moderate, the other faction led by Lim Chin Siong, became the radical or extremists.

#### The First Steps to Power

Lee and his fellow moderates gained political power through a combination of careful planning, political maneuvering and fortuitous action by outside agencies. The first Assembly seats which were won proved that the PAP had the necessary organization and base of support to gain office and displayed a capability to analyze a situation so as best to utilize it. In this instance, the PAP was able to put forth its anti-colonialist views but did not risk being injured by having to support a constitution which was considered inadequate.

Having once gained a political position, Lee was able to use it to both work for his own goals and to move toward eventual dissociation from the Communists. Through his participation in the constitutional conferences, he helped bring about a constitution more closely matching his concept of self-government for Singapore. Furthermore, Lee's apparent support for the anti-subversive clause accepted in the 1957 discussions ultimately gave him a means to control the radical elements in the PAP.

The more fortuitous events which helped Lee and the moderates in the PAP maintain their ascendancy over the radicals were the arrests and detentions of Lim Chin Siong and others of the Middle Road group for their parts in the 1956 middle school riots and the later arrest and detention of the pro-Communists on the PAP CEC. The moderates were thus helped in a moment of weakness to maintain control of the PAP and they were also provided with a useful campaign issue for the 1958 general election. This was a hard-won victory for the extremist faction possessed most of the PAP's base of power. Lee's victory over the radicals within the party was far from a foregone conclusion at this point.

Within the PAP, party discipline was extremely important from the point of view both of accomplishment

of its goals and control of the radical elements. The main reason for the expulsion of Ong Eng Guan from the PAP was his refusal to submit to the discipline and program of the CEC. Also, in the nationalist period, party discipline was important simply to effectively mobilize needed mass support.

#### The PAP in Power

During the campaign for the 1958 general elections, Lee exploited dissatisfaction with the Lim Yew Hock government to the full in order to build support for the PAP. He and the other party leaders also had by this time developed an extensive plan for governing Singapore once they gained power. They declared their goals of creating an independent, democratic, non-Communist society by constitutional means and to restructure the economy to provide more employment. With their victory, Lee called upon the people of Singapore for hard work and discipline to create a situation in which all would eventually benefit. The important thing is that Lee's government eventually did deliver on its promises of increased employment, more social services and an improved standard of living.

Believing that his concept of Malaysia was the best way by which to accomplish this, Lee used every opportunity to bring it about. He manipulated the

genuine issue of internal security in such a way as to convince Tunku Abdul Rahman that it would be better to have Singapore a part of Malaysia than to have it an independent hotbed of radicalism just off the Malaysian coast. He also used the internal security forces to further control those Communist or pro-Communist elements which were trying to supplant him.

Such negative methods were only a part of the Lee program. The more important elements were those by which he hoped to build support through activities which improved life and society in Singapore. Having taken power, Lee and his colleagues put into effect the social and economic programs which they had prepared. Public housing on a massive scale, the beginnings of industrial development, universal primary education and expansion of trade were all important goals. For the most part, Lee's administration was so successful in producing results that it gained the support of most Singaporeans; an accomplishment which Lee clearly realized was imperative and vital to success.

#### Defeat of the Opposition

In addition to the internal security factor and the real economic and social accomplishments, Lee and the PAP were aided in remaining in power by two other factors. The first was the decision for the Singapore

government to take over many party functions, particularly those involved with the many small things parties often provide, such as community centers and means of communication with those in government. Such functions were institutionalized within the government bureaucracy thus strengthening the identification of the government itself as the source of services and benefits.

The other factor was what amounted to a long-term process of political suicide by the Barisan Socialis. Although it is undeniably true that Lee's use of internal security strictures significantly affected the ability of the Barisan to operate, the radical party contributed to its own political demise by its unrealistically rigid ideological stance. The Barisan leaders insisted upon following a sequence of events dictated by ideology and displayed little flexibility and appreciation of political, social and economic realities. This condition was the exact reverse of the methodological pragmatism employed by Lee and the PAP. There is much truth to Rajaratnam's statement that the PAP was placed in the situation of having no effective opposition through the consent of that opposition itself.

#### Malaysia

With the Tunku's declaration of willingness to consider some form of union, Lee at last saw the



possibility of attaining his goal of independence for Singapore through merger with Malaya. It is consistently apparent in his statements to this point that Lee believed that the best course was not one of total independence for Singapore, but one of union with mainland Malaya. He did not believe that Singapore was economically capable of survival all alone; the best prospect was to become part of a greater Malaysia in which Singapore's natural economic hinterland would be part of an all-encompassing political structure. In this manner, Lee believed that a guaranteed market for Singapore's products could be created.

The Tunku's decision for union was based upon the more negative idea that to have Singapore within Malaysia would prevent its becoming a threat to the internal security of the mainland states. The comparison between the two attitudes parallels closely the differences in the personalities and backgrounds of the two men. The Malaysia merger resulted in a conflict of ideas, ideologies and individuals which can be very much characterized as a conflict between the personalities of Lee and Rahman.

The Tunku epitomized the conservative, evolutionary and communal elements in Malayan society. A scion of hereditary Malay royalty, head of a political

party formed to protect Malay communal rights, and member of a culture known for its easy-going approach to life, it is unrealistic of Lee to expect that Rahman might come to accept the concept of a non-communal nation. Lee, for his part, was the product of a dynamic, aggressive and revolutionary culture in which economic factors had been more important than communal considerations. He seems not to have been able to quite accept that his non-communal concepts represented a real threat to the Tunku and to his more conservative (even reactionary) colleagues, no matter how objectively "right" those concepts were. To create a nation in which the Chinese had as much political power as the Malays when they already had the most economic strength, was totally unacceptable.

On balance, Lee appears to have been more willing to adjust to the situation than were the Malays, but even Lee's pragmatism in method did not extend to his goals. The objective of a non-communal, non-Communist and democratic socialist Malaysia was one of long standing. Although the goal was one based upon relatively realistic evaluation of the situation and thus can itself be classified as a pragmatic prospect, it was not subject to the same flexibility as were the methods by which Lee sought to attain it.

In the end, the personal, political and economic antagonisms which developed on both sides of the Straits of Johore proved deadly to the concept of Malaysia including Singapore. Lee would not abandon his basic concept and the Tunku was not willing and probably not capable of defying the Malay communal elements to the extent necessary to create a truly non-communal Malaysia. Finally, the Tunku bowed to the pressures from Malay communalists and decided to expel Singapore from Malaysia.

#### Independent Singapore

Separation from Malaysia forced Lee and his colleagues into a struggle for Singapore's survival on its own. By 1965, the PAP government had established its legitimacy to such an extent that the people were for the most part, willing to heed Lee's call to discipline themselves to a long struggle for survival. His ministers were by this time highly experienced in working together, they had prepared and implemented thorough plans for development of the economy and the society, and they were willing to make adjustments to meet changing situations. Even more important, they continued to acknowledge and support Lee's leadership and to corporately carry out his ideas. The government bureaucracy had a solid reputation for honest, competent

and effective administration in which the people could have confidence. By 1968, all of Singapore from Lee to the hawker in the street had begun to adjust to the idea of a British withdrawal of forces and was forging ahead to meet the new situation.

In conclusion, Lee Kuan Yew's success in achieving and holding power in Singapore and in making of a tiny former British colony a thriving independent republic is due to pragmatic consideration of goals and methods, economic realism and thorough, careful planning for the future. Lee was able to build a dedicated group of extremely able associates who put his ideas into practice. A combination of very astute political maneuvers and fortuitous assistance from forces beyond his control enabled him to defeat the Communists and their sympathizers within the PAP, who had presented a very real and powerful threat. In the end, Lee created a political structure which was so thoroughly embedded and so productive that no effective opposition has been able to establish itself in the years since.

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Keeton, George W., gen. ed. The British Commonwealth: The Development of its Laws and Constitutions. 14 vols. London: Stevens and Sons, 1961. Vol. 9: Malaya and Singapore, The Borneo Territories, edited by L. A. Sheridan.

Pioneering effort to describe the development of common law in areas in title, edited by Dean of Law Faculty at University of Malaya in Singapore. Sections on constitutional development, public and private law, with extensive subdivision of these.

Lee Kuan Yew. The Battle for a Malaysian Malaysia. 2 vols. Singapore: Ministry of Culture, 1965.

Two lengthy volumes which present a convincing though certainly biased appraisal of the role of Malay communal agitation in the troubles of Malaysia. Volume 1 contains Lee Kuan Yew's response to the Speech from the Throne; Volume 2 presents the case against the Malay communal press.

\_\_\_\_\_. The Battle for Merger. Singapore: Ministry of Culture, 1962.

Twelve radio talks on struggle for independence through merger between Singapore and the Federation of Malaya, present useful historical insights.

\_\_\_\_\_. Malaysia: Age of Revolution. Singapore: Ministry of Culture, 1965.

Three major speeches made by Lee Kuan Yew during 1965 trip to Australia and New Zealand, presenting his analysis of situation in South-east Asia and its effect of those two nations. Discusses internal problems in Malaysia and contains extensive quotations from New Zealand and Australian press, illustrative of Lee's growing reputation as a statesman.

\_\_\_\_\_. Malaysia Comes of Age. Singapore: Ministry of Culture, 1965.

\_\_\_\_\_. New Bearings in Our Education System. Singapore: Ministry of Culture, 1966.

An address to principals of schools in Singapore, 29 August 1966, detailing Lee Kuan

Yew's views on future role of education and educators.

. One Hundred Years of Socialism. Singapore: Ministry of Culture, 1965.

Contains Lee Kuan Yew's speeches to 1965 Socialist International in Brussels, Belgium. Useful for insight into his conceptualization of socialism at that time.

. The Socialist Solution: An Analysis of Current Political Forces in Singapore. Singapore: Ministry of Culture, 1960.

Speeches made by Lee Kuan Yew in August 1960 meeting of the Singapore Legislative Assembly reviewing the preceding year in office, and his forecast for the future. Contains much valuable historical data.

. Social Revolution in Singapore. Singapore: Ministry of Culture, 1967.

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In speech to multi-party symposium at University of Malaya, Lee Kuan Yew analyzes problems facing Malaysia, and his views on necessary solutions, and in London address he details the measure necessary to insure Malaysia's survival.

. The Winds of Change. Singapore: Ministry of Culture, 1964.

Lee Kuan Yew's major speeches during 1964 Malaysian General Election Campaign. Valuable for illustration of way in which he attacked the Malayan Chinese Association, and attempted to build up the People's Action Party as a pan-Malaysian organization.

Mackie, J. A. C. Konfrontasi: The Indonesia-Malaysia Dispute 1963-1966. Kuala Lumpur: Oxford University Press, 1974.

Exhaustive study of the Malaysian-Indonesian Confrontation, from both sides, by professor in

Centre of Southeast Asian Studies, Monash University, with emphasis upon earlier and more confusing stages. The definitive work to date. Used to learn about Indonesian reasons for declaring the Confrontation.

Neville, Warwick. "The Demographic Structure and its Economic and Social Implications." In Modern Singapore, pp. 69-84. Edited by Ooi Jin-Bee and Chiang Hai Ding. Singapore: University of Singapore, 1969.

Ooi Jin-Bee and Chiang Hai Ding, eds. Modern Singapore. Singapore: University of Singapore, 1969.

Very valuable compilation of fifteen essays on all aspects of Singapore, edited by geographer and historian from University of Singapore. Topics covered include population and demography, industry, economics and finance, and social and political developments. Invaluable bibliography of forty-four pages.

Ooi Jin-Bee. "Singapore: The Balance Sheet." In Modern Singapore, pp. 1-13. Edited by Ooi Jin-Bee and Chiang Hai Ding. Singapore: University of Singapore, 1969.

Osborne, Milton E. Singapore and Malaysia. Ithaca, NY: Cornell University Press, 1964.

Early but still useful study of factors and events leading to formation of Malaysia. Particularly useful for events surrounding 1962 Singapore referendum on merger and development of split leading to formation of Barisan Socialis. Useful companion to Fletcher's The Separation of Singapore from Malaysia.

Pang Cheng Lian. Singapore's People's Action Party, Its History, Organization and Leadership. Singapore: Oxford University Press, 1971.

Based upon political science Master's thesis at University of Singapore, this book is an exhaustive statistical analysis of the leadership and membership of the People's Action Party, covering educational and occupational factors. Has brief history and description of Party's organization and finance. Much valuable data for further studies of Party or related subjects.

Purcell, Victor. The Chinese in Malaya. London: Oxford University Press, 1948.

A very readable history of Chinese in Malaya and Singapore to 1948. Covers special aspects of the Chinese population affecting their social, economic and political development. A standard work by long-time authority on the subject.

Ratnam, K. J., and Milne, R. S. The Malayan Parliamentary Election of 1964. Singapore: University of Malaya Press, 1967.

The definitive work on election which marked watershed in development of Federation of Malaysia. Detailed analysis of issues, candidates, conduct of the campaign and the results. Thirty-four tables on many crucial aspects of the election.

Roff, William R. The Origins of Malay Nationalism. New Haven and London: Yale University Press, 1967.

A definitive work on the subject and valuable background information to forces motivating Tunku Abdul Rahman and his associates.

Rose, Saul. Socialism in Southern Asia. London: Oxford University Press, 1959.

Simandjuntak, B. Malayan Federalism 1945-1963: A Study of Federal Problems in a Plural Society. London: Oxford University Press, 1969.

Study of a federal approach to the political structure of Malaya and Singapore based upon research for doctorate at University of Oxford. Careful topical approach to evolution of and problems in Malayan federalism. Very useful for information on problems of language, finance, and the common market for Malaya and Singapore.

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Presents government outlook on prospects after Separation, especially the strategic, economic and external political implications, much of it through international press sources. Expresses Lee Kuan Yew's unhappiness with Malay communalists.



Singapore. "State of Singapore Annual Report, 1960." In Malaysia: Selected Historical Readings, pp. 334-46. Edited by John Bastin and Robin W. Winks. Kuala Lumpur: Oxford University Press, 1966.

Two highly-regarded Malaysian specialists have compiled comprehensive selection of readings concerning important historical events in Malaysia and Singapore from fourteenth century to Singapore Separation. Useful for official description of constitutional events in Singapore 1932-60. Brief bibliography.

Smith, Roger M., ed. Southeast Asia: Documents of Political Development and Change. Ithaca, NY: Cornell University Press, 1974.

Extensive compilation of selections from documents relating to all countries of Southeast Asia by currently Associate Dean of Liberal Studies, State University College of New York at Potsdam. Limited usefulness for Lee Kuan Yew's speeches, but cites many other important documents relative to Malaysia and Singapore. Some duplication of Gullick, Malaysia and Its Neighbours.

Solomon, Richard H. Mao's Revolution and the Chinese Political Culture. Berkeley and Los Angeles: University of California Press, 1971.

Careful, thorough analysis of important factors in traditional Chinese culture and their relationship to post-Revolutionary China. Shows Mao's role in carrying on traditional patterns in his revolution. Useful background information for motivational forces in Singapore's Chinese society.

Teh Cheang Wang. "Public Housing." In Modern Singapore, pp. 171-180. Edited by Ooi Jin-Bee and Chiang Hai Ding. Singapore: University of Singapore, 1969.

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Professor of Asian Studies at University of Bridgeport, Connecticut, concentrates upon



development of Communism in Malaysia, taking an area-by-area approach. Useful for details of Communist role in Singapore, and information not found elsewhere in such detail.

Wang Gungwu, ed. Malaysia: A Survey. New York: Praeger, 1964.

Wang, himself an authority on Malaysia and Professor of History at the University of Malaya, has gathered works or selections from foremost scholars on the subject. Topical approach covers environment, history, culture, economy and politics. A very useful book, particularly for general political background.

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New York Times, 3 September 1963.

Times (London), 1954-1965.

Conservative British paper, useful for information on major events in Singapore.

#### Other Sources

Peritz, René. "The Evolving Politics of Singapore: A Study of Trends and Issues." Ph.D. dissertation, University of Pennsylvania, 1964.

Lengthy and thorough analysis of development of constitutional politics in Singapore, with particular attention given to growth of Chinese nationalism, constitutional trends and



issues, the legislative elite, and the press. Many tables, graphs and appendices. Useful for early information on Lee Kuan Yew and on his contacts with pro-Communist elements.

Rahman, Tunku Abdul. "Singapore Breakaway." Speech presented to Malaysian House of Representatives, Kuala Lumpur, 9 August 1965.

Gives Tunku Abdul Rahman's views on the reasons for the expulsion of Singapore from Malaysia.

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Brief study of People's Action Party to 1970. Covers history, organization, leadership and membership, ideology and problems of survival. Useful for information on workings of Party and the process of adjustment by which it met changing challenges. Much statistical analysis of Party.

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## ABSTRACT

✓ Singapore Prime Minister Lee Kuan Yew has been the most important political personality there since he came to power in 1959. The purpose of this thesis is to describe and analyze how he gained power and began to implement his political, social and economic concepts. In writing this thesis, I have striven to maintain a Lee-centered approach and have relied heavily upon Lee's speeches and writings or quotations therefrom.

→ A third-generation English-educated Straits Chinese, Lee led his young People's Action Party to its first victory in 1955, supported by both Communist and non-Communist elements. Lee's <sup>His</sup> goal was an independent, non-Communist, democratic socialist Singapore once colonialism had been eliminated. The key element in Lee's method was pragmatism rather than rigid ideology.

By 1959, Lee was Prime Minister and by 1961, he had rid the Party of <sup>the</sup> pro-Communists. Careful, thorough planning, realistic economic policies, honest administration and outstanding political skill enabled Lee and his moderate colleagues to surmount the shock of eviction from Malaysia and the British withdrawal of military forces.

military forces. Economic survival was assured by developing industrialism, and political survival by astute maneuvers, proven performance in office and disappearance of the opposition.

Lee remains in office.