INTRODUCTION

What is Merger?

- two entities coming together as one egs., two depts., two companies, two organisations, two states or even two countries



Key Issues to consider when merging

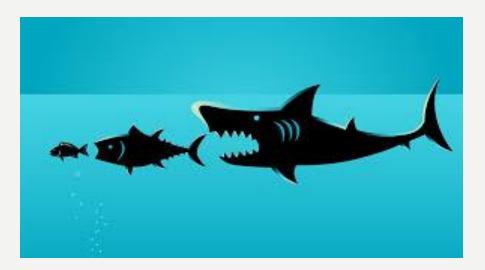
Who came up with the idea? Why?

Do both parties agree to merge? Who has the bigger say? Will it benefit both parties (equally)?

What is the process like? What are the issues at stake? What will the result look like?

- Do mergers always work?





So, what's your take on mergers, especially between states and countries?

Mergers are ------



MAJULAN MALAYer

SINGAPORE & FEDERATION OF MALAYA 1963

SIGNIFICANCE OF THIS TOPIC?

"We used to rush home from wherever we were to listen to him argue his case." he says, referring to a series of radio broadcasts made in 1961 by then Prime Minister Lee Kuan Yew exposing the communist menace in Singapore and urging people to back the merger."

"An awareness of the larger issues at stake filtered down even to the students at Raffles Institution, where he taught history and general paper from 1959-1966.....And this was not limited to heated discussions over coffee in the teachers' common-room: Mr Wijeysingha remembers one of his history students, a 17 or 18 year old Goh Chok Tong, writing an article in the school magazine analysing the political situation.."

"The trauma of those years, when Singapore entered and then was expelled from Malaysia ---left a deep impact on Singaporeans."

The Straits Times, 15 July 1998 (an interview with Mr Eugene Wijeysingha on the occasion of the NE exhibition, The Spore Story)

SINGAPOREANS TO DEBATE RE-MERGER

"For a second time in less than six months, Singapore's leaders have spoken of re-merging with Malaysia."

Why then are Singapore's leaders talking of re-merger at all? Mr Goh Chok Tong put the issue in perspective. "If Singapore falters in the struggle for survival, it will have no choice but to ask to be re-merged with Malaysia, on Malaysian terms", he told the rally. That is the condition – if Singapore falters."

From V. Jayanth, The Hindu Main Menu, International News, 27 Aug 1996

KEY QUESTIONS TO CONSIDER:

1. Why Merge?

- S'pore's perspective
- Malaya's perspective

2. Challenges and obstacles to merger

- sequence of events
- what was the final agreement?

3. What were the results of merger?

- following lesson

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WHY MERGER? (SINGAPORE'S PERSPECTIVE)

A. FOR ECONOMIC SURVIVAL

A STUNNING VICTORY FOR THE PAP AT THE 1959 ELECTIONS – *But where do We go from here?*

WHAT WERE THEIR CONCERNS? BRAINSTORM NOW !

A QUOTE FROM AN INDIAN BUSINESSMAN IN SINGAPORE, 1959

"I always thought of Singapore and Malaya as one country. The division was artificial, just a result of history. This tiny island, only half a mile, three-quarters of a mile from the mainland (of Malaya), closer than Tasmania to Australia, no natural resources of its own, how could it be a separate country?"

What does this quote tell you about how people felt about Singapore's future in 1959?

" It is as inevitable as the rising and setting of the sun. The two territories are so intertwined and so interwoven in their economic, political and military complex that no man can keep up the artificial barrier at the causeway for longWithout merger our economic position will slowly and steadily get worse We cannot survive alone."

Prime Minister Lee Kuan Yew during a talk broadcast over Radio Singapore, 13 Sep 1961

WHY DID THE PAP WANT MERGER? Economic problems faced by singapore in 1959

• Lack of natural resources

• A rapidly growing population as a result of the post-war baby boom

WATER RATIONING IN SINGAPORE, 1961





- Increasing unemployment
- Slow economic growth as a result of a decline in entrepot trade
- Declining trade with Malaya due to tariffs introduced by the Malayan government

Singapore's (PAP) strategy to solve these economic problems was INDUSTRIALISATION!

Industrialisation can help to :

create jobs and reduce dependence on entrepot trade

To industrialise means you need : raw materials and resources and a ready market to sell your manufactured products.

HOW COULD MERGER WITH MALAYA HELP?

Raw Materials

- Malaya had many raw materials such as rubber and tin (water too)
- These raw materials could be imported into Singapore and be made into finished products, before being exported to other countries(including Malaya).

Establishment of a Common Market

– To have a common market meant that there would no longer be any import/export taxes on goods flowing between Singapore and Malaysia.

How do you think the introduction of a common market would benefit Singapore?

HOW DO YOU THINK THE INTRODUCTION OF A COMMON MARKET WOULD BENEFIT SINGAPORE?

- A common market would allow Singapore to sell the goods at a lower price (no more tariffs to be paid) and become more competitive.
- More competitive will result in more goods being produced which means more people needed to work in the industries thus creating employment.

Hence, Malaysia as our Hinterland!

A hinterland is the region served by a central place (e.g., a port, a city, a village and so on). ...

The **hinterland** is such a necessity to the **city** that it is surrounding because it has the ability to attract mass amounts of buyers to that **city**. The large amount of interest in the products that the **city** has, makes a big profit and benefits the area as a whole.

WHY MERGER? (SINGAPORE'S PERSPECTIVE)

B. FOR POLITICAL SURVIVAL



SINGAPORE'S SITUATION IN 1959

- The British had granted Singapore with full self-government, but not independence
- Many in Singapore aspired that Singapore would become a fully independent and sovereign state
- However, the British would not grant full independence to Singapore.
- Meanwhile, the Federation of Malaya had already been granted its independence in 1957

Why do you think the British were so unwilling to grant Singapore full independence?



POLITICAL REASONS FOR MERGER – The Fight for Independence

- Lee Kuan Yew and the PAP had **promised** the electorate that he would fight for full independence from the British
- Failure to do so could result in the PAP losing popular support
- However, the British were only prepared to grant Singapore full independence if it merged with Malaya

POLITICAL REASONS FOR MERGER – THE COMMUNIST THREAT

- While the Communists had been largely defeated in Malaya, they remained a significant political force in Singapore
- Merger with Malaya meant that control of Singapore's internal security would be in the hands of the Federal Government in Malaya, which was strongly anti-Communist
- Lee hoped that through merger, the Communist movement in Singapore could be crushed once and for all

(Further detailed discussion of the communist threat in later slides)

WHY MERGER? (MALAYA'S PERSPECTIVE)

• For Malaya, the reason for merger with Singapore was more political than economic.

"Merger is inevitable, either by free will or force. I agree with Tunku Abdul Rahman that communism is our common enemy. To keep the communists down, a strong central government and a happy and prosperous Singapore are needed...... The future of Singapore and Malaya is intertwined. There is no other way for us and no other way for them."

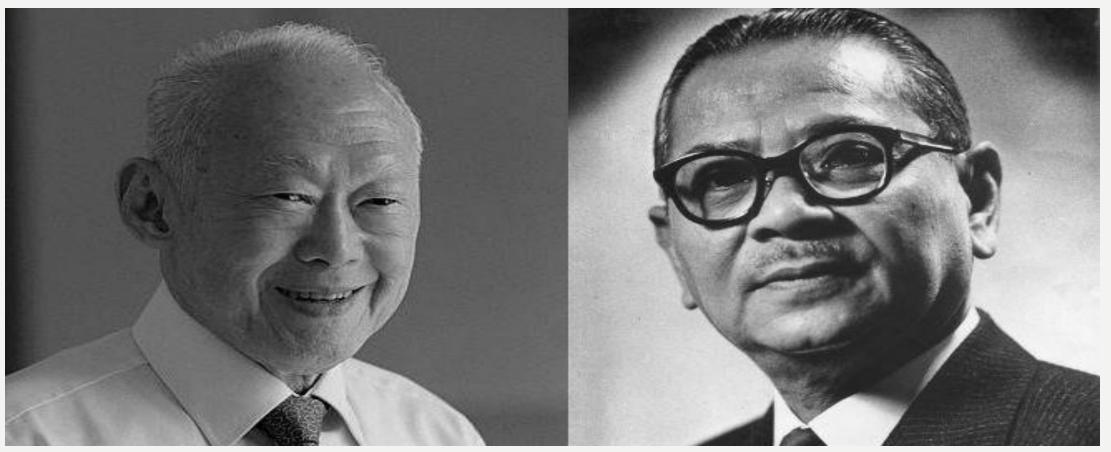
Tun Abdul Razak, Deputy Prime Minister, 1961

- Fear of Singapore falling into the hands of the communists esp after PAP's loss in the 1961 by-elections
- Merger would allow KL to take direct control of the internal security of Singapore and weed out the communist elements.

ECONOMIC REASON

• Merger with Singapore will give Malaya ready access to Singapore's ports for the export of its primary products.

CHALLENGES & OBSTACLES TO MERGER



Lee Kuan Yew First Prime Minister of Singapore Tunku Abdul Rahman First Prime Minister of Malaya

CHALLENGES & OBSTACLES TO MERGER

• Singapore achieved self-rule in 1959, LKY reiterated its call for independence through merger with Malaya.

• However, Tunku Abdul Rahman was not keen on merger before 1961.

THE TUNKU'S VIEW OF MERGER BEFORE 1961

"First, Singapore has about one million Chinese. The inclusion of these Chinese will upset the racial balance of power in the Federation. Second, Singapore has too many pro-communists who are supported by the Chinese in Singapore."



ESTIMATED NO. OF MALAYS AND CHINESE IN 1960

RACE	FEDERATION OF MALAYA (BEFORE MERGER)	FEDERATION OF MALAYA, INCLUDING S'PORE
MALAY	3.1 MILLION	3.4 MILLION
CHINESE	2.3 MILLION	3.6 MILLION

WHY WAS THE MALAYAN GOVERNMENT INITIALLY SO RELUCTANT TO CONSIDER A MERGER?

- Singapore's population was dominated by the Chinese, who made up 70% of the total population.
- With a merger, the Malays would form only 50% of the total population of Malaya and Singapore combined.
- Why would this be a problem for the Malayan Government?

THE UNITED MALAYS NATIONAL ORGANISATION (UMNO)



WHY WAS THE TUNKU INITIALLY Reluctant to consider a merger With singapore?

- The United Malays National Organisation (UMNO) was the ruling party in the Government of Malaya.
- It advocated a Malaya based on Malays having special rights.
- Many UMNO members feared that, should Singapore merge with Malaya, the special position and rights of Malays in the new Malaysia would be threatened as they would no longer be the majority
- As the leader of UMNO, the Tunku could not afford to ignore these concerns

MAY 1961, THE TUNKU CHANGES HIS MIND....



THE **TENGKU'S SPEECH AT A MEETING OF** FOREIGN JOURNALISTS SINGAPORE. **MAY 1961**

• "Malaya today as a nation realises that she cannot stand alone and in isolation. Sooner or later Malaya should have an understanding with the peoples of Singapore, North Borneo, Brunei and Sarawak. It is premature for me to see 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 countries can be brought closer together in political and economic co-operation."

• Why do you think the Tunku made this speech?

ESTIMATED NO. OF MALAYS AND CHINESE IN 1960

Race	Federation of Malaya (Before Merger)	Federation of Malaya, including S'pore	Federation of Malaya, including S'pore, Sabah & Sarawak
Malay	3.1 million	3.4 million	4.0 million
Chinese	2.3 million	3.6 million	3.7 million

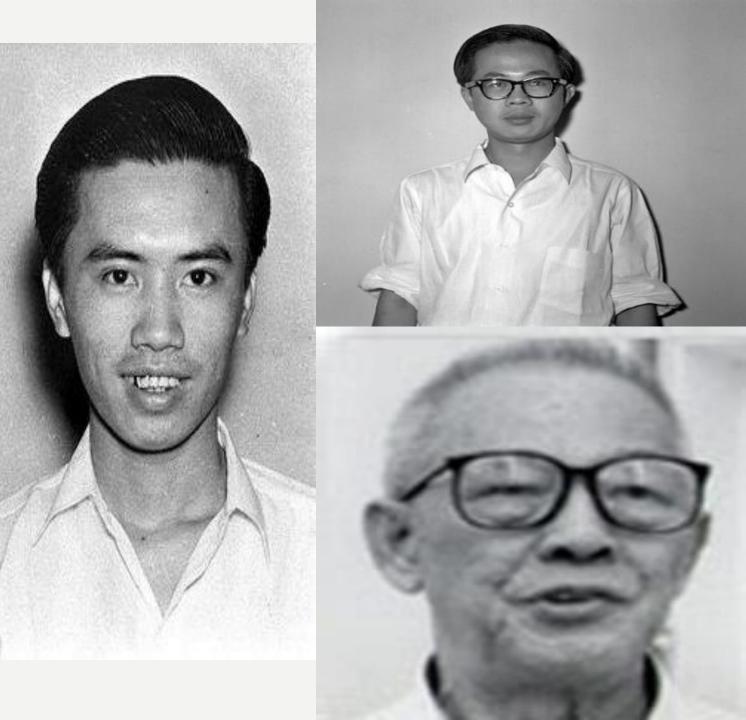
SOMETHING WAS HAPPENING IN SINGAPORE...WHY WOULD THIS BE A CONCERN TO THE TUNKU?

- The ruling party of Singapore, the PAP, was made up of two factions the moderate, English educated faction and the left wing, Chinese educated and pro-Communist faction
- This was an uneasy partnership
- In 1961, disagreements over policy meant that the partnership was starting to crack
- It began when Ong Eng Guan, a member of the PAP's Chineseeducated faction and one of its best speakers, decided to quit the party and challenge the PAP in a by-election

THE ENGLISH-EDUCATED MODERATES OF THE PAP – LKY, TOH CHIN CHYE, S. RAJARATNAM

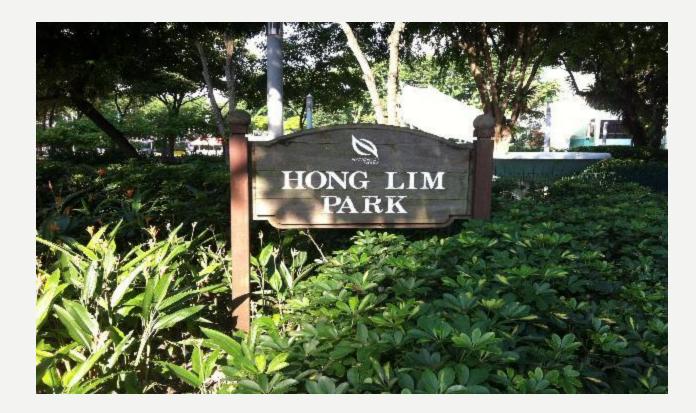


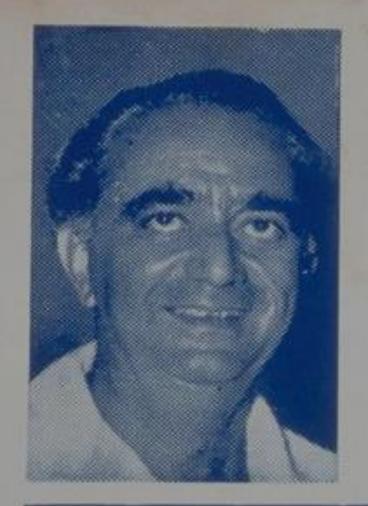
THE LEFT-WING, CHINESE EDUCATED **MEMBERS OF THE PAP: LIM** CHIN SIONG, **ONG ENG GUAN AND LEE SIEW** CHOR



THE TWO BY-ELECTIONS 0F 1961

- Hong Lim by-election, April 1961 Ong Eng Guan, now an independent candidate, defeated the PAP candidate in a landslide victory
- Anson by-election, 15 July 1961; another PAP candidate suffers a shock defeat to David Marshall (who ran as the leader of the Workers' Party)





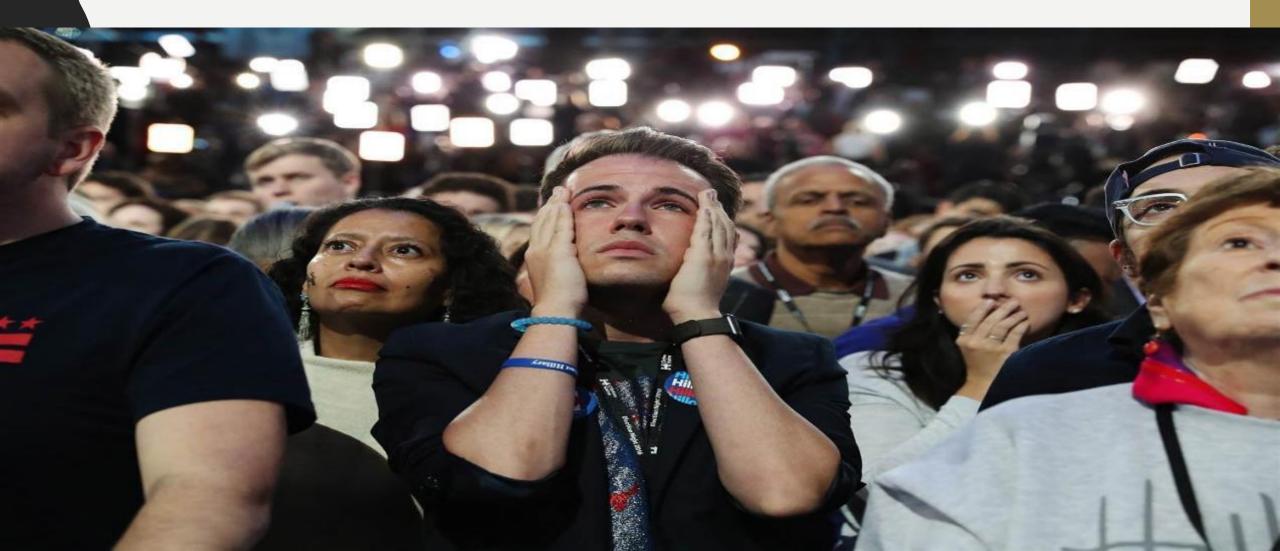
爭取本形完整獨立,一個有効率的反對素, 請投工人案馬紹爾一票 WORKERS PARTY MARSHALL for MERDEKA EFFECTIVE OPPOSITION

We stand for

- * Complete independence preferably within, if necessary without, the Federation.
- * Unity of all honest citizens in genuine peaceful struggle to end colonialism.
- * Genuine Democracy Freedom from Dictatorship and Arrogance of Authority.
- * A just social structure with full respect and dignity for the Worker.
- * Freedom from War and trade with all the World.
- * INTER-RACIAL RESPECT and CO-OPERATION.



THE PAP'S REACTION TO THE BY-Election defeats



THE IMPACT OF THE BY-ELECTION DEFEATS AND THE FORMATION OF THE BARISAN SOSIALIS

- During the July 1961 Anson b-elections, Lim Chin Siong persuaded 8 PAP members to denounce the Party
- He also led the left-wing faction of the PAP to denounce the PAP and throw its support behind David Marshall
- Following its defeat at the Anson by-election, the PAP called for an emergency meeting of the Legislative Assembly to debate on a motion of confidence for the Government.
- Nearly half (25 out of 51) of the PAP's members voted against the motion or abstained.
- Those who did so were expelled from the party. They decided to form their own party, known as the Barisan Sosialis, which was registered on 13 August 1961

OPPOSITION TO THE MERGER

- The Barisan Sosialis strongly opposed merger on the grounds that the people of Singapore would not enjoy the same rights as the people of Malaya
- As the Barisan Sosialis were also pro-communist, they were also concerned for their own survival in the event that the Tunku, being a strongly anti-communist politician, were able to take over Singapore

THE EMERGENCE **OF THE** BARISAN SOSIALIS





LIM CHIN SIONG, ONCE HAILED BY LEE KUAN YEW AS "THE NEXT PRIME MINISTER OF SINGAPORE"



THE REACTION IN MALAYA

- The Tunku was shocked by developments in Singapore
- The PAP's defeat created a very real possibility of a Communist takeover of Singapore's Government led by the Barisan Sosialis
- From this point onwards in 1961, the Tunku began to throw his support behind the PAP's campaign for merger

SO, WHO NEEDED MERGER MORE?(SINGAPORE OR MALAYA?)

- Ultimately, though Malaya needed Singapore, it was Singapore who needed Malaya more, and the one who pressed harder for the merger.
- Malaya only needed Singapore politically, as Singapore had not much economic benefits to Malaya and having Singapore would have been an economic burden to Malaya as it had to forsake taxation for exports into Singapore. In fact, Malaya desired Borneo, not Singapore and Malaya was self-sufficient with natural resources. For Singapore, its economy was suffering from unemployment and waning entrepot trade, and a lack of resources – direly needed to merge with Malaya for its resources to channel into industrialisation in order combat its economic problems.
- Even politically, Malaya was already independent and its political concerns were mostly just security, with merger as a pre-emptive strategy against communism and not so much a case for survival. For Singapore who was still under British rule, merger was the only viable way for independence, and this was absolutely necessary for the PAP to stay in power and retain political stability in Singapore as it needed to fulfill what it had promised in the electorate.
- Thus, in terms of scale Malaya only needed Singapore politically, whilst Singapore needed Malaya for both economic and political reasons at deeper intensities (one being security whereas the other being independence from a colonial power).
- In terms of time, the urgency for Singapore to merge was higher as Singapore needed to address its immediate needs that would jeopardise its political and economic survival. For the case of Malaya, its decision to merge was mainly a preemptive measure rather than addressing a communist problem that had already split into Malaya.

THE MALAYSIAN "GRAND DESIGN"

• The Tunku told the British and the PAP that he would only agree to the formation of Malaysia if the Borneo territories of Brunei, Sabah and Sarawak were also included.

- This would ensure that the Malays retained their position as the predominant ethnic majority in the new Malaysia
- Furthermore, the Borneo territories were also known to have vast oil reserves

THE BORNEO TERRITORIES **OF SABAH** AND SARAWAK





SINGAPORE'S REACTIONS

The 1962 Referendum

THE 1962 REFERENDUM

- The PAP called for a referendum for merger. This referendum was to be held on 1 September 1962.
- The Barisan Sosialis worked hard to discredit the PAP's push for merger, as they knew that they would have no chance of setting up a Communist state in Malaya and Singapore, should merger proceed.

WHAT IS A REFERENDUM?

• A direct vote by the people of the country to decide on a particular issue, instead of having the government to make the decision.



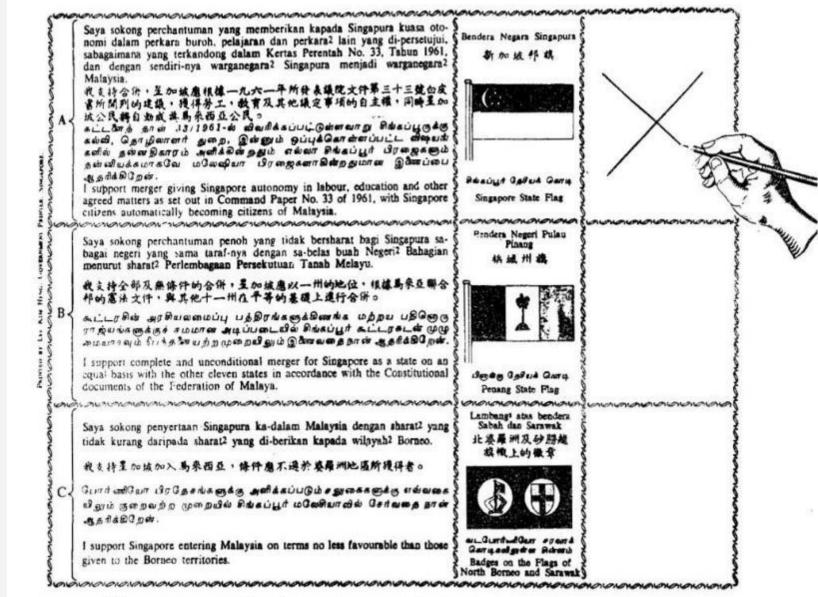
THE PAP'S "CAMPAIGN FOR MERGER"

- The PAP launched a year-long campaign to convince the people of Singapore about the need for merger.
- This campaign included 12 radio talks given by Lee Kuan Yew" on the benefits of merger
- The PAP also held exhibitions to explain the benefits of merger to the people.
 Video (LKY Radio Talks):

https://www.youtube.com/watch?v=bGMKiv8-



THE SINGAPORE NATIONAL REFERENDUM ORDINANCE 1962 (No. 19 OF 1962) SECTION 18.



This government referendum poster was the basis of an opposition accusation that the government was going to distribute marked ballots

THE MERGER REFERENDUM **BALLOT: YOU** HAVE 3 **OPTIONS:** YES, YES AND YES

OPERATION COLD STORE

- The Barisan Sosialis was further weakened when the Internal Security Council (ISC) launched island-wide arrest of those believed to be communist
- BS leaders + members of trade unions were arrested & detained
- Accused of trying to sabotage the formation of Malaysia and planning to launch uprising in SG



cretary-general SATU and

×

committee member.

anti-Red round-up were a

THE OUTCOME OF THE REFERENDUM

- 71% voted for Option A full merger with Singapore being given special autonomy in Education and Labour policy
- Options B and C <2% each. 26% Blank votes.
- The Barisan had unwisely first asked voters to support joining Malaysia on an equal basis, and then asked them to cast blank votes instead.



OTHER REACTIONS

HOW DID OUR NEIGHBOURS REACT TO THE IDEA OF SINGAPORE AND MALAYA MERGING ?

REACTIONS OF INDONESIA AND THE PHILIPPINES

INDONESIA: KONFRONTASI

- Originally no objections- but President Sukarno voiced opposition by the beginning of 1963.
- Launched confrontation (Konfrontasi) mostly in the form of harsh words.
- Felt that Sabah & Sarawak should come under the control of Indonesia instead.

PHILIPPINES: OBJECTIONS ABOUT SABAH

- Objected to formation of Malaysia
- Claimed that Sabah rightfully belonged to them
- Not enough evidence to prove this.

REACTIONS IN SABAH, SARAWAK & BRUNEI

- Cobbold commission (Headed by Lord Cobbold) set up by Malayan and British governments to find out people's opinions in Sabah & Sarawak.
- August 1962- report stated that only 1/3 of the people were NOT in favour of joining Malaysia
- Brunei: Both sides could not agree on terms.





Proclamation

WHEREAS it is the inalienable right of a people to be free of foreign domination, to be independent and to form a government of its own choice;

AND WHEREAS in a Referendum held on the 1st day of September, 1952, the people of Singapore expressed their desire to seek this independence through federation with Malaya, Sabah and Sarawak to form an independent state of Malaysia;

AND WHEREAS an Agreement was reached in Kondon on the 5th day of July, 1963 between the Governments of Singapore, Malaya, Sabah, Burawak and the United Kingdom that Singapore shall on the 31st day of August, 1963 join with the existing States of the Federation of Malaya, and the States of Sabah and Surawak in a State of Malaysia;

AND WHEREAS for diverse reasons the said federation did not come into being on the 31st day of August, 1963, whereupon Bingapore asserted her right to freedom and took over powers over defence and foreign affairs;

AND WHEREAS on the 11th day of September, 1953 Singapore agreed to join Malaysia on the 16th day of September, 1953;

AND WHEREAS a new constitution for the State of Malaysia and the State of Singapore has been established as the supreme law thereafter;

Now, I, Lee Kuan Yem, Prime Minister of Singapore. do hereby proclaim and declare, on behalf of the people of Singapore, that as from today, the 15th day of September, 1953, Singapore shall be forever a part of the sovereign democratic and independent State of Malaysis, founded upon the principles of liberty and justice and ever seeking the welfare and happiness of her people in a more just and more equal society.

ak ho.

Malaysia - constituting the Federation of Malaya, Singapore, North Borneo and Sarawak - was officially formed on 16 September 1963. Singapore became part of Malaysia with the signing of the **Proclamation (in English, Chinese, Malay** and Tamil) by the then Prime Minister Lee Kuan Yew, on behalf of the people of Singapore. It decreed that Singapore would be "a part of the sovereign, democratic and independent state of Malaysia, founded upon the principles of liberty and justice and ever seeking the welfare and happiness of her people in a more just and equal society".



THE FINAL AGREEMENT (NOV 1962 – SEP 1963)

-Singapore could hold elections to decide its own state government.

-Singapore would have control over its own education and labour policy

-Singapore will give up control of the armed forces, police and foreign relations to the Central Government in Kuala Lumpur, Malaysia

ISSUES NOT RESOLVED

- I. Fundamental rights of citizens (e.g. voting rights, interference in each other's political developments, elections etc.)
- 2. Financial matters (taxation, revenue collection & contributions, Common market etc.)
- 3. Ideological and personality differences (between Lee Kuan Yew & Tunku Abdul Rahman)

MERGER IS LIKE A MARRIAGE...

