

AREA HANDBOOK

for

MALAYSIA

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FOREWORD

This volume is one of a series of handbooks prepared by Foreign Area Studies (FAS) of The American University, designed to be useful to military and other personnel who need a convenient compilation of basic facts about the social, economic, political, and military institutions and practices of various countries. The emphasis is on objective description of the nation's present society and the kinds of possible or probable changes that might be expected in the future. The handbook seeks to present as full and as balanced an integrated exposition as limitations on space and research time permit. It was compiled from information available in openly published material. An extensive bibliography is provided to permit recourse to other published sources for more detailed information. There has been no attempt to express any specific point of view or to make policy recommendations. The contents of the handbook represent the work of the authors and FAS and do not represent the official view of the United States government.

An effort has been made to make the handbook as comprehensive as possible. It can be expected, however, that the material, interpretations, and conclusions are subject to modification in the light of new information and developments. Such corrections, additions, and suggestions for factual, interpretive, or other change as readers may have will be welcomed for use in future revisions. Comments may be addressed to:

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PREFACE

Since 1970, when the preceding edition of the *Area Handbook for Malaysia* was published, the country's social, political, and economic conditions have undergone considerable change, and new sources of information have become available that help to clarify underlying trends in the society. When research was completed for the 1970 edition, the full implications of the violent communal riots of May 1969 had yet to work themselves out, and the complex factors contributing to the riots were still being examined and evaluated. The country has faced other challenges that have tested the stability and resiliency of its government. In 1970 Tengku Abdul Rahman, who had led the country since its independence, resigned; the successor he had groomed to replace him, Tun Abdul Razak, died unexpectedly in office in January 1976. The withdrawal of the British military presence in Malaysia, the Sino-United States rapprochement, and the American withdrawal from Vietnam altered Malaysia's foreign policy environment; at the same time earlier Malaysian aspirations regarding neutrality and nonalignment developed into a key interest in effective regional cooperation. The year 1976, which corresponded with a period of evaluation within Malaysia at the end of the country's second economic development plan and the beginning of a new plan, marked an appropriate point for reconsidering the course of the country and the aspirations of its people.

The purpose of this handbook is to provide a concise, balanced, and objective description of dominant social, political, military, and economic aspects of Malaysia. It seeks to identify dynamic forces and major trends and to give the reader some understanding of the aims and values of the diverse peoples that make up Malaysia. Interpretations are offered on a tentative basis, as befits research undertaken without field study.

The 1970 edition of the handbook was the product of a team composed of Helen A. Barth, Judith M. Heimann, Philip W. Moeller, Francisco S. Soriano, and John O. Weaver, under the chairmanship of John W. Henderson. Where appropriate, the present revision has drawn liberally on the 1970 handbook.

The present edition results from the combined efforts of a multidisciplinary team of researchers assisted by the staff of Foreign Area Studies. The team was chaired by Nena Vreeland, who wrote chap-

ters 1, 3, and 6 and coordinated the contributions of the other authors. Glenn B Dana wrote chapters 16 and 17; Geoffrey B. Hurwitz wrote chapters, 13, 14, and 15; Peter Just wrote chapters 4 and 5; Philip W. Moeller wrote chapters, 2, 7, 8, and 9; and R. S. Shinn wrote chapters, 10, 11, and 12. The authors acknowledge with gratitude, and without associating them in any way with the contents of the present edition, the help of private individuals and public officials—Malaysian and American—who gave of their time, documents, and special knowledge to provide information and perspective.

Spellings of place-names used in the handbook conform generally to official standard names approved by the United States Board on Geographic Names in the second edition, published in 1970, of its *Malaysia, Singapore, and Brunei, Official Standard Names, Gazetteer No. 10*. The principal exceptions are the use of Penang and Georgetown instead of Pinang and the use of Malacca instead of Melaka. The handbook has followed the official Malaysian convention of using *Malay* to describe the major indigenous ethnic group and its language; when referring to citizens without regard to ethnic designation the text uses the term *Malaysian*.

Where information is expressed in weights and measures not customarily employed in the United States, the equivalent is provided. Tons are metric unless otherwise specified. The reader may refer to the Glossary for United States dollar-Malaysian ringgit equivalents and for definitions of other frequently used terms.

On July 19, 1976, shortly after research and writing for the present edition were completed, the Malaysian government published the text of the Third Malaysia Plan (1976-80). Although specific details could not, as a result, be addressed in the body of the chapters in the present edition, the main direction and emphases of the new plan could be determined from official statements and have been described in the relevant chapters. Publication of the plan affirmed the expectation that the government's more active role in the economy and the emphasis given to increasing Malay participation in the modern economic sectors did not necessarily imply a move toward bureaucratic government ownership and intervention. Although the Malaysian government by no means abdicated a central role in both public investment and economic management, private investment—including foreign investment—was to continue its predominant role in a free-enterprise environment. Similarly economic growth was highlighted as against economic distribution; eradication of poverty regardless of race received greater emphasis than restructuring the economy to eliminate economic differences between ethnic groups. The government's generally cautious fiscal and monetary policies continued. Further adjustments would likely be necessary as the third plan proceeded, but it appeared that the general approach would be one of striking a balance rather than promoting possibly extreme positions.