

## *Guthrie's 'Dawn Raid': A Malaysian Nationalistic Coup?*

### **Abstract**

In the wake of the recent mega plantations merger in Malaysia (Kumpulan Guthrie Berhad, Golden Hope Berhad and Sime Darby Berhad) and the controversy over Bumiputra corporate equity, the historical event known as the 'Dawn Raid' acquires a new relevance in the ongoing debate about Malaysia's New Economic Policy (NEP). Thus, this paper examines Permodalan Nasional Berhad's corporate takeover of the Guthrie Group on the 7 September 1981. The takeover of the premiere British-owned agency house by a Malaysian parastatal and its ramifications have received little academic coverage despite the Dawn Raid's economic significance in the context of the history of developing economies. Discussion of the Dawn Raid triggers a poignant debate on the subject of economic nationalism, national sovereignty, and Bumiputra corporate equity participation and whether such moves to strengthen sovereignty and local equity participation form a pre-requisite for developing economies, or whether they are in fact rooted in antagonism and ultimately hinder economic growth.

This paper attempts to trace the impact of the event on an emerging economy, as well as on post-colonial relations between Britain and Malaysia. Furthermore, this paper, through a detailed account of the landmark event, sheds light on economic nationalism in Malaysia during the 1970s and 1980s, and details the consequences of the NEP and of social and economic restructuring in a post-colonial situation.

Four perspectives are drawn upon while dissecting the motivations for the Dawn Raid and its impact on the Malaysian economy. The first perspective is from a nationalist and in particular an economic nationalist viewpoint (Hobsbawm, 1992; Mayal, 1990; Holmes & Meir, 1983 and Wheatsheaf, 1986). The second is an historical approach by tracing the history of the Guthrie Group (Cunningham-Brown, 1970; Jones, 2000; White, 1996, 2004 and Tate, 1996). Focus on Malaysia's post-independence NEP offers a further perspective, while the recently opened primary source material, in particular the Bank of England records made available under the Freedom of Information Act (2000), provides the final viewpoint (in addition to press coverage in *The New York Times*, *Financial Times* and *The Straits Times*). These perspectives help form a detailed analysis of the Dawn Raid while also maintaining a broader view of the economic nationalist sentiment prevalent in developing nations at the time.

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