

INSTITUTE OF CURRENT WORLD AFFAIRS

GDN-24

Aziz Ishak and the
Anti-British Spirit

12 Road 5/35
Petaling Jaya, Selangor
Malaya
30 March 1963

Mr. Richard H. Nolte
Institute of Current World Affairs
366 Madison Avenue
New York 17, New York

Dear Mr. Nolte,



Abdul Aziz bin Ishak is easily the most controversial of the modern Malayan leaders. One-time journalist and newspaper publisher, younger brother of the Yang Di-Pertuan Negara (constitutional head of State of Singapore), from a good family and well-educated, Aziz is a Malayan brand of the modern nationalist intellectual. Instrumental in forming the United Malay Nationalist Organization (UMNO), nominated member of the British-controlled Legislative Council and elected member of the independent Malayan Parliament, he fought for independence and became one of the modern intellectuals in power. As the country's Minister of Agriculture he worked tirelessly, if not always effectively, to better the lot of the Malayan peasant. His wide travels in Malaya and his constant campaigning through his Ministry won him considerable popularity among the rural people and a loyal following among many, but not all, of his officers.

Aziz' outspokenness and his tireless energy have also won him powerful enemies. His proposal to create a co-operative fertilizer factory, which he continued to press over the objections of the cabinet and the Prime Minister, brought him into opposition with the Imperial Chemicals Industries (ICI), one of the most powerful and well-organized of the British economic interests in Malaya. His unqualified allegations of corruption in departments of his own ministry have demoralized some of his staff. His combined anti-capitalist and anti-Chinese sentiments, with their policy implications, have brought him into conflict with the Malayan Chinese Association (MCA), the Chinese wing of his own ruling Alliance Party. His success in building up a rural following brought him into conflict with the Deputy Prime Minister, Tun Abdul Razak. This last was perhaps the most significant conflict because it essentially concerned the question of who would be the next Prime Minister.

The Aziz controversy came to a climax in the middle of last year. Timed for release just after leaving for England and Malaysia talks, the Prime Minister, Tunku Abdul Rahman, announced a cabinet reshuffle. The Ministry of Health and Social Welfare was split in two and Aziz was moved from Agriculture to Health. In this Aziz acquired all the

problems of too few doctors and hospitals and was not even allowed the patronage potential of welfare grants. Aziz balked. He announced publically that the Prime Minister had not informed him of the change, and he could not accept it in any case. In England the Malaysia talks were successfully concluded and the Tunku returned to Malaya in a blaze of glory. The success sealed Aziz' fate. It eclipsed the Aziz affair and gave the Tunku a sufficient margin of power to allow him to force Aziz out of the cabinet without any repercussions. In January of this year Aziz launched a strong attack on the government's entire development program, on its interference in the Brunei rebellion, and on its failure to maintain friendly relations with Indonesia. This gave the party leaders an opportunity, which they promptly took, to drum Aziz out of their sacred and secure ranks.

This month was Aziz' first session in Parliament as an independent member of the opposition. He made a strong appeal, one that just might be successful, to rally the opposition members on an anti-Malaysia platform. Aziz argues, along with the Indonesians, the Brunei rebels, some Filipinos, and Pravda, that Malaysia is merely a British attempt to protect its interests in the area. Conflict with Indonesia over Malaysia, he asserts, can only help the British. The old "divide and rule" slogan is revived.

It was at this point that I met Aziz for an interview in the Parliament library. It was during a morning recess in the session, in a setting that was almost bizarre. The entire library is contained in a room 30 feet by 30 feet, boasting a new air-conditioner. In one corner sat a cabinet minister with his bare feet resting high on a table, apparently in an attempt to remove some pressure. As Aziz and I talked, we received astonished stares from the opposition members and embarrassed glances from Alliance back-benchers. Normally one does not talk to a recent exile. At first Aziz was reticent and indirect in his replies. Gradually he warmed. Shaken by the cold of exile, he obviously missed the warm glow of his previous publicity and power. Some of this returned when someone - anyone - was willing to come to seek his views.

In what follows I shall paraphrase Aziz' answers to some of my questions, trying as much as possible to keep the original flavor of his discussion. However controversial he is, Aziz is a popular and sincere man. Many of the sentiments he expresses are popular sentiments and could provide the base for future political alignments and actions.

What do you see as the country's major economic problem?

To understand this you must go back to Merdeka (independence). We were new in government. We had no experience. We didn't know how to run a country. Then, too, we were busy with other things. Most of our ministers were terribly busy with celebrations and parties and designing new cabinet uniforms and the like. We still had our British advisers, you know. We were inexperienced so we listened to them. They knew how to run the government so they told us what to do and we followed. So you see there has been no real change. What we have now

is just a continuation of the old policy.

He allowed me to make the inference, "Do you mean the British are still in control?"

Exactly; and with that there can be no real change, no real solution to our problems, no real end to rural poverty.

What do you feel is the major cause of rural poverty?

Well, exploitation; by the middlemen and the foreign companies. That's why I had to leave the cabinet. My urea (fertilizer) project went against the interests of ICI. They are powerful people, you know, and they got the Tunku to agree. Why, when I came into the cabinet I tried to find out the world prices of fertilizer and I couldn't get the information. It was only when I went on tour that I found we were paying far too much. Then, in the work of my ministry we made the people fertilizer conscious and I thought we should produce the fertilizer here. The Tunku didn't agree, but my project was sound. We had FAO experts and technicians from India, West Germany and France and they all agreed. The facts are there for anyone to see. When we started planning for the factory, the price of fertilizer in Malaya dropped \$30 a ton, then later it dropped another \$30 a ton. With a factory of our own we could sell both the fertilizer and the by-products. This ammonia gas is a by-product. We could produce it for \$300 a ton and we now pay \$1100 a ton for it. The sales of this alone would have netted our plant \$4 million a year. Why, we could have given the fertilizer away free!

And the people were behind me. We collected \$2 million from the farmers in subscriptions for this co-op. Tell me what other country in the world could show such a record from its poor farmers.

I had also heard that you were forced out of the cabinet because of your conflict with the MCA and the Chinese rice millers in Perak and Penang. How important was this? Aziz had induced the two state governments, which control licencing, to grant monopoly powers to co-operative mills in these two important rice growing states. Some observers here argue that the MCA was forced to make a very strong stand on this issue within the Alliance executive committee. The state governments did reverse their decisions, on the grounds that it was unconstitutional to refuse to renew any licence, an important legal protection for the Chinese. If Aziz had succeeded it seems likely that the MCA would have lost a great deal of the valuable support it brings to the Alliance.

Yes, that was important. You must understand, though, that exploitation is not a communal (racial) matter. Middlemen are the same the world over; they live by exploiting. It is just that in Malaya most of the middlemen are Chinese. There was no legal problem in the move, however; it was not unconstitutional. We did the same thing in Selangor and Malacca and no one contested it. It was only when we moved into their real interests that they became frightened. But you can look it up for yourself; there is nothing unconstitutional about it. (I did look it up; the protection for the licensee is quite clearly stated in the constitution.)

The important thing, of course, is that here the middlemen are backed by the British companies. The Tunku says we are in partnership with the Chinese so we cannot move against them. The rice dealers could have come into the co-op, of course, but they wouldn't have the same power they had as private dealers. In this way, you see, we ran into strong opposition with Tan Siew Sin (Minister of Finance and Chairman of the MCA).

Why was the Community Development Program moved out of your Ministry and into the Ministry of Rural Development? In 1958 Aziz began a community development program. Though there was little activity, the program did appear to have some success and it gained some popularity for Aziz. Late in 1959 it was moved to the Prime Minister's Office and then almost immediately to the Ministry of Rural Development where it died early in 1960.

Well, community development was a great success here. I brought the idea from India, you know. We had 160 kampongs in Kelantan doing wonderful things. You could see the results in six months. We even had a seminar here in Kuala Lumpur with a U.N. expert. But apparently some people thought I shouldn't do it all alone and get all the credit for it, so we couldn't get any support for it. When I saw that I volunteered to give it to the PM. (Another version has it that Aziz gave up the program only very reluctantly.) Since then it has died because no one understands it. We proved it works even with very limited resources, but no one else understands it so nothing has come of it.

Is there any truth in the allegation that you were forced out of the cabinet because of your conflict with Tun Razak, exemplified in the issue of the Community Development Program, over who is to be the next Prime Minister?

Aziz threw back his head and laughed; it seemed a little forced.



Aziz....



man of the people...

I never had any such ambitions or any such conflict. The thing is that I have always tried to work hard for the people. Even from my days as a journalist I always tried to do everything to give a lift-up to the people. Perhaps Tun Razak felt I was getting too popular because of my work.

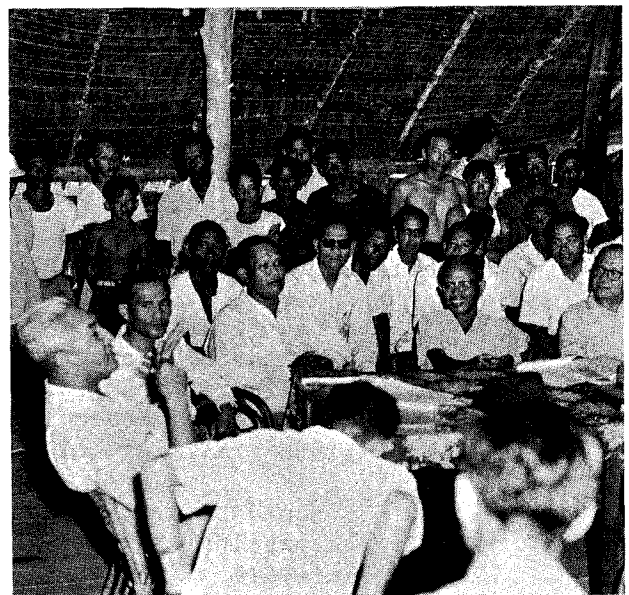
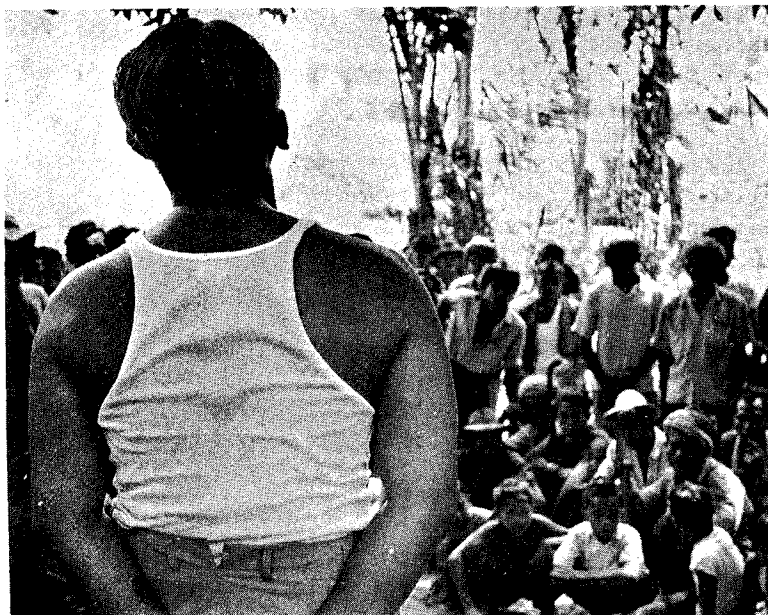
How far back does your conflict with Tun Razak go?

Well, back to the first days of the cabinet. As I said, some people were more interested in designing new uniforms for the cabinet, but I wanted to get on with the job. (This was the period when Tun Razak, as Minister of Education, was hammering out Malaya's first unified education policy and doubling the budget for schools.)

Why has there been no mention of land reform in Malaya? Is there any truth in the assertion that this is because the UMNO is based upon a landed gentry in Kedah and Johore?

No, that ownership is negligible. It is really because of British interests. You know there are about 5 million acres of cultivated land in Malaya and only 1.5 million acres are owned locally. Of course they don't want any talk of land reform; and we have pledged ourselves to protect the foreign capitalists. (In this case Aziz' perception is somewhat blurred. The 1.5 million acres he talked of is owned by Malays. The foreign ownership amounts to about 1.5 million acres, primarily of rubber plantations. The rest is owned by Malayan Chinese and Indians. Aziz' dismissal of the landed gentry also seems less than objective, for a study of his own ministry shows 50% and more of tenancy in the important rice areas of the northeast and the northwest; almost all of this land is Malay reservation and is owned by Malays.)

What kind of vision of the future do you have for Malaya? What organization of production would you like to see?



goes to the people

We must, of course, industrialize more and more rapidly. Agriculture should be in the hands of people with co-operative credit and marketing so they can get a fair return for their labor. Industry could be in three parts. In some industries the private capitalists will do best and their investments should be protected. In other areas the state should take a hand to protect the interests of the people. Finally there should be an area reserved for co-operatives; industries where all the people could share in the ownership, the profits and the control, making the industry really for the people of the country. Of course, I can't divulge all of my ideas in detail now; it is too early. In fact in all I have done I am probably ahead of my time. We may not be ready for this now, but someday we shall. The whole system has not changed and the little man is still very much on the bottom. You cannot ignore his wishes for very long or you will have a real communist revolution here.

Do you feel you are ahead of your time in the same way Dato Onn was ahead of his time in advocating non-racial political parties?

No, Dato Onn had no experience in government. He had some good ideas, and he tried to put them into practice, but he was never in the elected government so he had no experience with the pressures one is under in trying to change this kind of colonial country.

Abdul Aziz bin Ishak is undoubtedly an intelligent and sincere man. His concern with the exploitation by British companies (he began by talking about foreign companies, but switched to British companies as he warmed up) is significant. I had expected him to talk of exploitation; in the eyes of the Malays it is the dominant cause of rural poverty. However, I had expected him to talk of exploitation by the Chinese. Within the Alliance Party anti-Chinese sentiments are kept under control by the requirements of the accommodation that has up to now been successful in keeping the party in power. Outside of the party, however, a politician can always count on gaining at least a local following by taking a racialist line. Aziz did in fact move in this direction in his January attacks on government. At that time Tan Siew Sin was the major target of his attack. I was somewhat surprised at this strong anti-British line Aziz took with me. It seems to have two major sources.

In the first place it fits well with his current attack on the government through opposition to Malaysia. One really vulnerable aspect of this policy is the protection it gives to British economic interests. This does smack of neo-colonialism at a time when any form of colonialism is still the rallying point for a good deal of mass political opposition.

It would be wrong, however, to see in Aziz' anti-British sentiments only the passing expedient of an opportunistic politician. These sentiments are pervasive and popular, especially among that vague group of people called the intellectuals. These sentiments represent in part

a vague sense of resentment against the imbalance of this still largely outwardly oriented plantation economy. They also represent a sense of frustration in leaders experiencing difficulties in changing the society to make a better life for the Malaysians. Part of the difficulties come from the indigenous resistance of the society to directed change, but part also comes from the obstacles placed in the way of change by powerful and well organized foreign economic interests. It may well be that the most severe difficulties derive from the indigenous resistance rather than from the foreign obstacles. However, the foreign obstacles are more visible and more onerous and thus are more available as symbols of mass political activity than is the indigenous resistance. One could do away with Aziz (and he will have to tread a delicate path to avoid being put away), but this would not end the frustration or the anti-British economic sentiments.

I came away from the interview with Aziz asking myself two questions.

1. Will the anti-British economic sentiment produce a new political alignment and new political actions?
2. Can the foreign obstacles to change be removed or reduced without obstructing the process of growth itself?

To both questions I would give the same answer: it is both possible and likely.

If we were concerned with the Federation alone, a new alignment would be highly unlikely. The delicate demographic balance of races in the Federation (40% Chinese, 50% Malays) means that for some time to come, perhaps another generation, only an alliance of basically racial political parties will be able to win a national election. The current Alliance Party has been successful enough to warrant predictions of a long life for it. Such a racial alliance requires an accommodation of diverse economic interests, some of which are similar to those of the foreign companies. A new alignment against the foreign companies would have to be built upon a combination of urban workers unrest and peasant unrest over land. Within the Federation both types of unrest are found, but neither is sufficiently strong or well led to produce a new political party.

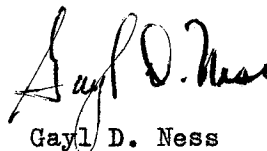
With the advent of Greater Malaysia and the entrance of Singapore all this changes. Singapore does have a strong and well led base of urban unrest that could provide a powerful nucleus for an effective left-wing opposition party. There is some speculation here that Aziz will join ranks with Lew Kuan Yew, the Socialist Prime Minister of Singapore, to build such a new national opposition party. If this happens Aziz will have to temper his anti-Malaysia line, which in any case does not provide a long term base for opposition. The prospects are that such a party will be relatively moderate with respect to the foreign companies, but will demand more of them than the present government demands. It also seems likely that such a party would provide the kind of healthy opposition Malaya needs to speed up both its economic and political development.

The positive answer to the second question derives from the observation that the approach of the Malayan government to all questions is a piecemeal approach. This, too, is partly the result of the accommodation required

by the delicate racial balance. In my estimation this is also the most useful approach to economic development, especially if one wants to stimulate growth without incurring disastrous consequences. The case of Indonesia is both close at hand and very instructive. That country managed to get rid of foreign companies, but only with a policy that produced a thoroughly broken economy in the short run and a far more serious dependence upon foreign capital in the long run. What appears to be required in Malaya is something in the order of tariff and tax incentives, bringing pressure upon the foreign companies to invest more, and a more vigorous policy and set of institutions to mobilize local capital for industrial investment. All three of these policies are already in operation in Malaya, and though they move slowly enough, they do seem to promise a good future. It is this kind of activity that might be accelerated by the creation of a good left-wing opposition party.

Aziz may well be ahead of his time, a voice crying in the wilderness of political and economic struggle and growth. There can be no doubt, however, that he is a voice and that he may grow stronger in the future. There is a residue of anti-colonial economic sentiment here that will not be eradicated until the country and the economy grow up a good deal more. While the sentiment exists it will always provide a rallying point for the intellectuals and certain more progressive politicians. Aziz is only one manifestation of this sentiment. In the course of the next year, with the coming of Malaysia and the 1964 elections, we shall have an opportunity to see how strong this sentiment is in Malaya.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Gayl D. Ness', written in a cursive style.

Gayl D. Ness

Received in New York April 8, 1963.