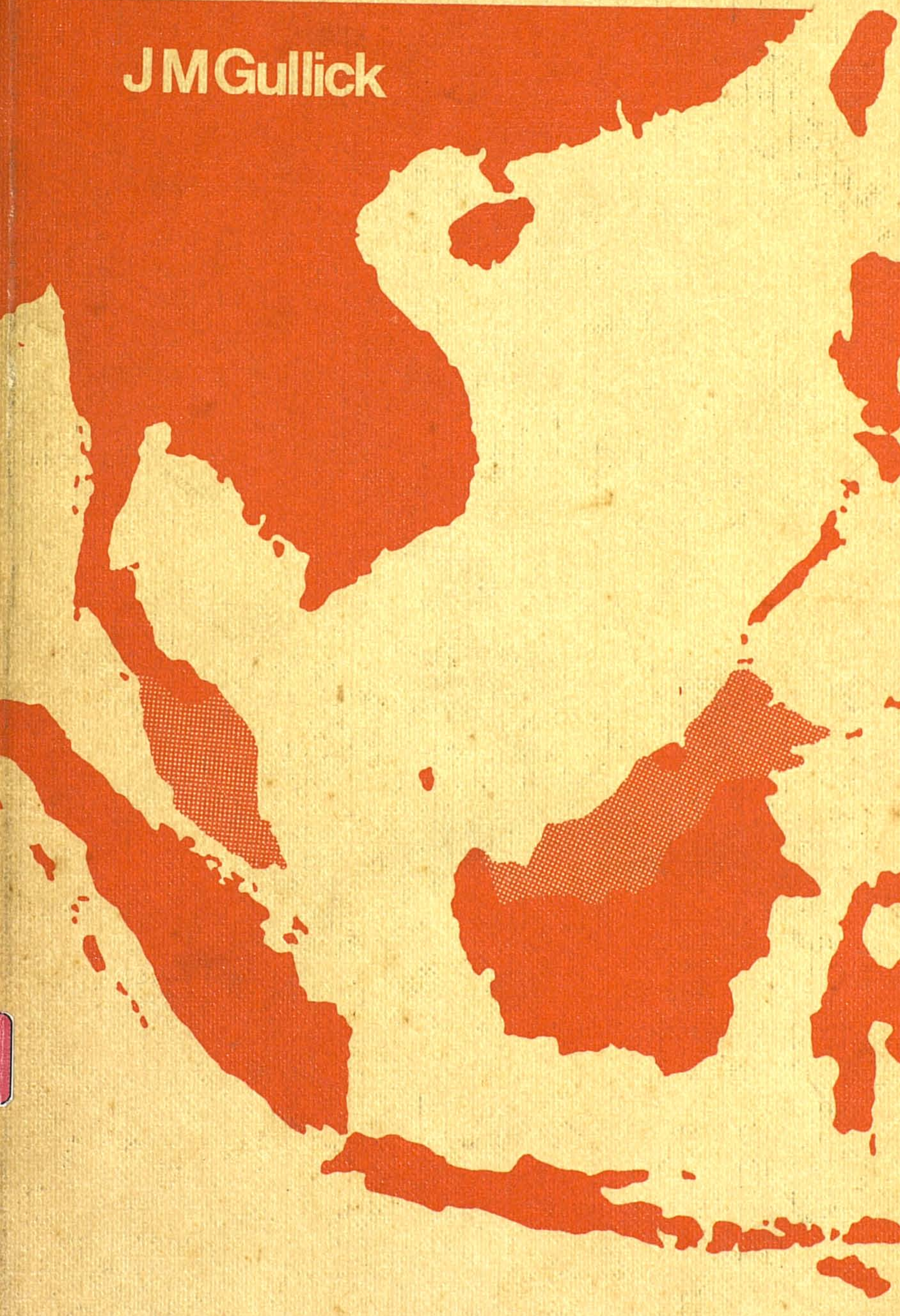
Malaysia
and its neighbours

J M Gullick



World studies series

12/6

Malaysia
and
its Neighbours

THE WORLD STUDIES SERIES

General Editor: JAMES HENDERSON, M.A., Ph.D.,
Senior Lecturer in Education with special reference to Teaching of History and International Affairs, Institute of Education, University of London

Editorial Board: MOTHER MARY de SALES, M.A., Principal Lecturer in History, Coloma College
JOSEPH HUNT, M.A., Senior History Master, City of London School
JAMES JOLL, M.A., University Lecturer in Modern History and Sub-Warden of St. Anthony's College, Oxford
ESMOND WRIGHT, M.A., Professor of Modern History, University of Glasgow

FORTHCOMING VOLUMES

The European Common Market and Community, U. W. Kitzinger, Fellow of Nuffield College, Oxford.

John F. Kennedy and the New Frontier, Edmund Ions, Department of History, Columbia University, New York.

Brazil: The Pattern of National Development, L. M. Bethell, University College, London.

The Indian-Pakistan Problem, Dr. Peter Lyon, London School of Economics.

Israel and the Arab World, C. H. Dodd, Department of Social Studies University of Durham.

Apartheid, Dr. Edgar Brookes.

Malaysia and its Neighbours

J. M. Gullick

LONDON
ROUTLEDGE & KEGAN PAUL

First published in 1967
by Routledge & Kegan Paul Limited
Broadway House, 68–74, Carter Lane
London, E.C.4

Printed in Great Britain
by C. Tinling & Co. Ltd
Liverpool, London and Prescot

© *J. M. Gullick 1967*

No part of this book may be reproduced
in any form without permission from
the publisher, except for the quotation
of brief passages in criticism

Contents

GENERAL EDITOR'S PREFACE *page* ix

VOLUME EDITOR'S PREFACE xi

ACKNOWLEDGEMENTS xiii

INTRODUCTION

1. The Country and the People 1
2. Current Problems 14
3. Suggestions for Study 25

SELECT DOCUMENTS

PART I: THE PLANNING OF MALAYSIA

1. Extract from Speech by Tunku Abdul Rahman, 27 May 1961 28
2. Extract from *The Times*, 30 September 1963, on Tunku Abdul Rahman and Mr. Lee Kuan Yew 29
3. Speech by Tunku Abdul Rahman in the Malayan Parliament, 16 October 1961 31
4. Extract from Statement by six Singapore Trade Union Leaders (*Straits Times*, 4 June 1961) 46
5. Extract from Speech by Dr. Lee Siew Choh in the Singapore Legislative Assembly, 20 November 1961 47
6. Extracts from Speech by Mr. Lee Kuan Yew in the Singapore Legislative Assembly, 6 December 1961 49
7. Extracts from *Statement of Political Belief* of Mr. J. J. Puthucheary (published by the Government of Singapore in *The Battle for Merger*) 53

8. Memorandum of the Malaysia Solidarity Consultative Committee, 3 February 1962 (HMSO Cmnd. 1794 Appendix F) *page* 60

9. Memorandum entitled *North Borneo and Malaysia* issued by the Government of North Borneo in February 1962 (HMSO Cmnd. 1794 Appendix E) 76

10–13. Extracts from the Report of the Commission of Inquiry, North Borneo and Sarawak, 1962 (HMSO Cmnd. 1794) 86

PART II: DEFENCE ASPECTS

14. Agreement on External Defence and Mutual Assistance between the United Kingdom and Malayan Governments, October 1957 (HMSO Cmnd. 263) 98

15. Annex B to the Joint Statement by the United Kingdom and Malayan Governments, November 1961 (HMSO Cmnd. 1563) 103

PART III: INDONESIAN AND PHILIPPINE REACTIONS

16. Extract from *A Survey of the Controversial Problem of the Establishment of Malaysia* (issued by the Indonesian Embassy in London) February 1964 106

17. Extract from a Speech by Dr. Sukarno at Manila (published by the *Indonesian Herald*) August 1963 109

18. The Manila Accord. June 1963 111

19. The Manila Declaration. August 1963 115

20. The Manila Joint Statement. August 1963 116

21. Extract from Speech by Tunku Abdul Rahman in the Malayan Parliament, 14 August 1963 120

22. Summary of Findings of the United Nations Malaysia Mission. September 1963 122

23. Extract from the Final Conclusions of the Secretary-General, United Nations Organisation. September 1963 131

24. Aide-Mémoire from the Indonesian Observers to the UN Malaysia Mission. October 1963 133

25–26.
Extracts from Speeches at a meeting of the United Nations Security Council, 9 September 1964:
25. The Malaysian Representative *page* 137
26. The Indonesian Representative 141

27. Resolution of the United Nations Security Council. 17 September 1964 146

28. *A Guide to Philippine Claims to North Borneo* (*The Times* 2 May 1962) 148

PART IV: ECONOMIC ASPECTS

29. Extracts from the *Report on the Economic Aspects of Malaysia* by a Mission of the International Bank for Reconstruction and Development. July 1963 156

PART V: SINGAPORE WITHDRAWS FROM MALAYSIA

30. Extracts from Malayan Chinese Association Election Speeches (*Straits Times*, 22 April 1964) 166

31. Extract from Inaugural Declaration of the Malaysia Solidarity Convention (*Straits Times*, 10 May 1965) 167

32. Letter from Tunku Abdul Rahman to Dr. Toh Chin Chye, 7 August 1965 168

33. Letter from Dr. Toh Chin Chye to Tunku Abdul Rahman, 8 August 1965 169

34. Statement by Tunku Abdul Rahman regarding Documents 32 and 33 170

35–36.
Challenge to Malaysia, two-part article published in *The Times*, 10 and 11 November 1965:

I *Mr. Lee's Gamble that Failed* 172

II *Learning to Live Separately* 175

MALAYSIAN POPULATION STATISTICS 181

PRINCIPAL POLITICAL PARTIES OF MALAYSIA 183

BIBLIOGRAPHY 187

SUBJECT INDEX 190

General Editor's Preface

The World Studies Series is designed to make a new and important contribution to the study of modern history. Each volume in the Series will provide students in sixth forms, Colleges of Education and Universities with a range of contemporary material drawn from many sources, not only from official and semi-official records, but also from contemporary historical writing and from reliable journals. The material is selected and introduced by a scholar who establishes the context of his subject and suggests possible lines of discussion and inquiry that can accompany a study of the documents.

Through these volumes the student can learn how to read and assess historical documents. He will see how the contemporary historian works and how historical judgements are formed. He will learn to discriminate among a number of sources and to weigh evidence. He is confronted with recent instances of what Professor Butterfield has called 'the human predicament' revealed by history; evidence concerning the national, racial and ideological factors which at present hinder or advance man's progress towards some form of world society.

In presenting his documents Mr. Gullick has made two vital points: first, the dilemma created by the working of democracy in a newly nationalist society (page 17); and secondly, the human drama that always colours governmental decisions, as expressed in the words of Tunku Abdul Rahman when making the break with Singapore:

'If I were strong enough and able to exercise complete control of the situation I might perhaps have delayed action, but I am not, and so while I am able to counsel tolerance and patience, I think the amicable settlement of our differences in this way is the only way out.' (page 169).

JAMES HENDERSON

Volume Editor's Preface

In South-East Asia as much as any part of the world men seek some form of wider association which will give them stability and peace and enable them collectively to play a fuller part in the world as a whole. In this aspect Malaysia is, I hope, a proper subject for inclusion in a series, the purpose of which is explained by Dr. Henderson in his General Preface.

The plan of the book is as follows. The Introduction aims to provide the necessary background information and preliminary sketch of the current problems before the reader comes to the documents. It also makes some suggestions as to themes and methods of study.

The documents themselves are arranged in five groups and as nearly as may be in chronological sequence. First is the phase of preliminary consultation and agreement (1961–2); secondly, the special question of regional defence which leads on to the third section, i.e. the reactions of Malaysia's neighbours (1963–4); the economic advantages of Malaysia, which come fourth, were as strong an inducement as any to Singapore to join Malaysia; and so we come at the end to the fifth section to the internal stresses which ended in the withdrawal of Singapore (1965).

One can never get into the limited compass of a book more than a fraction of what one would like. I have tried to illustrate the point of view of each side of the controversy and—wherever possible—in the words of their own spokesman or at least in the first-hand account of those who went to listen to them. Even in the printed word something of the personality of men such as Tunku Abdul Rahman, Lee Kuan Yew and Sukarno comes through to the reader.

Within its limits this book is intended to be self-contained but if it leads the reader on to other books (for this there is a short Bibliography) it will have served its purpose doubly well.

Finally I should like to thank the Governments and others who have given me permission to reproduce documents and to whom I have made formal acknowledgment elsewhere.

J. M. GULLICK

Loughton 1966

Acknowledgements

The Editor of this Volume acknowledges with thanks permission to reproduce documents given by the Governments of Malaysia, Singapore, Indonesia and the United Kingdom, and also by the United Nations Organisation, the International Bank for Reconstruction and Development, the publishers of *The Times* and of *The Straits Times*, by Mr. J. J. Puthucheary and by Ernest Benn Limited (as publishers of the Editor's book *Malaya*).

MALAYSIA AND ITS NEIGHBOURS

Introduction

I. THE COUNTRY AND THE PEOPLE

The Malay Peninsula is a narrow lozenge of land running five hundred miles southwards from the land mass of eastern Asia into a region of islands, large and small, spread over the equator. Eastwards across the South China Sea lies the largest island, Borneo, whose northern territories joined with Malaya in 1963 to form Malaysia. Malaysia is thus at the centre of the South-East Asia region, sharing with its neighbours ties of race, religion, culture and trade. China and India, the most powerful Asian nations and the most ancient centres of Asian civilisation, have contributed both to the culture and to the racial composition of the region. The western powers and the communist bloc are struggling to expel each other from it. South-East Asia is border country in which world conflicts of ideology and power pull apart Malaysia and its neighbours who—left to themselves —have so much in common.

Singapore is a small island at the southern tip of the Malay Peninsula, just north of the equator. Here the sea routes of world and regional trade converge to form a maritime cross-road. The foresight of Stamford Raffles who established a free port (i.e. a port through which goods could pass without paying customs duties) in 1819 and the immense energy of the Singapore traders, many of them Chinese, have combined with the advantages of geographical position to make Singapore one of the world's major seaports even though it is remote from the great centres of industrial production.

Natural Resources

Countries within the equatorial zone have a climate defined by the monsoon winds. North of the equator the wind blows steadily for half a year from the north-east and then it goes

round to the south-west during the other half of the annual cycle. The winds are wet from their passage across the sea and they bring steady rainfall, especially heavy at the change of the monsoon wind, up to a hundred inches a year in Malaya and double as much in parts of Borneo. In the days of sailing ships the half-yearly change of the wind imposed a regular pattern of trade. Ships sailed eastwards from Persia and India to South-East Asia and returned a few months later with a new cargo when the wind changed. Ships from China and the Spice Islands made round voyages in the same way. The meeting point and the centre of exchange of goods was in the Straits of Malacca between Malaya and Sumatra. A succession of great native kingdoms rose and fell, founding their strength upon the revenues of trade. In modern times the entrepôt ports (centres of import and re-export) have served as a link between world cargo trade in steamships and local trade carried in junks and other sailing vessels, plying before the monsoon winds. Singapore, Penang and Hong Kong are focal centres of collection and distribution of local produce and imported manufactures. Thus they become the mercantile capitals (so far as the governments of neighbouring countries will permit) of the region.

The natural vegetation of this humid zone is the tropical rain forest or jungle in which great trees, centuries old, tower a hundred feet or more above a thicket of creepers and thorns at ground level. Yet the luxuriance of this vegetation gives a misleading impression of fertility; the agricultural potential is not what it seems. One must distinguish two types or zones of land. In the valleys of the rivers there are flat areas of alluvial soil, enriched each year by more silt brought down by the rivers in flood. Here too are the alluvial tin deposits washed out of the mountain ranges millions of years ago. The areas of alluvial soil in the valleys can support permanent agriculture such as the culture of irrigated rice and of coconut and oil palms. By contrast the undulating land rising from the valleys to the central mountain ranges will soon lose its fertility if it is cleared of jungle and left exposed. The heavy rain erodes the top-soil and dissolves the plant nutrients in its warm water (a process called 'leaching'). In some areas, especially in Borneo, there is still shifting cultivation of hill land in which plots are cleared, tilled for a few years and then abandoned for the long and imperfect

sequence of natural regeneration. But this is wasteful agriculture, the exploitation of accumulated natural fertility. It is only by planting tree crops, of which rubber is the most important, that hill land can be protected as the jungle trees protect it, and so kept in permanent cultivation. Even under tree crops the land must be carefully conserved against erosion. In the wet tropics agriculture requires the maintenance of a careful balance to maintain its fertility. This factor limits the uses to which the land can be put.

The greatest of the mineral resources of South-East Asia, and especially of Malaya, is tin which is usually found as an alluvial deposit in strata a hundred feet or so below the surface of the valleys in central and north-western Malaya (and in Sumatra). The richest and shallowest deposits have long since been worked. The tin industry is now based upon the recovery of ore in small quantities from working immense volumes of soil. A cubic yard may yield a few ounces of ore. The mechanical equipment in use is elaborate and expensive. A tin dredge, for example, will cost over a million pounds sterling.

In Sumatra and Borneo there are oil-fields yielding petroleum. The coal deposits are generally of inferior quality and those in Malaya are no longer worked. In recent years the mining of iron ore, mainly for export to Japan, has become an important Malayan industry.

The jungle is a vast reserve of timber, though not always easily accessible. This is hardwood timber which is less in demand than softwoods. However the export of timber to Australia and other countries is an important part of the economy of North Borneo.

In sum this is not a region of immense natural resources. There is abundant land for the people but the uses to which it can be put are limited. The export of tin and rubber, both key raw materials of world industry, and the production of rice for consumption within South-East Asia is the mainstay of the economy of the region. Palm oil, copra, pineapples, pepper, timber, iron ore and petroleum are useful adjuncts. All these are raw materials for export to distant countries. Since the end of the Second World War the countries of South-East Asia have tried to reduce their dependence on fluctuating world trade in raw materials by developing local industries to produce at home

the manufactures which they had previously imported from abroad. As will be seen industrialisation is one of the key economic issues of Malaysia.

The Malays

Most of the present population of South-East Asia are descendants of migrants who arrived in the region within the past 5,000 years. In the earliest period of human migration before primitive man had sailing ships the Malay Peninsula served as a land-bridge from eastern Asia down into the region of equatorial islands to the south and east. Apart from some primitive tribes in the interior there are now few descendants in the region of the earlier waves of this migration. The last main wave however were the forebears of the present Malays, Indonesians, Philippinos and the peoples of north Borneo. These migrants were pagan peoples whose culture and organisation were simpler than those of their modern descendants. Nonetheless the peasant way of life in South-East Asia includes habits and practices of great antiquity.

The word 'Malay', meaning a person of the Malay community or race, living in Malaya should be distinguished (the two are often confused) from 'Malayan' which means a person of any race ('Malayan Chinese' etc.) who has become a resident and citizen of Malaya.

The Malays are a brown-skinned people, of medium height, with round heads and straight or wavy hair. They are lithe and graceful in movement, grave and courteous in manner but with a quick wit and sense of humour. In the past the Malay peasant has had to endure a good deal of oppression and misrule which he has borne with philosophy. If however he is driven to desperation he may break out in reckless violence and 'run amuck' (which is the English form of the Malay word 'amok'). Malay culture is a rich amalgam of primitive pagan, Hindu and Islamic elements which have overlayed each other in the course of Malay history. Malay literature, which includes some notable classics, is several centuries old. The Malays were converted to Islam by missionaries from India and the Middle East at about the end of the fourteenth century A.D. They are of the orthodox (Sunni) sect of Islam, tolerant in their

observances, and they allow their women, who do not wear the veil, a large measure of personal liberty and family authority.

Three characteristics of the Malay way of life deserve special mention. The majority of Malays live as villagers; they have a strong sense of solidarity as Muslims; they are loyal subjects of their royal rulers and conservative in their political outlook.

Even those Malays who migrate to the towns revisit the villages from which they came and are likely to return there sooner or later. Many of the Malay villages of modern times were established as new settlements over the past hundred years during which there was a steady flow of immigrants from Indonesia. The story of these settlements illustrates some facets of Malay village life. The immigrant parties would each consist of a number of families from the same part of Sumatra or some other part of what is now Indonesia. A century ago they travelled into the interior in search of a new home by poling boats along the winding rivers. There were no roads and the jungle was almost impassable. Their main concern was to find a place where they could plant rice, their staple food-crop, and so support themselves. Land was abundant and the local ruler, to whom they would pay taxes, made them welcome. They found perhaps a hundred acres of reasonably flat land alongside the river or one of its tributaries which they could irrigate for rice with brushwood dams and short channels dug to the fields. Here they settled and a Malay village began. The next party of migrants would move on past them since it was easier to clear a new site than to enlarge the area of the existing village by taking in more land at a different level.

Each village was a small community of interrelated families. The village elders met to discuss village affairs on Fridays after the prayers at the mosque. They chose one of their number to be the village headman ('penghulu') who was their spokesman in dealing with higher authority. They were largely self-supporting but they grew or collected some produce such as rattans,* gums or fruit which could be sold down the river to pay for what they bought.

These small settlements strung out along the banks of the rivers were too small and weak to provide for their own defence and readily submitted to control from above in return for pro-

* Cane collected from the jungle and used in plaited basketwork.

tection. The basin of each large river formed a natural unit of control since the river was the highway along which all movement of men and goods must pass. A ruler entrenched in a log stockade overlooking the mouth of a river (or the junction of a tributary with the main stream) with a few brass cannon and a band of armed followers had control of the whole area upstream. No one could enter without his leave and all goods passing must pay his taxes. In this way a Malay aristocracy or ruling class was able to establish States which extended from the estuary of a large river to its watershed.

It was a turbulent and at times unstable system which could be oppressive. The two classes, rulers and peasantry, rarely intermarried and there was a sharp cleavage or 'social distance' between them. The peasantry relied on their rulers to provide economic aid as well as defence and showed little initiative outside village affairs.

The past century has seen many changes in Malay society. Roads and major irrigation works have extended the area of settlement; rubber cultivation is more important in the Malay economy than rice; the spread of education has made it possible for the clever son of a peasant to rise through a successful career into the upper class—and be accepted there. As modern methods of government have evolved, Malays have filled the key administrative cadre of the civil service and the armed forces and police. For the work of government they feel an inclination and an aptitude. On the other hand trade and commerce remain a Chinese preserve. The Malay peasant who has rubber to sell or who wishes to buy goods at a village shop must usually deal with a Chinese shopkeeper. He feels, justly or otherwise, a keen sense of exploitation and of grievance. It is at this level that Malay resentment of Chinese economic strength has its roots. There is also a feeling that the towns, where the population is mainly non-Malay, have had more than their fair share of the schools, hospitals and other services which the Malay villages do not enjoy on the same scale. Since Malaya became independent in 1957 the government has spent much money and effort on a 'rural development' campaign designed to improve the social and economic condition of the Malay villages.

The use of the Malay language in schools and as the national

language of Malaysia presents a number of problems (see pp. 67 and 179). In Malaya and in the Borneo territories during the period of British rule English had been the medium of instruction in secondary schools (other than the Chinese high schools to which we shall come later). Malay was used as the teaching language only in Malay primary schools in the Malay villages. A minority of Malay pupils went on to the secondary schools and they had to learn English in order to do so. This situation was a bitter grievance of Malay nationalists many of whom were teachers. On becoming independent in 1957 the Federation of Malaya adopted Malay as the 'national language' and instituted a ten-year transitional period during which English and Malay would rank equal as 'official languages' of public life, government and secondary education. At the end of the period (in 1967) it was planned that Malay would become the sole official language. Meanwhile Malay became a compulsory subject in schools and secondary schools were established at which Malay was used as the language of instruction. This process will also be extended to the University of Malaya in due course.

No one is to be prevented from teaching in secondary schools through the medium of English (or Chinese), but in time such schools will have to obtain all their income from fees as no public funds will be available to them. No one is to be prevented from using English or other languages, but in dealings with government departments he will have to use Malay.

When Malaysia was formed Singapore and the Borneo territories (in which the majority of the population are not Malays) agreed to accept Malay as the national language and to include it as a subject taught in schools but they would not accept it as the sole medium of instruction in secondary schools—English or Chinese is preferred.

Among peasants and manual workers who do not speak English, Malay is widely used as a lingua franca of all races in Malaya and—to a less extent—elsewhere in Malaysia. It is a language of much subtlety and rich texture as used by the Malays; simple 'bazaar Malay' used by non-Malays is quite easy to learn.

Malay society is thus a mixture of old and new in which conservative outlook and traditional behaviour conceal many

tensions and strains. The Malay voter uses his vote to support a political party led by aristocrats such as Tunku Abdul Rahman, son of a former Sultan of the Malay State of Kedah (the prefix 'Tunku' means 'His Royal Highness'). The old pattern of village co-operation and landholding has been adapted to a system in which the peasant produces rubber and other crops for sale through an alien economic system. A majority of the younger Malays of both sexes have been to school and are literate; a substantial proportion of their elders have not had these advantages.

Borneo Peoples

The indigenous people of northern Borneo may have some remote ethnic affinity with the Malays of Malaya and their way of life, though much simpler and more primitive, is similar in essentials; both are based on life in small communities and on peasant agriculture; both are conservative in outlook and aristocratic in political leadership. However the Borneo peoples have a keen recollection of the ancient misrule of the Malay Sultans of Brunei who were once masters of northern Borneo. They are particularly sensitive to any appearance of discrimination against themselves in the government of modern Malaysia under its mainly Malay leadership. They are conscious that their way of life is more primitive and their economy less developed than that of their fellow Malaysians in Malaya. They opted to join Malaysia because they wished to catch up; and association with Malaya offered them an opportunity of doing so. The tactlessness of a Malay official seconded to Borneo or some major decision taken in Kuala Lumpur without reference to Borneo (such as the withdrawal of Singapore from Malaysia in August 1965) can produce sharp repercussions in 'eastern Malaysia'.

Malayan Chinese

The second major community of Malaysia is the Malayan Chinese, most of whom are the children and grandchildren of migrants who arrived in Malaya from China in the century from 1830 to 1930. As stability and prosperity came to Malaya

in the nineteenth century it drew in large numbers of Chinese. Malaya needed labour especially for the development of the tin-mines and the Chinese were eager to make money with which to return to their native China. There were already Chinese merchants and entrepreneurs in the main sea ports. They organised a massive influx of their countrymen mainly from the maritime provinces of Kwangtung and Fukien in South-East China north of Canton. The Chinese of these areas speak several different dialects of Chinese which are hardly intelligible, one to the other. The bewildered, newly-arrived labourer was likely to look to others who spoke his dialect to give him protection and help in the uncertainties of his new environment. In this way the immigrant Chinese organised themselves into associations or societies for mutual help, based in the main on the ties of common dialect or local ties in China. The wealthy Chinese capitalists found this a useful way of disciplining their labour force. They themselves became the society headmen, supported by armed bodyguards, and the new recruits were inducted into membership on arrival. The member could count on his association or 'secret society' for help if he were attacked, for care if he fell sick and for a decent burial if he died (the rate of mortality and sickness in the early mining camps was appalling). Loyalty was enforced by the threat of violence but this was hardly necessary; the lonely immigrant, beset by so many dangers, clung to his society with fanatical devotion. Since there were rival associations in each town or mining area their members inevitably clashed. As a result Singapore and Penang suffered notorious riots in the 1850s and 1860s and the tin-mining areas of the Malay States were devastated by civil war among the miners in the early 1870s.

With the passage of time the nature of Chinese immigrant society changed. Much of the wealth which the Chinese created in Malaya by their tremendous energy and business flair was in the form of mines, businesses and plantations. Rather than leave these behind they came in time to make their homes in Malaya. The social problems of a rootless and disorderly immigrant population gave way to those of a multi-racial community. Now that the Chinese have settled in Malaya in large numbers (and in Borneo on a smaller scale) they expect to be

treated as permanent residents, indeed as citizens of Malaya. Unlike the Malays the Chinese have no great interest in the working of government. They are accustomed to managing the affairs of their community, even the provision of schools and hospitals, through their own mutual benefit associations. To the Chinese a good government is one which does not interfere. However in order to influence the government they find it necessary to participate in it.

As we have said, the Malays, apprehensive of Chinese economic strength, are afraid that they, the Malays, may be swamped if they concede political equality to the Chinese. In the course of the period since 1945 an accommodation, if not a settlement, was worked out by the moderates on both sides. The Malays were ready to concede a measure of political equality to the Chinese on two conditions. First, only those Chinese who had made their permanent homes in Malaya and had identified themselves with it were to be citizens with the right to vote. In particular the Malayan Chinese were required (as a condition for receiving state subsidies for their schools) to abandon the use of Chinese as the language of instruction in their secondary schools and to use English or Malay (eventually only Malay) instead. Malay is to be the national language and used as such in public life and administration.

The second Malay stipulation for political concessions to the Chinese may be summed up in the term 'special Malay rights'. The admission of Malayan Chinese (and other non-Malay candidates) to the administrative civil service and to the armed services is restricted by quota, under which the majority of vacancies are reserved to Malays. The award of scholarships for higher education is governed by similar rules. In the Malay States large areas of land, both developed and undeveloped, have been reserved as 'Malay Reservations' in which only Malays may be registered as owners. In addition to these privileges which have a basis in the constitution there is a more general assumption on the Malay side that leadership in federal and state politics is a Malay preserve. In the Malay-Chinese coalition which has ruled Malaya since 1955 the Malays predominate and hold a majority of the ministerial portfolios. Few Malays would acquiesce in any change in that situation.

The Malayan Chinese have so far accepted the situation with

restraint and good sense. They do however tend to argue that special Malay rights should be regarded as a transitional system to be relaxed, if not abandoned, as Malay backwardness in commerce and in technical education is remedied. A considerable body of Malayan Chinese opinion is distinctly unhappy over the elimination of Chinese as a teaching language in their secondary schools.

Apart from the question of Malay-Chinese relations there are domestic problems within the Malayan Chinese community. The old 'secret society' form of association which flourished in the period of mass immigration has been largely suppressed. Yet the social structure which it reflected persists. Now as then Chinese society is divided into the employer class, i.e. big, middle and small capitalists, and the mass of working-class Chinese. In the pioneer period of the mid-nineteeth century the boss and the workers shared some of the same dangers and there was a sense of common interest to unite them. As the Chinese settled down in Malaya, class stratification, based on differences of wealth (and of education and upbringing which are determined by family income) became more marked. The Chinese employer at his best shows a paternal regard for the welfare of those whom he employs—in accordance with Chinese practice a small employer will usually employ kinsmen and fellow clansmen in preference to outsiders. He will give generously—if ostentatiously—to the endowment of schools, hospitals and other social welfare projects. But he does not readily accept the idea of negotiations with trade unions and the other apparatus of modern labour relations. The old associations of clansmen from the same district of China and the guilds of employers and workers in the same trade, which at one time served to bring the classes together, have lost most of their economic significance. The Chinese worker feels that he is being exploited and he seeks redress—either through his trade union or by submitting to the influence of communism, of which more will be said later (see pp. 51–53).

The point which has to be emphasised is that the social and economic conditions and aspirations of the Chinese working class, especially in cities such as Singapore with very large concentrations of Chinese urban workers, demand programmes of reform which are unlikely to be initiated except by radical

socialist parties. If a solution cannot be found on these lines the allegiance of the Chinese working class will be given to communist or fellow-travelling political movements. This is a problem which is acute in Singapore but less so in Malaya where the concentrations of urban Chinese are smaller and there is a large Malay rural vote.

There is more to the problem of Malay-Chinese relations than the specific grievances of one community against the other. The different social structure and political leadership of the Malay and Chinese communities produces almost irreconcilable differences of tempo and temperament. In Malaya (as distinct from Singapore) a predominantly Malay peasant electorate has so far kept in power aristocratic and conservative leaders who have allied themselves with Chinese politicians whose electoral support is drawn mainly from the Chinese mercantile class. This coalition pursues 'middle of the road' policies with no great sense of urgency. The more extreme parties on either wing are divided and impotent. In Singapore, on the other hand, a predominantly Chinese electorate has returned (since 1959) the People's Action Party to power at successive elections. This is a government which aspires (though it has been somewhat frustrated) to a programme of radical reform. It has also to champion Chinese communal interests against any excessive pretensions of Malay political supremacy in Malaysia as a whole. Out of this situation came the Malay decision that Singapore must withdraw from the federation which it had helped to form only two years before (in 1963) because it was rocking the intercommunal boat by its avowedly non-communal programme.

Malayan Indians

The Malayan Indian community is a significant part of the multi-racial whole but is so much smaller than the Malay and Chinese groups that it has no great influence. The upper class of the Malayan Indian community are lawyers, doctors, civil servants and other professional men as well as a few wealthy merchants and bankers. On occasion they provide a valuable leaven of political skill in the Malayan body politic. The mass of the Malayan Indian community are labourers, ('rubber

tappers',*) on plantations and in public works and municipal enterprises.

Constitutional Changes (1945–65).

It only remains to describe briefly the constitutional evolution of the territories of Malaysia up to 1963 when Malaysia was formed. British rule was first established in the three ports of Penang, Malacca and Singapore over the period 1786–1819. In the third quarter of the nineteenth century it was extended to the Malay States of central Malaya and (in a form of British private enterprise) to North Borneo and Sarawak. Between 1909 and 1914 British Malaya was further extended to take in the four States to the north and Johore in the extreme south.

The following rather untidy system of British rule persisted until the reconstruction of 1945:

(1) the *Straits Settlements* of Singapore, Penang and Malacca (and also the island of Labuan off Borneo) were a British colony governed by the Governor in the name of the British Crown.

(2) the four *Federated Malay States* of central Malaya (with a federal as well as four state governments) and the five *Unfederated Malay States* of north and south Malaya were British protected Malay States administered (in practice though not in theory) by British advisers (called 'Residents' in the FMS). The Governor of the Straits Settlements in a personal capacity (as High Commissioner for the Malay States) maintained a distant supervision of the Malay States and also of Brunei—see below).

(3) *British North Borneo* (now called 'Sabah') and *Sarawak* were governed respectively by a commercial company under charter from the British Crown and by the Brooke family (under grant more or less from the Sultan of Brunei as former sovereign). In addition the Malay

* Rubber is obtained from the rubber tree by making an incision in the bark (called 'tapping') so that the milky latex flows out and can be collected in a cup. Indian and Chinese labourers, women as well as men, employed on this task are called 'rubber tappers'.

State of Brunei (not now part of Malaysia) was a British protectorate under arrangements similar to those made for the Malay States.

In 1945 the nine Malay States were joined with Penang and Malacca to form the Malayan Union which was reformed (on lines more acceptable to Malay opinion) to become the Federation of Malaya in 1948; it became an independent member of the Commonwealth in 1957. The Malay word Merdeka meaning independence used in the documents refers to this event and Merdeka Day is the anniversary of 31 August when Independence came.

Singapore became a separate British colony in 1945 and a self-governing State (still under the British sovereignty) in 1959.

British North Borneo and Sarawak became separate British colonies in 1946. Brunei remained a British protectorate but was no longer associated with the British régime in Malaya.

Singapore, British North Borneo ('Sabah') and Sarawak joined with the Federation of Malaya to form the independent and sovereign federal state of Malaysia in September 1963. Brunei was invited to join but decided not to do so. Singapore withdrew from Malaysia at the request of the Malaysian central government in August 1965.

2. CURRENT PROBLEMS

Malaysia (like the Federation of Malaya between 1948 and 1963) has a federal constitution under which responsibility is divided between a central government (which controls such matters as defence, external relations, taxation policy, foreign trade and the overall direction of financial and economic policy) and a number of state governments which provide the local administration in their areas including important public and social services. A federal form of government is essentially a compromise, a system of checks and balances between conflicting interests. In withdrawing from colonial rule Britain has more than once encouraged the formation of a federation of neighbouring territories. The hope is that small and weak units will gain strength from association. The political leaders in the participating territories see can the advantages of such schemes

but they insist upon safeguards so that the vital interests of their territory shall not be susceptible to full control by a majority of their partners who may be at odds with them. The West Indies, Central Africa and Malaysia itself bear witness to the precarious future of a federation born in such circumstances.

The documents which follow will show what safeguards each party sought in entering Malaysia. It will be a useful bridge between the general introduction given above and the documents which follow if we review the current problems of each territory at the time of entry to Malaysia.

Federation of Malaya

The Federation of Malaya, i.e. the States of the Malay Peninsula and the island of Penang, had shared a common central government since 1946 (reformed as a federal system in 1948). They had had parliamentary democracy since 1955 and independence since 1957. From a turbulent and unhappy start in 1946 Malaya had progressed to stability and prosperity in later years. The key problem here was to maintain the relative balance and harmony between the two major communities, Malay and Chinese, which had been worked out in the early 1950s. It was still a new and fragile thing. It is instructive to look at its brief history.

Until the Second World War each of the two major communities had been prepared to accept the indefinite continuance of British rule in Malaya which had been successful and relatively impartial. The Japanese occupation (1942–5) was the watershed in the evolution of Malayan political life. The British themselves foresaw the end of their régime and recognised that Malayan independence must be preceded by administrative unification of the ramshackle pre-war administrative structure. After an unwise essay in total unification and complete political parity for Malays and Chinese (the Malayan Union of 1946–8) the British government reverted (in the Federation of Malaya) to the Anglo-Malay dyarchy extended from the Federated Malay States of central Malaya to take in the whole Malay Peninsula. In effect the Malay State, ruled by its Malay ruler, was retained as the basic unit but there was now a central government for Malaya as a whole.

The Malays had secured this settlement by the creation of an effective communal party, the United Malay National Organisation (UMNO). Since they were then fighting for the interest of the entire Malay community they made of UMNO an expression of Malay nationalism under the traditional aristocratic leadership.

At this time (around 1948) the Malayan Chinese were too confused to provide an effective counterweight. However the Malayan Communist Party (MCP) led its supporters among the Chinese into a prolonged and ultimately unsuccessful rural revolt (the Emergency of 1948–60). The rest of the Chinese community, caught in a cross-fire, rallied to protect its interests by the formation of a Malayan Chinese Association (MCA). For a time intercommunal feeling was acute but the good sense of moderates on both sides led to the evolution of the Alliance: UMNO plus MCA plus the Malayan Indian Congress (MIC).

This coalition of communal bodies proved more acceptable to their respective supporters than any non-communal party in which men of all communities could join as individuals. Communal loyalties were still strong. The voter preferred to elect a communal party which should represent his interests in negotiation with other communal bodies. Communal feeling still had organised means of expression in these parties and the coalition worked only so long as the moderates, who negotiated the compromises, could convince their own supporters that these were a fair settlement or the best obtainable. If any clash of communal interests led to public recrimination it became impossible for the men of compromise to make the mutual concessions essential to the continuance of the coalition.

Twice a crisis of this kind has occurred. In 1959 a dispute over Chinese schools and Chinese representation in the legislature almost split the Alliance. The quarrel was ended by the secession from the MCA of a group of young Turks who had forced the issue to the point of open breach. Another open dispute in 1965 led to the secession of Singapore from Malaysia.

A coalition which by its nature must compromise and must follow the middle of the road is unlikely to adopt radical policies of change and reform such as the circumstances of a developing economy and society will from time to time require. Yet there is no practicable alternative government. To the

right of UMNO—and its main competitor for the Malay vote—is the Pan-Malayan Islamic Party (PMIP) which denies that the non-Muslim Malayan Chinese should have any political rights. To the left of the Alliance coalition—and the main legitimate competitor (communism being proscribed) for the votes of the urban Chinese workers—is the Socialist Front (SF), which makes its appeal to the non-Malay voter by forth-right criticism of Malay 'special rights'. These extremes can never combine in a coalition; if either were to attain power by itself, the community (Malay or Chinese) whose rights it threatened would react in bitter, possibly in violent, opposition.

The working of democracy in a multi-racial society creates a dilemma. Either the government will rest upon the support of one major community and so the others will feel that it is a threat to them, or it must be a careful balance of communal elements limiting its domestic policy to the highest common factor of intercommunal agreement, which will not always be sufficient. Only the withering away of communal loyalties and the growth of a new national consciousness can eliminate this dilemma. Such a change may be achieved in time but it will require a long and untroubled period of evolution for its full flowering. If intercommunal feeling is embittered over some particular issue, the whole process can be set back a long way. There is an apt Malay proverb—'One day's rain sweeps away the heat of a season.'

There is no lack of issues on which the body politic divides along communal lines. The two most explosive questions have already been indicated—the Malay sense of grievance at their economic weakness vis-à-vis the Chinese and the Chinese apprehension that Chinese language and culture will be eliminated from the Malayan curriculum in the cultural assimilation on the basis of Malay as the national language. Apart from these intercommunal questions there are issues within each major community which are difficult to deal with and may sooner or later become urgent. Something has been said of labour relations between Chinese employer and worker. Ticking away like a time-bomb is the neglected question of land tenure in areas where both landlord and tenant are Malay—a situation which exists in the main rice-growing areas of Malaya. Here too there is need for reform. But the kind of men who lead an inter-

communal coalition government, who are the inevitable choice for such leadership, are a conservative rather than a radical influence.

Singapore

As an introduction to the special interests of Singapore one may ask why did the predominantly Malay leadership in Malaya ever agree to accept into a federal scheme the state of Singapore whose one and a half million Chinese and different political tempo and practice might well upset the existing balance in Malaya itself. As will appear from the documents, the answer is that the Malayan government feared that Singapore, left to its devices, would become a stronghold of Chinese nationalism and communism on their doorstep. As such Singapore would tend to polarise Chinese sentiment in Malaya into opposition on communal lines. Malaysia was constructed on the hope that Singapore, absorbed into a larger entity in which other elements and influences than her own were dominant, would steady down. The price of this was that Singapore became a leaven in the Malaysian whole which threatened to alter its composition. When this had become apparent in 1965, Singapore had to be asked to withdraw.

From 1945 to 1963 Singapore had pursued its own course of political development in isolation from Malaya. In view of the different balance of forces in the two territories it was inevitable that Singapore should veer off on a different course. It differed from Malaya in being predominantly urban, predominantly Chinese and predominantly a centre of trade and industry. In electoral terms there was no large block of Malay peasant voters to swing the balance their way. During the period from 1948 to 1959 the Singapore elections showed a steady move to the left. The electorate demanded political leadership of a radical type, responsive to urban needs and to Chinese working class sentiment. Because Singapore was a cosmopolitan city with a mainly Chinese population it was unnecessary to find a balance between communal parties. All the major political parties were non-communal in the sense that membership was open to all. In practice the majority of members of these parties was Chinese.

The key problem of Singapore politics was the close connexion between the proscribed but still influential Malayan Communist Party and the main springs of Chinese national feeling. In 1955, when the first elections were held for a ministerial government, the Labour Front came to power on a distinctly socialist programme. However in dealing with disorders in the Chinese secondary schools, which may have been provoked by communist subversion, the Labour Front government antagonised Chinese communal feeling generally. It was succeeded in 1959 by the People's Action Party (PAP) under the leadership of Mr. Lee Kuan Yew who remains Prime Minister of Singapore to this day. The PAP was elected with the support of the MCP with whom the PAP leaders had some contact. In the period of 1956–9 the Singapore leaders had been negotiating with the British government for constitutional advance towards full internal self-government under the British Crown. The whole spectrum of Singapore left-wing political parties was united in seeking freedom from British colonial rule. It was possible to declare oneself anti-British, non-communist, but not anti-communist. However this was not enough for the MCP underground leadership which promoted the victory of the PAP in the 1959 elections (the first held on the new self-governing constitution) in order to obtain power for itself. This is the well-recognised communist strategy of coming to power on a 'united front' with less extreme parties.

The new PAP government of 1959 included some men, notably Lee Kuan Yew himself, who were well aware of the communist threat but who had determined to outmanoeuvre the MCP without becoming involved in a headlong collision with them or with the Chinese nationalism behind which the MCP could so effectually hide itself. This mistake had been the downfall of the Labour Front; the moderates in the PAP were determined not to repeat it—and yet to shake off the communist hold on their own party. Others in the original PAP government were less clear-sighted and less resolute. The PAP government found itself unable to pursue the socialist policies of its electoral programme because Singapore, being a great port and centre of international trade, cannot be directed or taxed in a socialist fashion. If merchants do not like the economic environment in which they find themselves, they close down their

businesses and move elsewhere—they have no factories, mines or plantations which are immovable. At this period a number of Singapore merchant houses did in fact begin to cut back their interests in Singapore and move them away to Kuala Lumpur in the Federation of Malaya. Only in labour relations policy and urban housing was the PAP government able to achieve results. The ensuing disillusion sharpened the inherent differences between the non-communist moderates of the PAP and those who feared the loss of electoral support if their party, by altering its course towards the centre, broke with the communist-dominated trade unions. These differences within the PAP came to a head over the question of relations with Malaya.

Singapore had never accepted its exclusion from the Federation of Malaya since 1945 as inevitable or permanent. The separation had been dictated by British policy which (among other considerations) anticipated that the Malays of the Malay Peninsula would more readily reach an accommodation with their own Chinese community as a minority than with the much larger number of Chinese who would confront them if Singapore was united with the rest of Malaya. The Singapore leaders could see that Singapore by itself was hardly large enough to be an independent state and that it would enjoy greater prosperity, stability and influence in the South-East Asia region if it could enter into union with Malaya on reasonable terms. As will appear from the documents on the proposed 'Common Market' in Malaysia, Singapore's best hope of attracting new industries was to achieve economic union at least with Malaya (see pp. 153–6 and Document 29). Without new industries the rapidly growing population of Singapore would be unable to earn its living. Mass unemployment would threaten the political stability of Singapore. Accordingly the PAP government, soon after it took over, made overtures to Malaya for an economic union as the form of association which was least likely to arouse Malay fears for their own political supremacy and also as the expedient which offered Singapore the minimum advantages which it must have for survival. These overtures were rejected. The cohesion of the PAP government of Singapore began to crumble in 1961; in two by-elections official PAP candidates were in effect opposed by the party's own left wing. Rather than see Singapore go communist

Tunku Abdul Rahman in May 1961 announced his willingness to consider what became known as 'the Malaysia project'.

To the extremist wing of the PAP and their MCP backers the prospect of Malaysia was appalling. Internal security in Singapore would come under the permanent control of the firmly anti-communist government in Kuala Lumpur. All hope of communist infiltration of the Singapore government would be at an end. So the PAP split and the dissident former members became the 'Barisan Socialis'. As a result the rump of the PAP which remained in office as the government of Singapore had a parliamentary majority of only one.

In the election of 1963 however Lee Kuan Yew and his PAP government had the support of many middle-class voters to whom the PAP was a better choice than any practicable alternative. The merits of the Malaysia scheme were obvious. Thus the non-communist and now *de facto* anti-communist PAP government was in a stronger position. Yet its strength depended on its ability to promote the interests both of the Chinese working class and of the Chinese community in general. No government of Singapore, however much dedicated to non-communal principles, can survive if it lets the Chinese case go by default. Excessive zeal in the cause of 'Malaysian Malaysia', i.e. a Malaysia not under excessive and permanent Malay domination (whether this fear was reasonable or not is another matter) led Lee Kuan Yew to his Canossa in August 1965, i.e. Malay insistence that Singapore should withdraw from a federation whose balance it was upsetting and whose peace it was troubling.

Of the particular issues between Singapore and Malaya something has already been said and more appears from the documents (see especially Documents 3, 4, 6, 7). The Malay leaders were willing to allow Singapore to retain its distinctive policies on such sensitive subjects as education and labour relations. Their objection was to Lee Kuan Yew's wooing of the Chinese electorate in Malaya which in time would erode the whole basis of the Malay-Chinese Alliance coalition.

Sabah and Sarawak

The case of the Borneo territories is simpler to analyse. In

political sophistication and economic development they were a generation behind their neighbours in Malaya. If it had been possible they would have preferred to be left to their own devices until they had caught up. However Malaya wished to have them in Malaysia as a counterweight to Singapore. Britain wished to secure them from the threat of Indonesian annexation by federating them with less vulnerable Malaya. It seemed a neat piece of decolonisation—until the extent of Indonesian reactions became apparent.

The main fear of the leaders of opinion in the Borneo territories (there were no real political parties until 1961) was that Malaya would neglect or maladminister them and that Singapore would export to their empty spaces its surplus Chinese population. Hence they demanded (1) a considerable measure of local autonomy (2) a firm promise of a large development programme to be financed by Malaya and Singapore and (3) local control of immigration into Borneo from other parts of Malaysia.

The state of Borneo opinion on the proposal for merger with Malaya was elaborately tested both by a British Commission and by a United Nations Mission (see Documents 10–13, 22 and 23) and both declared themselves satisfied. The indigenous peoples of Borneo seem to have been willing to accept Malaysia as the lesser of two evils and in the expectation of benefits to be received. The structure of their political parties reflects the ties of tribal loyalties rather than political programmes. Indonesian confrontation since Malaysia was founded has made it impossible for the Borneo territories to appraise their present situation with detachment. But for this external pressure local reactions might have been stronger than in fact they have been. As it is, lack of tact or consideration on the part of federal ministers and officials and the sensitivity of Borneo opinion have already caused some setback. It remains to be seen whether, if the Indonesian threat abates, any real sense of identity and common interest can overcome the disadvantages of distance and differences of culture and development between eastern and western Malaysia.

The considerable Chinese community in Sarawak is a special problem. Here left-wing and even communist influence is strong, as in Singapore, and it finds expression in the legal

Sarawak United Peoples' Party (SUPP) and in the illegal Clandestine Organisation (CCO) which has actively aided the Indonesian raiders and has terrorised other Chinese in Sarawak.

Regional Defence in South-East Asia

The defence of Malaysia is based on the Anglo-Malayan Defence Treaty of 1957 (Document 14) as extended in 1963. The treaty had its origins in Malaya's need to retain British and other Commonwealth troops then engaged in operations against the remnants of the communist insurrection in Malaya known as the Emergency. Internal security in Malaya is now within the competence of the local forces. What then are the external threats against which Malaysia needs British assistance? The most obvious but not necessarily the most serious in potentiality is Indonesian confrontation (to which we shall return). The history of communist activity in Malaya and Indonesia and elsewhere in South-East Asia suggests that international communism, Chinese rather than Russian, is the major threat to the stability of the region. There are those who argue that apart from Vietnam (to which China has some historical claim as a former sphere of influence) China has given no indication of intention to extend her influence in South-East Asia. Even if that be accepted (and it seems a questionable thesis) China is not indifferent to the situation of ten million people of Chinese descent in South-East Asia. The mere existence of the 'Overseas Chinese' is both a temptation and an opportunity for Chinese imperialism.

Malaysia, like her neighbours in South-East Asia, would probably prefer to arrive at a regional defence arrangement under which the world powers would leave-South East Asia to its own devices and perhaps guarantee their non-interference in their affairs. In such a situation the Anglo-Malayan Defence Treaty could be terminated. The great internal stumbling block within the region (as distinct from the attitude of great powers outside it) is the instability of Indonesia.

Indonesia

The question of regional association and defence in South-East

Asia has become a practical proposition only in the past decade since British, French and Dutch colonial rule came to an end. Much has been spoken of it but so far little has been achieved. Indonesia, as a leading member of the Afro-Asian bloc and as the largest state (in population and territory) has understandable pretensions to leadership of any regional association. However President Sukarno's domestic régime was, until late 1965, based on the support of the Indonesian communist party (PKI) and his foreign policy had until then included a close alignment with communist China. In these circumstances Indonesia's neighbours, several of whom have good reason to fear communism, have been unwilling to follow Sukarno's lead. As will appear from the documents (nos. 18–20) President Sukarno used the negotiations with Malaya over Malaysia in 1963 as a means to promoting his project for a regional association of Indonesia, the Philippines and Malaysia (the 'Maphilindo' scheme).

Now that the Indonesian Army is in open conflict with the PKI and Sukarno's personal régime seems to be drawing to a close it remains to be seen whether in time Indonesia will abandon military action against Malaysia in the guise of confrontation and will renew overtures for a regional pact of a more genuinely neutral nature. It is doubtful however whether the power of the PKI is truly broken. Moreover the economic chaos and administrative inefficiency of modern Indonesia is something of a deterrent against association with her. No one wishes to pitch his tent in the shadow of a tottering building. It will be necessary for Indonesia to put her house in order as well as to reorientate her foreign policy before a regional association which includes Indonesia, inevitably as a senior partner, becomes a practical proposition.

Malaya made her own modest initiative towards regional association in 1961 by promoting an Association of South Asian States (ASA) of which Malaya, Thailand and the Philippines were founder members. Indonesia declined to join. ASA engaged in some cultural exchanges and the like before becoming a casualty of the 1963 conflict over Malaysia.

Any effective regional association which may eventually be formed will require changes of all the South-East Asian powers and not only of Indonesia. Malaya, and to some extent the

Philippines, are still greatly under the influence of the western powers. Economic ties are close; defence treaties provide for mutual co-operation; cultural influences from the West range from 'pop music' to university professors. The recipient territories have benefited greatly from these influences. Yet there is something of a reaction which, unless it goes too far, seems a healthy reaction. These are politically independent countries; they will not be completely independent until they have both the inclination and the capacity to stand more completely on their own feet. It is easy enough to reject Indonesian criticism as the prejudiced testimony of an unworthy neighbour. Yet there is something in it. South-East Asia will only unite when it has a sense of common purpose, an ideology and outlook, which are local in origin and generally shared by the peoples of the region.

3. SUGGESTIONS FOR STUDY

The central theme of this book is the attempt by leaders in Malaysia and other South-East Asian countries to find a basis for closer association—in Malaysia itself and then in Maphilindo.

From the documents one can abstract what each country or communal group hoped to obtain or strove to protect and how far the other partners were prepared to concede what it demanded. This is to analyse the essential conflicts of interest in the region. The Bibliography lists a number of books on general and specific aspects of South-East Asia. The student who has time may find it useful to select one of the key issues illustrated in this book, such as the role of communism, regional defence and alignment in relation to world conflicts, intercommunal relations and their effect on the structure of political parties, the place of the Chinese in South-East Asia, the working of democracy or the transition from production of raw materials for export to industrial production for local consumption—and then study his chosen subject in depth by wider reading.

Within the limits of this book itself there is material for further lines of study. A good many of the documents are speeches in which spokesmen sought to persuade a legislature or an electorate to support their policy. What were the argu-

ments used? To what did the speaker appeal? To self-interest, to communal loyalty, to fear, to hope of progress and betterment? Does the speaker evade difficult issues, impute to his opponents what they have not said, use emotive slogans instead of dull facts, or shift his ground from the line he was taking at an earlier stage? It is in the nature of democracy that political leaders must simplify and select. There is no sharp dividing line between a factual appeal to reason and the cynical and insincere exploitation of emotion or misrepresentation. It is always instructive to find out by analysis just how the argument strays from one to the other.

Finally there is a good deal of diplomacy in the documents. There is manoeuvre—Tunku Abdul Rahman sets out to get his projects accepted in London and Borneo; at a later stage Sukarno and Macapagal for their different reasons try to thwart and delay him. There is the machinery of conciliation—the working committee, the impartial inquiry, the international conference, the United Nations as arbitrator. One of the arts of diplomacy is to express in clear terms what seems to have been agreed. Consider what surprises and disappointments arose over the practical application of the Manila Agreements and the terms of reference of the United Nations Mission. Where did the imprecision start?

The book will have been of some use to the reader, and especially to the student, if it serves one or both of two ends—first, as a 'lead in' to the complicated facts of regional and communal stresses in South-East Asia at the present time; secondly, as material for an analysis of political leadership and diplomacy at work in that region of the world.

PART I

The Planning of Malaysia

In 1961 Malaya was still divided into two separate political units—the Federation of Malaya and the State of Singapore. The Federation of Malaya, which had been an independent sovereign state since 1957, comprised eleven constituent states (most of them Malay Sultanates) and covered the whole Malay Peninsula and also the island port of Penang. Singapore is a small island at the southern tip of the Malay Peninsula. It is one of the world's great seaports and the most important trade centre of the South-East Asia region. As a matter of history and economics Singapore is an integral part of Malaya but in the post-war reconstruction of 1946 it had been excluded from the merger of the rest of Malaya. In 1961 it was a self-governing state in all respects except foreign affairs and defence, which were still in British hands and internal security for which there were joint arrangements (see p. 46). The elected government of Singapore wished to reunite Singapore with the rest of Malaya since they could see no other way to independence and stability. The government of the Federation of Malaya had politely but firmly declined to admit Singapore to the Federation.

Sarawak and Sabah (then called British North Borneo) were then British colonies still under direct administration without elected governments. Their ultimate future seemed to lie in an association with the Malay State of Brunei to form a separate federal state in northern Borneo. No one of consequence in Malaya or Borneo was in May 1961 advocating in public or even discussing the possibility of associating the Borneo territories with Malaya in a single federation.

It is clear from what followed that there must have been confidential discussions, however brief and tentative, before

the Malayan Prime Minister dropped his bombshell. The British as well as the Singapore government had its reasons for advocating an enlarged federation which would include Singapore and the Borneo territories. Their reasons, and the factors which led the Federation Prime Minister to come out in open support of the project appear in later documents.

It was quite usual for political leaders in Kuala Lumpur, the capital of the Federation of Malaya, and in Singapore to visit each other's capitals—both for joint consultations and for political and personal activities. So it happened that Tunku Abdul Rahman, the Prime Minister of the Federation of Malaya, accepted an invitation from the Foreign Correspondents' Association of South-East Asia to be their guest at a lunch in Singapore on the 27 May 1961. His speech at the lunch is made up of two long passages dealing with current domestic and external problems of Malaya. Sandwiched between them came a single paragraph which marks the beginning of the Malaysia project.

DOCUMENT I. EXTRACT FROM A SPEECH MADE ON 27 MAY 1961 BY TUNKU ABDUL RAHMAN TO THE FOREIGN CORRESPONDENTS' ASSOCIATION OF SOUTH-EAST ASIA IN SINGAPORE.

Malaya today as a nation realises that she cannot stand alone and in isolation. Outside of international politics the national one must be broad-based. Sooner or later she should have an understanding with Britain and the peoples 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 closer together in a political and economic co-operation.

The Tunku's declaration was generally well received in the Federation of Malaya and in Singapore but with some misgiving in the Borneo territories. The next step was taken at a meeting of the Commonwealth Parliamentary Association in Singapore in July 1961. Leaders from Malaya, Singapore and the Borneo territories then agreed to establish a 'Malaysia Solidarity Consultative Committee'. An extract from the work

of that Committee comes a little later (Document 8). Then in August and again in September 1961 there were meetings between the Prime Ministers of the Federation of Malaya and of Singapore (with some of their ministerial colleagues and civil service advisers) to discuss the major questions of policy which had to be considered in connexion with the proposed merger. It was decided to set up a working party of civil servants to study these matters in greater detail.

Much of the impetus of these early negotiations was due to the excellent personal relations at that time between the two Prime Ministers of Malaya and of Singapore. There is a remarkable contrast between the Malay prince, shrewd and conservative, and Mr. Lee Kuan Yew of Singapore, a brilliant Malayan Chinese lawyer, demagogue and radical. The contrast has been well expressed by the correspondent of the London *Times*.

DOCUMENT 2. EXTRACT FROM 'THE TIMES' OF 30 SEPTEMBER 1963.

Tunku Abdul Rahman is a Malay aristocrat but one who has a close feeling for the common man. His political method is that of a jazz pianist who instinctively plays the right chords to match the mood of an audience. He is shrewder than most people give him credit for, but his real strength is the uncomplicated good will which he radiates and which has made him a father image to the largely unsophisticated Malayan electorate. He is 60 and has already spoken of retirement now that Malaysia has been formed.

Mr. Lee Kuan Yew is 40, a Singapore Chinese born without privileges, who has reached his present eminence by his intellectual gifts and unswerving sense of purpose and a remarkable capacity for sustained effort. He is the virtuoso violinist who expects his orchestra to follow his improvisations. The Tunku is a natural conservative; Mr. Lee a convinced socialist.

The future of Malaysia may depend on whether piano and violin can harmonise on a common theme.

The trial balloon released on a non-political occasion (Document 1) was now well aloft. The time had come to put the

Malaysia project before the legislatures of the Federation of Malaya and then of Singapore.

The Tunku's speech (Document 3) which follows is a factual and objective statement of the case for the Malaysia project. Statesmen in their public speeches usually observe a certain reticence on the harsher realities of policy-making. It is not always wise to admit that politics is the art of the possible and that sheer expediency must often be master. Accordingly one must read between the lines of the Tunku's speech to find the cruel dilemma which had confronted him. It was this. If Singapore attained to its independence in isolation from the rest of Malaya—to become a sort of Ishmael—the forces of extremism, notably communism and Chinese nationalism, now contained with such difficulty, would take over and Singapore would then become an external threat and a source of internal disaffection to the Federation on its very doorstep. If on the other hand Singapore alone were admitted to the Federation of Malaya on equal terms as regards franchise its addition of one and a half million Chinese to the combined population would put the Chinese in a majority over the Malays and so threaten the Malay political supremacy which every Malay party in the Federation was determined to preserve. The decisive argument for the Malaysia project was that it offered a way of bringing in Singapore and at the same time of redressing the electoral balance by bringing in the new electorates of the Borneo territories who were expected—perhaps a trifle optimistically—to align themselves with the Peninsular Malays.

With the wisdom of hindsight one might also have expected the Tunku to consider the probable reactions of Malaya's neighbours, especially Indonesia. After all, one argument with which to persuade the Borneo territories to come in was that otherwise they would be absorbed by Indonesia or, less probably, by the Philippines. This factor too was one which it was better to hint at than express. At the time moreover no one had any reason to anticipate violent opposition from the other powers.

DOCUMENT 3. SPEECH BY TUNKU ABDUL RAHMAN, PRIME MINISTER OF THE FEDERATION OF MALAYA, IN THE FEDERAL PARLIAMENT ON 16 OCTOBER 1961.[1]

Mr. Speaker, Sir, I beg to move:

That this House, agreeing in principle with the concept of Malaysia comprising the eleven States of the Federation, the States of Singapore and Brunei and the territories of North Borneo and Sarawak, endorses the Government's initiative in taking action for its realisation, the progress of which will be reported to the House by the Honourable Prime Minister from time to time.

When considering the concept of Malaysia it is necessary to keep in mind that the independent Federation of Malaya has to take note of three separate elements and the special interests of each. These three elements are the State of Singapore, which is almost completely self-governing, the three Borneo territories which are still colonies, and the United Kingdom which has special obligations or duties in relation to the peoples of these areas.

I will consider Malaysia in relation to each of these elements in turn.

I would say at this point that the word merger has generally come to be accepted as a way of expressing the future integration of constitutional relations between the Federation and Singapore, but let us not forget that the broader concept of Malaysia is, of course, a merger, too, but on a larger scale. Therefore when I refer to merger it will be directly in relation to Singapore and also to Malaysia, because merger with Singapore is an essential part of the Malaysia idea.

I will deal first with Singapore because it is the closest to us, its problem is the most complicated in many ways, and it future is certain to be of profound importance not only to itself but also to the Borneo territories and to the Federation of Malaya.

The idea of Malaysia did not come to me by chance. As a matter of fact, the plan had been forming in my mind for a considerable time. Originally it arose as a result of discussions I had with a number of responsible citizens of the Federation and Singapore who asked me from time to time whether there was a possibility of integration of the two territories of the

Federation and Singapore, firstly, for economic reasons, secondly, for security reasons and thirdly for the peace, prosperity and well-being of Malaya as a whole. The same question was also brought up in Parliament on a number of occasions. It came whenever I had occasion to address our Malayan students abroad. It came, too, when I visited foreign countries. Pressmen of every shade of opinion posed the same question. I always ignored the question or gave a negative answer.

I was not in favour of the idea of this merger with Singapore as I was of the opinion that integration of the two territories would spell trouble, and trouble galore—trouble for all of us, trouble for this country and the security part of our life. The differences in outlook of the people of the Federation and Singapore were so pronounced that for me a merger at that time was out of the question. In the first place, the majority of the people here have accepted the idea, and you might say the ideal, of Kingship and Sultanate, of Malay as the national language, and of Islam as the official religion of the nation. I realised that it would be difficult for me to persuade the people of Singapore to accept these ideas because 70 per cent. of the people of the Island are Chinese, and a few more per cent. others, and it would be better, I thought, to allow Singapore to take the line best suited to her own people and to have a constitution more agreeable and more compatible with the requirements, disposition and desires of her own people—the people of Singapore. The idea of Kingship, the Malay language and Islam as the official religion would not, I appreciated, be readily acceptable to the people of Singapore, the majority of whom, as we all know, profess religions other than Islam and to whom Malay is not a lingua franca and not commonly spoken, and who moreover never had a King of their own—although they had a King of England and a Queen but never a King of their own. An attempt has been made to call one now as the Yang di-Pertuan Negara, but he is not a King. In the event of a merger of the two territories, the different views of the people of the Federation and Singapore might clash, or clash violently, thus creating problems which it would be difficult to resolve.

However, times have changed—for time always changes—and so must our outlook; hence what was not agreed yesterday might be agreed today when we give it a second and serious

thought; and so the idea of Malaysia took shape. Singapore after the election of 1959 tried to set up what we might say an extreme Socialist Government under the party called PAP. When they assumed office they tried to put to trial in their own way socialist ideas of the extreme type and at the same time attempted to secure an understanding with us in the Federation. We tried our best to accommodate them, but the businessmen of Singapore had their own misgivings and fears about the extreme socialist policy—they were pouring money and transferring their interests into the Federation.

This was serious for Singapore, bearing in mind that the economy of the island rests solely on business, trade and commerce. We kept the gateway to the Federation open to help the government as well as to allay the fears and suspicions of the businessmen. We made it possible for both our governments to work and co-operate in the best interests of the two territories, and we kept the door of co-operation open always. However Singapore was aware that something more was necessary if Singapore was to hold the confidence of the people for they realised as they pursued their leftist policies, they must sooner or later suffer economically, or even clash with us. In such an eventuality the people of Singapore would suffer great hardship. They found it difficult to run the island without the co-operation of men in commerce and industry, and also without being on the best of terms with the Federation Government.

The responsible leaders then realised that they owed a duty to the people rather than themselves; so the seeds of difference between the non-Communist and pro-Communist elements in the PAP were sown which today have broken into a complete break. Therefore the Prime Minister of Singapore felt rather concerned and 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. The division of the two territories might be all right at the moment when Singapore was still under the control of Great Britain, as the security of the island was in the safe hands of the United Kingdom Government; in other words, it is the responsibility of the U.K. Government to look after the well-being of Singapore. But a time will come

when Singapore would ask for and be given independence—I have no doubt they will be given independence—and that time is not far off, for new talks on the Constitution are to be held in 1963, and we can see now what the result will be.

Would Singapore in the event of getting independence be strong enough to look after its own internal security, external affairs, defence, finance, etc., and would it still be possible for the Federation to keep its gateway open to allow the free flow of people and goods between the two territories? It would probably be impossible to do that, even with the best of understanding between the two independent countries—we do it now because we are represented in the Internal Security Council, but we will not be in an independent Singapore.

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 Federation, but with an independent Singapore anything could happen. One thing is certain, and that is a newly-independent Singapore would not submit to an arrangement whereby her sovereignty would be compromised by having the Federation in the Security Council. I can assure you that the leaders in Singapore and my colleagues here consider that independence is not practicable, and so we have been working hard to find a solution whereby we can co-exist in the closest association. Having gone into it thoroughly we are convinced that we can find a way satisfactory to both.

The main thing that we have got to consider is that *we must prevent a situation in which an independent Singapore would go one way and the Federation another* [Editor's italics]. The way Singapore will go then, as I can see it, will be either towards a camp which is hostile to the Federation or one which the Federation is hostile to, and this would be quite unacceptable to both countries and, I think, to the people of Malaya as a whole. Neither of us wants this: both of us want to work together. National security demands it, our mutual economy demands it, and so do the people of both territories. Neither of us want the gateway to the Federation to be closed to businessmen as well as traffic, nor do we want the people of Singapore to suffer as a result. Neither of us want grave economic unrest, nor do we want to be subjected to external interference which would follow. We have seen this happen already elsewhere, and we do

not want to see it happen here. If such an eventuality should come to pass, Malayans would be fighting among themselves, goaded on and helped by forces from without.

There would be bloodshed and destruction, and the country would be torn by strife and suffering, from which it would be very difficult to return to normal, if ever we got a chance to return. The same situation would develop here as we have seen in the past in divided Korea, in divided Vietnam and in Laos. Hence responsible leaders in our territories have to discuss and plan now as to how best to prevent such things happening.

As I have said, the Prime Minister of Singapore has been very concerned about the future, just as I have been, and he has come to Kuala Lumpur to hold talks with me and discuss all the problems which would arise, some of which are rather frightening. Apart from that, he has also taken a great deal of risk upon himself by disclosing publicly for the first time what has been happening behind the scenes in Singapore and making known to the people those who are trying to manipulate events (see *The Battle for Merger* by Lee Kuan Yew listed on p. 188, no. 17). Many people are involved including a number in the Federation. While some are conscious of their acts, others are allowing themselves to be used. It is not the intention of the governments of the Federation or Singapore to prevent people from following their political ideology provided it does not lead to strife and the dividing of the nation. What responsible leaders of both territories fear and wish to avoid is outbreaks of violence and the complete disruption of the peace and happiness we now have, and the destruction of our way of life. We appreciate that the ordinary man or woman in both territories only desires to be left alone to pursue his or her way of life in peace and without interruption.

We realise, therefore, that if there is to be closer association between these territories (as apart from the Malaysia plan or concept), we must decide now what form it should take. We must take into account the fact that in the last few years the people of the Federation and those of Singapore have moved along separate lines or separate ways. We, in the Federation, have a King and, as I said earlier on, Malay as the National Language and Islam as the Official Religion. We pursue a policy of free enterprise; we have freedom of movement and

speech, of association and belief; we protect the rights of the indigenous people, the Malays. The emphasis in the Federation is on the freedom of the individual, whereas in Singapore there has been a greater degree of state organisation, for example in matters of labour. In addition as a sovereign country, we have also been following an independent foreign policy which, though free from foreign influence, is bound up with the free world. *We are, to be quite frank, anti-communist* [Editor's italics]. We have not made our views unknown before, and we make no secret of it. All these differences have sprung from separate policies, because we, in the Federation, are independent now and Singapore is not.

Now the need is to come together in a practical manner without harming one another, or in the interests of the territories or the people, and without interrupting the line we have been following. This will not be an easy task and will take time. Absolute merger, for instance, would cause some degree of uneasiness in the minds of the people of both territories. There are various sections or interests which have to be taken into account. In Singapore where the great majority of people are Chinese, they naturally want Chinese participation in government service without any reservation. Those who were not born in Singapore would also be unhappy at the different qualifications for citizenship which are applicable to the people of the Federation. They would also not like any control of their educational policy, of their system and methods of education. They would want a free hand in dealing with their labour problem and greater reserve powers in order to keep the sectional interests of the Island satisfied. In other words they would want to retain control over most of their domestic affairs.

At the same time it would be true to say that the people of the Federation view with some nervousness the prospect of a merger with Singapore. For one thing, the predominantly Chinese population in Singapore have shown, and can be seen [to show] every day, strong ties with China and are inclined towards Chinese chauvinism. This is evidenced to some extent by the fact that they even have a Chinese university. The Prime Minister of Singapore himself has disclosed the presence of a large number of people in Singapore who are inclined

towards communism and their activities, and this is substantiated by our own intelligence sources. However there is a group of people who are real Singaporeans and, as such, they are Malayans in every sense of the word and they present no problem either to Singapore or to us; but compare them with the other elements, they are not so active and not so articulate and like all Malayans they like to sit back and do nothing. The 'tida apa' [Malay for 'It doesn't matter'] apathy is, I am sorry to say, widespread in all Malayans and [it is] only after independence that there has been a little change. But the fact remains that the people of Singapore, Malayan people of Malaya and the Malayan people of Singapore, are the same, inwardly and outwardly, but the problem remains that the large section of the people do not belong to us; they want to carry on their own policy and this is the thing which is worrying us, both the people here and the people of Singapore, and has been the cause of anxiety. We naturally do not want to see these people gaining control of the political, social and cultural life of both these territories. There is this anxiety prevalent among the large rural population in the Federation, businessmen and, in fact, everybody else.

Therefore, the form of association between these two territories must be such as to provide protection for the interests of the people in the Federation and at the same time it should provide Singapore with economic security which is the desire of the people of Singapore, and to prevent outside interference and intervention in the affairs of Singapore. The form of association is, therefore, a very difficult one. It has got to be studied and carefully worked out. . . .

The opinion which prevails in Singapore today on the question of merger is that such a merger is absolutely necessary for reasons of security and economic stability of the Island. On the other hand, it is feared that the Communists do not want it, because the Federation does not recognise Communism in any shape or form. Merger would prevent those who are Communist-minded from being able to align independent Singapore with the Communist bloc. It follows therefore that they are opposed to merger, or else they demand merger on terms which are unacceptable to the Federation. They will try to make it difficult. At one moment you can hear them talking that the

merger is a phoney one and so on; but that is not the opinion that we want to hear. If it is phoney, in what way or in what sense is it phoney? If it is unworkable in what way or in what sense is it unworkable? But, perhaps, it is agreed that merger is necessary for the well-being of the two States. If it is so, then let us make some suggestions which can be used, some suggestions which are constructive.

I recall very vividly my meeting with Chin Peng at Baling way back in December 1955. I had then proposed to him that when the country achieved Independence there was no point for him in carrying on with the fight, because we understood from him that he was fighting for the Independence of Malaya and now that Malaya had gained Independence; and so there was no sense in going on killing and fighting one another thus causing this country a great deal of trouble, unhappiness and death. Therefore I suggested that they should lay down their arms and come back into Malayan society, and carry on with their normal political activities in a normal and democratic manner. He convinced me, from what we discussed, that 'Once a Communist, always a Communist.' He may lay down arms, he may seek peace, he may form a party—whatever name he may call it—but the fact remains that until this country is won for the Communists, he will never give up the struggle. Once a Communist he is always a Communist. I left Baling convinced that Communists and true Malayans could never co-exist. From my own experience, I have never found any reason to doubt the validity of this conviction. In fact, it has been and is my political stand today.

Take another instance. In Sarawak recently statements were made by a member of the United Peoples' Party that the party did not want merger with Malaysia, because this would make Sarawak a colony of Malaysia, and it was better to get independence first. This is the line of the pro-Communist elements in the Federation, Singapore and in Borneo, and it is obvious that the pro-Communist faction got someone unwittingly to put over the Communist line. In actual fact everyone must know that under the concept of Malaysia there can be no colonies, that in fact there will be no Federation of Malaya, because in its place there will only be independent Malaysia, in which all states would have equal status and such reserved state powers as

will be agreed by all the states concerned. Malaysia will be the ultimate object of our loyalty. The opinion given by this member of the Sarawak United People's Party is certainly not the opinion of Mr. Ong Kee Hui who is president of the party, and who has declared himself in favour of Malaysia. Opposition by such people to the concept of Malaysia arises not from any fear or suspicion which they openly express, but from fear that the Communists would have no more grounds for inciting discontent or creating trouble as they have tried here unsuccessfully. You see therefore that the pattern is the same; the Communists will work in every way they can to oppose a merger and the concept of Malaysia.

I mentioned that all the states in Malaysia would enjoy equal rights and equal status. But because of the special position of Singapore as a city state, to my mind it would be best if Singapore came in on a partnership basis, with local autonomy with powers to determine nearly all matters except defence, external affairs and security. These must be under the control of the central government as they are in all countries with federal constitutions.

What I have in mind is to call such an association or federation of states the Federation of Malysia, i.e. all the Federation of Malaya states, the Borneo territories and Singapore, in which the states of the Borneo territories and the states of the Federation of Malaya join in together as a Federation of Malaysia and Singapore is joined in partnership on a footing something like that which exists between the United Kingdom and Northern Ireland. . . .

I will turn now to the problem of the Borneo territories in relation to the concept of Malaysia. These territories do not present the same complexity in the implementation of the concept as Singapore does. In a broad sense, it could be stated that the question is much simpler there, in fact so much simpler that they present a special difficulty of their own. The three Borneo territories have two political factors in common. First, Sarawak and Sabah are still colonies and Brunei a protectorate under the British Crown, and because of this they are the vestiges of British colonialism in the area of South-East Asia. The second factor they have in common springs from the first, and that is that their constitutional development has been very slow in-

deed. It is quite remarkable, when you come to think of it, to consider that the Federation of Malaya became independent twelve years after the end of the war, that Singapore had its first elected Ministers ten years after the war and far greater autonomy stemming from 1959, but the Borneo territories are still colonial in government with nominated members; it follows that there have been no general elections. This slowness of constitutional developments is in marked contrast to the developments in other British Colonies or Protectorates not only in Asia but also even in Africa.

Malaya's attitude towards colonialism is well known and constantly reiterated both at home and abroad. We consider that it is our duty to help bring about an end to any form of colonialism. The very concept of the Malaysia plan is an effort to end colonialism in this region of the world, in a peaceful and constructive manner. We in Malaya won our independence by peaceful means, and we are sure that the peoples of the Borneo territories would like to end their colonial status and obtain independence in the same way.

From the Federation's point of view, we are linked to the Borneo territories not only by proximity and close association but also because the Borneo territories have the same type of culture and racial origin as the Malayans. We have similar customs—except, of course, in their case they have some peculiar local customs but they are their local affairs—and we have similar problems, economically or otherwise, and we even share the same currency.[2] We work along similar administrative lines, our Civil Services have grown up in the same tradition and on the same principles as those territories. The territories, like the Federation, have a diversity of races. There are Chinese there just as there are here and also there are others, but the other races are of the same ethnic stock as the Malays. There are other similarities, too. Brunei, for instance, is ruled by a Malay Sovereign or Ruler, and the royal history of the State is intimately bound up with the past history of Malaya. Until a few years ago, Sarawak also had a Ruler though he was a white Rajah. Nevertheless he was acknowledged as the Ruler of Sarawak. So these two States have a tradition of government similar to Malaya's many States, and above all the common language understood by all is Malay. The story of Sabah is

slightly different. Sabah today is a Crown Colony and called British North Borneo, but until very recently it was run by the Borneo Chartered Company, in much the same way as Penang and Malacca were for many years ruled by the East India Company.

For all these reasons, therefore, there is a natural affinity between the territories and the Federation, an affinity which I should say has no exact parallel elsewhere. . . .

I do not say that the path which lies ahead of the Borneo territories in relation to the Malaysia concept has no difficulties. I said before, and I repeat, there are difficulties. No one knows this better than the peoples of these areas themselves. But what I do say here is this—difficulties can be overcome by co-operation and goodwill of all those who desire the political and social upliftment of peoples of this region.

How can this be done, or how can we work out this among ourselves? We realise that the ideal of Malaysia is the only answer. There are some, however, who think that they should wait until the three territories have formed a federation of their own and then join in the partnership of Malaysia. But to that I say, how long will this take? Years, I am afraid. Knowing the British for what they are, the longer the better—what you can do tomorrow, why bother to do today? We cannot afford to wait so long without providing the Communists with the weapons they require for subversion, infiltration and disruption with the ultimate objective of capturing these territories. Time is not on our side. The important aspect of the Malaysia ideal, as I see it, is that it will enable the Borneo territories to transform their present colonial status to self-government for themselves and absolute independence in Malaysia simultaneously, and baulk the Communist attempt to capture these territories. To say that the peoples there are not ready, I think, is wrong. After all Penang and Malacca were British Colonies a little while ago. When Penang and Malacca joined the independent Federation of Malaya they became independent. If this can happen here, I do not see why it cannot happen there in Borneo. The fact that we in the Federation are independent now and the peoples of the Borneo territories are not is relatively unimportant, because in the Federation of Malaysia we will all be independent, and independent together.

After I had put forward the ideal of Malaysia in my speech last May, naturally there was intense interest and much speculation by peoples in the Borneo territories. Not being so familiar with the new Malaya, there were misgivings of various kinds and suspicion was expressed in some quarters. In the months that followed most of these misgivings have resolved themselves, but I think it would be as well to mention them now, as they indicate certain ways of thinking and feeling.

One reaction in the Bornean territories was that the Malaysia concept was an attempt to colonise the Bornean territories. The answer to this was, as I said before, it is legally impossible for the Federation to colonise because we desire that they should join us in the Federation in equal partnership, enjoying the same status between one another: so there is no fear that Malaysia will mean that there will be an imposition of Islam on Borneo. But I told those people who visited our country to go anywhere they like, go into every kampong,* every church, every temple, every place of worship and to question and ask anybody they like whether there is any attempt to impose Islam on others who have their own religion, and so they are able to see for themselves. Everybody is free to practise whatever religion.

There are also those who thought that Malaysia will mean the imposition of one language alone. It has been accepted that the national language should be the Malay language and if the Honourable Members[3] were present earlier on during the question time they would have heard it asked about, and to Chinese education, about what the Government propose to give to all these Chinese schools. The fact is that the other races of different racial origins are allowed to carry on their own local customs, own language everywhere they like, but as I have said, we have agreed that this country must have a language and that language must be the Malay language and that language is acceptable by all without prejudice to their rights and language.

Others felt that they were not yet ready for independence and, therefore, might be at a disadvantage. I told them to go to the East Coast and see how well they compare with those people in the East Coast[4], and so I think they are satisfied that if the East Coast people are ready, so are they.

The question was asked, would not Malaysia mean that the

* Malay village or hamlet.

government services in Borneo be Malayanised? The position, of course, is that Public Service Commissions exist in the Federation and also in each State, and each State has the right to employ officers for their own civil service. The Federation government can only appoint applicants to federal posts. As a matter of fact, State service officers are sometimes seconded to the Federal Government Service, because we have need for the able services of particular men and women.

One very strong feeling was that they must be consulted on the future of their people and the future of their country. I have said on more than one occasion that Malaya can only accept Borneo people 'from an expression of their own free will to join us'. Another attitude taken was that the Borneo territories should first come together in a Federation of their own before thinking of Malaysia. The answer to this is that this procedure would only double the process and take more years to achieve and in the end the result would be the same. I was happy to read recently that the Borneo leaders now are proposing self-government and independence in Malaysia simultaneously.

Some said that with eleven Malay States and only three Borneo States, the Borneo area would be swamped. My reply is that this is a wrong assumption to make as the Members of our House of Representatives in the Federation do not represent States, they represent their own political party or in the case of independents, they represent themselves. Moreover in our future constitutional arrangements the Borneo people can have a big say in matters on which they feel very strongly, matters such as immigration, customs, Borneonisation (of the civil service), and control of their State franchise rights. Finally there was misgiving that the territories in Borneo might lose their autonomy. As Members of this House are aware, each State of the Federation has powers and control of certain subjects in which the Federation cannot interfere, for instance, land or local custom and religion. In addition there are certain subjects of authority which are exercised through joint operation by the Federation and the States.

I will now deal with the concept of Malaysia in relation to the British government. Having decided on the plan for Malaysia here, our next move was to sound out the British representatives in this region. The response was encouraging. The British felt

that it would provide for the political stability of South-East Asia, and so I was encouraged to go deeper into the matter with my colleagues and finally brought it up with the British Prime Minister. I have therefore forwarded the memorandum pertaining to this plan to the Prime Minister himself. The reply received from the British Prime Minister also encouraged me to carry on with the discussion further with the Prime Minister of Singapore.

Britain, however, would give the proposal with regard to the merger with Singapore close study, taking into account a number of different aspects connected with the merger. In particular, I feel that they are most anxious about the question of the continuing use of the important base in Singapore as a SEATO base, as they were committed under the SEATO treaty to provide a base in Singapore, though the Prime Minister has not said as much. Particularly, with the situation as it is in South-East Asia, they feel that there is an absolute necessity for Britain to maintain confidence in this part of the world and nothing should be done which might cast doubt on British capabilities in this area.

The British would not commit themselves on the Borneo territories because, according to them, this question needs a lot of thinking about before the idea of finding an eventual political link-up with Malaya can be decided. They recognised the fact that there are similarities both as to form of administration and finance and cultural characteristics obtaining in both territories. They did not want to be the sole arbiter in deciding the fate of the people of these territories without having first consulted them.

However the British Prime Minister would welcome my visit to London to discuss the various aspects with him. . . .

NOTES

(1) The speech is very long and some passages of minor importance have been omitted for the sake of brevity.
(2) For many years the Malayan dollar ($1—2s. 4d. sterling) had been the official currency in the states of Northern Borneo as in Malaya itself. Currency reserves, etc. were under the control of Currency Commissioners appointed by all the territories concerned.
(3) Members of the legislative councils of Sabah and Sarawak visiting Malaya were present in the Strangers' Gallery during the debate and this remark is probably addressed to them.
(4) The east Coast is the most backward part of Malaya.

In the debate in the Federal Parliament which was opened by the Tunku in his speech reproduced above there was general support from his own Alliance party which formed a large majority of the House. Hence the outcome was never in doubt. The two wings of the opposition advanced criticisms which were to become familiar in the months which followed.

The Pan Malayan Islamic Party, an extreme Malay nationalist organisation with Indonesian sympathies and associations, played on Malay fear of Chinese domination. The advent of Singapore to the Federation would greatly strengthen Chinese Chinese influence and also isolate Malaya from her neighbours in South-East Asia. The proper course was to create a much wider association of Indonesia, the Philippines, the Borneo territories and Malaya, in which peoples of Malay and kindred stocks would be dominant.

The left-wing, predominantly Chinese, opposition criticised the proposal to admit Singapore to a loose association, i.e. with extensive local authority. Singapore would not be prepared to pay the price of autonomy in the form of a scaled-down representation in the new federal parliament. If there was to be merger let it be complete merger. It was also argued that the whole scheme had been produced in haste to shore up the tottering PAP government of Singapore.

The Tunku had no difficulty in exposing the weaknesses of these conflicting views. Neither a South-East Asia federation nor a total merger of Singapore with Malaya was a practical possibility or likely to command support in either territory.

In Singapore there was a desperate war of manoeuvre between the rump of the PAP government still precariously in power (see pp. 19–21) and its break-away wing, the Barisan Socialis, supported by the communist underground and many of the trade unions.

The negotiations between Tunku Abdul Rahman and Mr. Lee Kuan Yew of Singapore had resulted in a very skilful bargain over the terms of Singapore's entry into Malaysia. Singapore was to have a considerable measure of autonomy in finance and also in education and labour policy. Singapore would thus have the economic advantages of merger (see pp. 19–20) and yet be able to retain control of the sensitive subjects on which undue Malay dictation from Kuala Lumpur

would outrage Chinese feeling in Singapore. In consideration of this autonomy and of the wider rules for the franchise in Singapore there were to be only fifteen members elected to the central parliament by Singapore instead of about thirty, the number to which Singapore would be entitled on a normal basis of population strength. So the Tunku could reassure his Malay supporters that the admission of $1\frac{1}{2}$ million Singapore Chinese to the federal electorate would not create a combined Chinese vote (in Malaya and Singapore) by which the Malay electoral preponderance would be swept away.

The object of the Singapore opposition was to bring to an end the transitional arrangement (instituted in 1959 to resolve a deadlock in negotiations with Britain) by which internal security (i.e. police measures against the communist underground) was directed by an 'Internal Security Council' in which the Singapore and British Governments had an equal number of representatives and a single Malayan member held the balance. Accordingly when the merger scheme was first announced the opposition raised the battle-cry of 'true independence first'.

DOCUMENT 4. EXTRACT FROM A STATEMENT BY SIX TRADE UNION LEADERS IN SINGAPORE REPORTED IN THE 'STRAITS TIMES' OF 4 JUNE 1961.

For us, the subjugated people of the Colony, problems such as political stability, economic expansion and raising the people's living standards are inseparable from the cause of the anti-colonial struggle. As a result of the people's sacrifices over a long period, it is now possible to use conventional methods to wage the anti-colonial struggle and achieve resounding victories. . . .

The present constitution has resulted in internal self-government merely in name but not in fact. What we are clamouring for this time is a genuinely full internal self-government, not only in name but also in fact. All sections of the present constitution which run counter to the rights of a full self-government must be revoked forthwith. A popularly-elected government must exercise all the rights over matters of internal security. The Internal Security Council should be abolished. The special privileges enjoyed by British representatives overriding the

decisions of the Legislative Assembly and interfering with the business of the Cabinet must be withdrawn.

A few weeks later the argument 'independence first' was spelt out more explicitly. 'The paramount necessity is to unite the people for at least the minimum political demand of full and complete self-government by 1963. *In the meantime the question of our constitutional future is being confused with that of merger.*' (*Sunday Mail* of 9 July 1961). Scorn was poured on the PAP argument that the Tunku's offer was 'the golden opportunity which, if not grabbed, would be lost for ever'. (ibid.)

However the Singapore citizen knew that this was the only opportunity which had arisen in sixteen years since the territories were separated (see p. 29). So it was necessary to find some more persuasive line of attack. In place of the carefully-balanced compromise which the two Prime Ministers had evolved the opposition demanded complete merger on terms which neither the Tunku, nor the average Singapore voter nor the communists themselves would ever accept. The proposal appears in the document which follows next and after that we have an extract from a speech in which the Singapore Prime Minister exposes the essential dishonesty of it.

DOCUMENT 5. EXTRACT FROM SPEECH BY DR. LEE SIEW CHOH, CHAIRMAN OF THE BARISAN SOCIALIS PARTY, MADE ON 20 NOVEMBER 1961 IN THE DEBATE IN THE SINGAPORE LEGISLATIVE ASSEMBLY.

The Federation only wants our country but not our people. It wants our country only if the political influence of the people of Singapore could be reduced to the minimum. Thus we find that the PAP's brand of merger is an unholy scheme whereby the people of Singapore become politically castrated by being segregated with separate citizenship and without proportional representation in the Federal Parliament. This, Sir, is worse than second-class citizenship to the people of Singapore. . . .

At this point let me first answer the malicious falsehood put up by the PAP that we in Barisan Socialis are afraid of merger because we are afraid of internal security being controlled by the Central Government. . . . We are prepared to accept a

complete and genuine merger even when we are fully aware that this means that the internal security of Singapore will, under such an arrangement, come under the control of the Central Government. We are fully aware that the socialist forces in Singapore will after complete merger face the probability of having to make certain sacrifices—sacrifices which our socialist comrades in the Federation are now making. Sir, we are prepared to make these sacrifices. . . .

Our stand is that every Singapore citizen should automatically become a Federal Citizen on merger. That is, on merger, all 624,000 Singapore citizens, irrespective of whether they were born in Singapore, India, China, or Timbuctoo, will automatically become 624,000 Federal Citizens. To us in the Barisan Socialis, this is, to use the favourite phrase of the Prime Minister, basic and fundamental. . . .

Citizenship entitles you to the right to vote, and to stand for election in any part of the country. It means you can determine your own political destiny. It means you can decide what your society should be like. It means you can decide the extent of your freedom; the government you want; the law you want and do not want; the type of working conditions you wish to have; the type of education you wish your children to have; the type of health facilities you would like and so on and so forth. Citizenship entitles you to play your part in effecting political changes in your country that will help improve the society you live in. It means you can share with the rest of your fellow citizens a common political life and destiny. . . .

It is utterly dishonest to call the PAP deal a merger. The plain and simple fact is that by the PAP proposals the Federation Government would be free to interfere in all spheres of our lives, even though we are supposed to have local autonomy over labour and education. On the other hand, we shall not have proportionate influence in the federal legislature. We have stated in no uncertain terms that even though we desire a merger to come about, this does not mean that we agree with the policies of the present Government of the Federation. On the contrary we have stated our differences with the right-wing government of the Federation. . . .

In the long debate which followed the argument went back and

forth over this question of franchise and representation in the federal legislature. As a broad simplification of a complex set of rules Singapore gave the vote to residents of 10 years' standing (including many born in China) whereas the Federation of Malaya required local birth in most cases. In winding up the debate the Prime Minister, Mr. Lee Kuan Yew, explained that only 284,000 of the 624,000 electors on the Singapore electoral roll would qualify for the franchise under the Malayan rules. On a normal proportionate basis 284,000 voters should elect only 14 members to the federal parliament. If therefore an additional 340,000 Singapore voters were to be allowed to remain on the roll and join in choosing the Singapore representatives in the federal parliament, it was hardly reasonable to demand that the number of Singapore representatives should be increased on their account. In the corresponding case of Northern Ireland, which had a local parliament and representation in the British Parliament at Westminster, there was a scaling down in the number of Northern Ireland MP's sent to Westminster. After dealing with the vexed question of electoral arithmetic Mr. Lee Kuan Yew turned to more general issues:

DOCUMENT 6. EXTRACTS FROM THE SPEECH OF MR. LEE KUAN YEW PRIME MINISTER OF SINGAPORE, IN THE LEGISLATIVE ASSEMBLY ON 6 DECEMBER 1961

But having said they wanted complete merger, they then—as the Tunku said in his Parliament on the 16th October 'ask for impossible terms' (these are the Tunku's words) so that merger can be frustrated. And if this demand for automatic conversion was unexpectedly agreed to by a generous Federation Parliament, then the Communists would oppose merger on some other ground. Of course, the trouble is this: it is difficult to get the people to oppose merger on the ground that merger is not good for the Communists. So they have to get the people to oppose merger by falsely alleging that the merger proposals are bad for the people. These are united front dialectics. . . .

But the point that must constantly worry the Communist backroom boys of the Barisan Socialis is that whatever happens, or whichever way you combine or permute the conditions for

merger, after merger security will be in the hands of a strong Central Government, and their opportunity for subversive activity will be severely conscribed and confined. The Member for Queenstown has, on behalf of his Communist friends, denied that they are worried about this and has claimed that they are quite happy to go to gaol. Sir, I know of no sane man being happy to go to gaol, but I know of chaps who are not afraid to go to gaol. . . .

There is a fundamental difference between the united front we worked together with the Communists in the years between the formation of the PAP and the attainment of the independence of Malaya, and the present united front between some non-Communists in the Barisan Socialis and the majority of pro-Communists and Communists. Let me explain the difference to him. In our united front from the years 1954 to 1957, it was the classic anti-colonial movement. The enemy was the Right force. The enemy was the British. . . . Everybody who was against the British, be he a nationalist or a communist, got together to oppose the British colonial system. That is the classic united front. . . .

We went with them up to a point, and the point was fight the British. The moment they change the enemy and say fight the Tunku, we say do nothing of the sort. He is a nationalist and we are nationalists. He is Right, we are Left. But on one thing we are agreed—no Communist Malaya. . . .

The Barisan Socialis, on the other hand, have embarked on a different proposition. The common enemy is no longer British colonialism. It is the nationalists they intend to fight, not the British. Theirs is an anti-nationalist, not an anti-colonialist united front. When they say all progressive forces should unite to fight the reactionary and feudalistic forces of the Federation, what they really mean is that all those in favour of Communism should combine to down the Malay nationalists who rally round UMNO and the leadership of Tunku Abdul Rahman. Let me tell him where we stand. We the non-Communists support the Tunku because he represents the genuine will of the nationalists in Malaya. Differences in political policy, political philosophy and economic policy there are and always will be between a Party of non-Communist Socialists—the PAP—and what the Tunku has called a party of the Right in

UMNO and Alliance Parties. But on the nationalist issue—perhaps I should say on a national issue—of whether we should have a national democratic Malaya or a Communist Malaya, we have no hesitation in declaring which side we stand on. We stand on the side of the nationalist Malayans and we will prevent the Communists from undermining our society and the independence of our country. . . .

Mr. Lee Kuan Yew decided to put the choice of merger terms to the people of Singapore by referendum which was held on 1 September 1962. There was dispute as to whether the questions put to the electors were a fair statement of the issues and so those who opposed merger on the terms proposed by the government advised their supporters to cast blank voting papers. 561,000 of the 624,000 voters on the roll voted; 71 per cent. of those who voted indicated their preference for the government proposals and 26 per cent. cast blank papers, indicating general opposition to them.

Both the Tunku (Document 3) and Mr. Lee Kuan Yew (Document 6) argued that only by merger could Singapore be saved from Communism to the grave detriment of the Federation of Malaya itself. Communism, both as an internal force and as an external threat, is indeed one of the major features of modern Malaya (and South-East Asia). Yet there is no communist literature from which the communist point of view can conveniently be illustrated here. There are two reasons for this —first, during almost all the forty years of communism in Malaya it has been a proscribed, underground party; secondly, the classic strategy of communism in its bid for power is what Mr. Lee Kuan Yew (Document 6) referred to as 'united front dialectics', i.e. to ally with but to stand mute behind other forces which lend themselves to manipulation. To appear to argue someone else's case—but for one's own benefit.

The aftermath of the revolution which brought down the imperial régime in China was a wave of reformist nationalism, identified with the name of Sun Yat Sen, which had a powerful influence on the large Chinese communities of South-East Asia in the 1920s. Until 1927 the Kuo-Min-Tang and Communist parties were in alliance in China and so communism came to the Overseas Chinese blended with nationalism, an association

which persists to this day—especially since 1949 when the Communist party became the government of China itself. In Malaya the underground Malayan Communist Party (MCP) identified itself with the interests of the Chinese working man in his conflict with the employer/bourgeoisie. During the period of the Japanese occupation of Malaya (1942–5) the MCP gained much prestige as the only effective underground leadership of Chinese resistance to the Japanese. In the post-war period 1945–8 the MCP was uncertain how to exploit the strength which it had by then acquired. Some leaders advocated the classical strategy of political action through a united front with nationalist and reformist movements and infiltration of such bodies as the trade unions. The others, possibly responsive to a directive from abroad, decided on military action in the form of a revolt in Malaya (known as 'the Emergency') which for some years tied down large British and Malayan forces. When Tunku Abdul Rahman and the Alliance came to power in 1955 he tried to negotiate a settlement with the MCP leader, Chin Peng. This encounter, which ended in deadlock, convinced the Tunku (see p. 38) that the communists would never abide by the rules of legal political activity but were determined to seize power by force or otherwise. Thereafter he and his government were implacably anti-communist.

In Singapore however there was no open revolt. Communism remained a force of subversion, powerful both in the trade unions and also in the turbulent nationalism of the Chinese education system. Mr. Lee Kuan Yew and the PAP rose to power in Singapore with communist support. However in 1957 the communists inside the PAP momentarily seized control of the party and ousted Lee Kuan Yew himself. This was soon reversed, but the same struggle broke out again in 1961 when a large part of the PAP, under communist influence and pressure, broke away to form the opposition Barisan Socialis party. The rump of the PAP remained precariously in office as a non-communist but not anti-communist party—a rather subtle distinction in the circumstances.

What then does communism stand for that men should risk their careers and pledge themselves to fight it to the end as the major threat to Malaya? In the eyes of the Malays (and also of most Indians) the MCP is identified with aggressive Chinese

nationalism and therefore a threat in the intercommunal balance of power. To the moderate majority of all communities it probably stands for two things. It is a threat of seizure of power by force followed by the imposition of a communist political and economic régime already exemplified by what has happened in China. Few of the Chinese middle-class in Malaya regard this as a price worth paying for the dominance of their own community in the government of Malaya; to the non-Chinese it is anathema. Secondly, a communist Malaya would of necessity align itself with the world communist bloc (if it can still be so described), especially with China. The attraction of communism is that it offers a quick, drastic solution of grievances and social ills in a society in which 'the Right', i.e. the forces of tradition and especially of Malay hegemony, uphold the status quo.

Perhaps the best expression of this dilemma of choice, and it is a real one to the ardent reformer, is found in a letter written to Mr. Lee Kuan Yew by one of his supporters (now a member of the Barisan Socialis) who had been a member of the Communist Party but had left it some years before. Characteristically this letter was written while the writer was detained on security grounds. It should be remembered that it was written in 1957, long before the differences within the PAP had come to an open split. It was reproduced by Mr. Lee Kuan Yew in his book, *The Battle for Merger* (see p. 188 no. 17). A study of the Malayan economy by the same writer is listed in the Bibliography (see p. 188, no. 14).

DOCUMENT 7. EXTRACTS FROM 'STATEMENT OF POLITICAL BELIEF' BY JAMES PUTHUCHEARY DATED 2 SEPTEMBER 1957 and WRITTEN FROM CHANGI PRISON CAMP, SINGAPORE.

My return from Communism was not in a straight line. One is always drawn by the desire to fight colonialism and the urge to join up with those who are fighting hardest is irresistible. It often appears that to refuse to join such allies, is to be dishonest to one's anti-colonial principles. But in such an alliance one is always tormented by the fundamental differences one has with one's allies. This I suppose is a problem common to social democrats in all colonial countries.

The choice between co-operating with the Communists or not, is not a simple choice between good and evil, or in neutral terms between black and white. So much of the tasks of the militant social democrat and the Communist are identical particularly in the period of the struggle against colonialism, that it seems logical to co-operate. In addition one is always faced with the suspicion in one's mind, whether one is weakening the anti-colonial struggle by not co-operating with the Communists. This makes the choice even more difficult. . . .

The continuation of a struggle between a government supported by almost the entire Malay population and a group whose support comes entirely from a section of the Chinese has catastrophic potentialities. The risk involved is the sparking off of a communal struggle which can do incalculable harm to the country. No utopia is worth that price. If the price is paid no utopia will be possible.

The recognition of the communal problem and the end of the preoccupation with anti-colonial struggle has opened up for me an entirely new assessment of Communism as such (Communism with its armed revolt) in Malaya. It is easy for those who claim to be 'detached' observers to say that Communism, with its emphasis on a monolithic party structure and its belief in a monolithic state cannot bring political freedom. It leads to the negation of individual liberty. Consequently it is evil and must be fought. To those of us not faced with the realities of poverty the argument would seem conclusive. But it is not something *ipso facto* logical to Asian conditions. Political liberty has not existed and the loss of political liberty will not appear to large numbers of our people as something of overriding importance. . . .

Poverty of the large part of our people makes the preoccupation of social democrats with institutional guarantees of political freedom an academic question and cuts them off from the more compelling urges of a large section of the people. In addition to this, the local Communists can offset their failures against the achievements of China. Large sections of the Chinese people here do not judge Communism on its value in Malaya but on its efficacy in dealing with the problems of China.

But on the other hand the Chinese form only half the population and their influence in political changes because of

the limited franchise is small. Communism to Malays is something Chinese, Chinese in origin (so far as Malaya is concerned) Chinese in inspiration and Chinese in following. This has, I think, two major effects. One, the resistance of the Malays to Communism is increased and secondly, because of the predominantly Chinese membership and support, Communists are incapable of doing very much to win Malay support. Malay problems do not attract the attention they deserve and at best solutions are attempted by people who do not understand even the nature of the problems correctly. Numerous instances can be cited to prove this. I am not suggesting that this is the result of some sort of chauvinism, though it is one of the elements surely. Far more important is the very structure of the Communist Party and its historical development in Malaya which makes it impossible for the MCP to win support of the Malays.

The basic causes for the resistance of Malays to the Communist Party based on a Chinese following lies, I think, in the economic realities which have been underplayed by the left and exploited by the right. There is no doubt that Malays look upon the Chinese community as a whole, as the exploiters of the country. It is not important that this view is erroneous. It is not important that British capital does in fact dominate the economy and constitutes the exploiters, and the Chinese are mainly their compradores.* To the vast majority of the Malays, European capital is a vague entity even where they are conscious of its existence. Europeans very rarely have entered into exploiter-exploited relations with Malays as they have with Indian tappers and Chinese workers. To the Malays, they have been essentially a political power and that has ended with Merdeka.

On the other hand Chinese traders constitute their direct exploiters, the people who take away a large part of their meagre produce, people who possess comparative wealth in the midst of their prosperity. The Emergency has not been helpful in the process of disassociating the individual exploiter from the community. In fact the separation of Chinese into new

* 'Buyer' (Portuguese)—denotes the Chinese employees of British firms in the East who are retained to interview and do business with Chinese customers to obviate difficulties of language, etc. It here denotes a subordinate or intermediary rather than a principal.

villages, the growth of community solidarity and the pride in the achievements of China have made the Chinese a more cohesive community and increased the identification of the exploiters with the community.

The total effect of all this is, I think, that the communal separation has deepened. The Communist Party built on a Chinese base and governed in its policies by pressures of its membership, is alienated from the Malays. The more Chinese support it gains the greater will be the resistance of the Malays to it. It may be argued that the realities of poverty will break through communal divisions and afford Communism a prospect in the future. If it has a future, it is in the distant future and because the time that was available to social democrats had been frittered away. The essential pre-condition to Communism in Malaya, is the support of the majority of the Malays.

In any other condition the prospect of a civil war is not obviated. Such a clear-cut decision is probably not necessary for social democrats because the change that would be undertaken will not be so far-reaching and emotional antipathy not so great.

The real significance of the resistance of the Malays to Communism is that social democrats here have far more time at their disposal to solve the socio-economic problems than probably anywhere else in Asia. Social democracy, even where not plagued by inertia, corruption and general demoralisation has not become a valid proposition in other parts of Asia because the pressure of poverty demands quick solutions, which they are not capable of providing. But in Malaya though quick solutions are needed, communal inhibitions prevent the challenge of Communism from becoming effective for some time and probably long enough for social democrats to deliver some of the goods.

The other advantage that social democrats have in Malaya, is that it is justified not in terms of abstractions, like freedom of speech and the merits of an independent judiciary and the parliamentary form of government but on reasons that have immediate relevance to the people. Social democracy is a justifiable solution in order to avoid a civil war and as something capable of providing the same economic advantages if given the time.

One of the difficulties with social democracy is that unlike Communism its objectives are not clear-cut. Its nominal adherents form such a motley crowd, that there is always a temptation to treat it as a joke, a hoax on the gullible population, a trick of politicians to get the votes of workers, a brand name which has no guarantee of quality. Probably this medley is inevitable but some order in the confusion may be possible if a social democratic party like the PAP is able to state in rigorously precise terms what it means by social democracy. The only kind of social democracy that can outbid the Communists is one which can postulate economic changes that can fundamentally transform society and plot the general lines of this transformation in advance. It must give some clear indication of the plans for which it wants people's support. To say it stands for socialism, or a non-Communist Malaya means nothing to people. They must be helped to identify their socialism and take an interest in discussing and understanding its salient features—a task that early Fabians fulfilled for the British socialists. The work is probably beyond the capacity of the party now as it entails extensive work by a large number of competent people. But if it is not done, at least if a start is not made immediately, active members would continue to read Communist works, particularly those relating to China, and identify their socialism with features they read and discuss.

As far as I am concerned the fundamental distinction between a social democratic party and a Communist party lies in the different political institutions that are fostered. It should stand for a parliamentary form of government and an independent judiciary. It should stand for the inviolability of personal political rights instead of the inviolability of property which is the basis of our present society. The Communists violate both.

My personal emphasis on the institutional forms is due to the evidence we have of the difficulty there is in a Communist system to effect changes. It depends for change on the right somebody getting to the top or on a Hungarian blood-bath. To me both these are unacceptable. Only a parliamentary form of government seems to be capable of keeping checks on people in power and preventing them becoming tyrants.

The most telling criticism of a parliamentary system is that in

a capitalist society it becomes the instrument, for those who have the means, to dominate society, while pretending to act in accordance with the will of the majority; that given concentrations of wealth and control of the means for the dissemination of information, there can be no effective expression of the will of the majority. I think Marx said somewhere, that it becomes a game of musical chairs for the bourgeoisie. This may be true, but the answer does not lie in sweeping away the parliamentary system, but in the economic transformation of society and making it possible for the parliamentary system to work effectively.

My own political beliefs are that in Asian conditions socialism must mean a more or less completely planned economy with a political superstructure taken from the West and modified for local use. But the essential property is that it must postulate radical changes and defend fiercely political and legal institutions that can be checks against tyranny.

For the reasons I have tried to describe I believe that social democracy in the form suggested has a definite future in Malaya and is the only possible solution to the country's problems. Its future in Malaya is neither that of a handmaiden to Communism nor that of its harbinger. . . .

It is now time to pass on to the problems which accession to the proposed Federation of Malaya presented to the three territories in Borneo then under British rule, i.e. Sabah (then called 'British North Borneo'), Sarawak and Brunei. In terms of political and economic development these territories were—broadly speaking—at least a generation behind Malaya and Singapore. They were not beset by the same tensions of inter-communal feeling and political ideology. Yet precisely because they were less advanced and less sophisticated they feared that in an association with their neighbours of Malaya they would be both outweighed and underrated. The only practicable alternative was to pursue the path of separate development—perhaps towards the ultimate goal of a separate federation of the three states of northern Borneo. The drawbacks of that alternative were that it would be a slow process and could only result in a comparatively weak federal state (perhaps divided by historical antipathies between Brunei and the rest). Such a

federation might well be unable to stand up to its powerful neighbour to the south—the Republic of Indonesia.

Among the communities of northern Borneo (other than the immigrant Chinese) leadership and influence were still mainly based upon traditional institutions. Yet these chiefs and headmen were shrewd and fairly well informed. They could see that salvation for their people might lie in joining Malaysia—provided that there were safeguards for local interests and assurances that they would be given help (in money and expertise) to enable them to rise to the level of their Malayan partners. The local Chinese were divided along lines very similar to those in Malaya itself.

In these circumstances the Malayan political leaders wished to work out acceptable terms for the entry of the Borneo states into Malaysia and to educate Bornean opinion on the considerable and enlightened achievements of the modern Malaya. The British government decided that it must both ascertain the wishes of the general body of the people in Sabah and Sarawak (and prompt the Sultan of Brunei to take parallel action) and for that purpose explain the facts of the proposal for a federation of Malaysia. A selection of the documents produced in the course of these consultations follows.

The 'Malaysia Solidarity Consultative Committee' set up on Malayan initiative in July 1961 had 28 members who were Ministers or members of the legislatures of Malaya, Singapore, Sabah, Sarawak and Brunei. Its task was to work out the basic terms of the proposed federation. Some explanation of particular points in its Memorandum is required.

As regards 'Sovereignty' (paragraph 12) the Federation of Malaya comprised eleven States of which nine had Malay Rulers of royal descent (generally bearing the title 'Sultan'). These nine rulers elected one of their number to be Paramount Ruler of the Federation (Yang di-Pertuan Agong) for a term of five years—after which there was a new election. The other two States, being formerly part of the British Colony of the Straits Settlements, merely had distinguished private citizens appointed as 'Head of State'. In Singapore there was also an appointed Head of State (Yang di-Pertuan Negara). It was proposed that the Sultan of Brunei should join the royal group and that Sabah and Sarawak should have appointed Heads of State.

Note the prickly paragraph 11*a* (obviously a last minute insertion to assuage Brunei sensibilities).

On the use of English in schools (paragraph 22) see page 7 above.

Citizenship rules distinguished between persons with eligibility as of right ('operation of law') and those who must apply and submit to a rigorous official investigation—this is the 'Citizenship by registration' referred in paragraph 34. Gradations of rank within the Malay aristocracy are marked by differences (about which Malays are most punctilious) in honorific prefixes. Thus in the first sentence of the following document Tunku Abdul Rahman is given the prefix 'Y.T.M.' which is an abbreviation of 'Yang Teramat Mulia' roughly equivalent to 'His Royal Highness'. An aristocrat not of royal descent would be 'Yang Amat Mulia' (Y.A.M.)—and there are several more permutations.

DOCUMENT 8. MEMORANDUM ON MALAYSIA DATED 3 FEBRUARY 1962 PREPARED BY THE MALAYSIA SOLIDARITY CONSULTATIVE COMMITTEE FOR THE COMMISSION OF INQUIRY, NORTH BORNEO AND SARAWAK, AND PUBLISHED AS APPENDIX F TO THE COMMISSION'S REPORT. (HMSO CMND. 1794)

Introduction

The statement made on the 27th May, 1961, by the Prime Minister of the Federation of Malaya, Y.T.M. Tunku Abdul Rahman Putra Al-Haj, on the concept of Malaysia at a Press Luncheon in Singapore sparked off a lively interest in Malaya, Singapore and the Borneo territories in the idea of Malaysia resulting in all manner of speculations on what plan and form Malaysia might take. While views welcoming the proposals were expressed in the territories concerned, the idea of Malaysia became the target of serious criticisms from certain quarters. In view of the indeterminate way in which the subject, of necessity, had been launched, there was uncertainty in the minds of many of the people, particularly in the Borneo territories. However, one point was clear; few could claim to be apathetic to this vital subject.

Formation of Malaysia Solidarity Consultative Committee

2. Malaysia was first jointly discussed by the leaders of the Borneo territories, Singapore and the Federation of Malaya at the Commonwealth Parliamentary Association regional meeting which was held in Singapore in July 1961. During the Conference, misgivings regarding local interests were expressed and views exchanged. As a result of a preliminary examination, delegations from North Borneo and Sarawak took the initiative to propose the formation of a Malaysia Solidarity Consultative Committee of the Commonwealth Parliamentary Association. Their joint statement said *inter alia* 'we have decided to form a Malaysia Solidarity Consultative Committee consisting of representatives from each of the five territories. The object of the Consultative Committee would be to continue the explanations and discussions initiated at the Commonwealth Parliamentary Association and ensure that the impetus given to Malaysia is not slowed down. . . .What emerged clearly from the conference (C.P.A.) was that the delegates who shape and mould public opinion in their respective territories were convinced both of the necessity and inevitability of Malaysia.'

Aims and Objects of MSCC

3. The aims and objects of the Committee as formulated and agreed upon at its first meeting in Jesselton on the 24th August, 1961, are:

(a) To collect and collate views and opinions concerning the creation of Malaysia consisting of Brunei, North Borneo (Sabah), Sarawak, Singapore and the Federation of Malaya.

(b) To disseminate information on the question of Malaysia.

(c) To initiate and encourage discussions on Malaysia; and

(d) To foster activities that would promote and expedite the realisation of Malaysia.

Committee Meetings

4. The Committee met four times, namely, in Jesselton on the

21st August, 1961, in Kuching on the 18–20th December, 1961, in Kuala Lumpur on the 6–8th January, 1962, and in Singapore on the 1st–3rd February, 1962.

Brunei's Attendance

5. Brunei did not participate at the Jesselton meeting but attended as observers during the Kuching, Kuala Lumpur and Singapore meetings.

Concept of Malaysia Supported

6. At these meetings delegations submitted reports on the progress made by them in their respective territories with regard to furthering and explaining the concept of Malaysia among the people. The Committee, while reiterating its acceptance of and support for the concept of Malaysia, recognised the need for the widest dissemination of all information relating to Malaysia among the peoples of the territories so that all would appreciate the vital necessity of the realisation of Malaysia as soon as possible.

Not Unitary

7. In view of the fact that all delegations acknowledge the desirability that all component States should retain their identity and autonomy, the possibility of Malaysia being formed as a unitary State was never considered.

Federation Defined

8. The Committee envisaged an association of several sovereign States with a central organ invested with powers directly over the citizens of the member States and in certain defined circumstances over the member States themselves. There would be a Central Government and also State Governments, but from the viewpoint of international law, the collection of States forming the Federation would be recognised as one Sovereign State within the family of nations.

Strong Central Government Vital

9. The Committee in the course of its deliberations has come to the conclusion that External Affairs, Defence and Security of Malaysia should be vested in the Central Government and it also supports the objective of an effective Central Government as vital to sustain Malaysia. Accordingly, the Committee arrives at the only logical answer that Malaysia should be in the form of a Federation. And, in view of the special problems relating to Singapore the Committee appreciates the need for special arrangements for Singapore. It was agreed that, like Singapore, the three Borneo territories should have certain local safeguards—in the case of the Borneo territories, in respect of such subjects, for example, control of migration, Borneanisation and special provision for taxation, customs and other fiscal matters to ensure that the less developed economy of the Borneo territories is not suddenly upset by the application of a unified Malaysian customs and excise duty and other national taxation but should only be made uniform gradually as the development of the economy of these territories progresses —but could otherwise be placed on equal footing with the other States of the present Federation of Malaya.

Wishes of People Respected

10. The Committee, of course, is of the opinion that whatever safeguards might be provided for the Borneo territories must conform with the expressed wish of the Borneo people themselves but that such arrangements should not prejudice the principle of a strong Central Government or curtail the fundamental liberties of the nationals of the Federation of Malaysia.

Singapore Plan

11. The Government notes with satisfaction the Heads of Agreement negotiated between the Governments of the Federation of Malaya and Singapore for the merging of the State in the Federation of Malaysia.

Status of Brunei

11a. The Committee recognises the fact that Brunei is a self-

governing State and not a colony as in the case of Sarawak and North Borneo, that the Commission of Enquiry's jurisdiction does not extend to Brunei and that the State is competent to negotiate direct with the Governments of the United Kingdom and the Federation of Malaya.

Sovereignty

12. There is no doubt in the mind of the Committee that, from the international point of view, sovereignty rests with the Federation of Malaysia. The Committee accepts the principle that the Federation of Malaysia should have a constitutional Head of State and there is no reason to discontinue the system of the appointment of Yang di-Pertuan Agong. The sovereignty of the Ruler of each State of the Federation of Malaysia will be guaranteed. Within the concept of Malaysia the Sultan of Brunei will be eligible for nomination to be Supreme Head of the Federation while Sarawak and North Borneo will each have a Head of State. Each State will have a Constitution of its own and its powers defined.

Islam as the Religion of the Federation and Religious Freedom

13. The Committee directed a great deal of its attention to the question of Islam as the religion of the Federation. It is satisfied that the acceptance of Islam as the religion of the Federation would not endanger religious freedom within Malaysia nor will it make Malaysia a State less secular. The present Constitution of the Federation of Malaya, which would serve as the basis of the new Federation, has adequately guaranteed that other religions can be practised in peace and harmony in any part of the Federation. Every person will have the right to profess and practise his religion. No person will be compelled to pay any special tax for purposes of a religion other than his own. Every religious group will be assured of its right to manage its own religious affairs, to establish and maintain institutions for religious or charitable purposes and to acquire and own property and administer it in accordance with the law. There would be freedom to establish and maintain institutions for religious education. No person in the Federation of Malaysia

will be required, except in accordance with the laws of his own religion, to receive instruction, or take part, in any ceremony or act of worship of any religion. All these rights which are in fact universally enjoyed in the Federation of Malaya will be enshrined in the Constitution of the Federation of Malaysia.[1]

Islam in Relation to a State within the Federation

14. The Committee examined the position of Islam in relation to a State other than a Malay State and finds no objection to the present arrangement for Penang and Malacca being adopted in the future States of Sarawak and North Borneo and Singapore. Each of these States will have in its Constitution provision for conferring on the Yang di-Pertuan Agong the position of Head of the Muslim religion in the State whose legislature would make laws for regulating Muslim religious affairs and for constituting a council to advise the Yang di-Pertuan Agong in matters relating to the Muslim religion. The Committee observes that in practice these three territories are already, to some extent, concerning themselves with the affairs of Muslim religion and the adoption of this principle on a formal basis would present no difficulty.

Fundamental Liberties

15. The present Constitution of the Federation of Malaya has firmly established constitutional guarantees for the people. The Committee has taken it for granted that these provisions in the Constitution safeguarding the fundamental liberties of the people of the Federation of Malaya would be extended to the people of the Federation of Malaysia whose rights could be enforced by the courts which could countermand and invalidate any attempt to undermine any of those rights whether by legislative or executive action or otherwise.

Elections of Representatives to Federal Parliament and State Legislatures

16. In view of the fact that political advancement in the Borneo territories is at that moment in various stages of development,

the Committee is convinced that it would not be possible to apply at once on merger the general practice adopted in the Federation of Malaya regarding elections to the Federal Parliament and State Legislatures. The Committee is of the opinion that, although the pace of these developments should be accelerated, no precipitate step should be taken lest some unforeseen and undesirable consequence might ensue. The Committee therefore appreciates the suggestion that for the time being in Sarawak the electoral college system may be retained under Malaysia for the State Legislature and the representatives for the Federal Parliament may be elected by the Council Negri from among its members. In the case of North Borneo, the question of representation to the State Legislature and the Federal Parliament should be a matter for consideration by the Commission of Enquiry.

The Chief Executives

17. With regard to the appointment of the chief executive of the State, namely, the Chief Ministers in North Borneo and Sarawak respectively, the Committee has not applied its mind on how this should be effected. Undoubtedly the Chief Minister will be someone who has the support of the State Legislature. It will be his responsibility to select persons from among the members of the State Legislature to assist and advise him as members of the Executive Council or the Supreme Council, as the case may be. Brunei is in a somewhat different position and it is envisaged that until a new Constitution is introduced and other arrangements made, the Mentri Besar, members of the State Legislature, as well as the Executive Council, will continue to be appointed in accordance with the present arrangements.

Direct Elections for Future Consideration

18. It is accepted that these arrangements in the Borneo territories must necessarily be temporary in nature and should not be allowed to continue indefinitely if these territories are to keep in step with the other States of Malaysia in their political advancement. As soon as possible, consideration should be

given to the desirability of introducing at the proper time the system of direct elections in respect of State and Federal representatives.

Adequate Representation in Parliament

19. In regard to the question of representation in the Federal Parliament, the Committee is satisfied with the assurance that the Borneo territories would be given adequate representation and that the universal democratic practice of giving weightage to representation for the less densely populated areas would be adopted. The present arrangement in the Federation of Malaya regarding the appointment and election of members of the Senate should be adopted for the new States of Malaysia.

National Language

20. The Committee accepts the view that the Federation of Malaysia should have a national language and places no objection to the adoption of the national language of the present Federation of Malaya, Singapore and Brunei, which is also the lingua franca of this region. The Committee is aware that in the present Federation of Malaya Constitution it is provided that for 10 years from Merdeka Day the English language may be used for official purposes. However, Parliament may also provide that the period be extended. In any case this period of 10 years is applicable to the Federation of Malaya and it is reasonable to expect that this period should only apply to the new States of the Federation of Malaysia with effect from the day Malaysia comes into being. The Committee is satisfied with the assurance that this period would be extended if so desired and the acceptance of Malay as the national language would in no way prevent the use, teaching or learning of any other language nor would it prejudice the right of any State of the Federation of Malaysia to preserve and sustain the use and study of other languages.

Position of English

21. English as an international language would maintain its place in Malaysia.

English as Medium of Instruction

22. It has been very much in the minds of the people of Sarawak and North Borneo that the acceptance of Malay as the national language might create problems relating to the policy of making English as the medium of instruction in schools. There has been uncertainty of the rule of English in schools in the Borneo territories. The Committee welcomes and accepts the explanation that the use of English as medium of instruction in schools will in no way conflict with the acceptance of Malay as the national language of Malaysia.

Complete Integration Desirable

23. The Committee has also noted that although the advancement of education is at different stages in different territories its development has been on similar lines whether in the Borneo territories or in the Federation of Malaya. As from 1962 free universal primary education is introduced in the Federation of Malaya and the school leaving age is 15. It is therefore hoped that the transitional period which will precede a complete integration of the educational system would be as short as possible so that the Borneo territories would quickly achieve parity in education with the other States in the peninsula.

Migration

24. The Committee dealt very extensively with the question of immigration into the Borneo territories. While the concept that the Central Government should be responsible for immigration is acceptable in view of the excellent control and fortunately similar laws that exist today in the Borneo territories, Singapore and Malaya, it is a matter of great apprehension to the delegations from the Borneo territories that there might be free movements from Singapore and the peninsula into the Borneo territories. At the moment these territories are very sparsely populated and therefore may attract settlers from the overcrowded and densely populated areas of Singapore and the peninsula States. The Borneo territories are anxious to protect their lands, trade and employment from being taken up by people from the other parts of Malaysia. They are also anxious

to see that no undesirable elements from other parts of Malaysia are allowed entry into the Borneo territories, and noted that there are now adequate arrangements for this purpose.[2]

Safeguards Desirable

25. The Committee is not oblivious of the fact that if the future States of Borneo desire quick progress and development thay will need to attract labour and technical men and these should be obtained at reasonable rates. However, in fairness to the Borneo territories the Committee feels that the territory concerned should be given an opportunity to determine the rate and scope of development it may wish to adopt, having taken into account the population problem such development may create and at the same time keeping in step with the general tenor and trend of the general development of the whole Federation of Malaysia in accordance with the national plan. There are of course certain safeguards which are available to the States in view of their autonomy in matters of land, agriculture and the machinery of State government and control over local governments. The adoption of certain policies in regard to these matters can have the effect of discouraging or even preventing the migration of people into these States. But the Borneo territories will not be completely happy unless they are provided with constitutional safeguards.

Control to be Devised

26. The Committee therefore welcomes the statement from the Prime Minister of the Federation of Malaya that he is extremely sympathetic with the view of the Borneo delegations in this matter. The Committee is therefore satisfied with the assurance that there would be no unimpeded migration into the Borneo States from the other States of Malaysia and the constitutional provisions whereby such control will be effected can be devised by constitutional experts.

Citizenship

27. The Committee dealt with the question of citizenship at

some length since this subject is of paramount importance to the peoples concerned. The position is further complicated in that the people of the Borneo territories, Singapore and the Federation of Malaya are governed by distinct and different citizenship and nationality laws. The Committee has noted that with regard to Singapore there is already an understanding reached with the Government of the Federation of Malaya whereby on merger all Singapore citizens and Federation of Malaysia citizens would automatically acquire Federation of Malaysia nationality and will, as nationals, have equal rights, carry the same passport, enjoy the same protection and be subject to equal duties and responsibilities under the Constitution of the Federation of Malaysia. The Committee agrees with the view that there should be a single Malaysian nationality.

Brunei Subjects as Citizens of Malaysia

28. With regard to Brunei the Committee is satisfied with the proposal that a subject of His Highness the Sultan should automatically become a citizen of the Federation of Malaysia.

Position of British Subjects Permanently Resident in Sarawak and North Borneo

29. In the case of North Borneo and Sarawak the Committee has accepted the formula that on the date on which the Federation of Malaysia comes into existence, every British subject born in either Sarawak or North Borneo or naturalised before that date will become a citizen of the Federation of Malaysia, provided he is permanently resident on that date in the territory in which he was born or naturalised or in one of the other territories of Malaysia.

Person Absent

30. However, subject to paragraph 33, no person shall become a citizen of the Federation of Malaysia on the appointed day who has been absent from the territories comprising the Federation of Malaysia for a period of seven years upwards immediately prior to the appointed day.

Position of British Subjects not Permanently Resident

31. A British subject born before that day in either Sarawak or North Borneo, whose father was himself born in the same territory or was a permanent resident of the territory concerned, will also be entitled to Federal citizenship. The word 'father' referred to means father by blood but not by adoption of a child.

Permanent Residence

32. A suggestion was made that a person shall be deemed to be 'permanently resident' in a territory who has completed a continuous period of 15 years' residence in that territory. The presumption would not of course exclude persons who have not completed the specified period from establishing permanent residence. The period, it is felt, would be a matter for consideration by the Commission of Inquiry.

Continuity of Residence

33. In calculating the period of residence, periods of absence which are not inconsistent with essential continuity of residence should not be taken into account. The Committee appreciates that the question of 'permanent residence' is a judicial matter and acknowledges the fact that in practice it is subject to a liberal interpretation which would prevent any miscarriage of justice in cases where a citizen lives abroad but maintains substantial connexion with his home in the territory concerned.

Citizenship by Registration, etc.

34. The Committee is generally satisfied with the proposal that the provisions of the present Federal Constitution *mutatis mutandis* will apply after merger to citizenship by operation of law, registration or naturalisation. Some transitional arrangements might be desirable in regard to citizenship by registration

Arrangement for Persons Born during Brooke and Chartered Company Régimes

35. The attention of the Committee was drawn to the fact that Sarawak became a colony only on the 1st July, 1946, while

North Borneo was transferred from the Chartered Company on the 15th July in the same year. Before those dates the people did not have the status of British subjects. The Committee therefore accepts the arrangement that a person who would have been a British subject if the territory in which he was born had been a British Colony, in the case of Sarawak from the commencement of the Brooke régime, or, in the case of North Borneo, from the date of the commencement of the Chartered Company régime, will be regarded as a British subject. This formula would obviate any future difficulties relating to this very important and complex subject.

Position of Indigenous Peoples

36. It is acceptable to the Committee that on the creation of Malaysia the indigenous peoples of the Borneo territories should be placed in the same position as the Malays under the present Constitution of the Federation of Malaya. They are the 'founder citizens' and to place them in a position different from that of the Malays from the constitutional point of view would only create anomalies. The special provision in the present Federation of Malaya Constitution relating to Malays should be extended to the indigenous peoples of the Borneo territories so that they would equally share whatever advantages might be derived therefrom. These provisions relate to the reservation of such proportion as may be deemed reasonable of positions in the public service, scholarships and other similar educational or training programmes and special facilities relating to trade or business in order that they may be able to take their rightful places along with the other communities.

Legitimate Interests of Others Safeguarded

37. The Committee is satisfied with the guarantee in the existing Constitution of the Federation of Malaya that the rights and legitimate interests of the other communities in the Federation of Malaysia will be adequately safeguarded.

State, Federal and Concurrent Lists Applicable

38. Having accepted the principle that all the Borneo terri-

tories would join the Federation of Malaysia as States equal in status with the other existing States of the Federation, the Committee is cognisant of the arrangement that the State list, Federal list and Concurrent list of the present Federation of Malaya Constitution defining the present powers and responsibilities of the State and Federal Governments will, subject to local autonomies and paragraph 41, be applicable to the new Federation of Malaysia. There may be of course some administrative problems in the case of integration of services and such-like matters but the Committee is confident that all those could be resolved by a joint working party of officials. In this regard the Committee is of the view that nothing should be done so as to disrupt the machinery of Governments and reduce the efficiency of the services concerned.

Assurance on Civil Service

39. With regard to the public services in the Borneo territories it is agreed that all State civil service appointments would be under the control of the respective State Governments. In the case of Federal services, the Committee welcomes the assurance given by the Prime Minister of the Federation of Malaya on the 6th January at the Kuala Lumpur meeting of the Committee when he stated, 'I can also give a categorical assurance that there would be a progressive Borneanisation of the public services in the Borneo territories and in addition the peoples of the Borneo territories would have new opportunities to serve in high appointments in the Federal service. Of course, as I have declared before, nothing should be done to disrupt the present machinery of Government. Expatriate officers who are now serving the various territories would continue to do so until suitable local officers are found to take their places.'

Service in Armed Forces

40. The Committee also welcomes the statement of the Prime Minister in the same speech that the local people of the Borneo territories should participate in the defence of Malaysia. 'Their young men should be encouraged to enlist in the army, navy or the air force of the Federation of Malaysia and take a legitimate

pride in being officers and other ranks in such forces. Programmes will have to be arranged whereby those in schools who aspire to make the armed forces their career will be given suitable training either in our own military college or overseas. The warriors of the Borneo territories should stand shoulder to shoulder with their compatriots in the peninsula in the protection of Malaysia.'

Amendment Safeguard

41. In the course of its deliberations, the Committee referred to the fears entertained by some delegates that it would be possible for the Federal Government to amend the Constitution and withdraw whatever powers it had agreed to give to the States. The Committee is of the opinion that when an individual State is given autonomy in respect of a particular matter which is not conceded to all States some form of safeguard will be desirable. The assurance in this regard was most welcomed. The form such safeguard will take is a matter to be worked out by constitutional experts.

Existing Laws to Continue until Replaced

42. With regard to the validity of the existing laws in the Borneo territories until replaced by Federal law, the Committee is satisfied with the explanation that, subject to modifications, existing laws on Federal matters would continue until amended or repealed by Parliament. Existing laws on State matters will continue until amended or repealed by the State legislature.

Economic Aspects of Malaysia

43. The Committee made a thorough study of the papers relating to the economic aspects of Malaysia which were tabled by the Federation Delegation.[3] The Committee is adequately assured that the future economic and trade policy of the Federation of Malaysia would not deviate from those precepts which are admirably suited for the purpose of the common prosperity and welfare of the people of Malaysia.

Allocation of Development Funds and Scholarships

44. Assurances on the allocation of development funds were most welcome. The Committee endorsed the principle that the amount should not depend on the size of the State but on priorities, so that the less developed State would get a greater share of such funds. In regard to the Federal and Colombo Plan scholarships, candidates would be selected on a fair basis depending on merits. State scholarships would remain purely a State matter.[4] Account will be taken in the allocation of Federal, Colombo Plan and other overseas scholarships and training facilities of the need to narrow the gap in educational and technical standards amongst people in various States.

We, the members of the delegations to the Malaysia Solidarity Consultative Committee from Brunei, Sabah, Sarawak, Singapore and the Federation of Malaya, having completed our deliberations in Singapore this day do hereby attest this Memorandum:

Done at Singapore this third day of February, 1962.

Chairman: D. A. STEPHENS.

(Followed by the signatures of the 28 members of the five delegations)

NOTES

(1) Malaya has a most enviable record of religious toleration among its several communities—Muslim, Christian, Hindu, Buddhist, Confucian (i.e. Chinese traditional) and others. It is more than a matter of freedom under the law. There is a tradition of courtesy and respect for the practices of other creeds which makes for good feeling. The Borneo representatives, with a memory of the unhappy history of Malay rule in Borneo, naturally wished to have explicit assurances.

(2) This paragraph and the next abstain from explicit reference to *Chinese* migration but this is what they denote. Malaya had achieved very rapid economic development in the nineteenth and early twentieth centuries by allowing an almost unrestricted flow into the country of immigrant labour from China and India. The Chinese had also developed and come to control the retail and wholesale trade of Malaya. This had created many tensions. There was now a surplus of Chinese labour in the towns of Malaya.

(3) Appendices A and B to the Committee's Memorandum which are not reproduced here.

(4) Federal and State scholarships (generally for study at universities) are provided out of Federal and State education funds respectively. The Colombo Plan awards are provided by donor countries participating in the Colombo Plan generally in the form of scholarships tenable at their own universities i.e. outside Malaya.

The Memorandum of the Malaysia Solidarity Consultative Committee set out above expressed an understanding between political leaders in Malaya and Singapore and the small minority of politically sophisticated leaders of opinion in the Borneo territories. The British Government however was determined to do what it could to ascertain the reactions of the general body of the peoples of Sabah and Sarawak. For this purpose a Commission of Enquiry had been appointed. (It rested with the Sultan of Brunei, as Ruler of that State, to consult his subjects). The Governments of North Borneo and Sarawak 'issued papers explaining the purpose of the Commission and setting out the idea of Malaysia in simple terms in order to assist people to understand the issues on which their views would be sought.' (Introduction to the Report of the Commission of Enquiry).

In such circumstances a colonial power must steer a middle course between explanation and persuasion. Its proper function is to enable the local people to understand what they have to make up their minds about. This function calls for a strictly objective statement of the facts and considerations. On the other hand the mere fact of official exposition of a proposal indicates that the proposal is thought to have substantial merits—there is no running away from this. Merely to expound the proposal and *pointedly* to abstain from expressing any official attitude towards it is an apparent contradiction which leads to confusion and doubt—thus defeating the object.

The text of the paper issued by the Government of North Borneo is set out below. The corresponding Sarawak official statement is slightly shorter and simpler in style but covers the same ground.

DOCUMENT 9. 'NORTH BORNEO AND MALAYSIA' PUBLISHED BY AUTHORITY OF THE GOVERNMENT OF NORTH BORNEO. JESSELTON, FEBRUARY 1962. (APPENDIX E TO HMSO CMND. 1794—SEE DOCUMENT 10)

The British and Malayan Governments have agreed that the creation of a 'Federation of Malaysia', embracing the 11 States of Malaya, Singapore, North Borneo, Sarawak and Brunei is a desirable aim. They have not gone beyond this. Before coming

to any final decision the two Governments agreed that it would be necessary to ascertain the views of the peoples of North Borneo and Sarawak and decided to set up a Commission of Enquiry to carry out this task and to make recommendations. Within the next few weeks the Commission will be visiting North Borneo for the specific purpose of finding out opinion in this country by an enquiry on the spot. Opportunity will be afforded for all shades of opinion to have their say. It is, indeed, in everyone's interest to take advantage of this opportunity, as it will be in the light of what the Commission recommends that the final decision will be taken. The people of North Borneo should now think carefully about the future of this country so that they will be ready to express considered views to the Commission when it comes.

2. The declared aim of the British Government is to grant independence to all its colonial territories as soon as they are ready for it. Hitherto this has been thought of simply as independence for North Borneo standing by itself, or, more recently, in association with Sarawak. But two stark political facts must be faced. These are:

(1) The very real threat that Communism is presenting to South-East Asia. If any one territory in the Malaysia region should succumb to Communist domination it would only be a matter of time before the others would be placed in serious jeopardy of a similar fate. United, these territories would be in an immeasurably stronger position to contain and repel Communism.

(2) The tide of opinion in the world today is running strongly against Colonialism. Independence is accordingly likely to come sooner rather than later than has hitherto been anticipated. But the world into which an independent North Borneo would be plunged is a turbulent and predatory one, and there could only be a precarious future for North Borneo on its own, or even in association with Sarawak.

3. Against this background, it is the view of the British Government that, provided satisfactory terms of merger can be worked out, the plan for Malaysia offers the best chance of

fulfilling its responsibility to guide the Borneo territories to self-government in conditions that will secure them against dangers from any quarter. This is the overriding political argument in favour of North Borneo and Sarawak joining Malaysia. The British Government is firmly of the opinion that from the standpoint of economic development and in general of the future welfare and happiness of their peoples the best hope of the Borneo territories lies in their forming part of a larger unit. Economically as well as politically, small countries are rapidly becoming out of place in the strenuous conditions of the modern world. Where nations are concerned, combination creates a unit that is much more powerful, more effective, more efficient and more capable of making life better for its members than the sum total of their individual strengths would ever suggest. By itself, or even in association with Sarawak, North Borneo would find it very expensive to exist as an independent territory, and its voice in the councils of the world would be small. The peoples of Malaya and Borneo have cultural, economic and historical ties which make them fit naturally together as a group. Malaysia offers for them all the prospect of sharing in the destiny of what the British Government believes will be a great, prosperous and stable independent State within the Commonwealth.

4. Within recent weeks there has been strong criticism, much of it analytical and constructive, in sectors of the local English and Chinese Press of the concept of Malaysia on the basis of North Borneo joining the Federation of Malaya as a State under the present Constitution of the Federation. As was made clear at the last meeting of the Legislative Council in December, the Commission of Enquiry is not committed to any detailed terms of merger already proposed, and there is no question of its acting as a rubber stamp for a decision already taken. In fact, as indicated above, no decision has yet been taken beyond that Malaysia is a desirable aim. Furthermore, Tunku Abdul Rahman, the Prime Minister of the Federation of Malaya, has given a number of assurances that his original proposal that the Borneo territories should enter Malaysia as States equal in status with the existing States of the Federation of Malaya does not represent his final word on the subject. For example, in his speech to the Federal Parliament on the 16th October, he

stated (see Document 3, p. 43) that 'in our future constitutional arrangements the Borneo people can have a big say in matters on which they feel very strongly, such as immigration, customs, Borneanisation, and control of their State franchise rights.' In conversation with members of the North Borneo delegation to the Malaysia Solidarity Consultative Committee he has made it abundantly clear that he has no wish to interfere in the internal affairs of North Borneo and is willing to consider sympathetically any proposals for the management by the people of this country of their own internal affairs.

5. There is clearly, therefore, room for manoeuvre in determining the extent of powers to be vested in the Central Government of the proposed new Federation of Malaysia. However, when considering what form these future constitutional arrangements should take, it is reasonable to take the Constitution of the present Federation of Malaya as a basis from which to start.

6. The present Federation of Malaya comprises 11 States, each of which has its own State Constitution and Government with certain powers reserved to it, the principal of which are control over local government, land, agriculture, forestry and State public works. The Federal Government controls external affairs, defence, internal security, civil and criminal law and the adminstration of justice, Federal finance, trade, communications, education, health, labour, co-operatives and Federal public works, to mention the most important. There is also a list of subjects on which both Federal and State governments can legislate but the Federal law prevails if it conflicts with any State law. The list includes social welfare, scholarships, town and country planning, protection of wild life, sanitation, drainage and irrigation. The residual power of legislation rests with the State, *i.e.*, the State retains the power to make laws with respect to any subject not specifically allocated to the Federal Government. Each State has its own Ruler or Governor or Head of State, and its own State public service. In short, the Constitution provides for a strong Central Government where the great preponderance of power rests, and which, in view of its wide responsibility, spends about three-quarters of the total revenues.

7. Assuming the concept of Malaysia is accepted, the crux of

the problem, which it will be the task of the Commission of Enquiry to solve, is to devise terms acceptable both to the Malayan Government and to the peoples of North Borneo and Sarawak for the entry of these two territories into a new Federation of Malaysia. In any event, substantial amendments to the Constitution of the present Federation of Malaya will be necessary to provide for the merger with Singapore, the terms of which have already been broadly agreed between the Governments of the Federation of Malaya and Singapore.

8. It is necessary, therefore, for the people of North Borneo to consider what powers they are prepared to concede in order to bring Malaysia into being. It is understandable that there should be widespread apprehension lest, in practice, Malaysia would mean that the people of North Borneo would have far less control over their own affairs than they exercise already, and that North Borneo would be relegated to the position of a relatively powerless province of a strong Central Government situated 1,000 miles away. It is natural, therefore, that the first instinct of the people of North Borneo should be to require a much greater measure of local self-government than is afforded to the States of the present Federation of Malaya. To press this too far, however, might not, in the long run, be in the best interests of North Borneo. It is fundamental to the concept of Malaysia that the Federal Government should be endowed with substantial powers; without them it will have no real or enduring strength and will fail in its purposes as indicated in paragraph 3 above.

9. It will be generally conceded that the Federal Government must exercise control over external affairs, defence and internal security. North Borneo would thereby have through the Federation representation abroad, participation in the armed forces of the Federation (which in due course would no doubt contain units from North Borneo) and overall Federal authority for the maintenance of law and order. There is, moreover, likely to be little argument regarding the transfer to the Federal Government of control over the Judiciary, which is at present operating as a combined Judiciary for the three Borneo territories, and such departments as Geological Survey, Audit, Health, Posts and Telegraphs, Marine and Civil Aviation (subject to safeguards for regional interests). Far less

easy of solution are the subjects at present controlled by the Federal Government of the Federation of Malaya in respect of which there is strong feeling in North Borneo that safeguards need to be imposed and a wide measure of autonomy assured. These subjects include religion, language, finance, the public service, education, citizenship, immigration and land development. It will perhaps be the most difficult part of the task of the Commission of Enquiry to make recommendations which would reconcile local needs and wishes with what the Malyaan Government is prepared to concede. But there is no reason to suppose that the task is insuperable, for, as a demonstration of the sincerity of his intention to interfere as little as possible with the internal affairs of the Borneo territories, Tunku Abdul Rahman has already agreed that immigration to North Borneo from the other States of Malaysia should be a matter over which the North Borneo State Government should maintain control, and the door is clearly not closed to proposals in regard to other subjects. It would, indeed, be against the long-term interest of the Malayan Government to insist on excessive control against the wishes of the peoples of the Borneo territories, which would over the course of the years build up resentment and discontent leading to a repetition within Malaysia of the internal stresses and strains which in recent years have become apparent within the framework of Indonesia, and, more recently still, have culminated in the secession of Syria from the United Arab Republic. It may well be found that, on closer examination, the gap between opposing conceptions is not as wide as might at first sight appear. For example, in practice, many aspects of the present education policy in North Borneo are broadly similar to their counterparts in Malaya, and, while acceptance of education as a Federal subject without strong safeguards clearly presents difficulty, it is hoped that the Commission will be able to hammer out an acceptable solution. Similarly, Malay is the national language of the present Federation of Malaya and it is the 'lingua franca' of the Borneo territories. In Malaya English is the main medium of education and is taught in all schools. The Constitution of the Federation of Malaya provides that for 10 years from Merdeka and thereafter until Parliament otherwise provides, the English language may be used for official purposes. It has been explained that this period of 10

years or longer applies only to the existing States of the Federation. A longer period could be applied to new States of the Federation of Malaysia if desired. The acceptance of Malay as the national language would not prevent the use, teaching, or learning of any other language nor would it prejudice the right of any State of the Federation of Malaysia to preserve and sustain the use and study of other languages. The question of language, like that of many other matters listed earlier in this paragraph, is one that will no doubt engage the close attention of the Commission.

10. The deliberations of the Consultative Committee have done much to clarify the position of religion in Malaysia. Islam is the official religion of the Federation of Malaya. Although Malaysia would have Islam as the official religion of the enlarged Federation no hindrance would be placed on the practice of others religions. Complete freedom of religion would be guaranteed in the Federal Constitution. North Borneo, which at present has no established religion, would not be required to accept Islam as its State religion.

11. There is much concern locally at the prospect of North Borneo losing control of the greater part of its revenues and expenditure and of the rate of economic development being retarded rather than accelerated. The finances and economic aspects of the incorporation of North Borneo into a Federation of Malaysia are complex and will require expert examination beyond the scope of this publication. Just as North Borneo and Sarawak, however, have recently thought it advantageous to conclude a free trade area agreement, so may a larger common market provided by Malaysia be expected to help to produce some economic advantages to all parts of the area. Since Merdeka there has been very extensive capital development in Malaya, which would no doubt continue in Malaysia and from which North Borneo would benefit. Malaya is at present engaged in carrying out an intensive and rapid programme of rural development which, with adaptations, seems well suited to the needs of North Borneo and is indeed based on principles similar to those which are being followed here. Development in the Federation of Malaya is a joint subject (*i.e.*, shared by the Federation and the States) and each State has its own development board. With independence, grants from Britain under the

Colonial Development and Welfare Act would cease. Britain has, however, been ready to give financial assistance when this has been shown to be necessary to other Commonwealth territories after independence, and there is no reason to suppose that she would not be willing to consider the case of North Borneo in the same way. Aid under the Colombo Plan would continue to be forthcoming as at present. Aid from other sources such as the International Bank of Development and Reconstruction, would still be available for North Borneo as part of the independent Federation of Malaysia. The local and international standing of the currency of North Borneo (the Malayan dollar) rests on the combined strength and viability of all the territories which would make up the Federation of Malaysia, and would not be impaired by their entering into a permanent association.

12. The probability of increased taxation in the event of North Borneo joining Malaysia has also been a target for criticism. But on reflection this will be seen to be a probable corrollary of independence whether or not North Borneo enters Malaysia and, if she should attain independence on her own, or simply in association with Sarawak, the cost of paying for her own defence and representation abroad would be proportionately heavier. Irrespective of whether Malaysia is brought into being or not, there is a growing demand for improved social services, communications, and development in rural areas which is not to be denied and must inevitably lead to an increased burden of national and local taxation.

13. Of all the matters that will fall to be considered by the Commission of Enquiry perhaps the most crucial for the future well-being of the country is that of the Public Service. In the present Federation of Malaya there are two civil services, the Federal and the State. That there should be apprehension locally lest Malaysia should lead to Malayans taking over the best appointments in the North Borneo Public Service is understandable; but it has been made clear that these fears are not justified and, while control over the Federal Service would naturally rest with the new Federal Government, in all Federal Service appointments made to the Borneo territories the people of Borneo would be given priority. There would also be opportunities for Borneo Federal officers to serve in other parts of Malaysia and in external affairs posts overseas. It is clearly to

the advantage of all that there should not be any breakdown in services caused by staff dislocations, and present serving officers would carry on in their posts. The progress of Borneanisation of the local service would continue. There are special provisions in the present Federation of Malaya's Constitution relating to scholarships, training and civil service posts for Malays. Similar provisions could be made applicable to the indigenous peoples of Borneo. But the process of Borneanisation, however much it is accelerated, cannot be achieved overnight, and the need for overseas staff will continue for many years to come. This is recognised by Tunku Abdul Rahman, who has expressed the hope that they will remain to guide the peoples of North Borneo after independence as they have done in the past. Arrangements will have to be worked out whereby they will be encouraged to remain in their posts while the process of Borneanisation continues on the principles already established.

14. When the Federation of Malaya was formed transitional arrangements were devised to permit the States to join the Federation gradually and smoothly. Similar transitional arrangements, extended perhaps over a longer period will be necessary with the Borneo territories. The intention would be to cause as little dislocation in the daily life of the people as possible, and drastic immediate changes are not contemplated.

15. The main issue before the people of North Borneo is simply this. They must assess the future advantages of Malaysia; they must weigh up the prospects Malaysia offers of security from external aggression and internal Communist subversion, of stability and prosperity; and they must consider how far they are prepared to give powers to the Central Government of Malaysia to achieve these benefits. The Central Government must be strong and provide security; it must have powers sufficient for its purpose. But local aspirations and needs must also be recognised ans safeguarded. The State Government must be able to protect vital local interests. Some there are, no doubt, who prefer no change in the existing order of things; to them the answer is that the 'winds of change' are blowing and blowing hard, and no good can come out of refusing to face up to this fact, however unpalatable it may be to them. Some would prefer to achieve self-government first before entering into negotiations over Malaysia; this would indeed be attractive

if there was a guarantee that the opportunity now presenting itself would still be there to grasp in a few years' time. But there can be no such guarantee. Events in the outside world are moving fast and unpredictably and the danger is that the opportunity, once missed, will not recur. It may indeed be a case of 'And we must take the current when it serves, or lose our ventures.' Those who would put self-government before Malaysia would do well to reflect on the consequences if the Malaysian plan should come to nothing. Of one thing they may be certain, that there are forces in the world which will not be slow to take advantage of the situation.

16. It is hoped that this publication will help the people of North Borneo to understand the issues on which the Commission will seek their views. It will be the task of the Commission in the light of those views to work out a plan for Malaysia which will be acceptable to the people of North Borneo and Sarawak. There is no reason to suppose that this cannot be successfully accomplished. The people of North Borneo will be given a fair hearing, and it is hoped that, after listening to their representations and assessing what modifications of the present Federal Constitution are necessary to meet local conditions, the Commission will be able to recommend a plan that will be workable, endurable, and acceptable to all the participants, not least the people of North Borneo.

The Commission of Inquiry was headed by Lord Cobbold, who had recently retired from the Governorship of the Bank of England. It had four other members, of whom two were nominated by the British Government and two by the Malayan. The British representatives were a former Governor of Sarawak and a former Chief Secretary of the Federation of Malaya. The Malayan representatives were a (Malayan Chinese) Chief Minister of one of the States of the Federation of Malaya and the (Malay) Permanent Secretary to the Malayan Ministry of External Affairs. It was thus a predominantly official body but well-versed in the kind of problems which it had to consider. In the course of its two months' visit (February-April 1962) to North Borneo and Sarawak it interviewed 690 delegations and received 2,200 letters and memoranda.

The Report of the Commission, published in August 1962,

runs to 80 printed pages (plus appendices) and cannot be reproduced in full here. The Commission found no great difficulty in arriving at unanimous conclusions on the important issues of constitutional principle raised in the two preceding documents (No's 8 and 9). Since the Commission's recommendations on these matters were generally in accord with those of the Malaysia Solidarity Consultative Committee it seems unnecessary to reproduce them here. The passages which follow deal with (1) the Commission's findings on the general attitude of the peoples of North Borneo and Sarawak to the Malaysia project—findings which were subsequently challenged by the governments of Indonesia and the Philippines and (2) matters on which the Commission itself was unable to agree.

DOCUMENT 10. EXTRACT FROM CHAPTER 3 OF THE REPORT OF THE COMMISSION OF INQUIRY, NORTH BORNEO AND SARAWAK, 1962, ENTITLED 'ASSESSMENT OF EVIDENCE.' (HMSO CMND. 1794)

141. The arguments for participation by North Borneo and Sarawak in a Federation of Malaysia are well set out in the official Papers published by the Governments of the two territories. The case for and against participation has been widely debated in the respective territories at meetings, in newspapers and in such forums as the Conference of the Malaysia Solidarity Consultative Committee. Indeed on a less formal level, Malaysia has been a major topic of conversation in the bazaars, clubs and coffee houses, homes and longhouses[1] throughout the two territories. All this has contributed in no small measure towards an understanding of the Malaysia proposals.

142. The tasks set out in our Terms of Reference were to ascertain the views of the peoples of these territories and to submit our recommendations. We have therefore attempted to the best of our ability to seek the opinions of the peoples of these two territories regarding the proposals for a Federation of Malaysia. This has been no easy task. We have given indications earlier that for a number of reasons opinions tend to run on racial and communal lines. Even on the basis of communal interests there are often various shades of opinion concerning a single subject on which there is general agreement in principle. Furthermore, it was not unusual for groups appearing before us to make

exaggerated claims, sometimes bordering on the fantastic, of the number of their supporters.

143. In assessing the opinion of the peoples of North Borneo and Sarawak we have only been able to arrive at an approximation. We do not wish to make any guarantee that it may not change in one direction or the other in the future. Making allowance for all the difficulties and for our inability to reach every part of these large territories, we have arrived at a general consensus of opinion with reasonable confidence, based on individual and representative evidence presented before us.

144. Although, in such circumstances, individual judgment is bound to vary in emphasis, the Commission as a whole endorse, as a general approximation not far wide of the mark, the following assessment which is made by the Chairman. *About one-third of the population in each territory strongly favours early realisation of Malaysia without too much concern about terms and conditions. Another third, many of them favourable to the Malaysia project, ask, with varying degrees of emphasis, for conditions and safeguards varying in nature and extent: the warmth of support among this category would be markedly influenced by a firm expression of opinion by Governments that the detailed arrangements eventually agreed upon are in the best interests of the territories. The remaining third is divided between those who insist on independence before Malaysia is considered and those who would strongly prefer to see British rule continue for some years to come.* If the conditions and reservations which they have put forward could be substantially met, the second category referred to above would generally support the proposals. Moreover once a firm decision was taken quite a number of the third category would be likely to abandon their opposition and decide to make the best of a doubtful job. *There will remain a hard core, vocal and politically active, which will oppose Malaysia on any terms unless it is preceded by independence and self-government; this hard core might amount to near* 20 *per cent. of the population of Sarawak and somewhat less in North Borneo.* [Editor's italics].

NOTE

(1) Some of the peoples of northern Borneo live in large communal dwellings, divided into family compartments, which are known as 'Longhouses'. In essence they are hamlets or villages under a single roof.

The Commission's assessment was later to be put to the test of indirect elections to the legislature of each territory and a subsequent enquiry by a Mission sent by the Secretary-General of the United Nations Organisation (see pp. 122 et. seq.).

The case for joining Malaysia has been sufficiently stated in documents already extracted. The views of those who hesitated and of the 'hard core' of outright opposition appear from the next two extracts from the Commission's Report.

DOCUMENT II. PARAGRAPHS 61–66 OF THE REPORT OF THE COMMISSION OF INQUIRY, NORTH BORNEO AND SARAWAK, DEALING WITH THE LAND DAYAKS OF SARAWAK.

61. The *Land Dayaks* live almost entirely in the First Division[1] of the country. In relation to their numbers[2] (57,619) not many came forward to give us their views, but we saw some groups of Land Dayaks in each of the four districts which we visited in the First Division and we were able to obtain more information about their attitude towards Malaysia from other reliable sources.

62. Some of the Land Dayaks whom we saw were members of Party Negara and gave their support to the proposals set out in the report of the Malaysia Solidarity Consultative Committee; others appeared as members of S.U.P.P. delegations and opposed the Malaysia plan.

63. But our impression generally of Land Dayaks' opinion was that they had less understanding of the Malaysia proposals than the other major native communities of Sarawak. They wish to be given more time to consider a scheme which they recognise is of great importance to them and to the future of Sarawak as a whole. They know that they are educationally backward and that they cannot at present hold their own; but they can also see that the rising generation is getting an education which was not available to them when they were young, so that the position of their community should improve within a foreseeable space of time.

64. All this, combined with an innate dislike of change and a distrust of new ideas, leads the majority of the Land Dayaks to wish to remain under British guardianship for at least a number of years longer. They pointed out that Sarawak was their only

home and that they wanted to run no risks that it might be destroyed by others, as they feared it would be if people came in from outside. They did not think they were ready for independence but, if it had to come, they wanted Sarawak to become independent on its own and to remain in the Commonwealth.

65. Another important factor in Land Dayak thinking on the Malaysia scheme is the recollection—handed down from earlier generations—of rule by Brunei and Kuching Malays. This arouses antipathy to any proposals which might involve the return of Malay hegemony in any form and leads them to view Malaysia (particularly under that name) at best with considerable reserve.

66. While this was the general attitude, there were some exceptions among the more thoughtful of the Land Dayaks who appeared before us. These had studied the Government Paper and agreed that the idea of Malaysia was a good one, but asked that matters should not be hurried. Particular points in which interest was shown were the position of the Head of State who, it was asked, should be eligible for election to the position of Head of the Federation; the safeguarding of customary land rights; and the strict control of immigration.'

NOTES

(1) The extreme South-West of Sarawak around Kuching.
(2) Say 8 per cent. of the total population of Sarawak of 744, 529 at the 1960 Census.

The largest element of the 'hard core' of outright opposition to the Malaysia scheme was found among the Chinese community of Sarawak and in particular among the Sarawak United People's Party, to which the following extracts from the Report of the Commission of Enquiry relate. It is necessary to distinguish two different phenomena. First, many of the Sarawak Chinese, like their brethren in Singapore and other non-Malay communities in the Borneo territories, were apprehensive about joining a federation in which Malay political influence and leadership was dominant. Secondly, there was a relatively strong communist, or near-communist, element among the Sarawak Chinese which was opposed to entering a federation under declared anti-communist leadership. This second element had been swelled in recent years by the admission to Sarawak

of a number of Chinese born in Malaya who had chosen to return to China, often as students to continue their education in China, and who had been unable to obtain readmission to Malaya (where no obstacle was placed in the way of Chinese who wished to go to China but there was a general ban on their readmission). Some at least of these returned students had become agents of the communist government of China.

In the document which follows there is reference to certain Principles set out in the Preamble to the Sarawak Constitution granted under Brooke rule in 1941. The relevant Principles are:

7. That so far as may be Our Subjects of whatever race or creed shall be freely and impartially admitted to offices in Our Service, the duties of which they may be qualified by their education, ability and integrity duly to discharge.

8. That the goal of self-government shall always be kept in mind, that the people of Sarawak shall be entrusted in due course with the governance of themselves, and that continuous efforts shall be made to hasten the reaching of this goal by educating them in the obligations, the responsibilities and the privileges of citizenship.

DOCUMENT 12. PARAGRAPHS 74–75 AND 79–83 OF THE REPORT OF THE COMMISSION OF INQUIRY, NORTH BORNEO AND SARAWAK, DEALING WITH THE CHINESE COMMUNITY AND THE SARAWAK UNITED PEOPLES PARTY OF SARAWAK.

74. The *Chinese* are the next largest community in Sarawak after the Ibans and it is probable that within a few years they will become the largest. At the time of the 1960 census, the quite remarkable figure of over 50 per cent. of the Chinese population was under the age of fifteen nad this is bound to create an acute employment problem in a few years' time, particularly among those whose education has been solely in Chinese-medium schools. The Chinese live largely in the towns where they are shopkeepers, artisans, clerks and labourers, and in the environs of towns where they are market gardeners and small holders. A number are growers of rubber and pepper. About 80 per cent. of the total number of Chinese in the country were born in Sarawak and, of the remaining 20 per cent. a high proportion have been settled in Sarawak for many years.

75. The bulk of the evidence submitted to us from Chinese sources did not favour Malaysia. Numerically a very high proportion of the Chinese who actually appeared before us came in groups putting SUPP views which we record later. . . .

Sarawak United Peoples Party

79. This was the first political party to be formed in Sarawak and it was registered in June 1959. At the time of our arrival in Kunching in the middle of February 1962, it claimed a registered membership of 41,836 of which 23,929 were Chinese, 12,359 Ibans and 5,568 Land Dayaks, Malays and other indigenous races; and to have 46 branches and sub-branches throughout the five divisions of Sarawak. The main objective of the party was stated to us to be the welding together of the different races in the country into one community with a common loyalty to Sarawak and to work for self-government and independence. The party opposed the Malaysia Plan on the grounds that it involves the transfer of political power from the United Kingdom to another Sovereign State and that consequently it calls on the people of Sarawak to accept a different and alien loyalty. It maintains that, in accordance with the eighth of the nine Cardinal Principles of the British Rajahs which the United Kingdom accepted at the cession of Sarawak to the Crown in 1946, Sarawak should be granted self-government and independence when the British Government relinquishes control. The next stage should be a closer association with Brunei and North Borneo and only then should a Federation with Malaya and Singapore be considered. On one or two occasions SUPP delegates expressed readiness to consider a Federation of Malaysia after independence; but it was stressed that the matter is of such importance to the people of Sarawak that they should be given the opportunity to decide for themselves after they had gained their independence, and when they can negotiate their own terms. It was contended that it could cause division, unhappiness and even bloodshed if Sarawak was rushed into a Malaysian Federation. If, in spite of the party's views it was proposed to pursue the idea of a Malaysian Federation, no decision should be reached without holding a referendum organised on democratic lines.

80. Other specific point made by the party were:

(a) The party drew attention to the bitter memories associated with foreign oppression in the past, particularly in the case of the Land Dayaks, and domination by a Malay hierarchy, particularly in the case of the Ibans.

(b) The party agrees that the less advanced of the various racial communities should be given more opportunities to improve their standards of living, but it objects to the inclusion in the Constitution of measures which would perpetuate discrimination against a class of citizens of the country as contravening the seventh of the Cardinal Principles of the Sarawak Constitution. The same applies to the recommendations on citizenship in the report of the Malaysia Solidarity Consultative Committee.

(c) The party does not agree that the proposed Federation of Malaysia would give Sarawak greater security against aggression. It argues that Malaya itself is subject to Communist infiltration and is in fact in greater danger than the Borneo territories; and that the geographical distance between Malaya and Sarawak would make it difficult for Malaya to defend Sarawak.

(d) The party considers that economically and financially Sarawak is more stable and has better prospects of survival than Malaya.

(e) Islam is not acceptable to the party as a national religion, nor is Malay acceptable as a national language.

(f) The party contends that the incorporation of safeguards in Constitutions, for example, to meet some of the points mentioned, was not invariably effective and the party's memorandum referred to the fact that the Constitution of the Federation of Malaya had recently been amended in important respects on the question of citizenship.

81. We received a delegation from the party's headquarters

in Kuching on our first arrival and, later, during our tour through Sarawak, we received delegations from a large number of the party's branches. These delegations varied greatly in character. In nearly all areas they were predominantly and, more often than not, exclusively Chinese; but in the Second Division we received a number of Iban delegations. Delegations from Trades Union Congress and Wharf Labourers' Associations, although not appearing as representative of SUPP, expressed identical views.

82. The party's platform on the subject of the Malaysia proposals, as presented by the delegation from the party's headquarters, was such as to deserve careful and sympathetic examination. Many members of the party delegations throughout the country were responsible persons, presenting serious views to which we have given due weight. But at a very early stage we had evidence that a large section of the party's supporters had other motives for its opposition to Malaysia. It is clear to us that, although the origin and leadership of the party are in no way Communist, there has recently been a high degree of Communist infiltration and influence in the party. It was equally clear that the Communist elements have worked on two other elements which form the main components of the party—those Chinese who are fearful that Malaysia would reduce their status in Sarawak in comparison with other races, and the younger Chinese who are educated, nationalistic, and suffer from a sense of frustration.

83. Some of the party's delegations were aggressive; in other delegations the spokesman was sometimes unable to answer the Commission's questions and sometimes unwilling or afraid to do so. On such occasions it was usually possible to pick out another member of the delegation who was watching carefully what the spokesman said. In a number of instances, delegations consisting almost entirely of Chinese were headed by a spokesman of another race and we could only assume that this was done to convey the impression that the delegation was multiracial. One argument which some of the more aggressive delegations advanced was that conditions in Malaya were thoroughly bad; that there was much unemployment and that daily wages were far below those current in Sarawak. They were said to have read this information in Chinese newspapers.

The Commission recommended unanimously in favour of North Borneo and Sarawak joining Malaysia (and on the detailed safeguards on particular issues—with some divergence of view on the exact status of Islam). The British and Malayan members disagreed over the best method of reassuring the doubters. The British members recommended a two-phase accession to Malaysia under which North Borneo and Sarawak would continue to have very wide powers of local self-government for five years before becoming fully-fledged members of the Federation of Malaysia. The argument for this transitional phase was that it would permit the evolution in each territory of local political leadership and responsibility which would enable it to hold its own with the more advanced Malayan partners on becoming full members.

The Malayan members feared that if the full creation of Malaysia was thus phased out over a period of years conflict between those who favoured and those who opposed Malaysia would become embittered and might lead to racial strife. They also considered that the immaturity of political leadership in the two territories had been exaggerated. They therefore recommended the outright accession of North Borneo and Sarawak to Malaysia but with a transitional period of *administrative* delegation of federal powers back to the two State governments so that for a time they would be less subject to external direction. In the event the Malayan Government was able to persuade the British Government that the latter formula was the better one—and it was adopted.

To round off these brief extracts from the long and conscientious findings and recommendations of the Commission here are two short passages in which the Malayan members record the hopes and fears of the ordinary people of the Borneo territories. The future of the Federation of Malaysia may depend on how far these feelings are realised or allayed.

DOCUMENT 13. EXTRACTS (PARAGRAPHS 178-9 AND 221) FROM THE MINORITY REPORT OF THE MALAYAN MEMBERS OF THE COMMISSION OF INQUIRY, NORTH BORNEO AND SARAWAK.

178. Many other groups and individuals, usually from the more remote areas, have also expressed their misgivings on these

lines. They feel that they are being rushed into some adventure, of whose outcome they are uncertain. Fear is the dominating factor among them—fear of Malay domination, fear of Muslim subjugation because of the proposal that Islam should be the official religion of the Federation of Malaysia, fear of being swamped by people from Malaya and Singapore who would deprive them of the land and opportunities in Government and other enterprises, fear of the threat to their language and cultures and so on. These are genuine and understandable fears. Bitter memories of their experience of civil and internecine strife, and of the unhappy relationship which they had with the former Brunei Administration have served to accentuate these fears. They are furthermore satisfied with the present colonial administration, and entertain expectations of more progress in the future.

179. In the course of the interviews with them, we found their candour most refreshing and we were deeply impressed by the trust they showed for the present colonial administration. Nevertheless, they are not categorically opposed to Malaysia; they are merely puzzled and afraid. We feel therefore that if their apprehensions for the future could be allayed by positive assurances, and their misapprehensions of the scheme removed by patient explanations and tangible demonstrations, the bulk of these people would find it possible to withdraw their objections. We have no doubt that any lingering misgivings which they may have could be removed if the colonial administration could unequivocally commend the Malaysia proposals to them. . . .

221. Great expectations have been engendered among the rural populations by the publicity given to rural development in Malaya, through sponsored visits to Malaya and otherwise. By the great majority of the population, who are little concerned with the developments of world politics, Malaysia will be judged by whether or not it delivers the goods in the form of rural improvements, schools, and medical and other social services. It is essential that, from its inception, Malaysia should offer, and be seen to offer, definite advances in these fields. It will be no less important to step up rapidly training schemes for young men and women for professional, technical and administrative posts, with the objective that the standard of technical

skills may be raised and a firm basis provided for accelerated economic growth.

Not the least part of the cost of Indonesian confrontation of Malaysia is that so much money and effort have necessarily been diverted from these tasks of rural improvement to the defence of the new Federation against external pressure.

PART II

Defence Aspects

Apart from its responsibilities for the Borneo territories the British government was also much concerned with the impact of the Malaysia project on its defence arrangements in South-East Asia. The aims of British policy in this region are broadly (1) to divest itself of the direct responsibilities of colonial rule wherever possible—in fact since 1963 Hong Kong is the only remaining British colony in this part of the world—and (2) to prevent the area from falling under Communist domination, whether from China or any other centre of Communist power.

In these aims Britain has found herself in general agreement with American policy as regards objectives—though not always over methods. The Philippines and Thailand also were prepared to join in measures of defence against the possibility of Chinese aggression. Out of these common interests came the South-East Asia Treaty Organisation (SEATO) established in 1955 before Malaya attained its independence.

There is however a strong tide of feeling in many Asian countries against becoming aligned with the Western powers in opposition to the Communist powers. This sentiment is particularly strong in Indonesia as will appear later in this book. In Malaya the presence of a very large Chinese element in the population makes it virtually impossible for the government to join SEATO—and it has steadfastly refused to do so. On the other hand Malaya is anti-communist but lacks the military resources with which to stand alone against the threat of Communism, whether by subversion within her borders or by external attack.

Out of this situation came the Anglo-Malayan Defence Treaty of 1957 by which Malaya, on attaining her independence, sought aid from Britain (and through Britain from

Australia and New Zealand also) and agreed that British and other Commonwealth forces should, as before, be stationed in Malaya.

Before we come to the text of this Treaty there are certain points which require emphasis. First, the 1957 Treaty in its original form extended only to the Federation of Malaya; Britain at that time retained complete freedom to station troops in Singapore, which was the major British base in South-East Asia, because Singapore was then still a British colony. Secondly, the motives for the 1957 Treaty were to secure Malaya against the possibility of Chinese aggression and the more immediate threat of Communism within her borders; the Treaty was not aimed at Indonesia with which Malaya hoped to maintain amicable relations. Thirdly, the Treaty did not give Britain *carte blanche* to station a strategic reserve in Malaya for use in any operations which might arise in the region; on the contrary Article VIII of the Treaty expressly provides that the prior consent of the Malayan government was required for the movement of British forces from Malaya to take part in operations unconnected with the defence of British or Malayan territory. In practice this meant that British forces could not be used in SEATO operations except in the defence of Malaya itself, Hong Kong, Singapore or the British territories in Borneo; they could not be used, for example, in an Anglo-American defence of Thailand—unless Malaya agreed. However the letter of this stipulation, though not the spirit, would have been respected if the troops had first been moved from Malaya to Singapore and then on to wherever SEATO required them—in fact the question never arose.

DOCUMENT 14. AGREEMENT ON EXTERNAL DEFENCE AND MUTUAL ASSISTANCE BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM AND OF THE FEDERATION OF MALAYA. OCTOBER 1957. (HMSO CMND. 263)

Whereas the Federation of Malaya is fully self-governing and independent within the Commonwealth;

And whereas the Government of the Federation of Malaya and the Government of the United Kingdom and Northern

Ireland recognise that it is in their common interest to preserve peace and to provide for their mutual defence;

And whereas the Government of the Federation of Malaya has now assumed responsibility for the external defence of its territory;

Now therefore the Government of the Federation of Malaya and the Government of the United Kingdom and Northern Ireland have agreed as follows:

Article 1

The Government of the United Kingdom undertake to afford to the Government of the Federation of Malaya such assistance as the Government of the Federation of Malaya may require for the external defence of its territory.

Article 2

The Government of the United Kingdom will furnish the Government of the Federation of Malaya with assistance of the kind referred to in Annex 1 of this Agreement, as may from time to time be agreed between the two Governments for the training and development of the armed forces of the Federation.

Article 3

The Government of the Federation of Malaya will afford to the Government of the United Kingdom the right to maintain in the Federation such naval, land and air forces including a Commonwealth Strategic Reserve as are agreed between the two Governments to be necessary for the purposes of Article 1 of this Agreement and for the fulfilment of Commonwealth and international obligations. It is agreed that the forces referred to in this Article may be accompanied by authorised service organisation, and civilian components (of such size as may be agreed between the two Government to be necessary) and dependants.

Article 4

The Government of the Federation of Malaya agrees that the Government of the United Kingdom may for the purposes

of this Agreement have, maintain and use bases and facilities in the Federation in accordance with the provisions of Annexes 2 and 4 of this Agreement and may establish, maintain and use additional bases and facilities as may from time to time be agreed between the two Governments. The Government of the United Kingdom shall at the request of the Government of the Federation of Malaya vacate any base or part thereof; and in such event the Government of the Federation of Malaya shall provide at its expense agreed alternative accomodation and facilities.

Article 5

The conditions contained in Annex 3 of this Agreement shall apply to the forces, the authorised service organisations, the civilian components and the dependants referred to in Article 3 while in the territory of the Federation of Malaya in pursuance of this Agreement.

Article 6

In the event of a threat of armed attack against any of the territories or forces of the Federation of Malaya or any of the territories or protectorates of the United Kingdom in the Far East or any of the forces of the United Kingdom within those territories or protectorates or within the Federation of Malaya, or other threat to the preservation of peace in the Far East, the Governments of the Federation of Malaya and of the United Kingdom will consult together on the measures to be taken jointly or separately to ensure the fullest co-operation between them for the purpose of meeting the situation effectively.

Article 7

In the event of armed attack against any of the territories or forces of the Federation of Malaya or any of the territories or protectorates of the United Kingdom in the Far East or any of the forces of the United Kingdom within any of those territories or protectorates or within the Federation of Malaya, the Governments of the Federation of Malaya and of the United

Kingdom undertake to co-operate with each other and will take such action as each considers necessary for the purpose of meeting the situation effectively.

Article 8

In the event of a threat to the preservation of peace or the outbreak of hostilities elsewhere than in the area covered by Articles 6 and 7 the Government of the United Kingdom shall obtain the prior agreement of the Government of the Federation of Malaya before committing United Kingdom forces to active operations involving the use of bases in the Federation of Malaya; but this shall not affect the right of the Government of the United Kingdom to withdraw forces from the Federation of Malaya.

Article 9

The Government of the United Kingdom will consult the Government of the Federation of Malaya when major changes in the character or deployment of the forces maintained in the Federation of Malaya as provided for in Article 3 are contemplated.

Article 10

The Government of the Federation of Malaya and the Government of the United Kingdom will afford each other an adequate opportunity for comment upon any major administrative or legislative proposals which may affect the operation of this Agreement.

Article 11

[Definitions—not reproduced here]

Article 12

This Agreement shall come into force on the date of signature.

Annex I

ASSISTANCE BY THE UNITED KINGDOM TO THE ARMED FORCES OF THE FEDERATION

The Government of the United Kingdom having already undertaken to finance certain capital costs of expansion of the armed forces of the Federation further agree to foster the closest co-operation between the armed forces of the two countries, including joint training of unit formations; and to provide, if so requested by the Government of the Federation of Malaya:

(a) personnel to assist in the staffing, administration and training of the armed forces of the Federation;
(b) facilities, including instructional courses abroad, for training members of the armed forces of the Federation;
(c) expert advice and assistance in operational and technical matters;
(d) use of facilities within the United Kingdom for the maintenance and logistic support of the armed forces of the Federation;
(e) assistance in the supply of equipment for the armed forces of the Federation.

The Anglo-Malayan Defence Treaty of 1957 worked to the satisfaction of both parties. In Singapore too there was no wish to end the arrangement by which Britain maintained a major base on that island since about one quarter of all the jobs of Singapore workers depended, directly or indirectly, on the existence of the base. Yet if the 1957 Treaty were extended to the whole of Malaysia, Article 8 would in effect prevent the use of British forces based on Singapore in SEATO operations unless the Malaysian government had given its consent. The Malaysian government, with its own public opinion to consider, would find this situation as embarassing as would the British.

The problem was resolved by agreeing that British forces in Singapore might be used 'for the preservation of peace in South East Asia'. In effect Article 8 was not to apply to Singapore. The relevant text was part of a joint Malayan-British statement issued at the end of the Tunku's visit to London in November 1961.

DOCUMENT 15. ANNEX B TO THE JOINT STATEMENT BY THE GOVERNMENTS OF THE UNITED KINGDOM AND OF THE FEDERATION OF MALAYA. NOVEMBER 1961. (HMSO CMND. 1563)

The Government of the United Kingdom and the Government of the Federation of Malaya have agreed, in the event of the creation of the proposed Federation of Malaysia, that the Agreement on External Defence and Mutual Assistance of 1957 and its Annexes shall be extended to apply to all the territories of the Federation of Malaysia, and any references in that Agreement to the Federation of Malaya shall be deemed to apply to the Federation of Malaysia, subject to the proviso that the Government of the Federation of Malaysia will afford to the Government of the United Kingdom the right to continue to maintain the bases and other facilities at present occupied by their Service authorities within the State of Singapore and will permit the United Kingdom to make such use of these bases and facilities as the United Kingdom may consider necessary for the purpose of assisting in the defence of Malaysia, and for Commonwealth defence and for the preservation of peace in South East Asia.'

This text was reproduced as Article 6 of the Agreement of July 1963 between the United Kingdom government and the governments of the territories of the future Malaysia. It is also the 'Agreement' referred to in Document 21 as having been discussed at the Manila Conference.

PART III

Indonesian and Philippine Reactions

Just when it seemed that all had been agreed for the establishment of Malaysia, the project ran into stormy seas at the end of 1962 and became the subject of acute controversy.

First in time and least in importance was a quickly suppressed revolt in the Malay State of Brunei in Borneo. The revolt seems to have been a spontaneous release of local discontents. As we have seen, there was a feeling in the Borneo territories that 'they are being rushed into some adventure, of whose outcome they are uncertain.' (p. 95 above). The sheer pressure of official explanation and persuasion produced its reaction among simple people led by politicians anxious to restore the ancient glories of Brunei as overlord of northern Borneo. A few months later (in July 1963) the Sultan of Brunei, for reasons which have not been disclosed, decided against bringing his State into Malaysia. These reasons are understood to include a disagreement on the ultimate disposal of Brunei's substantial royalties from her oilfields and a dispute as to whether the Sultan would take seniority among the royal Rulers of Malaysia from his date of accession to the throne, which would strengthen his claim to election as Paramount Ruler (see p. 59) or from from the date of Brunei's entry into Malaysia.

Secondly, in the first half of 1963 there was a public and rancorous dispute between the Governments of Malaya and of Singapore over the question of Singapore's financial contribution to the central revenues of Malaysia. This issue was settled at the London conference in July 1963 but it did lasting damage. The harmony between the leaders in Singapore and Kuala Lumpur on which the Malaysia project had been founded was gone; distrust took its place. Both sides began to realise that each was going to find the other a more difficult yokemate than

they had once hoped. There was also a personal conflict between the Chinese Minister of Finance in the Malayan Government and the Chinese Prime Minister of Singapore which developed, as we shall see, into a struggle for ascendency and leadership among the Malayan Chinese generally. The former, essentially conservative, accepted the pattern of communal parties grouped in an intercommunal coalition (the Alliance) which had governed Malaya since 1955. Mr. Lee Kuan Yew, a radical and a socialist, believed that the permanent reconciliation of communal tensions would only be found in a non-communal party system with lines of cleavage over issues of policy rather than ties of race. The Malay objection to such a system is that without a Malay communal party they would lose control of the forceful Chinese. This is one of the fundamental problems of Malaysia.

Thirdly, Indonesian and Philippine antagonism to the Malaysia project found open expression in support for the leaders of the Brunei revolt. So long as the differences between the proposed partners in Malaysia threatened to destroy it before it could be born, the hostility of Malaya's neighbours was held in check. Once Malaysia surmounted its final hurdle at the London conference in July 1963 intra-regional conflict became acute. (*Note:* the Agreement signed in London in July extends to 234 printed pages and is largely technical; hence it is not included here).

We now enter on an aspect of Malaysia which is a welter of propaganda. It may be as well to begin with a relatively moderate and restrained statement of the Indonesian case.

DOCUMENT 16. EXTRACT FROM 'A SURVEY OF THE CONTROVERSIAL PROBLEM OF THE ESTABLISHMENT OF THE FEDERATION OF MALAYSIA' ISSUED BY THE INDONESIAN EMBASSY IN LONDON. FEBRUARY 1964.

4. The stability and security of the region of South East Asia is of prime importance for all countries of the region, including Indonesia. It is the view of the Indonesian Government that any change in the *status quo* of the region could easily affect, in one way or the other, the security and stability of any country in that region. Such a change should, therefore, be regarded as

a matter for mutual consultations among the countries most concerned. Without mutual understanding among the neighbours, a change in the *status quo* of a region is likely to result in far-reaching consequences in the security and stability of that region.

Consequently the British-Malaya plan to bring about a change of status of the British colonial territories in Northern Kalimantan (Borneo) namely Sabah and Sarawak, by integrating them into the extended Federation of Malaya under the new name of Malaysia, was considered by Indonesia not only as an important change for the territories concerned by it, but undoubtedly would affect the *status quo* of the whole region of South East Asia.

Decades of bitter experiences of the Indonesian people in their struggle against colonialism and imperialism have imparted to them a mental alertness and a sharper insight into the subtleties of colonial politics, just enough to discern the implied meaning of such an imposed change in the status of those British colonial territories.

It is, therefore, only understandable that Indonesia could not remain passive towards such developments in that area, because of its physical and geographical proximity. It became more and more keenly interested in what the British Government was planning and doing in those British colonial territories which are geographically linked with Indonesia. The people of Indonesia have since then been keeping a watchful eye on their northern borders. As Dr. Ali Sastroamidjojo, chairman of the influential Indonesian Nationalist Party, has put it: 'Indonesia cannot take an indifferent attitude towards the idea of Malaysia but should closely follow further developments to determine whether or not Malaysia is of benefit to Indonesia.'

With the availability of more and more information material on the projected Malaysia, suspicion was growing as to the real intentions of the British-Malaya scheme in that area. For instance, Article 6 of the 'Agreement relating to Malaysia' stipulates among other things that Malaysia will afford to the United Kingdom the right to continue to maintain military bases and permit the Government to make such use of those bases as it may consider necessary for . . . the preservation of peace in South East Asia.

Such a provision in a bilateral agreement between the United Kingdom and Malaysia, which arrogates to itself the right to include other areas beyond those of the contracting parties without the consent of the respective Governments concerned, cannot be interpreted but as having disguised ulterior motives towards the immediate neighbours of the projected Malaysia. For reasons of national security, Indonesia cannot have any alternative but to oppose such a British-Colonial inspired Malaysia.

The parties first attempted to resolve their differences by negotiation. There was a conference in June 1963 at Manila of the Foreign Ministers of Indonesia, Malaya and the Philippines which produced a document known as the 'Manila Accord'. This was followed in August 1963 by a second Manila Conference of the Presidents of Indonesia and the Philippines and the Prime Minister of Malaya which produced the 'Manila Declaration' and other statements.

In one sense these documents were wasted effort because within a few weeks Indonesia and Malaya were almost at war with each other and diplomatic relations between the Philippines and Malaya had been broken off. In another sense the documents are important as a record of pledges which each party reproaches the other with breaking and as a formulation *in words* of a compromise solution which they failed to put into effect.

In reading these documents it should be realised that behind the high-sounding verbiage there had been tough negotiation and conflict resolved with the utmost difficulty. In particular President Sukarno and Tunku Abdul Rahman cordially dislike each other. The Indonesian President had climbed to power from humble origins by way of Dutch prisons and armed revolution. He despises the Malay prince as being, like his Indonesian counterparts, in the camp of the colonial power. The Tunku, disconcerted and displeased by the flamboyant demagoguery of Dr. Sukarno, distrusts his domestic alliance with Indonesian communism and despises his régime for the economic chaos which it has allowed to engulf a once prosperous country.

The Tunku's style of speaking is illustrated elsewhere

(Documents 1, 3 and 21). By way of contrast here is a passage, reproduced in Indonesian official propaganda, from Dr. Sukarno's closing address to the Manila Conference. Note the references to (1) the first conference of Afro-Asian countries held at Bandung in Indonesia in 1955, which was the high-water mark of Indonesian diplomacy; (2) the 'New Emerging Forces' which denotes those Afro-Asian powers which support Indonesian policies; (3) the phrase in French (or it can elsewhere be some other foreign language); and (4) 'Mushawarah' (Document 19 para 5 and 20 para 10)—an Indonesian word denoting the deliberation of village elders which has been adapted by Sukarno as a key concept of his variety of guided democracy ('democracy à l'Indonesie,' he sometimes calls it)—it means something like arriving at a consensus. All these are characteristic touches of his very effective style of oratory.

DOCUMENT 17. EXTRACT FROM A SPEECH BY PRESIDENT SUKARNO AT THE MANILA CONFERENCE, AUGUST 1963. QUOTED IN 'THE PROBLEM OF MALAYSIA' PUBLISHED BY THE 'INDONESIAN HERALD' OF JAKARTA AND DISTRIBUTED BY THE INDONESIAN EMBASSY IN LONDON.

Asia is one. Asia has awakened, and not only Asia but also Africa. This is history, and you cannot escape history. Imperialist nations, you cannot escape history, the history that Asia has awakened, the history that Africa has awakened. Imperialist countries, you cannot escape history, that the MAPHILINDO (MAlaya, PHILippines, INDOnesia) has been born. You cannot escape history that the Bandung principles have become the principles of all fighting nations. You cannot escape history, that Asian nations, African nations, Latin American nations, socialist nations now congregate as a big force in the 20th [century] history—the new emerging forces, fighting against 'exploitation de l'homme par l'homme' —exploitation of man by man—fighting against the old established order, in order that mankind can live in a more happy world, a new world of brotherhood of people, of prosperity without exploitation of man by man. You cannot escape that history. And we nations of Asia and Africa and Latin America

and the socialist nations, we are in this great army of the New Emerging Forces.

Let us now return to the first Manila Conference (of Foreign Ministers) held in June 1963. Its purpose was to prepare the way for a later conference of Heads of Government and in particular to prepare the way for (1) a closer association of Indonesia, the Philippines and Malaya (or Malaysia) in what was—by a combination of syllables from their names—to be called 'Maphilindo' and (2) an acceptable compromise on the disputed question of the inclusion of the Borneo territories in the Malaysia federation.

For tactical reasons both Indonesia and the Philippines professed to be concerned lest the peoples of the Borneo territories should be taken into Malayan tutelage against their will. Of the more substantial reasons for Indonesian policy something has been shown in Document 16. Indonesia also feared that the enlarged Malaysia would compete with her for the leadership of South-East Asia. There was a gnawing anxiety lest the outlying parts of Indonesia, especially the productive island of Sumatra, should break away and join Malaysia. In 1958 there had been a revolt in Sumatra (and also in the Celebes) and the Indonesian Government (see Document 26 para 74) thought that the rebels obtained munitions and other help through Singapore. If it was so, this aid was private enterprise for reward and not officially promoted. However the memory of that event has left in the mind of Dr. Sukarno and his Javanese entourage a conviction that Britain intends through her bases in Malaya to subvert and break up the Indonesian Republic. The motives underlying Philippine policy are considered later (see p. 147).

Some of these points appear expressly or by implication in the Manila documents which follow. In view of what followed note that paragraph 10 of Document 18 does not call for a plebiscite in the Borneo territories. Note also paragraph 3 of Document 18 and paragraphs 10 and 11 of Document 20 which the Indonesians construed as a commitment by the other powers to end their alliances with the western powers whereas they regarded them as a polite obeisance to a distant objective.

DOCUMENT 18. THE MANILA ACCORD. JUNE 1963. REPORT AND RECOMMENDATIONS OF THE CONFERENCE OF FOREIGN MINISTERS OF THE FEDERATION OF MALAYA, THE REPUBLIC OF INDONESIA AND THE REPUBLIC OF THE PHILIPPINES TO THEIR RESPECTIVE HEADS OF GOVERNMENT. PUBLISHED (AND ALSO DOCUMENTS 19 AND 20 WHICH FOLLOW) BY GOVERNMENT PRESS, KUALA LUMPUR IN 'MALAYA/INDONESIA RELATIONS 1957-63' AND BY THE INDONESIAN EMBASSY IN LONDON IN 'THE PROBLEM OF MALAYSIA'.

1. The Governments of the Federation of Malaya, the Republic of Indonesia and the Republic of the Philippines, prompted by their keen and common desire to have a general exchange of views on current problems concerning stability, security, economic development and social progress of the three countries and of the region and upon the initiative of President Diosdado Macapagal, agreed that a Conference of Ministers of the three countries be held in Manila on 7th June 1963, for the purpose of achieving common understanding and close fraternal co-operation among themselves. Accordingly, Tun Abdul Razak Deputy Prime Minister of the Federation of Malaya; Dr. Subandrio, Deputy First Minister/Minister for Foreign Affairs of the Republic of Indonesia; and Honourable Emmanuel Pelaez, Vice-President of the Philippines and concurrently Secretary of Foreign Affairs, met in Manila from 7 to 11 June, 1963.

2. The deliberations were held in a frank manner and in a most cordial atmosphere in keeping with the spirit of friendship prevailing in the various meetings held between President Soekarno of the Republic of Indonesia, and Prime Minister Tunku Abdul Rahman Putra of the Federation of Malaya, and President Diosdado Macapagal. This Ministerial Conference was a manifestation of the determination of the nations in this region to achieve closer co-operation in the endeavour to chart their common future.

3. The Ministers were of one mind that the three countries share a primary responsibility for the maintenance of the stability and security of the area from subversion in any form or manifestation in order to preserve their respective national identities, and to ensure the peaceful development of their

respective countries and of their region, in accordance with the ideals and aspirations of their peoples.

4. In the same spirit of common and constructive endeavour, they exchanged views on the proposed Confederation of nations of Malay origin, the proposed Federation of Malaysia, the Philippine claim to North Borneo and related problems.

The Macapagal Plan

5. Recognising that it is in the common interest of their countries to maintain fraternal relations and to strengthen co-operation among their peoples who are bound together by ties of race and culture, the three Ministers agreed to intensify the joint and individual efforts of their countries to secure lasting peace, progress and prosperity for themselves and for their neighbours.

6. In this context, the three Ministers supported President Macapagal's plan envisaging the grouping of the three nations of Malay origin working together in closest harmony but without surrendering any portion of their sovereignty. This calls for the establishment of the necessary common organs.

7. The three Ministers agreed to take the initial steps towards this ultimate aim by establishing machinery for frequent and regular consultations. The details of such machinery will be further defined. This machinery will enable the three governments to hold regular consultations at all levels to deal with matters of mutual interest and concern consistent with the national, regional and international responsibilities or obligations of each country without prejudice to its sovereignty and independence. The Ministers agreed that their countries will endeavour to achieve close understanding and co-operation in dealing with common problems relating to security, stability, economic, social and cultural development.

8. In order to accelerate the process of growth towards the ultimate establishment of President Macapagal's plan, the Ministers agreed that each country shall set up its own National Secretariat. Pending the establishment of a Central Secretariat for the consultative machinery, the National Secretaries should co-ordinate and co-operate with each other in the fulfilment of their tasks.

9. The Ministers further agreed to recommend that Heads of Government and Foreign Ministers meet at least once a year for the purpose of consultations on matters of importance and common concern.

Malaysia and North Borneo

10. The Ministers reaffirmed their countries' adherence to the principle of self-determination for the peoples of non-self-governing territories. In this context, Indonesia and the Philippines stated that they would welcome the formation of Malaysia provided the support of the people of the Borneo territories is ascertained by an independent and impartial authority, the Secretary-General of the United Nations or his representative.

11. The Federation of Malaya expressed appreciation for this attitude of Indonesia and the Philippines and undertook to consult the British Government and the Governments of the Borneo territories with a view to inviting the Secretary-General of the United Nations or his representative to take the necessary steps in order to ascertain the wishes of the peoples of those territories.

12. The Philippines made it clear that its position on the inclusion of North Borneo in the Federation of Malaysia is subject to the final outcome of the Philippine claim to North Borneo. The Ministers took note of the Philippine claim [see pp. 148 et seq.] and the right of the Philippines to continue to pursue it in accordance with international law and the principle of the pacific settlement of disputes. They agreed that the inclusion of North Borneo in the Federation of Malaysia would not prejudice either the claim or any right thereunder. Moreover in the context of their close association, the three countries agreed to exert their best endeavours to bring the claim to a just and expeditious solution by peaceful means, such as negotiation, conciliation, arbitration, or judicial settlement as well as other peaceful means of the parties' own choice, in conformity with the Charter of the United Nations and the Bandung Declaration.

13. In particular, considering the close historical ties between the peoples of the Philippines and North Borneo as well as

their geographical propinquity, the Ministers agreed that in the event of North Borneo joining the proposed Federation of Malaysia the Government of the latter and the Government of the Philippines should maintain and promote the harmony and the friendly relations subsisting in their region to ensure the security and stability of the area.

Meeting of Heads of Government

14. The Ministers agreed to recommend that a Meeting of their respective Heads of Government be held in Manila not later than the end of July 1963.

15. The Ministers expressed satisfaction over the atmosphere of brotherliness and cordiality which pervaded their meeting and considered it as a confirmation of their close fraternal ties and as a happy augury for the success of future consultations among their leaders.

16. The Ministers agreed to place on record their profound appreciation of and gratitude for the statesmanlike efforts of President Macapagal whose courage, vision and inspiration not only facilitated the holding of this historic meeting but also contributed towards the achievement for the first time of a unity of purpose and a sense of common dedication among the peoples of Malaya, Indonesia and the Philippines.

At the time of the Foreign Ministers' conference in June 1963 Indonesia and the Philippines could take comfort from the fact that negotiations between Singapore and the Federation of Malaya had almost reached deadlock and there might never be a Malaysia. The conference of Heads of Government, also at Manila, in early August took place in a different atmosphere. The internal difficulties of forming Malaysia had been resolved at a conference held in London in July, and 31 August 1963 had already been fixed as the date on which Malaysia was to come into being. Indonesia and the Philippines were therefore concerned (1) to secure a postponement of the establishment of Malaysia so as to gain time for other manoeuvres and (2) to extract from Malaya undertakings which would alter the character of the proposed Federation of Malaysia and submerge it in a wider association with themselves. Malayan strategy

was to make the minimum concessions which would avoid a head-on conflict and to press on with creating Malaysia.

Two agreed documents emerged from the conference—the Manila Declaration and the 'Joint Statement'—which are reproduced below. The three key points are (1) the decision to establish a Maphilindo confederation of the three powers (2) the invitation to the United Nations Secretary-General to ascertain whether the peoples of the Borneo territories really favoured entering the Malaysia federation and (3) the passage on common defence and foreign bases at paragraphs 10 and 11 of the Joint Statement.

DOCUMENT 19. THE MANILA DECLARATION. AUGUST 1963. (PUBLISHED IN THE SAME WAY AS DOCUMENT 18).

The President of the Republic of Indonesia, the President of the Philippines and the Prime Minister of the Federation of Malaya, assembled in a Summit Conference in Manila from 30 July to August 5, 1963, following the Meeting of their Foreign Ministers held in Manila from June 7 to 11, 1963:

Conscious of the historic significance of their coming together for the first time as leaders of sovereign States that have emerged after long struggles from colonial status to independence:

Desiring to achieve better understanding and closer co-operation in their endeavour to chart their common future:

Inspired also by the spirit of Asian-African solidarity forged in the Bandung Conference of 1955:

Convinced that their countries, which are bound together by close historical ties of race and culture, share a primary responsibility for the maintenance of the stability and security of the area from subversion in any form or manifestation in order to preserve their respective national identitites and to ensure the peaceful development of their respective countries and their region in accordance with the ideals and aspirations of their peoples: and

Determined to intensify the joint and individual efforts of their countries to secure lasting peace, progress and prosperity for themselves and their neighbours in a world dedicated to freedom and justice:

DO HEREBY DECLARE:

First, that they reaffirm their adherence to the principle of equal rights and self-determination of peoples as enunciated in the United Nations Charter and the Bandung Declaration:

Second, that they are determined, in the common interest of their countries, to maintain fraternal relations, to strengthen co-operation among their peoples in the economic, social and cultural fields in order to promote economic progress and social well-being in the region, and to put an end to the exploitation of man by man and of one nation by another:

Third, that the three nations shall combine their efforts in the common struggle against colonialism and imperialism in all their forms and manifestations and for the eradication of the vestiges thereof in the region in particular and the world in general:

Fourth, that the three nations, as new emerging forces in the region, shall co-operate in building a new and better world based on national freedom, social justice and lasting peace: and

Fifth, that in the context of the joint endeavours of the three nations to achieve the foregoing objectives, they have agreed to take initial steps towards the establishment of Maphilindo by holding frequent and regular consultations at all levels to be known as Mushawarah Maphilindo.

MANILA
August 5, 1963

SOEKARNO,
President of the Republic of Indonesia

DIOSDADO MACAPAGAL,
President of the Philippines

TUNKU ABDUL RAHMAN PUTRA AL-HAJ
Prime Minister of the Federation of Malaya

DOCUMENT 20. TRIPARTITE SUMMIT MEETING—JOINT STATEMENT AUGUST 1963. (PUBLISHED IN THE SAME WAY AS DOCUMENT 18).

The President of the Republic of Indonesia, the President of the Philippines, and the Prime Minister of the Federation of

Malaya met at a summit conference in Manila from July 30 to August 5, 1963.

1. Moved by a sincere desire to solve their common problems in an atmosphere of fraternal understanding, they considered, approved and accepted the report and recommendations of the Foreign Ministers of the three countries adopted in Manila on June 11, 1963 (hereafter to be known as the Manila Accord).

2. In order to provide guiding principles for the implementation of the Manila Accord the Heads of Government have issued a declaration known as the Manila Declaration, embodying the common aspirations and objectives of the peoples and governments of the three countries.

3. As a result of the consultations amongst the three Heads of Government in accordance with the principles enunciated in the Manila Declaration, they have resolved various current problems of common concern.

4. Pursuant to paragraphs 10 and 11 of the Manila Accord the United Nations Secretary-General or his representative should ascertain prior to the establishment of the Federation of Malaysia the wishes of the people of Sabah (North Borneo) and Sarawak within the context of General Assembly Resolution 1541 (15), principle 9 of the annex, by a fresh approach, which in the opinion of the Secretary-General is necessary to ensure complete compliance with the principle of self-determination within the requirements embodied in principle 9, taking into consideration:

(i) the recent elections in Sabah (North Borneo) and Sarawak but nevertheless further examining, verifying and satisfying himself as to whether
   (a) Malaysia was a major issue, if not the main issue:
   (b) Electoral registers were properly compiled:
   (c) Elections were free and there was no coercion:
   and
   (d) Votes were properly polled and properly counted;
   and

(ii) the wishes of those who, being qualified to vote, would have exercised their right of self-determination in the recent elections had it not been for their detention for

political activities, imprisonment for political offences or absence from Sabah (North Borneo) or Sarawak.

5. The Secretary-General will be requested to send working teams to carry out the task set out in paragraph 4.

6. The Federation of Malaya, having undertaken to consult the British Government and the Governments of Sabah (North Borneo) and Sarawak under paragraph 11 of the Manila Accord on behalf of the three Heads of Government, further undertake to request them to co-operate with the Secretary-General and to extend to him the necessary facilities so as to enable him to carry out his task as set out in paragraph 4.

7. In the interest of the countries concerned, the three Heads of Government deem it desirable to send observers to witness the carrying out of the task to be undertaken by the working teams and the Federation of Malaya will use its best endeavours to obtain the co-operation of the British Government and the Governments of Sabah (North Borneo) and Sarawak in furtherance of this purpose.

8. In accordance with paragraph 12 of the Manila Accord, the three Heads of Government decided to request the British Government to agree to seek a just and expeditious solution to the dispute between the British Government and the Philippine Government concerning Sabah (North Borneo) by means of negotiation, conciliation and arbitration, judicial settlement, or other peaceful means of the parties' own choice in conformity with the Charter of the United Nations. The three Heads of Government take cognisance of the position regarding the Philippine claim to Sabah (North Borneo) after the establishment of the Federation of Malaysia as provided under paragraph 12 of the Manila Accord, that is, that the inclusion of Sabah (North Borneo) in the Federation of Malaysia does not prejudice either the claim or any right thereunder.

9. Pursuant to paragraphs 6, 7, 8 and 9 of the Manila Accord and the fifth principle of the Manila Declaration, that is, that initial steps should be taken towards the establishment of Maphilindo by holding frequent and regular consultations at all levels to be known as Mushawarah Maphilindo, it is agreed that each country shall set up a national secretariat for Maphilindo affairs and as a first step the respective national

secretariats will consult together with a view to co-ordinating and co-operating with each other in the study on the setting up of the necessary machinery for Maphilindo.

10. The three Heads of Government emphasized that the responsibility for the preservation of the national independence of the three countries and of the peace and security in their region lies primarily in the hands of the governments and the peoples of the countries concerned, and that the three Governments undertake to have close consultations (Mushawarah) among themselves on these matters.

11. The three Heads of Government further agreed that foreign bases—temporary in nature—should not be allowed to be used directly or indirectly to subvert the national independence of any of the three countries. In accordance with the principle enunciated in the Bandung Declaration, the three countries will abstain from the use of arrangements of collective defence to serve the particular interests of any of the big powers.

12. President Sukarno and Prime Minister Tunku Abdul Rahman express their deep appreciation for the initiative taken by President Macapagal in calling the summit conference which, in addition to resolving their differences concerning the proposed Federation of Malaysia, resulted in paving the way for the establishment of Maphilindo. The three Heads of Government conclude this conference, which has greatly strengthened the fraternal ties which bind their three countries and extended the scope of their co-operation and understanding, with renewed confidence that their governments and peoples will together make a significant contribution to the attainment of just and enduring peace, stability and prosperity in the region.

The protestations of paragraph 12 of the document above proved to be quite unfounded. The conference had settled nothing. The Indonesians thought that the 'temporary' British bases in Malaysia would soon be replaced by a regional collective security pact (as part of the Maphilindo scheme) in which Indonesia must be the leader and Malaysia follower. Yet Tunku Abdul Rahman, speaking in his own parliament, a few days after the end of the conference, postponed the question indefinitely. The passage is worth quoting.

DOCUMENT 21. EXTRACT FROM A SPEECH BY TUNKU ABDUL RAHMAN IN THE MALAYAN PARLIAMENT ON 14 AUGUST 1963. (AS REPRODUCED IN THE PARLIAMENTARY REPORT).

I thought, out of respect for the feelings of our friends in Maphilindo, that I should bring with me the Agreement[1] itself and show it to our partners what it is all about, and they themselves have agreed that there is nothing wrong in the Agreement itself, except the question of British bases. On the question of British bases, I have said that we need them while danger threatens us from without; we need the bases because we cannot man the bases ourselves for lack of money, for lack of equipment, for lack of men, and for lack of so many things which I have just mentioned to you. It is necessary for the preservation of peace and for the security of this country that we have got to have our friends to help us here. Until the day comes when we are assured that we can sleep in peace and sleep in our beds without any disturbance then, perhaps, we may get together with the British and say that we need no more their help—and that has been agreed to by our partners.

NOTE

(1) The Tunku is here presumably referring to the Malaysia Agreement of 9 July 1963 between the United Kingdom, Malaya and other Malaysia territories (Cmnd. 2094). Article 6 extends the Anglo Malayan Defence Treaty of 1957 to Malaysia. The text of this Article is reproduced above as Document 15.

Indonesia and Malaya could not agree upon defence of their region because each was preoccupied with a different threat, real or imagined. Tunku Abdul Rahman had argued at Manila that the opposition to Malaysia within the territories was communist-inspired but his partners would not agree to the inclusion of this point in the Joint Statement above. At the closing session of the conference the Tunku had said that 'communism is more destructive than imperialism' whereupon President Sukarno had made an open display of his disagreement and displeasure. Sukarno himself, as we shall see, regarded the British bases in Malaysia as the threat to the integrity of his country. One's ally was the other's bogy; how could they agree?

However the immediate cause of the ensuing conflict was the speed with which Malaya vaulted over the requirement that the United Nations Secretary-General should investigate popular feeling on the Malaysia project among the inhabitants of the Borneo territories. Here too there had been miscalulation and misunderstanding. Indonesia and the Philippines had reckoned that any such investigation must take months and that there would be time to argue about the results after that. Malaya had reluctantly agreed to the investigation after obtaining an assurance from the Secretary-General that it would be executed as a matter of extreme urgency. Even so it was necessary to postpone the date of establishment of Malaysia provisionally fixed at 31 August 1963. Tunku Abdul Rahman was much criticised at home for accepting even a limited delay. He was thus under pressure to take any short cuts which he could find.

The Secretary-General sent a Mission of United Nations officials who arrived in Borneo on 16 August 1963, i.e. only 11 days after the end of the Manila conference. The Indonesian and Philippine observers did not arrive until 1 September owing to acrimonious disputes with Britain and Malaya as to their number, status and activities. The Mission had completed its task by 5 September. The Secretary-General announced his conclusions, which were favourable to Malaysia, on 13 September. Meanwhile Tunku Abdul Rahman, confident of the outcome of the UN investigation, had already announced that Malaysia would be established on 16 September. This announcement was made at the end of August so that the coming of Malaysia should be certain at the date originally fixed (31 August) for its creation. This anticipation of the findings of the UN Mission enraged President Sukarno with results to which we shall come later.

Note that paragraphs 4, 5 and 6 of the Manila Joint Statement (Document 20) became the terms of reference of the UN Mission (Document 22 para 232) and that paragraph 236 of Document 22 is a reply, head by head, to the questions posed in the terms of reference.

DOCUMENT 22. SUMMARY OF FINDINGS (PARAGRAPHS 232-246) OF THE REPORT OF THE UNITED NATIONS MALAYSIA MISSION TO THE SECRETARY-GENERAL. (PUBLISHED BY THE MALAYSIAN DEPARTMENT OF INFORMATION).

232. In view of the terms of reference[1] established in the request to the Secretary-General, it was understood that the 'fresh approach' proposed did not contemplate a referendum, or plebiscite. It was considered that it would be meaningful to make a 'fresh approach' by arranging consultations with the population through elected representatives, leaders and representatives of political parties as well as non-political groups, and with any other persons showing interest in setting forth their views to the Mission.

233. In the course of visits to various localities in the two territories, it was possible to consult with almost all the 'grass roots' elected representatives. In the case of Sarawak, the Mission met with about 400 of the 429 persons who had been elected in the several wards of the 24 districts into which the territory is divided. Each of these persons, or councillors, is directly elected and represents an electorate averaging about 700 registered voters. In Sabah (North Borneo) over 100 elected and nominated members of District Councils and Town Boards met with the Mission. In addition to these representatives consultations were held in both territories with national and local representatives of each of the major political groups, and with national and local representatives of ethnic, religious, social and other groups, as well as local organisations of businessmen, employers, workers, and various community and social groups. Information and expressions of opinion were provided orally and by the submission of written memoranda.

234. These consultations, coupled with examination of relevant documentary material, provided the Mission with information on the specific questions which the Secretary-General was asked to take into consideration, and also provided a basis for analysing and evaluating the results of the recent elections and for appraising the views of the people regarding the establishment of the Federation of Malaysia both at the time of the elections, and at present.

235. With regard to the specific question which the Secretary-General was asked to take into consideration, the members of the Mission concluded, after evaluating all of the evidence available to them, that:

Elections

236 (a). In the recent elections Malaysia was a major issue throughout both territories, and was the major issue in most of the electoral wards. The members of the Mission were satisfied that the vast majority of the electorate understood the significance of the proposal that the territories become parts of the Federation of Malaysia.

(b) Electoral registers were properly compiled, as judged not only by criteria which might be considered adequate in a country with a limited experience in elections, but even by standards of countries with larger experience with the procedures and technical problems of voters' registration.

(c) The elections were freely and impartially conducted with active and vigorous campaigning by groups advocating divergent courses of action. In Sabah, almost no complaints were heard. In Sarawak, complaints of each group of advocates that the opposing group at times used unfair means of persuasion did not appear to differ significantly in kind or number from similar complaints in many elections of democratic societies with much longer electoral organizing and administering the elections, in so far as they were directly related to the Malaysia issue were not in the opinion of the Mission, adequately supported. Allegations were made in Sarawak that measures taken by the authorities in the maintenance of the security of the State, especially in connexion with and following the Brunei revolt, [see p. 105 above] had the effect of limiting the effort of the group opposing Malaysia (the Sarawak United People's Party), and that the security measures had the result of depriving them of some of their officers and members, who would have assisted in the campaign, of making unavailable certain newspapers and printing presses that might otherwise have been utilised, and of deterring persons who might otherwise have affiliated with it, or have voted for its candidates, from doing so. The Mission carefully considered these allegations,

and the issue which they seemed to pose, whether measures regarded as essential to safeguard the security of the State in the presence of what the authorities considered to be a clear and present danger, could, because of their effect on one group be properly considered as coercion with regard to that group. The Mission was satisfied, from the whole body of evidence available to it, that even if these events had not occurred, the final outcome of the election in Sarawak would not have been reversed.

(d) The votes were properly polled and counted, on the basis of the evidence obtained by the Mission. Recourse was available under the election laws and procedures to those who considered that there had been irregularities. In the relatively few cases where irregularities were alleged, recourse had not been sought, and in any event, the number of instances seemed within the normal expectancy of well-ordered elections.

Wishes of Persons Detained, Imprisoned or Absent

237. The Secretary-General was also asked to take into consideration 'the wishes of those who, being qualified to vote, would have exercised their right of self-determination in the recent election had it not been for their detention for political activities, imprisonment for political offences, or absence' from the territory. The number of persons detained in Sarawak under the Preservation of Public Security (Detention) Regulations was 62 at the end of May and 103 at the end of June 1963. The Mission was informed that 75 to 80 per cent. of the group are of voting age (at and above) and that all members of the group oppose the Malaysia Plan. The number was in any case not sufficient to have affected the total result. Nor, in the opinion of the Mission, does the fact that the detainees included some 31 officials of the anti-Malaysia party, appear to have resulted in a substantial limitation of the campaigning potential of that party during the elections so as seriously and significantly to have affected the result. Indeed, the party had scored convincing electoral victories in many of the areas from which those officials had come.

238. Despite repeated questioning, the Mission was able to secure very little information from the persons with whom it

met about persons absent from the territories. One witness provided four names of persons who were no longer at their normal place of residence, and believed to have crossed the border to another country. Of these four, the Mission found that two were registered voters, and two were not. The two wards in which they previously resided both returned anti-Malaysia candidates. From Government sources, the Mission learned that about 50 persons have been reported as missing from their normal residence, under a regulation requiring such reports. The Government believes that a large number have departed across the Indonesian border and estimates the total at about 800. However, of 81 persons who were apprehended over the last four months while attempting to cross the border, 85 per cent. were less than 21 years of age. It is therefore believed that most of the estimated 800 would also not have been eligible to vote. In any event, the total number, assuming all to be opposed to Malaysia, is not large enough to have had a significant effect on the election results.

Wishes of the People

239. The Mission considers that it is possible to approach the assessment of the wishes of the people of Sarawak and of Sabah (North Borneo) in three ways:

(1) As expressed through the established electoral and legislative processes under the present constitutional arrangements. This expression is voiced through the Council Negri, the highest legislative body in Sarawak, and the Legislative Council in North Borneo. The Council Negri is selected through a double 'electoral college' system—the elected councillors in each district select from their number the members of the five Divisional Councils, and each of the Divisional Councils selects from its number the members to serve on the Council Negri. The Council Negri debated on and approved, on 8 March 1963, a motion that the Council:

(a) adopts the recommendations contained in the Report of the Inter-Governmental Committee on Malaysia which was today laid on the Table as Sessional Paper No. 1 of 1963;

(b) welcomes the creation of the proposed Federation of Malaysia by the 31st August, 1963; and

(c) authorises the Governor to select such members of the Inter-Governmental Committee as he may think fit to initial, on behalf of Sarawak, the draft of the Agreement for the establishment of the Federation of Malaysia to be entered into by the Government of the United Kingdom and the Federation of Malaya.

On 4 September 1963, the Council Negri as reconstituted with 36 elected members chosen after the 1963 elections, debated and approved, by vote of 31 to 5 of the elected members, the following motion:

WHEREAS a motion was passed without dissentient voice at the last session of this Council adopting the recommendations of the Inter-Governmental Committee on Malaysia, welcoming the creation of the proposed Federation of Malaysia by the 31st August 1963, and authorising the Governor to appoint representatives to initial on behalf of the Government of Sarawak the draft Agreement for the establishment of the Federation.

BE IT RESOLVED THAT this Council reaffirms its support for Malaysia, endorses the formal Agreement which was signed in London on the 9th July and, while regretting that the Federation of Malaysia could not be brought into being on the 31st August welcomes the decision to establish it on the 16th September 1963.

The two actions of the Council Negri and the similar actions of the Legislative Council in North Borneo constitute the formal, constitutional approval of the Federation of Malaysia, and may be regarded as the expression of the people through the established legislative insititutions.

Because of the double 'election college' or 'three-tier' system of election of the Council Negri, the criticism has been advanced that expression through that Council may differ from the initial views of the electorate. It is true that the proportions of the several groups do vary, as measured by the popular vote, and by the seats held at the District, Division and Council Negri Level. Under the recent elections in Sarawak, the variation is as shown below, in percentage terms:

	Popular Vote (a)	*District Councils*	*Divisional Councils*	*Council Negri*
Sarawak United Peoples' Party (SUPP)	21·3	27·0	20·4	13·9
Party Negara Sarawak (PANAS)	14·3	13·8	11·1	8·3
Alliance	34·0	32·2	37·0	50·0
Independents (b)	30·4	27·0	31·5	27·8
	100·0	100·0	100·0	100·0

(a) Including a portion of the electorate in uncontested wards.
(b) On the basis of original party designations; some independents subsequently affiliated with one of the parties.

(2) Another means of assessing the wishes of the people regarding the Federation of Malaysia is through the representatives directly chosen by the people. In Sarawak, each represents an electorate of about 700 persons. These councillors reported to the Mission in almost every case that Malaysia had been discussed in their wards before the election, and that their stand, either for or against Malaysia, was the major factor in their election. This was corroborated by other testimony. They considered that they knew the wishes of their electorates on this issue both at the time of the election and at present. A careful analysis of the views expressed by these representatives indicates a majority in Sarawak in favour of the Federation of Malaysia of about 284 to 123, or about 66·2 per cent. to 28·7 per cent. The remainder, 22 representatives or 5·1 per cent., could not be classified in either group. The Mission also attempted to assess the division in the electorate in Sarawak on the Malaysia issue. Careful questioning of councillors, especially those elected as independents, as well as defeated candidates and others, enabled an analysis of the votes cast, plus an approximation of the comparable number of voters in the uncontested wards. The analysis, as shown in Chapter 9, indicates a probable division in the electorate of 61·0 per cent. in favour of Malaysia, 22·2 per cent. opposed, with the remainder, 16·8 per cent. neutral or unattributable from the evidence available. The division among those whose opinions are attributable with

some assurance is 73·3 per cent. in favour, and 26·7 per cent. opposed.

(3) In addition to hearing the views of political parties, the Mission made use of every opportunity to find out the opinions and reaction of non-political groups and organisations which submitted written memoranda and also appeared before the Mission at its hearings. The Mission concluded that the question of Malaysia was widely discussed among the people and that the majority of the population understood and were in favour of the proposed Federation of Malaysia.

240. The Mission found that the great majority of the people of North Borneo have strongly supported the proposed Federation of Malaysia from the time of the elections down to the present. The Mission noted the high degree of unity reflected by national leaders of political parties, members of political parties, chiefs and headmen, representatives of civic, religious, commercial, labour and ethnic groups and other persons who appeared before it. Security considerations and economic considerations were presented as important motives for support of the proposed Federation, which was identified with independence in the minds of the people. There exists an expectation that Federation will be conducive to harmony among ethnic groups and economic advancement in rural areas. The Mission found little evidence of articulate and organised opposition to Federation, and it seems clear that doubts and uncertainties existing among some groups and political parties prior to the electoral campaign were largely dispelled by the agreement among political party leaders which led to the formation of the Sabah Alliance. The Mission found evidence for continuing doubts among some individual members of the Pasok Momogun party but other members of the party, and particularly its national leadership, expressed strong support for the establishment of the Federation of Malaysia. The evidence would indicate a diminishing trend of opposition to Federation at this time. Doubts and reservations appear to be limited largely to some groups, mainly in the interior, and may be attributed to satisfaction with the status quo, lack of information or a lack of clear understanding of the proposal to establish the Federation of Malaysia or suspicion of unfamiliar ideas.

241. While local issues, traditional relationships, and ethnic

considerations played their part in the elections, nevertheless at the time of the elections most people were familiar with the proposals for the creation of the Federation of Malaysia and the stand of the Sabah Alliance on Federation. The large number of votes received by Alliance candidates was, in most cases, indicative that support for the proposed Federation has increased since the elections.

General Assembly Resolution 1541 (XV)

242. The Mission has given careful thought to the reference, in the request to the Secretary-General, that 'he ascertain, prior to the establishment of the Federation of Malaysia, the wishes of the people of Sabah (North Borneo) and Sarawak *within the context of General Assembly Resolution 1541 (XV), principle IX of the Annex*, by a fresh approach, which in the opinion of the Secretary-General is necessary to ensure complete compliance with the principle of self-determination within the requirements embodied in principle IX.'

243. Resolution 1541 (XV) is concerned with 'Principles which should guide Members in determining whether or not an obligation exists to transmit the information called for under Article 73 (e) of the Charter.' Reference to it in the Manila Joint Statement, however, clearly does not allude to the question of the transmission of information under Article 73 (e) of the Charter, but must be understood as posing the issue whether the requirements for integration laid down in principle IX have been met in the case of the proposed inclusion of Sarawak and Sabah (North Borneo) in the Federation of Malaysia.

Principle IX of the Annex provides:

Integration should have come about in the following circumstances:

(a) The integrating territory should have attained an advanced stage of self-government with free political institutions, so that its peoples would have the capacity to make a responsible choice through informed and democratic processes;

(b) The integration should be the result of the freely expressed wishes of the territory's peoples acting with full

knowledge of the change in their status, their wishes having been expressed through informed and democratic processes, impartially conducted and based on universal adult suffrage. The United Nations could, when it deems it necessary, supervise these processes.

244. The Mission, having considered the constitutional, electoral and legislative arrangements in Sarawak and Sabah (North Borneo), is of the opinion that the territories have 'attained an advanced stage of self-government with free political institutions, so that its peoples would have the capacity to make a responsible choice through informed and democratic processes'. Self-government has been further advanced in both territories by the declaration of the respective Governors that as from 31 August 1963 they would accept unreservedly and automatically the advice of the respective Chief Ministers on all matters within the competence of the State and for which portfolios had been allocated to Ministers.

245. The Mission is further of the opinion that the participation of the two territories in the proposed Federation, having been approved by their legislative bodies, as well as by a large majority of the people through free and impartially conducted elections in which the question of Malaysia was a major issue, the significance of which was appreciated by the electorate, may be regarded as the 'result of the freely expressed wishes of the territory's peoples acting with full knowledge of the change of their status, their wishes having been expressed through informed and democratic processes, impartially conducted and based on universal adult suffrage.'

246. The Mission is satisfied that through its hearings it was able to reach a cross-section of the population in all walks of life and that the expressions of opinion that it heard represent the views of a sizeable majority of the population. The Mission is convinced that the time devoted to hearings and the number of localities visited were adequate and enabled it to carry out its terms of reference.[1]

NOTE

(1) The terms of reference were paragraphs 4, 5 and 6 of the Manila Joint Statement (Document 20).

The Secretary-General of the United Nations, in his report to the three powers, covered much the same ground as the Report of his Mission. He was understandably nettled that the prompt and decisive work of the Mission had been embarrassed by disputes between the parties over the Indonesian and Philippine observers and over the announcement by Tunku Abdul Rahman (see p. 121 above) which anticipated the results of his investigation. There were mild rebukes for Britain and Malaya respectively on account of these incidents. But on the essential issue the Secretary-General was clear and outspoken.

DOCUMENT 23. EXTRACT FROM THE FINAL CONCLUSIONS OF THE SECRETARY-GENERAL, UNITED NATIONS ORGANISATION (UNITED NATIONS SPECIAL RELEASE SPL/84 DATED 16 SEPTEMBER 1963.)

The basic assessment which I was asked to make has broader implications than the specific questions enumerated in the request addressed to me by the three governments. As previously mentioned, I was asked to ascertain, prior to the establishment of the Federation of Malaysia, the wishes of the people of Sabah (North Borneo) and Sarawak within the context of the General Assembly Resolution 1541 (XV), Principle IX of the Annex, by a fresh approach, which in the opinion of the Secretary-General, is necessary to ensure complete compliance with the principle of self-determination within the requirements embodied in Principle IX. . . .

I have given consideration to the circumstances in which the proposals for the Federation of Malaysia have been developed and discussed, and the possibility that people progressing through stages of self-government may be less able to consider in an entirely free context the implications of such changes in their status, than a society which has already experienced full self-government and determination of its own affairs. I have also been aware that the peoples of these territories are still striving for a more adequate level of educational development.

Having reflected fully on these considerations, and taking into account the framework within which the Mission's work was performed, I have come to the conclusion that the majority of the peoples of Sabah (North Borneo) and of Sarawak have given serious and thoughtful consideration to their future and

to the implications for them of participation in a Federation of Malaysia. I believe that the majority of them have concluded that they wish to bring their dependent status to an end and to realise their independence through freely-chosen association with other peoples in their region with whom they feel the ties of ethnic association, heritage, language, religion, culture, economic relationship, and ideals and objectives. Not all these considerations are present in equal weight in all minds, but it is my conclusion that the majority of the peoples of these two territories have taken them into account and wish to engage with the peoples of the Federation of Malaya and Singapore, in an enlarged Federation of Malaysia through which they can strive together to realise the fulfilment of their destiny. . . .

Bearing in mind the fundamental agreement of the three participating governments in the Manila meetings, and the statement by the Republic of Indonesia and the Republic of the Philippines that they would welcome the formation of Malaysia provided that the support of the people of the territories was ascertained by me and that, in my opinion, complete compliance with the principle of self-determination within the requirements of the General Assembly Resolution 1541 (XV), Principle IX of the Annex, was ensured, *my conclusions based on the findings of the Mission are that on both of these counts there is no doubt about the wishes of a sizeable majority of the peoples of these territories to join in the Federation of Malaysia* [Editor's italics].

In reaching my conclusions I have taken account of the concern expressed with regard to political factors resulting from the constitutional status of the territories and about influences from the outside area on promotion of the proposed Federation. Giving these considerations their due weight, in relation to the responsibilities and obligations established in Article 73 and General Assembly Resolution 1541 (XV) in respect of these territories, I am satisfied that the conclusions set forth above take cognisance of, and are in accordance with, requirements set forth in the request addressed to me on 5 August 1963 by the Foreign Ministers of the Republic of Indonesia, the Federation of Malaya and the Republic of the Philippines. . . .

From the beginning of this year, I have been observing the rising tension in South-East Asia on account of differences of

opinion among the countries most directly interested in the Malaysia issue. It was in the hope that some form of United Nations involvement might help to reduce tension that I agreed to respond positively to the request made by the three Manila powers. I would hope that the exercise in which my colleagues and I have been involved in this regard will have this effect, and that the coming into being of Malaysia will not prove to be a continuing source of friction and tension in the area.

The emergence of dependent territories by a process of self-determination to the status of self-government, either as independent sovereign states or as autonomous components of larger units, has always been one of the purposes of the Charter and the objectives of the United Nations. Whatever the origins of the proposal of Malaysia may have been, it seems to me in the light of actual events, including the present exercise, that we have witnessed in Sarawak and North Borneo the same process leading to self-government. I fervently hope that the people of these territories will achieve progress and prosperity, and find their fulfilment as component states of Malaysia.

These findings were unacceptable to Indonesia which has continued to assert that the Mission's inquiry was inadequate. Here is the official summary of the report of the Indonesian official observers.

DOCUMENT 24. AIDE-MÉMOIRE FROM THE INDONESIAN OBSERVERS TO THE UN MALAYSIA MISSION IN SARAWAK AND SABAH. (CYCLOSTYLED TEXT ISSUED BY THE INDONESIAN EMBASSY IN LONDON, DATED OCTOBER 1963 AND HEADED 'CONDENSED VERSION'.)

1. The observers arrived in Kuching on September 1, and four of them travelled on to Jesselton later that day. However, the latter group did not start observing the hearings until the next day. Consequently, the observers could not associate themselves with the hearings in Sarawak before the afternoon of September 1, and in Sabah before the morning of September 2.

2. They found that the element of 'fresh approach' (mentioned in article 4 of the Manila Joint Statement and which should have assured complete compliance with the principle of self-determination embodied in UN Resolution 1541 (XV)

—principle IX) was nowhere apparent in the whole operation.

3. The observers found that the hearings merely took the form of 'samplings'—not even on the Gallup-poll level—and were conducted along the lines of the last elections, which could not possibly meet the requirements of UN Resolution 1541—principle IX.

4. According to this principle, an inquiry should be made whether the integrating territory has reached a state of self-government with free political institutitons. The observers had the strong impression that no such inquiry had been made—self-government was taken for granted.

They found the governmental set-up in Sarawak and N. Borneo still colonial in nature, power being in the hands of British civil servants and armed forces. The hearings clearly revealed that this colonial element must have been even stronger during the elections.

5. Principle IX provides that integration should be the result of the freely-expressed wishes of the territories' people, but the observers found that these wishes had not been expressed either in the elections or hearings. Coercion was applied to inhibit freedom of expression. The colonial administration detained anti-Malaysia political leaders, banned 3 anti-Malaysia newspapers, and restricted right of domicile of some people to certain areas. All this interfered in the forming of a balanced public opinion and greatly affected the result of the elections.

6. Principle IX requires that in expressing their wishes through informed and democratic processes, the people should act with full knowledge of the change in their status. The observers found that this had not happened. To the question, for example, whether Malaysia was the main issue in the elections, many interviewed persons gave only perfunctory replies, obviously not having a clear idea of the establishment of the Federation and the consequences of integration.

7. Principle IX requires that the people's wishes should be expressed through democratic processes and based on universal adult suffrage. The observers were not aware of a sufficiently thorough investigation regarding this; if, for instance, the voters' registers had been carefully scrutinised. Detainees testified during the hearings that a large percentage of the eligible voters were not registered, and these testimonies were

amply substantiated by the figures drawn from the census, voters' registers and cast votes. Reference was also made to the absence of refugees, detainees, etc., and to irregularities in the operation of voting machinery.

8. To the question:

a. 'whether Malaysia is a major, if not the main, issue', the hearings brought forward that local issues and personal loyalties dominated the elections. Granted the claim of some interviewed persons that Malaysia was a major issue, their perfunctory answers could not convince the observers that they realised the consequences of integration. It was obvious that Malaysia could never have been a major issue, let alone a main one.

b. 'whether electoral registers were properly compiled'. The observers did not witness a careful scrutiny of registers, but they heard allegations that many eligible voters were left out because of detention, absence from their domiciles, etc. It is doubtful whether registers were properly compiled and whether this point was carefully examined by the Mission.

c. 'whether elections were free and whether there was no coercion.' Coercion and intimidation against anti-Malaysia groups before and during elections were alleged. The observers found that even during the hearings the atmosphere was not free from coercion created by strong security measures, as evidenced by the presence of many troops and riot police in Kuching, Bau, and Serian. The observers were surprised to find United Kingdom observers present at the hearings, since the Manila Agreement only provided for the presence of observers from Indonesia, the Philippines and Malaya. Also, one of the interpreters in Sarawak was a presiding officer of a local court. The presence of UK observers and liaison officers no doubt influenced the way interviewed persons expressed their views.

Taking all this into account, the observers could only conclude that the elections were not free.

d. 'whether votes were properly polled and counted.' The observers did not witness the Mission's investigations into this matter, but in the hearings, allegations were made of irregularities, with ballot-boxes manipulated by governmental officers.

9. Pursuant to paragraph 4 of the Manila Joint Statement, the UN Secretary-General in ascertaining the wishes of the people, should consider the wishes of those qualified to vote who would have opted for self-determination had they not been detained or imprisoned for political activities.

The observers witnessed hearings of only four detainees representing 110 detainees at Kuching, and were unaware of the wishes of those in other areas, while in Sabah they had no chance to witness a single hearing. As to political refugees and other absentees, the Mission did not try to make contact with them.

DJAKARTA, *September 7, 1963*

Malaysia was however duly established on 16 September 1963. Following the severance of diplomatic relations Indonesia engaged in a policy of 'confrontation' of Malaysia. Confrontation included the despatch of armed raiding parties into Malaysian territory; acts of sabotage; menacing behaviour of Indonesian aircraft and naval vessels; an embargo on Singapore's entrepôt trade with Indonesia; diplomatic disparagement of Malaysia in Afro-Asian circles. The Philippines also broke off diplomatic relations but adopted a more equivocal and passive role (see p. 148). Malaysia, aided by considerable British and Commonwealth forces, held off the Indonesian threats. A state of stalemate ensued.

Thailand and Japan, like the Philippines, tried to promote a settlement. In June 1964 there was a brief conference of the Heads of Government of Malaysia, Indonesia and the Philippines held in Tokyo. This meeting had been arranged on the basis that if Indonesia would recall her raiding parties from Malaysian territory in Borneo, Malaysia would enter into political negotiations for a settlement under the auspices of a 'conciliation commission' drawn from the Afro-Asian powers. However President Sukarno showed no disposition to enter into serious discussions and treated the other Heads of Government with scant courtesy. One party of Indonesian raiders crossed the border into Malaysia for the purpose of being immediately withdrawn—in mint condition. The parties which had crossed earlier stayed on. So the Tokyo conference ended in failure.

President Sukarno continued to declare that 'crush Malaysia'

was Indonesia's aim. In August and September 1964 armed raiders were for the first time sent in, by sea and air, to Malaya itself. In face of this graver threat Malaysia decided to take her case to the Security Council of the United Nations. A Russian veto would no doubt block any effective action but some moral support might be obtained.

The debate in the Security Council was an interesting essay in tactics. Malaysia sought to confine discussion to the latest Indonesian attacks. Indonesia tried to widen the discussion to depict Malaysia as a 'neo-colonial' creation of Britain, designed to disrupt Indonesia (see p. 106).

The 'decision' to which the Malaysian delegate refers at the beginning of Document 25 is the finding of the Secretary-General on the attitude of the people of northern Borneo (Document 23). To explain paragraph 37 of the Malaysian speech the Vigilante Corps is a sort of 'Home Guard' of villagers armed to defend their own homes. In order to relieve land-hunger the Malayan Government has established new settlements ('land development schemes') on virgin land. The settlers are given some financial aid to tide them over the early years and they are supervised by a scheme 'manager'.

The Malaysian delegate began his speech to the Security Council with a review of Malayan-Indonesian relations, including the Treaty of Friendship between the two countries made in 1959, with the general object of showing that Malaya had tried to maintain good relations with Indonesia until the dispute over the creation of Malaysia. As we shall see the Indonesian spokesman (Document 26 paras 74-75) brought up the questions of alleged aid to the rebels in 1958 (see p. 110) and smuggling to and from Indonesia by Singapore merchants.

DOCUMENT 25. EXTRACTS FROM THE SPEECH OF THE MALAYSIAN DELEGATE, DATO' ISMAIL BIN DATO' ABDUL RAHMAN, IN THE UN SECURITY COUNCIL AT ITS 1144TH SESSION ON 9 SEPTEMBER 1964 (PUBLISHED IN THE OFFICIAL RECORD OF THE SECURITY COUNCIL).

28. Immediately after this decision was given, the unexpected happened. Neither the Philippines nor Indonesia was willing to accept a decision which presumably was not to their liking. They refused to recognise Malaysia—and rupture of diplomatic

relations followed immediately. This was their sovereign privilege. Malaysia continued to carry on with the even tenor of its life, undeterred by this unexpected attitude from the two States whose friendship, more than that of any other, it had been concerned to cultivate.

29. Indonesia announced a military and economic 'confrontation' policy against Malaysia, and Indonesian army infiltrators, both regulars and irregulars started flooding into the Borneo States from across a thousand miles of jungle-infested border and began a continuous series of hit-and-run tactics from the safe sanctuary of their own part of Borneo—and they are continuing to do so to this day. This has involved us in no small losses by way of men and material. . . .

30. I am only anxious to emphasise that in spite of this obvious and continuous provocation, freely admitted by Indonesia, we have not only exhibited the utmost patience and forbearance in the face of continually mounting losses in men and material but also allowed ourselves to be persuaded by friendly Powers, within the area and without, to attend at conference tables for talks with Indonesia again and yet again, in an effort to find a peaceful solution to problems which to this day remain a mystery to us unless, of course, explained in terms of a policy that Malaysia must be crushed.

31. We have taken part in at least ten such meetings without making any progress with Indonesia. Far from it, we have always found Indonesia's appetite for concessions growing with every meeting, keeping pace with Indonesian attitudes hardening at every step. The last of these efforts, painstakingly promoted by President Macapagal of the Philippines, ended in failure last July in Tokyo. The President, fully conscious of the risks towards chaos that the whole region would drift into, has again proposed further talks; and we too, for ever conscious that the compulsions of geography, if not of history, permit no escape from seeking avenues of co-existence, if not of actual friendship, with our closest neighbour, have agreed to these talks provided that our territorial integrity and sovereignty are fully respected. To ensure that, we suggested that the talks be begun and properly prepared for by appropriate contacts at official levels. Indonesia, too, has signified its willingness to attend.

32. It is in this context that the storm broke on the morning of 17th August, when a large party of sea-borne Indonesian infiltrators, heavily armed, landed on the beaches of the southern districts of the Malaysian Peninsula. The fishermen and villagers gave prompt alarm and with their help and co-operation nearly two-thirds of the infiltrators have been captured or otherwise put out of combat. In the long series of probing and infiltration that have gone on for over a year this was the first invasion-like landing in strength on the peninsular part of Malaysia. . . .

36. Having failed to liquidate Malaysia either in its spirit or by recourse to military arms, by the hit-and-run methods adopted on the Borneo borders with comparative safety to itself, Indonesia naturally felt something more dramatic and damaging had to be done abroad to sustain its revolutionary image in the eyes of its own people. In one reckless gamble, therefore, which at once enlarged the area of conflict and intensified the methods used, Indonesia has now moved forward to blatant aggression by dropping three platoons of heavily-armed paratroopers in a remote area of southern Malaya. This is an incident without parallel in peace-time relations and without precedent in history between two neighbouring Sovereign States not at war, however ill-disposed to each other they may be.

37. During the midnight hours of 1-2 September 1964, as a result of prior information through intelligence sources, members of the local Vigilante Corps had been alerted to keep watch over a large area which included the village of Kampong Tenang in central Johore, the southernmost state of the Malaysian Peninsula. In a clearing close to the village, there is a land development scheme run by the Federal Government; the Vigilante Corps belonged to the scheme personnel. The location is about ten miles to the north-east of Labis on the main north-south trunk road and less than 100 miles from Singapore. At almost precisely 2 a.m. they first heard the drone of low-flying aircraft, which at that time and place was unusual. Later, they saw the vague outlines of an aircraft not flying over, but circling above them. The aircraft had no lights. They then observed flares dropping from the aircraft, followed by parachutes. They immediately brought the news to the

manager of the scheme, who in turn communicated with the security forces in Labis.

38. The security forces waited for daybreak and searched the area indicated by the Vigilante Corps personnel. They recovered four parachutes within a small area. To each of them was attached a large crate and the crate in turn contained a number of boxes, large and small. These were later examined and found to contain arms, ammunition, medicine and rations. We have photographs of these, which I shall produce in due course.

39. Detachments of military and security personnel were deployed and by the early hours of the morning contact was made with a group of enemy personnel and, in the engagement that followed, one Indonesian was killed and another captured. Later in the day, in further contacts, a second Indonesian was killed and four more captured.

40. Initial interrogation of the captured personnel revealed that about forty Indonesian infiltrators were air-dropped from the aircraft, which was a troop-carrying transport plane. It was identified as a Hercules transport aircraft beonging to the 'Angkatan Udara Republik Indonesia' (AURI), or Indonesian Air Force. The aircraft had left the military airfield Halim Perdana Kesuma of Djakarta, at about 4.30 p.m. on the previous evening, that is 1 September, and arrived at Medan (Sumatra) at about 11 p.m. After a refuelling stop which extended for over an hour, the aircraft took off again and arrived at the spot over the Labis area in South Malaya about 1.30 a.m.

41. The paratroopers belonged to the 'Pasokan Gerak Tjepat' (PGT), or paratroop battalions of the Indonesian Air Force, and all of them had gone through paratroop and commando training, which included special sabotage training. The whole party consisted of about forty persons, which included about ten Chinese Malaysians belonging to an underground satellite alien movement committed to the violent overthrow of the democratically elected Government of Malaysia. The Chinese Malaysians, including two women, were to serve as local guides to the paratroopers who were dropped in three separate groups. The whole of the air-lift was under the command of Lt. Sukitno of the AURI, who had been in charge of the training and who travelled in the aircraft. Up to 8 Sep-

tember, the number of paratroopers killed was five and the number captured twelve.

42. The operations are still proceeding. Large quantities of material—arms, ammunition, personal effects, supplies—have been recovered at the place of the paratroop landing as well as upon the persons killed or captured.

The speaker then listed the arms and equipment recovered as: 2 automatic rifles (LMGs); 1 Sten gun; 1 51 mm. mortar; 2 rifles MK3; 8 magazines LMG; 24,413 rounds of 7·62 mm. ball; 200 rounds 9 mm. ball; 100 rounds ·303in. ball; 12 51 mm. mortar high explosive bombs; 7 hand grenades; 1,030 detonating cord meters; 100 igniferous detonators; 47 electric detonators; 52 slabs TNT (back) 75 gm.; 62 slabs TNT (back) 200 gm.; and 24 slabs TNT (back) 400 gm. Several of these items bore Indonesian markings or instructions or Indonesian air force serial numbers. The Malaysian delegate then had several of the weapons brought into the Security Council chamber.

This was too much for the Russian delegate, who was chairman on this occasion. He had previously given consent to the production of the weapons in the chamber. He extricated himself from this difficulty by asserting that one of the firearms was pointing at a delegate and might be loaded! He ordered them to be removed.

After this little comedy the Malaysian delegate concluded his speech and the Indonesian delegate made his reply. The reference in paragraph 75 below to 'economic subversion' is probably to smuggling in the course of entrepôt trade between Singapore and Indonesian ports. This of course was a strictly private enterprise activity and not countenanced or encouraged by the Malayan authorities. On 'military subversion' see p. 110 above.

DOCUMENT 26. EXTRACT FROM THE SPEECH OF MR. SUWARDJO TJONDONEGRO, DEPUTY FOREIGN MINISTER OF THE REPUBLIC OF INDONESIA, IN THE UN SECURITY COUNCIL AT ITS 1144TH SESSION ON 9 SEPTEMBER 1964. (PUBLISHED IN THE OFFICIAL RECORD OF THE DEBATES OF THE SECURITY COUNCIL).

73. As I have said, the specific item under debate is not an

isolated case nor an isolated incident. It has a background, it has a history, and, on our part, it certainly has an explanation. That is what I should now like to put before this honourable Council.

74. Since our independence, my country and my people have suffered much from colonialism and imperialism. The neighbouring areas, which are now called Malaysia, inhabited by our brother peoples, have been used by British colonialism as a base from which to challenge, to fight and to subvert our Republic, our Revolution, politically, economically and militarily. Yet, when Malaya was granted independence in 1957, we welcomed the new State with the joy and good wishes of a brother nation. We soon sought co-operation and friendship with the Government and people of Malaya, people so close to us, but so long separated by the imposition of colonialism. Soon we even concluded a Treaty of Friendship, just mentioned moreover by the representative of Malaysia. Yes, a Treaty of Friendship. But alas, soon it appeared that the chains of British colonialism in Malaya, supported by the presence of Britain's powerful military bases in Singapore and elsewhere, had not been weakened much, let alone broken. Singapore and Malaya continued to be used as bases or instruments to subvert and crush our Revolution, our Republic, and indeed our national independence and the peaceful growth we desire.

75. From Singapore, we suffered and continue to suffer economic subversion and manipulation, and both Singapore and Malaya—the 'friendly' Malaya with whom we had a friendship treaty—have provided not only a shelter but an active base for secessionist rebels against the Republic since 1958. Nevertheless, we adopted a tolerant attitude towards this hostile treatment from our neighbour. Rather, we sought to discover the British policy behind all this, a policy with which Kuala Lumpur seemed to have difficulties. We wanted to allow the leaders in Kuala Lumpur time to develop their independence, to develop their national freedom and to overcome their difficulties with the remnants of British colonialism and domination in the area. The idea of establishing the so-called Federation of Malaysia arose, I believe, at the end of 1961 or beginning of 1962, under the slogan of further 'decolonisation' of British colonies in the area; that is to say, the

British colonial territories in the northern part of Borneo or Kalimantan, the Indonesian name for the island, were to be included. The idea originated in London, and was to be implemented with the co-operation of Kuala Lumpur. At that time, we wondered whether the British policy of confrontation toward Indonesia would actually change. As for Malaya, we knew that Malaya—or rather the Government of Tunku Abdul Rahman in Kuala Lumpur—among other things, wanted to solve, through the institution of the projected Federation of Malaysia, a Chinese problem they were faced with. And we, on our side, were certainly prepared to co-operate with them in solving that problem in the interest of the welfare and the harmony of the peoples in South-East Asia. And certainly we would co-operate in a further decolonisation of areas in our region, if it were a genuine decolonisation, consonant with the strong desire of the peoples in our region for freedom and independence. And if a kind of federation should be formed between Malaya, Singapore and the Borneo colonial territories to be decolonised, let it then become a genuinely free and independent Malaysia, in harmony with the collective will for freedom and independence of the peoples in our region linked so closely culturally and historically.

76. The Philippines, which was also interested in the projected Malaysia because of its claim to Sabah (North Borneo), also shared this idea of co-operating in the efforts to form a free and independent Malaysia.

77. Thus Indonesia was not *a priori* opposed to the idea of Malaysia. But we asked ourselves, would it not be better that Malaysia be formed not primarily as a British-Malayan project, but rather as a South-East Asian project; that is to say, founded on the co-operative will for freedom of the peoples in South-East Asia rather than on the power or protection of Britain. Our bitter experience with British so-called decolonisation in Malaya—despite our initial goodwill toward that country—British Singapore's economic and military designs against independent Indonesia, and the British vested interest and colonial stronghold in adjacent northern Borneo (Kalimantan), gave us ample reason to view the British project of Malaysia with suspicion. . . .

83. The spirit of the Manila Declaration was indeed quite

different from the policy practised by the British in our region of South-East Asia. It represents a break-through for genuine decolonisation in the struggle against British domination and colonial practice. As far as the question of Malaysia was concerned, the Manila agreements provided that the establishment of the Federation, originally planned for 31st August 1963, might be postponed, pending the result of the agreed upon reassessment of the wishes of the people of Sabah and Sarawak. The modification of the procedure for the formation of the Federation of Malaysia, though it might appear technical or juridical in its nature, was clearly meant to be a political modification. It was intended to remove the British flavour, in the interest of Malaysia itself . . . .

85. From that time on, it was obvious to my Government that it was completely impossible to co-operate further in the establishment of Malaysia—a *fait accompli* enforced by the British. There could be no compromise with a British Malaysia, a project of neo-colonialism. If we examine the defence arrangements for this British Malaysia, drafted long before the 'Maphilindo' agreement, we find that the British intended not only allegedly to assist in the defence of Malaysia but even more 'to preserve peace in South-East Asia'. I repeat, in South-East Asia, the very region where Indonesia lives, and wants to live in freedom, genuinely independent from colonialism and imperialism. It was clear that this colonial policy was a flagrant challenge to the principle and spirit of the 'Maphilindo' concept which provided that the three independent countries of South-East Asia should jointly have the 'primary responsibility for the maintenance of the stability and security of the area'. The existing British concept constituted a direct challenge to the 'Maphilindo' concept. We took up this challenge, despite the burdens it would entail. My Government and people decided to launch a policy of what we call 'confrontation' in order to defend the concept of 'Maphilindo', our national independence and our people's Revolution for a better life of freedom and justice.

86. After the United Nations reassessment in Sabah and Sarawak was completed, British Malaysia attempted to defend its existence and the validity of the defence arrangements by the various legalistic arguments. But, as you know, these are

not legal problems. The deep conflict between the two kinds of attitudes, of policies, of concepts I mentioned above is not a legal problem; it is a political problem. I happen to be a lawyer myself, although perhaps not one as clever as some members of the delegation of Malaysia. But I do know from our experience in the struggle for independence, in the struggle for freedom from colonialism, that in this political struggle, legal arguments, particularly when they are based on the so-called international law of the world of the colonial powers, cannot be applied to stop this struggle. . . .

103. I would not deny that our volunteers, our guerrillas, together with the militant youth of Sarawak and Sabah, some of whom had been trained in our territory have entered the so-called Malaysian territory in Sarawak and Sabah. They have been fighting there for some time . . . and now this fighting has spread to other areas in Malaysia such as Malaya . . .

104. Therefore, let no one talk high-handedly of 'aggression' on Indonesia's part. This matter of hostilities between Indonesia and Malaysia, involving incursions into each other's territory, has been going on for some time. And for many years prior to the creation of Malaysia, Indonesia suffered incursions and subversions from the British colonial territories in the present Malaysia. . . .

Indonesia had previously denied that there had been any landings in Malaya; the Labis landing (Document 25 para 37) had been dismissed as pure fabrication confused with the flight of an Indonesian aircraft bringing back a party of dancers from some overseas venture in cultural relations. These denials were now abandoned. Indonesia admitted the substantial truth of Malaysian complaints of incursions by armed parties into her territory. Justification was sought in accusations against Malaya and Britain of earlier attempts to subvert the Indonesian government. The Indonesian delegate in his speech gave a number of instances of alleged hostile acts. These included intrusion of British military aircraft over Indonesian territory and aid from Malaya to rebels in Indonesia. The British and Malaysian delegates in their replies had no difficulty in showing that some of these charges were mere assertions unsupported

by evidence and that others admitted of an innocent explanation. For example, British weapons in the possession of captured rebels proved nothing. Many rebels were deserters from the Indonesian army which (before turning to Russia) had been for some years equipped with weapons officially procured from Britain.

What the general body of United Nations opinion thought of the merits of the case appeared a few months later early in 1965 when Malaysia was elected to serve for a year as one of the members of the Security Council itself. Indonesia then withdrew from the United Nations in fury.

In September 1964 however the Security Council had to find some formula for ending its debate. There were the usual discussion behind the scenes to work out a formula which would both call for a cessation of hostilities (with which Malaysia would have been content) and avoid condemning Indonesia by implication for having started them (which would attract a Russian veto—the Russians being glad to have an opportunity of outbidding China in their contest for influence in South-East Asia).

It appears that agreement was almost reached but in the end Indonesia would not be persuaded. The compromise resolution was none the less moved by Norway and carried by 9 votes to 2. The 2 votes cast against were those of Russia, which amounted to a veto, and of Czechoslovakia. The text of the resolution is a nice example of its kind. It was as follows:

DOCUMENT 27. TEXT OF A RESOLUTION OF THE SECURITY COUNCIL OF THE UNITED NATIONS ON THE MALAYSIAN-INDONESIAN DISPUTE VOTED UPON ON 17 SEPTEMBER 1964. (PUBLISHED IN THE OFFICIAL REPORT OF THE SECURITY COUNCIL PROCEEDINGS)

The Security Council

Taking note of the complaint of Malaysia contained in document S/5930,

Taking into consideration the statements of the parties and of the members of the Council expressed during the discussion,

Deeply concerned by the fact that the armed incidents which have occurred in that region have seriously aggravated the situation and are likely to endanger peace and security in that region,

Noting with satisfaction the desire of the parties to seek a peaceful solution of the differences between them,

Recalling the relevant provisions of the United Nations Charter,

1. *Regrets* all the incidents which have occurred in the whole region;
2. *Deplores* the incident of 2 September 1964 which forms the basis of the complaint contained in document S/5930;
3. *Requests* the parties concerned to make every effort to avoid the recurrence of such incidents;
4. *Calls upon* the parties to refrain from all threat or use of force and to respect the territorial integrity and political independence of each other, and thus to create a conducive atmosphere for the continuation of their talks;
5. *Recommends* to the Governments concerned thereupon to resume their talks on the basis of the joint communiqué issued by the Heads of Government following the meeting which took place in Tokyo on 20 June 1964. The conciliation commission provided for by that joint communiqué, once established, should keep the Security Council informed concerning the development of the situation.

It seems reasonable to expect that sooner or later Indonesia will abandon 'confrontation' of Malaysia. It has damaged Indonesian standing in the world without yielding any substantial advantage. The changing internal balance of power in Indonesia (see above p. 24) may prove conducive to this result. It is in the interest of Malaysia that Singapore should be allowed to resume her entrepôt trade with Indonesia so that by prospering she may be firmly anti-communist. This however must probably await the end of 'confrontation' in its military phase. The outlook is uncertain and somewhat sombre.

Before leaving the topic of Malaysian relations with her neighbours in South-East Asia it is necessary to say something of the Philippine claim to Sabah. Until 1962 relations between Malaya and the Philippine Republic were friendly though not very close. In particular the Philippines had joined with Malaya and Thailand in forming the ASA group in 1960 (see p. 24). It was therefore something of a shock to Malaya when at the

end of 1962 the Philippine government gave moral support to the leader of the Brunei revolt (see p. 105) and then joined with Indonesia in its opposition to the Malaysia project.

Two factors may have influenced the Philippine attitude. The absorption of the northern part of Borneo into a new grouping with Malaya was the first redrawing of the South-East Asian map since the end of the colonial era. This caused apprehension in Manila as much as in Djakarta (see p. 107). Secondly the Philippines, and in particular President Macapagal, was anxious to gain status as an Asian power by promoting a regional settlement. Philippine strategy was therefore to gain the goodwill of President Sukarno by formally siding with him but to play the role of peacemaker.

As a matter of tactics the Philippines revived a curious claim on historical grounds to North Borneo.

DOCUMENT 28. 'A GUIDE TO PHILIPPINE CLAIMS TO NORTH BORNEO.' PUBLISHED IN 'THE TIMES' OF 2 MAY 1962.

If the Government of the Republic of the Philippines accepts the resolution of the House of Representatives urging it to claim the British territory of North Borneo, the British Government will be embarrassed at a difficult moment. With preparations under way for a possible Federation of Greater Malaysia, to include North Borneo, a legal battle over possession of part of that colony would complicate an already delicate situation.

The embarrassment of the Malayan Government would be even greater than that of the British Government, but so far Malaya has not publicly made known its views of the claim.

The claim was first seriously put forward after the last war, as a means whereby the heirs to the former Sultan of Sulu could obtain an increase in the annual payments made to them by Britain under the treaty by which the Sultan ceded his rights in North Borneo. Recently, under the influence of a press campaign in the Philippine Republic, the claim has taken on a political flavour.

The Deed of Cession

In 1877 and 1878 the Sultans of Brunei and of Sulu agreed to

transfer their rights in North Borneo to a British syndicate formed by Alfred Dent (later Sir Alfred) and Baron de Overbeck.

In 1881 the British North Borneo Company, incorporated by royal charter, took over the concession and began to administer the territory. . . . It continued to do so until 1946 (when North Borneo became a colony), although in 1883 North Borneo became a British protectorate.

In the 1878 deed, the Sultan said:

> On behalf of ourselves, our heirs and successors . . . hereby *grant and cede* of our own free and sovereign will to Gustavus, Baron de Overbeck . . . and Alfred Dent, Esq. as representatives of a British company co-jointly their heirs associates successors and assigns *for ever and in perpetuity* all the rights and powers belonging to us over all the territories and lands being tributary to us on the mainland of the island of Borneo [details follow] . . . with all the islands within three marine leagues of the coast.

In return for this the Sultan and his heirs and successors were to receive an annual payment (for ever) of $Malay 5,000.

Deed of Confirmation

In 1903 the Sultan signed a confirmatory deed:

> We . . . state with truth and clearness that we have ceded to the Government of North Borneo of our own pleasure all the islands that are near the territory. [The names of the islands follow].

The deed explains that this was done because the names were not mentioned in the 1878 document. The annual payment was at this time increased by $Malay 300.

Lease or Cession?

One of the arguments put forward in support of the Philippine claim is that the whole transaction was illegal, the Sultan having no right to dispose of the territory. Alternatively, if there were such a right, the argument is that the Sultan intended to lease, not sell, the land.

This argument turns on the Malay word *padjak*, a vaguer term than the official translation 'grant and cede'. It should be noted, however, that the original deed also includes the phrase 'for ever and in perpetuity'.

The fact that the payment was to be annual does not imply that the agreement was to lease rather than sell. There are precedents in the area (notably the Raffles agreement on Johore) for similar arrangements. Such agreed annual payments continued to be made, both to the heirs of the Sultan of Sulu and in other cases.

The Sultan's Heirs

By a decision of the Borneo courts in 1939 nine heirs to the Sultan were established. Now there are more, since some of the nine have died and have themselves left heirs. Payments to some have not been claimed, but the money awaits them in a deposit account.

In 1936, on the death of the then Sultan of Sulu, the Government of the Philippines (at that time under United States tutelage) declared that it would not recognize the Sultan's authority over the Sulu archipelago. The Philippine Government thus became the successor power to the Sultan, and the 'heirs and successors' now living are heirs in a purely personal sense.

Sultan's Jurisdiction

The argument mentioned above that the Sultan had no right to cede the territory is based on the thesis that Spain, not the Sultan, was sovereign at the time. There were treaties in 1836, 1851 and 1864 between Spain and the Sultan. The British Government of the day, however, refused to recognize these treaties on the ground that Spain was unable to control the Sultan.

Furthermore, in 1885 Spain signed a treaty with Britain and Germany renouncing in Britain's favour sovereignty over the territories 'on the continent of Borneo formerly belonging to the Sultan of Sulu' (and the off-shore islands). Britain in return recognized Spanish sovereignty over the Sulu archipelago.

The 1885 treaty legalized the reality, which was that the charter company controlled the whole of North Borneo, and Spain the Sulu archipelago.

Spain's Successors

In 1898 the United States replaced Spain in sovereignty over the Philippines. By a convention between Britain and the United States in 1930 the American Government recognized that North Borneo was under British protection.

When the United States President in 1946 proclaimed the Philippine Republic independent he cited this convention.

It has been argued in the Philippines subsequently that an independent régime cannot be bound by undertakings entered into by a colonial power. In international law, however, boundary agreements run with the land, regardless of changes of régime.

It was never seriously suggested that North Borneo should become part of the Philippines Republic against the wishes of its people (see p. 132). The Philippines Government would have liked to take the legal issue to the International Court at the Hague to vindicate its claim but Malaysia demurred. With the end of Dr. Macapagal's presidency it seemed likely that the Philippines would restore normal diplomatic relations with Malaysia and let the claim drop into merited obscurity.

PART IV

Economic Aspects

For several centuries there has been a large and important flow of trade between the countries of the South-East Asia region and other parts of the world. Over the past hundred years the trade has been mainly an inward flow of manufactured goods into South-East Asia and an outward flow of raw materials such as copra, rubber and tin. In addition there is a considerable trade within the region.

It would not be economic for large steamships to collect and deliver their cargoes in small quantities at a multitude of local ports. There are therefore two links in the regional pattern of trade. Coastal shipping and native craft bring produce to the major ports of the region and take back the foreign manufactures which have been unloaded there for transhipment. The same local shipping also moves commodities such as rice which are both produced and consumed within the region but require to be moved from surplus to deficit areas. The major ports, above all Singapore, have a key role in this entrepôt trade. Conversely, the entrepôt trade is of vital importance to the economy of Singapore. At such centres of transhipment many ancillary services such as banking, insurance, and grading and processing of produce tend to concentrate. Here are the stocks awaiting distribution and all the financial nexus of trade and transport.

Singapore, and the smaller Malayan port of Penang, trade in this way both with their domestic hinterland of the Malay Peninsula and also with neighbouring countries, especially the far-flung territories of Indonesia, much of which is nearer to the Malayan ports than to those of Java, which is the heart of Indonesia. However Indonesia has wished to develop its own shipping and other services—and would find it easier to enforce

its own customs controls if its trade with the world went through its own ports instead of Singapore. For these reasons Indonesia tended to restrict its trade with Singapore and Penang even before the crisis of 1963. One of the measures of 'confrontation' then imposed was a total ban on trade between Indonesia and Malaysia, which was a severe blow to Singapore's economy.

There has also been another trend at work. The export of raw materials and the import of manufactured goods was a profitable form of economic specialisation but it left the countries of South-East Asia vulnerable to fluctuations in world trade. They had been very hard-hit by the slumps of 1920 and 1932. Moreover since the end of the 'Korean boom' in 1951 world prices of raw materials have failed to keep pace with the steady rise in the prices of manufactured goods. With such a deterioration in the term of trade more and more raw materials must be exported to pay for a given volume of imported manufactures. Accordingly when economic development plans were drawn up in Malaya and Singapore in the 1950s high priority was given to the promotion of new industries which would produce at home the goods previously imported from abroad. Special concessions were offered such as tariffs to protect nascent industries and tax 'holidays' for pioneer industries.

In the course of the negotiations for the establishment of Malaysia it was agreed to invite the World Bank (this is the usual short title of the 'International Bank for Reconstruction and Development') to send a mission of economic experts to work out a scheme for an industrial 'common market' and customs union in Malaysia.

Before coming to some extracts from the report of the mission it may be useful to indicate the current problems which confronted the mission. Singapore, as a large city and major port, has certain advantages as a site for industrial development. However in the late 1950s political instability and labour unrest caused a setback in Singapore (see p. 33) and at about the same time Malaya achieved some success with a new industrial area at Petaling Jaya, outside Kuala Lumpur. Both territories would benefit from a larger combined market for industrial products (Document 29 paras 87-88). Singapore had the greater need of industrial development since, unlike Malaya, she had no agricultural or mining industries on a large scale.

Malaya was determined not to let Singapore have all the plums of industrial development resulting from a 'common market'. Moreover the Malay rural areas, and also the Borneo territories, argued that their populations should share in the high wages of factory workers. Hence location of industry and the factors affecting it were a controversial subject (Document 29 paras 95-98).

The other major problem was the creation of a single customs barrier around Malaysia as a whole. The Borneo territories already had a local free trade area and a single external tariff barrier. For them the effect of entering a Malaysian common market will be that tariffs against foreign goods become higher and they are expected to 'buy Malaysian'—in fact to 'buy Malayan'—a change which they will find unwelcome.

Singapore, with her long tradition of 'free port' status had to face more drastic changes. Under the 'free port' régime of Singapore (and also Penang Island) there are excise duties on certain commodities such as liquor, tobacco and petrol retained for local consumption but imports generally are free of duty. In this way an entrepôt port can compete with direct suppliers to its local markets and win by better service. Document 29 (from para 123 onwards) discusses the technical difficulties of adapting Singapore's trade to a Malaysian customs union (which Singapore must join in order to have a free market for her industrial products).

Paragraph 187 is a very sober account of the commercial ant-heap of Singapore's Chinatown and lighterage port. There is an incessant flow of movement of men and goods in and out of shops and warehouses, across the quays, into and out of the lighters, junks and coastal shipping of the entrepôt trade. Through the port of Singapore pass each year 600,000 tons of rubber, 600,000 tons of rice and maize, 250,000 tons of copra and copra-cake, 100,000 tons of coffee, 70,000 tons of pepper and spices, 30,000 tons of rattan and a very large tonnage of manufactured goods flowing in the other direction along the channels of entrepôt trade. The institution of a Malaysian customs union including Singapore would not however occasion as much difficulty as might be supposed. The mission estimated that only 3 per cent. of the South-east Asian produce imported into Singapore and Penang would be subject to customs duty under

the unified tariff. Thus the most intractable, not to say anarchic, section of the trade would hardly be affected. Four-fifths of the return trade in foreign manufactures would however be subject to the new duties. But those imports which were destined for re-export to neighbouring countries would in practice be exempt from duty. The mission discussed (1) customs 'drawback', i.e. repayment of import duty on proof of re-export (2) temporary exemption from duty for a limited time during which the importer must re-export—or pay the duty at the end of the time and (3) 'free zones' or bonded warehouses. The problems of administration were not insoluble but clearly Singapore would never be strait-jacketed into the orderly discipline of Hamburg or Antwerp.

In Document 29 the values given in Malayan dollars should be divided by $8\frac{1}{2}$ to arrive at the approximate sterling equivalent (Malayan $1 = 2s. 4d. sterling).

DOCUMENT 29. EXTRACTS FROM THE REPORT ON THE ECONOMIC ASPECTS OF MALAYSIA BY A MISSION OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE CHAIRMANSHIP OF MONSIEUR J. RUEFF, PUBLISHED IN JULY 1963.

The Market for Industrial Products

87. Both before and since the war firms established in Singapore or the Federation succeeded for a while in establishing and maintaining an important export market. But export markets have tended to shrink, and the majority of manufacturing firms now in the Malaysian States are supplying the home markets, as protection to promote national industrialisation has become more widely used outside Malaysia. The increase in the size of the market for domestically-produced goods is thus an important benefit to follow from merger. Using GNP[1] as a rough estimate of purchasing power, the total demand within the Malaysian market will be about 52 per cent. higher than that now existing in the Federation of Malaya, about four times that of the present Singapore market and eleven times that of the Borneo Free Trade Area. The potentially protected market available to the producer in Malaysia, once internal tariff barriers are removed, is thus almost as large as that of the Philippines and probably larger than that of Thailand.

88. The potential market for industrial products can also be expressed in terms of import substitution. Malaysian retained imports of manufactured goods, including chemical products, manufactured food products, textiles, manufactured tobacco, and machinery and transport equipment, totalled almost M$ 2,000 million in 1961, in addition to local production estimated at around M$ 1,100 million. Clearly the scope for import substitution is very substantial in many fields, although of course it will be neither possible nor desirable to substitute for many of these manufactured products for many years. The Mission has not attempted to examine the market for any individual products, but production and trade figures nevertheless give a general indication of the potential for expanded manufacturing production. For example, in the textile and clothing field, the market, which exceeds M$ 300 million a year, is approximately equally divided between Singapore on the one hand and Malaya and the Borneo States on the other,[2] implying a doubling of the potential market. Present local production is, however, less than 10 per cent. of Malaysian consumption. . . .

95. While this potential domestic market is substantial, it has become clear to the Mission that its size will be only just adequate to support efficient production in a number of important fields; it is also unlikely that export markets can be easily won until a firm sales base has been established in the domestic market. For these reasons, the Mission has concluded that not only must vigorous industrial promotion policies be followed, but these policies must be such as to encourage the efficient growth of the manufacturing industry sector of Malaysia as a whole, without modification in favour of particular areas. The social cost of policies which result in inefficient location of plants or undue monopoly power would tend to minimise the benefits of industrialisation—ultimately at the expense of the Malaysian consumer.

96. At the same time, it should be recognised that there are important long-term economic and social benefits to be gained by avoiding an excessive concentration of industrial activity. Given the comparative natural advantages—and disadvantages—of industrial investment in the main regional centres at present, we believe that growth will probably take place on a

reasonably well balanced basis, provided that industrial promotion policies result in equality of incentives throughout Malaysia.

97. The possibility does exist, however, that in time there may develop a tendency toward heavy concentration of industry in one or two areas. Such concentration could bring with it social and economic costs which more than outweigh the benefits. Should such a tendency become apparent, after say, four or five years, special measures might then be justified to encourage industrial dispersal by means of differential incentives. Such differentials should leave the choice of location to the investor, and should be directed at encouraging investment in the less concentrated industrial areas rather than restricting investment in the more developed areas. However, the principal objective now should be to achieve an increase in the overall industrial investment rate using incentives which are equal throughout Malaysia.

98. There remains the question of whether industrial promotion policies can also be adapted to help meet the needs of especially depressed or backward areas of the economy. Experience elsewhere indicates that assistance for such areas can generally be rendered most effectively through special efforts to improve basic social and economic facilities and through specially tailored programmes of training and relocation. However, we believe such programmes can best be carried out under special legislation or by distinct agencies directed primarily at meeting the special needs of such areas, and that they should not and need not modify significantly the general aim of promoting an efficient and competitive manufacturing sector. . . .

The Advantages of a Malaysian Common Market for Industrialisation

117. The firms in the manufacturing sector of the Malaysian economy, producing partly or wholly for the domestic market, will of course benefit most directly. In the Federation at present most manufacturing firms which have been established are concerned primarily with the domestic market. The export trade, although predominant in a few cases, would not, in itself, be sufficient to ensure their success. A large export trade

already exists, however, and about a third of manufacturing output is exported; almost two thirds of these exports are to Singapore, where most are retained. Exports to the Borneo Territories are minor. Singapore is thus already an important market for Federation manufacturers, who have at present to compete with duty-free imports from the rest of the world. The scope for expansion under these conditions is limited. Moreover, if Singapore were to continue to follow an independent industrialisation policy and introduce protective tariffs of her own, Malayan access to the Singapore market would be limited. For example, among the thirty additional items which have recently been referred to the Tariff Advisory Commission in Singapore are several items now exported from the Federation. By creating a Malaysian Common Market the Federation would thus retain the valuable Singapore market and, moreover, for all protected goods, would increase the size of its protected market by over 50 per cent. This would allow the establishment in the Federation of a number of industries for which the size of the domestic market was hitherto inadequate for economic production.

118. The same is true in Singapore. In recent years industrialisation has not made rapid progress, and there is no doubt that the gradual adoption of protective tariffs by the Federation has contributed to this slowdown. The existence of a tariff barrier has been an important factor in persuading a number of firms to establish plants in the Federation rather than Singapore, and tariffs such as those on paints, soap and wire mesh have restricted Singapore access to the Federation market. There are, however, a limited number of industries which have been able for some years to produce without resorting to protection, and which have a substantial export trade, such as chemical products and electrical equipment. The strategic advantages which led to Singapore becoming an appropriate site for such firms—many of which are foreign—are becoming less important. The growth of self-sufficiency in neighbouring developing countries, often behind tariff walls, has reduced the size of the market and made competition more severe. These changed circumstances have obliged many firms to reorient their selling patterns and to think more in terms of supplying a protected domestic market, as is shown by the number of

applications for the introduction of tariffs in Singapore.

119. As far as new industries are concerned, it is unlikely that, in most cases, entrepreneurs would attempt to start production to supply only an export market. Conditions of production in Singapore are not as favourable as in Hong Kong, for instance, and it would be difficult for the producers to compete with suppliers who can rely on a large domestic market which offers economies of scale and the opportunity to resort to variable pricing. Singapore by itself is however not a sufficient market to serve as a base for large-scale industries, even if the market were adequately protected. The level of protection required might be so high as to deprive the entrepôt trade of one of its main assets, which is the comparative cheapness of the services rendered to foreign countries. For Singapore, therefore, the benefits offered by the larger domestic market are very substantial and the need for a common market is probably even more imperative than it is for the Federation.

120. In the case of the Borneo States the advent of a common market should substantially enlarge the opportunities for industrial production in the long run. For a number of years these opportunities will probably benefit mainly those industries which are based upon resources found only in the Borneo Territories, and it is possible that in the first place a number of existing firms will have to make substantial adjustments to the new Malaysian competition. In the long run, however, as development proceeds, the Borneo States will benefit directly in the same way as Malaya, and also indirectly from the redistribution of Malaysian income in their favour. Although the basis for industrialisation is narrow in the Borneo States, it would appear more advantageous to start the establishment of new industries in the context of a market of 10½ million people rather than in the context of small, separate units.

121. If the Federation, Singapore and the Borneo States were to continue to carry out their industrialisation programmes on the basis of separate protected markets, duplication of production facilities, which already exists, would rapidly become more serious. This would lead to defective use of available resources which would adversely affect economic growth and the standard of living of all concerned. The setting up of the Federation of Malaysia offers a golden opportunity to establish an appropriate

basis for sound economic development, and it would be regrettable if such an opportunity were missed. The essential first step is thus to guarantee, to producers in any part of Malaysia, the free movement of their goods within Malaysia, and where necessary to provide, at least for an interim period, a reasonable degree of protection against foreign suppliers. . . .

123. However, both Malaya and Singapore depend too much on trade to be certain that the gains from the protection of infant industries will not be offset by a possible reduction in the income derived from export or entrepôt trades. Any significant increases in the cost of production, brought about by protection, could weaken the competitive position of Malaysia's export commodities. In the same way, the introduction of protective tariffs could affect the costs of the services rendered by traders in Singapore and Penang, and could conceivably create difficulties for the entrepôt trades. It is in fact the low cost of these services which has discouraged direct shipment from the producing to the consuming countries, and which has enabled Singapore and Penang to play the role of intermediaries. . . .

183. For many years entrepot trade was one of the main economic activities of the original Straits Settlements, and today it remains the largest single source of income and employment in Singapore and in Penang. Although important year-to-year fluctuations have taken place, entrepôt trade has grown in importance since the early 1950s. It is difficult at the present time to determine what are the prospects of that type of trade in the near future. On the one hand, industrialisation will lead to increasing imports of capital goods into neighbouring countries and the favourable location of Singapore may encourage its use as a regional centre for stocking and distributing traded goods, and more particularly the numerous spare parts and components which it would be more costly to store in each country of destination. On the other hand, there is a growing tendency on the part of neighbouring countries to rely less on Singapore as they organise their import and export trade by means of direct shipments, produce locally many of the consumer goods which they used to import from abroad, and improve the methods of grading, processing and shipping their export products. The role of the entrepôt port as an intermediary between neighbouring countries and the rest of the

world is therefore highly dependent on the policies followed in those countries, and on the changes in the trade channels; this is particularly true of Singapore and Penang whose trade is predominantly with two groups of countries, Malaya and the Borneo States on the one hand and Indonesia on the other. In these circumstances, it would not be advisable to base economic policies on the assumption of a rapid expansion of the entrepôt trade, but rather to adopt a policy designed to maintain the existing trade channels and to avoid any unnecessary impairment of that trade.

184. In the case of Singapore, the entrepôt trade and tourism together contribute about 20-25 per cent. of the national product and it is estimated that entrepôt trade employs directly about 70,000 persons or 14 per cent. of the labour force; but indirect effects on employment and national income are, of course, much higher. Although it is very difficult to ascertain the number of people empolyed in the entrepôt trade, as distinct from the other forms of trading, there is no doubt that, unless the necessary precautions are taken, a change in the conditions in which trade is conducted at present may lead to serious adverse effects on employment, if not on national income. . . .

187. It should be recognised that particular difficulties will to be faced in Singapore. Because of the absence of customs have formalities, and of the organisation of loading and unloading operations in the port of Singapore, the entrepôt trade is not concentrated in a small area, as in many trading centres; the goods imported for re-export are stored throughout the commercial quarters of the city, in godowns* or in shops. The import and export trade is not in the hands of specialised firms, but a large part of the export transactions are conducted by semi-wholesalers or even retailers who are also active in the local market. The fragmentation of the trade, as well as the traditional methods of operating which are familiar to the majority of traders, will make it more difficult to introduce methods which do not create any problem in other countries. These exceptional circumstances will require the development of special arrangements which are not found essential elsewhere,

* English form of the Malay "gudang"—denotes a warehouse or store used to hold trade goods or produce.

and will lead to a longer period of adjustment than would normally be necessary. . . .

190. Although, at present, loading and unloading operations are carried out in both ports with the minimum of customs supervision, the customs authorities could easily enforce efficient controls in the new port, i.e. in the area at present under the jurisdiction of the Singapore Harbour Board. In the case of the Roads, however, problems of enforcement would be far more complex since the lighters which ply between the ships and the shore are not required to unload in the Harbour Board Area or to call at any customs check-point, but they go straight to the Singapore River or any other unloading point. The import and export permits which are obtained from the Trade Department are not checked by the customs officers, and the consignments are not examined, except where they contain dutiable goods which have to be landed at Telok Ayer [part of port of Singapore. Ed.].

191. The existence of an important entrepôt trade is due to the favourable geographic location of the Singapore Harbour and the valuable port facilities which are found in this city. Apart from these advantages, Singapore has a long tradition in trade, shipping and banking, and the skill of its traders and operators, as well as the existence of all necessary low-cost ancillary services which have grown in step with trade, have made that city an essential intermediary in a large number of transactions. No doubt the customs régime applicable in Singapore has encouraged the development of that trade, but it is probable that a large part of the trade is not significantly influenced by the free port status which has been maintained with few exceptions until now. Many important trade flows would not be affected by any foreseeable change in the customs régime, either because the goods would not become dutiable in the future in any case, or because they are already subject to duties and appropriate procedures are applied. However a significant fraction of the trade concerns goods which might become dutiable and which would be adversely affected unless special arrangements were introduced to protect these valuable operations. Under its terms of reference, the Mission had to examine the methods which could be applied to preserve the entrepôt trade under the various sets of circum-

stances which might result from the creation of a Malaysian Federation. . . .

NOTES

(1) Gross National Product.
(2) This is a particular example of the general rule that Singapore is a much larger part of total Malaysian demand for manufactures than mere population figures would suggest. Singapore has only one-fifth of the total population but its national income per head, because its population is mainly urban, is more than twice as high.

The Mission recommended that the constituent governments of Malaysia should establish an independent advisory Tariff Board to investigate the case for tariffs to protect new industries and to work out a single external customs tariff for Malaysia, with special machinery for the entrepôt trade of the free ports of Singapore and Penang.

During the two years (1963-5) of Singapore's participation in Malaysia these measures for closer economic association made negligible progress. The problems were highly technical; the local vested interests were vocal. As relations between Singapore and Malaya went from bad to worse, there was a tendency in Malaya to hold up the 'common market' as a means of bringing pressure to bear on Singapore.

PART V

Singapore Withdraws from Malaysia

In planning Malaysia Tunku Abdul Rahman failed to foresee, and allow for, two factors. The first was the opposition of Indonesia—as we have seen. The second, to which we have now come, was the impact on the balance of federal politics of the PAP leaders from Singapore.

It seemed unlikely that a mere 15 members from Singapore would make any significant change in the enlarged central legislature of 159 in which the Alliance could command a comfortable and enduring majority owing to the solid support of the Malay rural voters. On their first appearance the PAP contingent professed themselves a 'loyal opposition'. The Tunku would have been wiser if he had found the means to recruit them to his Alliance coalition. But this would have ruffled the plumage of his existing Chinese partners, the MCA, who were already at loggerheads with Lee Kuan Yew. So he left the PAP to its own devices—in opposition.

Lee Kuan Yew also would have been wiser if he had accepted the position with good grace and bided his time until he had regained the goodwill of the Tunku and his Malay Ministers. In time they would have had need of his support. Instead Lee sought to force the Tunku's hand first (in the general election of April 1964) by a trial of strength with the MCA for the Chinese vote and, when that had failed, by forming (in May 1965) a 'convention' of opposition parties against Malay supremacy under the slogan of a 'Malaysian Malaysia'. As a result Singapore was forced to withdraw from Malaysia altogether in August 1965.

The causes and consequences of this unhappy sequence of events appear in two articles from *The Times* reproduced below. First it may be useful to illustrate the strategy and problems of

the three parties to this triangular contest, i.e. the MCA, the PAP and UMNO.

The MCA leaders are hard-headed men who make their appeal to the strong Chinese sense of practical advantage. In the election campaign of April 1964 they were fighting to retain the right to represent the moderate Chinese bourgeoisie in the ruling coalition. 'Do you want to be on the winning side or on the losing side?', the MCA president asked an election rally, 'if you are on the losing side and are represented in Parliament by an Opposition MP you will not get the things you ask for easily'. (*Straits Times* of 21 April 1964). On a rather higher level of abstraction there was the appeal to patriotism at a time of national danger (Indonesian 'confrontation') and to the preservation of communal harmony. The following are two short passages from election speeches by two different MCA speakers at different meetings.

DOCUMENT 30. EXTRACTS FROM MALAYAN CHINESE ASSOCIATION ELECTION SPEECHES PUBLISHED IN THE 'STRAITS BUDGET', 22 APRIL 1964.

(1) 'On 25 April not only Malaysia but also the Chinese community will be on trial. On that day the Chinese community will have to decide whether, by and large, they want Malaysia or not. If they want Malaysia there is no alternative to the Alliance. The entry of the PAP into the fray has only served to confuse the issue. As they claim to be a pro-Malaysia party, the best they can do is to split the pro-Malaysia votes. Their avowed purpose in participating is to help the pro-Malaysia party. The net effect however would be the opposite, because it could well succeed in helping the anti-Malaysia parties, particularly the Socialist Front, to win seats which they otherwise would have lost to the Alliance.'

(2) 'The Tunku is the only leader in Malaysia today who can continue to give us the peace and harmony which we have all enjoyed since independence. It is very important that every voter should support the Alliance and the Tunku so that we may continue to enjoy the present harmony and freedom.'

The MCA speakers pointed to what had been achieved by their

party in the past as evidence of what they would do in the future. The nub of their argument was that as the long-established Chinese element in the ruling Alliance they could deliver the goods; the opposition parties would not form the next government—and so they could not do so.

The MCA, with the unwavering support of their Malay (UMNO) partners, had a triumph. They increased their seats from 18 to 27. The PAP, which had fielded 11 candidates, won only one seat in Malaya (as distinct from Singapore).

Lee Kuan Yew is a fluent and lucid speaker who can put over a programme of social reform to great effect. In forming the 'Malaysia Solidarity Convention' however the PAP was in the difficulty that the five parties which formed the new body were united mainly in fear and resentment at the strident tones of Malay nationalism in the ranks of UMNO. The inaugural declaration of the 'Malaysia Solidarity Convention' was therefore a simple and rather vague protest against 'Malay supremacy' and a call for a 'Malaysian Malaysia'. After recording disappointment at the 'utterances and manifestations by highly placed political leaders which were contrary to the spirit and purpose of Malaysia as conceived and agreed to by the vast majority of people' the declaration goes on as follows.

DOCUMENT 31. EXTRACT FROM THE INAUGURAL DECLARATION OF THE MALAYSIA SOLIDARITY CONVENTION PUBLISHED IN THE 'STRAITS TIMES', 10 MAY 1965.

A Malaysian Malaysia means that the nation and the State is not identified with the supremacy, well-being and interests of any one community or race. A Malaysian Malaysia is the antithesis of a Malay Malaysia, a Chinese Malaysia, a Dyak Malaysia, an Indian Malaysia or Kadazan Malaysia and so on.

The special and legitimate rights of different communities must be secured and promoted within the framework of the collective rights, interests and responsibilities of all races.

The peoples of Malaysia did not vote for a non-democratic Malaysia. They did not vote for a Malaysia assuring hegemony to one community. Still less would they be prepared to fight for the preservation of so meaningless a Malaysia. . . .

We are realistic enough to recognise that until such time as a

Malaysian outlook takes strong roots, substantial sections of our population will be inclined to express themselves through communally organised political parties. But what occasions dismay and portends dangers is the viciousness with which attacks are launched against those who of whatever race abandon communal forms or politics for non-communal politics. . . .

This convention is being called to disabuse those who believe that Malaysians are weak, few and unorganised and that they are neither prepared to rally to defend and sustain the concept of a Malaysian Malaysia, nor are they determined to unite and work for its realisation no matter how arduous and protracted the struggle may be.

Malay opinion was further angered and alarmed by this general threat to 'special Malay rights', some of which were embodied in the constitution. As the argument grew hotter Lee Kuan Yew suggested that if a Malaysian Malaysia proved unattainable some 'alternative arrangement' would have to be made. By this he probably meant a renegotiation of the terms of Singapore's participation. It was taken however as a threat of secession by Singapore; later denials could not undo the damage.

Unfortunately the Tunku was abroad from early May 1965 to early August. He went to a Commonwealth Prime Ministers' Conference in London and then fell ill. On his return he declined to entertain discussions for an 'alternative arrangement' involving some new form of Malaysia. He insisted that Singapore must withdraw from Malaysia before the communal situation got out of hand or his own supporters forced him to suspend the Singapore constitution. Singapore's withdrawal was negotiated in secrecy and in haste within three days. The Tunku explained his decision in the letter which follows.

DOCUMENT 32. LETTER FROM TUNKU ABDUL RAHMAN, PRIME MINISTER OF MALAYSIA, TO DR. TOH CHIN CHYE, DEPUTY PRIME MINISTER OF SINGAPORE. [7 AUGUST 1965].

My Dear Chin Chye,

I am writing to tell you that I have given the matter of our break with Singapore our utmost consideration and I find that

in the interest of our friendship and the security and peace of Malaysia as a whole there is absolutely no other way out.

If I were strong enough and able to exercise complete control of the situation I might perhaps have delayed action, but I am not, and so while I am able to counsel tolerance and patience I think the amicable settlement of our differences in this way is the only possible way out. I request you most earnestly to agree.

DOCUMENT 33. LETTER DATED 8 AUGUST 1965 FROM DR. TOH CHIN CHYE TO TUNKU ABDUL RAHMAN.

My Dear Tunku,

I thank you for your undated letter, which I received yesterday, explaining your position and your solution to the present difficulties that have arisen between the central Government and the Singapore Government. It is indeed sad that in your view our problems can be solved only by asking Singapore to quit Malaysia, and this barely two years from the day Malaysia was inaugurated.

My colleagues and I would prefer that Singapore remain in Malaysia and we felt that there could be other solutions to the present impasse. However, as you have indicated that the situation does not lend itself to any other workable settlement and as you have impressed upon me 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.

I and my colleagues have rejoiced at the reunification of Singapore with Malaya in September 1963. It has come as a blow to us that the peace and security of Malaysia can only be served by the expulsion of Singapore from Malaysia. If this is the price for peace in Malaya and Singapore then we must accept it, however agonising our inner feelings may be.

Although lasting unification of Singapore and Malaya has not been achieved this time, nevertheless it is my profound belief that future generations will succeed where we have failed. In order that my friends and political colleagues in the other states of Malaya, and particularly those in the Malaysia Solidarity Convention, may know my true feelings on this

matter I may have at some future date to tell them of the true position.

Tunku Abdul Rahman said later that he had written his letter to Dr. Toh at his request and under the impression that it would be shown in confidence only to close political associates. Its publication caused embarrassment and the Tunku issued the following explanatory statement.

DOCUMENT 34. STATEMENT ISSUED BY TUNKU ABDUL RAHMAN WITH REFERENCE TO HIS LETTER TO DR. TOH CHIN CHYE.

I admit writing a letter to Dr. Toh and in doing so I wanted to emphasise the gravity of the situation.

I thought he would use the letter only to show his colleagues and, being pressed for an answer, I had no time to explain fully what I meant by saying 'if I were strong enough and able to exercise complete control of the situation'.

'Strong enough' refers to a situation that had deteriorated to a dangerous extent, affecting the peace and happiness of Malaysia, a situation brought about by the acrimony and the consistent attacks on the central Government by Mr. Lee Kuan Yew and others in Singapore.

In these circumstances if the attacks continued, thus worsening the situation, I might not be strong enough to resist the impulse to take repressive measures against those responsible. If I had taken repressive action I might perhaps regret one day having done so. As I explained in Parliament, this alternative of repression went very much against my feelings and conscience. So I advised Dr. Toh to accept 'the only way out' which in my view would be the most helpful of all.

In this way we could look ahead and try to make the new arrangements a success. Indeed, I am convinced that the change will open the way to greater co-operation between our two Governments and to mutual friendship and goodwill.

The question of my ability or this Government's ability to control the country does not arise, as the record speaks for itself. I am quite able, quite capable of asserting my authority when the occasion demands.

I can assure all the people that I am not weakening or dying,

nor am I any less competent to run the administration of this country now than before.

It was my duty to adopt a course of action which would ensure the peace and security of the nation, and to prevent, if it could possibly be done, any outbreak of violence.

To put it simply, I had to be firm but fair.

The separation of Singapore was smoothly completed by legislation passed on 9 August 1965. There had not been time to consult the governments of Sabah and Sarawak over a fundamental change in the federation to which they belonged. This caused much resentment, especially in Sabah where there was talk of secession. The Tunku visited Borneo and suppressed this incipient trouble by speaking of it as sedition and pointing out that with the enemy (Indonesia) at the gate the Borneo territories could not afford to separate from Malaysia. It is by no means certain that the trouble will not recur when the threat of Indonesian aggression is withdrawn.

Singapore became an independent State within the Commonwealth. There was a separation agreement by which Singapore and Malaysia recognised their common interest and agreed not to act to each other's detriment. It is an objective easier to accept in principle than to apply in practice.

The 'common market' which had remained a blue-print during the two years of Singapore's participation in Malaysia was formally abrogated. Immediately after the separation each state erected new trade barriers against the other. These measures were later rescinded but, although the desirability of economic association is recognised on both sides, it is most vulnerable to general friction between them.

At the time of the separation Singapore, Malaysia and Britain declared their intention of making new defence arrangements. The Anglo-Malayan Defence Treaty of 1957 had been extended to Singapore as a part of Malaysia—and this pre-condition no longer existed. However it would seem that upon reflection all parties found it convenient to let the matter rest. A reaffirmation of Britain's right to use the Singapore base would exasperate Indonesia at a time when there is some hope of the end of 'confrontation'. Malaysia still has troops in Singapore but might lose the right to station them there under a new treaty.

Now—to end this study—a general review of a confused situation.

DOCUMENT NO. 35. 'CHALLENGE TO MALAYSIA—I. MR. LEE'S GAMBLE THAT FAILED'. ARTICLE PUBLISHED IN 'THE TIMES', 10 NOVEMBER 1965.

Indonesia's troubles, though commanding attention, are of little comfort to Malaysia just now. Indeed there are several ways in which the outcome in Djakarta could prove inimical to the federation. The most novel and sobering one, since the amputation of Singapore, would be no less than a sudden end to the sporadic aggression and nagging threat of 'confrontation'. In the acrimony that followed the break with Singapore it was common defence need, compelled by 'confrontation', which more than any other factor prevented further dislocation in Sabah and Sarawak. However welcome would be the end of 'confrontation' it must be recognised now that the separatist tendencies latent in both territories would again be released.

Leaders in the federal Government in Kuala Lumpur disturbingly choose either to scoff at these suggestions or to denounce them as seditious. There is little trace of the concern felt by some responsible men in the country that the racial ballast of the federation has lurched unnervingly with the dumping of Singapore. Instead spurious claims are advanced that the 'racial arithmetic has improved' by casting adrift close on two million Singapore Chinese. The Malays are once more the principal—though not the majority—racial group.

Look in the streets, the leaders say; and certainly, as if this proved something, in Kuala Lumpur, Jesselton and Kuching —just as in Singapore—the eye is warmed by the easy mingling of four, at times five, races. Conversation tells the other story. While in Singapore there is heady relief at being free of 'Malay domination', among non-Malays in Malaya, Sarawak and Sabah there is foreboding that Singapore's departure means this 'domination' will be intensified.

Racial Threats

Why a man like the Tunku, a moderate, if at times impulsive,

leader, and certainly not a racialist, should have chosen drastically to shatter his dream after less than two years cannot yet be clearly understood. He has spoken of the inevitable rush towards communal upheaval if the two Governments of Malaysia and Singapore had continued bickering. And in this Mr. Lee Kuan Yew, Prime Minister of Singapore, agrees.

The vital difference, however, was that Mr. Lee's recipe was to try a looser federal arrangement, to allow the Tunku to crack down on his Malay 'supremacists'—'the mad Mullahs', as Mr. Lee has called them. In the face of advice from most of his senior officials, if not his closest Ministers, the Tunku said it could not be. Although there was the separation agreement, there can be few who doubt that Mr. Lee signed it against his will, and had great difficulty in persuading his Cabinet to go along with him.

If racial rioting threatened—and one has to trust entirely to the principal's intuition, for there were no untoward police reports—it is worth examining how things came to this pass. The root lies in a political challenge, legitimate enough on the face of it, by Singapore, first to the Malaya Chinese leadership and then to the Malay establishment.

Turning Point

Most observers in Kuala Lumpur fix the turning point towards deterioration at the federal elections in the spring of 1964. It was the Tunku's wish, as he said often enough, that Mr. Lee's bright sparks in the island Government should confine their ambitions to making Singapore the New York of Asia—in other words, keep off the mainland.

At the federal elections Mr. Lee's People's Action Party contested a handful of seats in Malaya, mainly with the intention of substituting themselves for the Tunku's allies in the Malayan Chinese Association. Mr. Lee's party won only on seat.

More important than this defeat, some in Kuala Lumpur used the occasion to wreck the chance, which many had worked for, of collaboration with the Tunku's government—either of having Mr. Lee in as a federal Minister or having the PAP as a coalition party. 'Mr. Lee is not to be trusted,' went the chant in Kuala Lumpur. Further squabbles ensued, notably

over Singapore's share of the Federal budget, but the most important irritant came earlier this year in the founding of Mr. Lee's Malaysia Solidarity Convention.

The essence of this convention was to build a multi-racial front of Opposition parties for a 'Malaysian Malaysia'. It was devoted, through the passionate advocacy of Mr. Lee, to breaking down 'communal politics', and ultimately to the installation of the blend of efficient, progressive but eclectic socialism which he has practised so well in Singapore. Again, it seemed legitimate, on the face of things. However, the Tunku's 'Alliance' rests on Malay, Chinese and Indian parties. In it the United Malays National Organisation is predominant, and it was they who felt themselves Mr. Lee's target.

A bitter war of words ensued, with some on the Malay side stooping viciously low to stir up rural Malay hatreds against the Chinese, which those in Singapore could not let pass unchallenged. The Tunku chose not to use his great prestige to cool passions. Still, there was no sign of rioting.

Critical Press

At the time the Tunku made his crucial decision he was away sick in London, feeling the lash of critical press reports. By this time the 'ultras' in his party were closing in for the kill; 'the repressive alternative' of suspending the Singapore constitution and perhaps arresting Mr. Lee and his colleagues would surely have caused a conflagration. But, after a tumultuous hue and cry, with no one having really defined or understood what a 'Malaysian Malaysia' was all about, the Tunku, as it were, shot the fox.

He had, perhaps, never really wanted Singapore in the federation, fearing that his 'happy Malaya' would be disturbed. The two years had brought nothing but quarrelling and so, like the national 'father' he sees himself, he put the fractious son out to set up house on his own. It is perhaps a too simple view of politics, and not the least of the Tunku's worries ought to be that his 'ultras' are seething over what they see as his betrayal of national territory.

Many have found it hard to blame Mr. Lee for what happened. For, whatever else he is, he is probably the most

passionate multiracialist in the whole area. Yet, like any other politician, he must be judged by his results—as he is the first to admit, with bitterness. Legitimate though his aims may have been, he and some of his even livelier colleagues clearly misjudged the mood of Malaya. For better or worse, Malays do hold the position of power in politics, the bureaucracy and even the military. As an élite they have here an edge over the Chinese who so largely control the economy, and they are not prepared yet to surrender it to open competition.

Pyrrhic Victory

Many reasonable Malays look to an erosion of Malay privileges over a generation. Mr. Lee wanted it in ten years at the most, provoked the confrontation, and lost. The trouble is that many of the young people in Malaya, including Malay students, are said to have been attracted by his ideas. One suspects that his time-table is more in tune with what is going on in the rest of the area than are the more leisurely intentions in Kuala Lumpur. This leads Mr. Lee to claim that his movement had a momentum of its own and that it could not be suppressed for the benefit of a clique in Kuala Lumpur. Events may prove him right, but it will be a pyrrhic victory.

In the final analysis Mr. Lee and his men had the least excuse to push this challenge so far. If the Tunku was in danger of losing control of events the Singapore leaders were under no such pressures. By keeping quieter they could have got much farther.

This leaves the immediate problem for both sides in changing gear from internal challenge to external co-operation. It will not be easy. Some leaders in Kuala Lumpur have never liked to see Singapore as 'indispensable'. Mr. Lee is going to have a hard time proving that the economic and social nexus is as 'inexorable' as he vainly claimed it was in politics.

DOCUMENT 36. 'CHALLENGE TO MALAYSIA—II. LEARNING TO LIVE SEPARATELY'. ARTICLE PUBLISHED IN 'THE TIMES', 11 NOVEMBER 1965.

Nothing was more disheartening in the first turbulent days of

Singapore's independence than the resort to economic reprisals. They betrayed, on the part of some in Kuala Lumpur, a desire to do Singapore down and, among some in Singapore, a hypersensitivity to their new vulnerability. In contrast to the sober agreements rapidly reached in the defence field, in which Mr. Lee Kuan Yew, Singapore's Prime Minister, gave ample proof of his realism by sending promptly his only battalions to Borneo, and by pleading desperately with Britain not to pull out, economics were shot through with political passion.

Things have not sobered down, as can be seen in the furore over Singapore's wish to resume barter trade with Indonesia. But one must hope that the businessmen, with indissoluble interests in both countries, who would never have allowed separation had they been asked, will soon be getting their message through.

Common Market

It is commonplace that the two need each other, but truer still, perhaps, that Singapore needs Malaya more than it is needed. It would seem folly to try to dislocate traditional flows of trade in rubber and tin down the peninsula to the great port of Singapore. Some in Kuala Lumpur seem to wish to try it. And, no doubt, as if to spite one's face, it could be attempted. Although Singapore, with its two million population, does represent some 40 per cent. of the former federation's purchasing power, Malaya could just do without Singapore's market. For all Singapore's indomitable spirit, it could not do without Malaya's trade nor its market.

One mentions these possibilities because they are live fears in Singapore, and because continuing prosperity is the condition of Singapore's stable survival. Future co-operation is essential because, beyond the traditional pattern, both countries are entering upon elementary industrialisation. They promise to be directly competitive rather than complementary. Singapore will doubtless press for the long discussed common market it needs with Malaysia. But Malaysia will want to make sure that Singapore, for one thing, does not get all the plums in foreign investment.

Cheap Housing

It must also lie in Malaysia's defence interests, and those of others interested in the region, to see that Singapore prospers. Ironically, nothing illustrates better the startling progress Singapore has made than the confidence of Tunku Abdul Rahman, Malaysia's Prime Minister, in ousting the island. Only three years ago he was arguing with his own reluctant followers that they must have Singapore in the federation to avert another Cuba on the doorstep. No one who has heard Mr. Lee expressing Singapore's wish to survive through the retention of British bases can imagine such a threat developing under his Government.

The reduction of the communist political threat is due entirely to Mr. Lee's Government. It has succeeded, remarkably, as have few others in South-East Asia, in giving the people a good share of the port-city's growth in prosperity. The achievements in the social programme are astonishing. Over 51,000 cheap flats have been built in the past five years and a further 60,000 are planned for the next five. The housing problem, I was told, had been abolished.

Education is thriving—significantly only the Malays get free Government education. Teachers are among the better paid members of the community. Car ownership grows apace, and Orchard Road is virtually one continuous car showroom, testifying to the salesmen's confidence in an expanding market. Affluence and a widely appreciated dynamic, efficient and, above all, uncorrupt administration have given Mr. Lee great popularity—even among the remaining British businessmen.

The communist threat is not yet eliminated. There is a hard core of party members and there are plenty in the teeming Chinese community—half of whom are under 21—whose admiring thoughts tend to drift towards Peking. Mr. Lee's great boast of thrashing the Barisan Socialis (the far-left socialist front) on their own ground in a recent by-election was, in fact, won only by a 60–40 vote. The Barisan Socialis has so far courted disaster by flirting with Indonesian pretensions. But Mr. Lee is the first to admit that economic recession, either through hurting the Malaysian relationship or in closing down the British bases, could have disruptive effects. The current

prosperity is not without its precarious aspects. Very high wages have been achieved by the union movement. There is no reserve of cheap labour.

Singapore's economic *tour de force* has tended to dazzle, and cause resentment in Kuala Lumpur that Malaysia's own achievements are being ignored. This is partly natural since Singapore's achievements are so eye-catchingly concentrated, and because there is undeniably a bustle and drive among the Chinese which is in striking contrast to the leisurely bonhomie of the Malay in Kuala Lumpur. But these should not hide the progress that has been made in Malaysia—in housing and in industrial and rural development. In some respects, such as foreign investment, the claims of some Ministers in Kuala Lumpur to be more socialist than Mr. Lee seem justified.

Social Problem

Even if economic harmony with Singapore is achieved, a basic problem in Malaya will remain. It is a social and racial one. The Chinese and, to a lesser extent, the Indians are taking the chances that education and an improving economy bring quicker than the Malays. Already they are forming prosperous self-contained communities in the towns, which contrast with the backwardness of the predominantly Malay countryside.

Socially, too, Malays and non-Malays tend to mix little. Chinese and Indians occasionally intermarry, for instance, but Islam sees to it that Malays rarely choose outside their own religion. And there is the simple problem of eating. Of course, whoever it was, either in Singapore or Malaya, who divided the races up into pork-eaters and non-pork-eaters was asking for trouble. The fact remains, as a cultured Indian told me, that it *is* difficult to get on with Malays when you always have to be careful about food and drink.

None of this might matter much if everyone were, or could be, content with the *status quo*. There are two factors working for imbalance. The remnants in Malaya, if not in Sabah and Sarawak, of Mr. Lee's 'Malaysia Solidarity Convention', could become a political rallying point for non-Malays if they felt threatened. Much will depend on Mr. Lee's stand. Though now a foreign Prime Minister, he remains the spiritual head of a

movement that had much to do with the ardour and rhetoric of some civil rights movement. Even without his help non-Malays could well have reason to fear from the 'language problem' which opponents of 'Malay domination' are quickest to produce.

National Language

After September 1967, the Malaysian Parliament is free to make Malay the sole national language in Malaya and the medium of education in Government schools. Nothing is decided yet. But the febrile promoters of Malay are determined to begin the process in 1967, with the new classes starting in Malay and dropping English. But the Indians and Chinese prize their English, and they prize their own cultures. There is growing resentment at the prospect of either having Malay forced down their children's throats or having to resort to private schools.

Mr. Lee reckons he has evidence that the communists will be all out to cause trouble here, and he seems obsessed, if the language issue is pressed home, with the prospect of having another Vietnam on his doorstep, from whose turmoil he would be unable to stand aside.

The Malaysian Government obviously discounts Mr. Lee's nightmares. It may claim that its intentions are misunderstood. But it does have a considerable task in removing that misunderstanding by patiently explaining its language policy, and being willing to listen to reasonable disquietude. Only thus can they lay the bogy of 'Malay domination'—which has caught an even stronger hold in Sabah and Sarawak.

Malaysian Population Statistics

('000 persons)

Territory	*Area (sq. miles)*	*Malays and other indigenous peoples*	*Chinese*	*Indians and others*	*Total*
Federation of Malaya	50,700	3,510	2,595	912	7,017
Singapore	224	232	1,253	179	1,665
Sarawak	47,071	511	229	5	745
North Borneo	29,387	342	105	7	454
Total	127,382	4,595	4,182	1,103	9,881
Proportions		47%	42%	11%	100%

NOTES

(1) Data taken, with slight modification, from Table 3 (Appendix 2) of *Malaya* by J. M. Gullick (2nd Ed. 1964) by permission of the publishers, Ernest Benn Limited. Based on census reports and other official sources relating to the situation in 1960. The population is growing rapidly.
(2) Malays and Malaysians are regarded as indigenous in Malaya and Singapore but not in North Borneo and Sarawak, where they number 161,000, say 2% of the total Malaysian population.
(3) Singapore ceased to be part of Malaysia in August 1965.
(4) Brunei declined to join Malaysia in 1963. Her area is 2,226 sq. miles; population 59,000 Malays and other indigenous (Malays are regarded as indigenous in Brunei); 22,000 Chinese and 3,000 other; total populations 84,000.
(5) Each of the figures has been rounded to the nearest 1,000 and this explains minor apparent discrepancies of addition.

Principal Political Parties of Malaysia

A. IN MALAYA

UMNO (p. 16)
United Malay National Organisation formed in 1946 has the support of the greater part of the Malay electorate and is the leading element of the Alliance coalition which has been in power since 1955. Tunku Abdul Rahman, the federal Prime Minister is also President of UMNO.

MCA (p. 16)
Malayan Chinese Association formed in 1949 has considerable support among the Chinese middle class and, though to a lesser extent, among the working class. Its coalition with UMNO, in the Alliance government, is the foundation of multiracial government in Malaysia. Mr. Tan Siew Sin, the federal Finance Minister is President of the MCA.

MIC (p. 16)
Malayan Indian Congress joined the Alliance coalition in 1955 and its President, Mr. Sambanthan, is a federal Minister. It has a fair measure of support among the Malayan Indian community.

PMIP (p. 17)
Pan Malayan Islamic Party emerged at the time of the first federal elections in Malaya in 1955 as the leading rival to UMNO for the Malay vote. It advocates outright Malay rule without concessions to or alliance with other communities. It draws much of its support from the backward East Coast States where discontents are exacerbated by the Islamic clergy. Dr. Burhanuddin is its President.

SF (p. 17)
Socialist Front is a left-wing group of parties which provided the main opposition to the MCA in the contest for the urban non-Malay vote until it broke up in 1965 as a result of differences between its Malay element (Party Ra'ayat) and the rest (Labour Party).

PPP
Peoples Progressive Party has significant support only in the State of Perak. Its main appeal is to the urban non-Malay voter. Its President is an Indian lawyer, Mr. Sreenivasagam.

UDP
United Democratic Party was formed in 1962. Ostensibly non-communal it is in fact a Chinese group, whose main support is in Penang and which was formed by leaders who had broken away from the MCA in 1959 because they thought it unduly subservient to UMNO and the Malays (see p. 16). Its President, Dr. Lim Chong Eu, was at one time Alliance chief whip in Parliament.

Federal Elections: April 1964 (p. 167)
At this election the Alliance improved its total strength from 74 (in 1959) to 89; and of this the MCA had 27 (as compared with 18 before). PMIP, the Malay opposition, had 9 seats and the left-wing/anti-Malay parties a total of 6.

B. IN SINGAPORE

PAP (p. 19)
Peoples Action Party formed in 1954 became the ruling party in 1959. It is in practice rather more of a radical working-class party than a doctrinaire socialist one. It is led by Mr. Lee Kuan Yew, Prime Minister of Singapore.

Barison Socialis (p. 21)
Party formed in 1961 by a breakaway from the PAP. Its leaders disagree with the relative moderation of the PAP leadership and opposed the entry of Singapore into Malaysia. The titular leader of a somewhat divided party is Dr. Lee Siew Choh.

SPA
Singapore Peoples Alliance is a rather uneasy coalition of the survivors of middle-class parties which lost support in the Singapore elections of 1955 and 1959 and the Singapore outposts of UMNO and MCA.

General Election: September 1963. (p. 21).
PAP won 37 out of 51 seats; previously, after the defection of Barisan Socialis in 1961, PAP strength had been a bare majority of 26. Barisan Socialis won 8—and 1 went to a minor left-wing party. SPA won no seats.

C. IN BORNEO (pp. 21–22)

In the Borneo territories there is as yet hardly any stable party alignment. Small groups based on tribal or communal loyalties or personal factions serve for parties. The main political cleavage is between those which support the Alliance government at the centre and those which oppose it—and the very existence of Malaysia itself.

Sabah

The *Sabah Alliance Party* is a group which comprises United National Kadazan Organisation (UNKO—a Kadazan communal group), United Sabah National Organisation (USNO—mainly Muslim and Malay), United National Pasok Momogun Organisation (mainly a Dusun tribal group), Borneo Utara National Party (BUNAP—supported by many Chinese) and Sabah Indian Congress. There are no effective opposition parties but several of the Sabah Alliance parties have reservations about Malaysia. The original Alliance leader in Sabah, Donald Stephens, Eurasian leader of UNKO, gradually lost influence, tried to retrieve his fortunes by advocating withdrawal of Sabah from Malaysia in the reaction to Singapore's expulsion (see p. 171) and retired to journalism.

Sarawak

Here too there is a '*Sarawak Alliance*' which comprises the Sarawak National Party (SNAP—mainly Dyak), Barisan Raayat Jati Sara (BARJASA—mainly Malay), Party Basaka Anak Sarawak (PAPAS—mainly Dyak), and Sarawak Chinese Association (SCA). This too is an uneasy coalition with much feuding over leadership between Malay and Dyak elements.

Party Negara Sarawak (*PANAS*) was originally an element of the Sarawak Alliance, broke away just before Malaysia was established in 1963 and later rejoined it. It comprises both Malays and non-Malay indigenous peoples (Ibans, Dyaks, Melanaus) who in 1963 advocated the independence of Sarawak as a separate state without prejudice to its joining Malaysia at some later date—but on its own terms and from a position of independance. (See Document 11).

Sarawak United People's Party (*SUPP*) is a Chinese party subject to a considerable amount of communist penetration. (See Document 12).

Elections

At the time of the formation of Malaysia in 1963 the only elections in Borneo had been held on an indirect basis (see pp. 122–126).

Bibliography

As Malaysia came into existence as recently as 1963 there are not very many books dealing with Malaysia as such. There is a very large literature on Malaya and Singapore (see *Bibliography of Malaya*—H. R. Cheeseman, Longmans, 1959) and a certain amount on Borneo and Sarawak.

The following are some suggestions for further reading.

SECTION I. GENERAL AND HISTORICAL

1. *The Background to Malaysia*—T. E. Smith (OUP, 1963)
   One of the 'Chatham House Memoranda'—an excellent short introduction to the formation of Malaysia.
2. *Malaysia*—edited by Wang Gangwu (Pall Mall Press, 1964)
   26 essays on 'basic data for an understanding of Malaysia' edited by the Professor of History at the University of Malaya.
3. *The Story of Malaysia*—Harry Miller (Faber & Faber, 1965)
   A short historical introduction—the author was for many years Chief Reporter of the *Straits Times*.
4. *Malaysia*—Victor Purcell (Thames & Hudson, 1965)
   Illustrated—the late Dr. Purcell had spent many years in Malaya and was the leading authority on the Malayan Chinese.
5. *A History of Malaya*—J. Kennedy (Macmillan, 1962)
6. *Malaya*—N. Ginsburg and C. F. Roberts (University of Washington Press, 1958)
   A very comprehensive factual and statistical study by two American scholars.
7. *Malaya*—L. A. Mills (OUP, 1958)
   A study of the immediate post-war decade by one of the leading American scholars of Malayan history.
8. *Malaya*—J. M. Gullick (Ernest Benn, 1964)
   One of the 'Nations of the Modern World' series—deals incidentally with the formation of Malaysia.
9. *Under Chartered Company Rule*—K. G. Tregonning (University of Malaya Press, 1958)
   A history of North Borneo by the Raffles Professor of South-East Asian History at the University of Singapore.

10. *The White Rajahs*—S. Runciman (CUP, 1962)
A history of Sarawak.

SECTION 2. ETHNOGRAPHIC

Sir Richard Winstedt and the late Dr. V. Purcell have written a number of books on the Malays and the Chinese respectively. There are good modern studies, mainly in the London School of Economics 'Monographs in Social Anthropology' (Athlone Press) by R. Firth, J. Djamour, A. Elliott, M. Freedman and M. G. Swift. The leading Borneo ethnographers are T. Harrison and I. H. N. Evans.

SECTION 3. ECONOMIC

Under this head the literature is growing fast.

11. *Western Enterprise in Indonesia and Malaya*—G. C. Allen and A. C. Donnithorne (Allen & Unwin, 1957)
12. *Readings in Malayan Economics*—edited by T. H. Silcock (Eastern Universities Press, 1961)
A reprint of 24 articles from journals edited by the former Professor of Economics at the University of Malaya.
13. *The Economic Development of Malaya* (John Hopkins, 1955)
The report of the first World Bank Mission to Malaya.
14. *Ownership and Control in the Malayan Economy*—J. J. Puthucheary (Eastern Universities Press, 1960)
Written while in detention by the author of Document 7 of this book—trenchant but fair.
15. *The Rubber Industry*—P. T. Bauer (Longmans, 1948)
A classic on this subject though somewhat controversial.

SECTION 4. POLITICAL

16. *Communism in South East Asia*—J. H. Brimmell (OUP, 1959)
A very comprehensive historical study issued under the auspices of Chatham House.
17. *The Battle for Merger*—Lee Kuan Yew (Government Press, Singapore, 1962)
A series of broadcast talks in which the Prime Minister of Singapore recounted very frankly his struggle with communism in Singapore. Obtainable through the Singapore Trade Commissioner in London.

SECTION 5. GEOGRAPHICAL

18. *South-East Asia*—E. H. G. Dobby (University of London Press 1957)

19. *Man in Malaya*—B. W. Hodder (University of London Press, 1959)

SECTION 6. PERIODICALS AND LIBRARIES

Malaysia House, Trafalgar Square, W.C., has a reading room with the leading Malaysian newspapers (and a reference library). General inquiries can be made here or to the British Association of Malaysia, Grand Buildings, Trafalgar Square which also publishes a monthly magazine, *Malaysia*. The leading English-language newspaper, the *Straits Times* is published in a weekly edition as the *Straits Budget* (London office: 3 Temple Avenue E.C.4.)

In addition to the libraries at Malaysia House and at the British Association of Malaysia there are libraries, or sections of libraries on Malaysia at the Royal Asiatic Society, the Royal Commonwealth Society, the Institute of Commonwealth Studies and of course at the British Museum.

The official publications used in this book were obtainable at Her Majesty's Stationery Office, the Malaysian High Commission or the Indonesian Embassy as the case may be.

The *Malayan Economic Journal* and the *Journal of South East Asian History* are published by the University of Singapore; the *Journal of the Royal Asiatic Society, Malaysian Branch* by the Society, at the National Museum, Singapore, 6.

Subject Index

Abdul Rahman, Tunku
  Career and character 8, 29, 50, 52, 108
  advocates Malaysia 21, 26, 28, 51, 81, 131
  Speeches etc. 28, 30–45, 60, 78, 120, 168–9, 170–1
  at Manila 111–120
  expels Singapore 165 et seq.
Abdul Razak, Tun 111
Absentees from Sarawak 118, 124, 135–6
Afro–Asian bloc 24, 109, 115, 136 (see also 'Bandung Conference')
Agriculture 2–3, 5 (see also 'Rice', 'Rubber')
Alliance government 10, 21, 106, 165–6, 174 (see also 'Government' 'Sabah Alliance', 'Sarawak Alliance')
America, see 'U.S.A.'
Association of South-Asian States (ASA) 24, 147
Australia 3, 98

Bandung Conference (1955) 109, 113, 115, 119 (see also 'Afro-Asian bloc')
Barisan Socialis 21, 45–50, 177, 184
Bases, British 44, 99–103, 119–20, 142, 171, 177
Borneo
  Citizenship 69–72
  Customs union 56, 82
  Geography and resources 1–3
  Indonesian threat to 30, 59
  Leadership 40, 59
  Local federation 27, 41, 58, 77–8, 91
  Malaysia, reaction to 8, 22, 41–3, 58–9, 63, 78–87, 171–2, 179 (see also 'Cobbold Commission', 'UN Mission', 'Manila Conferences')
  Races 4, 8–9, 59 (see also 'Brunei', 'Sabah', 'Sarawak')
Britain
  Before 1945 13–15
  and Borneo 27, 39–41, 44, 77, 91, 134
  Indonesia 107–8, 119, 142–5
  Singapore 19, 33–4, 46, 50
  Defence Policy of 23, 97–103, 171 (see also 'Defence', 'Capital, foreign')
British North Borneo, see 'Sabah'
Brooke regime in Sarawak 40, 72, 90
Brunei
  constitution 66, 70
  population 181
  revolt (1962) 105, 123
  and Sabah and Sarawak 8, 14, 27, 58, 89, 91, 95
  special status 60–4
  Sultan 40, 59, 70, 76
  rejects Malaysia 105

Capital, foreign 19–20, 33, 50, 154
China
  influence 1, 23, 36, 51, 54, 56, 97–8
  trade with 2
  (see also 'Communism')
Chinese, Malaysian
  general 8–12, 17–18, 51
  in Borneo 9, 23, 40, 59, 89–91
  economic power 6, 55, 175
  nationalism 18–9, 36–7
  population 181
  (see also 'Communism', 'Education', 'Language'', 'KMT', 'Malayan Chinese Association', 'Race Relations', 'SUPP')
Chin Peng 38, 52
Civil Service
  Malays in 6, 10 (see also 'Malays-Special Rights')
  federal 43
  in Borneo 43, 73–4, 80, 83–4

Citizenship
in Malaya 10
in Singapore 36, 70
in Borneo 60, 69–71
Clandestine Communist Organisation (CCO) 23 (see also 'Communism')
Climate 1–2
Coal 3
Cobbold Commission 22, 77, 85–96
Colombo Plan 78, 83
Colonialism 40–1, 46, 107, 115–16, 137, 142
Common Market 20, 82, 154, 158–61, 164, 171 (see also 'Trade')
Communism
in Borneo 22, 38–9, 41, 77, 89, 92–3
among Chinese 18–19, 30, 93
in China 51–2
Emergency (1948–60) 23, 38, 52, 55
in Indonesia 24, 108
influence of, 25, 52–3, 120
international 1, 23, 97
Malay attitude to 54–6
Malayan Communist Party (MCP) 16, 52, 55–6
negotiations with 38, 52
objectives of 37–8, 46, 49–58
in Singapore 18–19, 21, 30, 36–8, 49 et seq., 147, 177, 179
in schools 19, 52, 179
in trade unions 19, 52
(see also 'China', 'Chin Peng', 'CCO', 'PAP', 'Russia', 'SUPP')
Constitution, federal 14–5, 36, 62–6, 79–80, 84, 169, 173
Currency 40, 44, 156

Dayaks 88–9, 92
Defence
Anglo–Malayan Treaty (1957) 23, 97–103, 171
1963 Agreement 102–3, 107–8, 120, 171
After 1965 171, 176
Collective 23, 25, 97–103, 110, 119, 144–5, 176
Democracy, see 'Parliament'
Detainees (in Sarawak) 124, 135–6
Development, see 'Economic'
Dutch 24

Economic
Malaysia 3, 43, 153–64
Borneo 22, 82, 95, 156–64
Singapore 18–21, 33, 153–64, 177
Education
Borneo 68, 81
Chinese 16–17, 19, 36, 42, 177
Language of 7, 10–11, 60, 68,82, 179
Malay 7, 179 (see also 'National Language')
Scholarships 10, 72, 75 (see also 'Colombo Plan')
Singapore 21, 36, 45, 177
Elections
Borneo 66–7, 117, 123–8, 134–5, 166, 185–6
Malaya 15, 166–7, 173, 184
Singapore 19–21, 33, 177, 184 (see also 'Plebiscite')
Electorate 20, 22, 30, 46 et seq., 143, 172
English Language 67–8, 81–2, 179

Federal constitution, see 'Constitution, federal'
Federated Malay States (FMS) 13, 15
Finance, public 82–3, 105, 174
Foreign policy 36 (see also 'Defence')
France 24
Franchise, see 'Citizenship'

Geography 1
Government powers, see 'Constitution, federal'

Hong Kong 97–8, 160
Housing 20

Immigration
Borneo 22, 68–9, 75, 81, 90
Chinese 8–9, 23, 25
Indonesian 5
Independence 14–15, 34, 38, 40–1, 46, 50–1, 67, 142
India 1–2, 4
Indians, Malayan 12–13, 54–5 (see also 'MIC')
Indonesia
Borneo in Malaysia 22, 106 et seq., 114, 136–8, 142–4, 172
Confrontation 23–4, 96, 136 et seq., 147, 166, 172
Economy 3, 24

Indonesia—*continued.*
Foreign Policy 23–4, 97–8, 110, 119–20
Politics 24, 109
Population 5
1958 revolt 110, 137, 142
1959 Treaty with Malaya 137, 142
(see also 'Afro-Asian bloc', 'Bandung Conference', 'Sukarno' 'Maphilindo')
Industrialisation
general 3–4, 25, 156 et seq.
Singapore 20, 154–5
Internal security
Malaya 23, 98
Singapore 21, 27, 33–4, 46, et seq., 177–9 (see also 'Communism')
International Bank for Reconstruction and Development (IRDB—World Bank) 83, 154–164
Iron Ore 3
Islam
among Malays 4–5, 32
as State religion 42, 64–5, 82, 92

Japan 15, 136, 138
Joint Statement, see 'Manila Joint Statement'

Kuala Lumpur 20–1, 45, 62, 142–3, 154, 172 et seq.
Kuo-Min-Tang (KMT) 51

Labour Front 19
Labour Relations 11, 17, 20, 36, 45, 178
Labuan 13
Land Questions 10, 17, 22
Language, see 'National Language'
Lee Kuan Yew
Character 29, 106, 175
and Communism 19, 35–6, 52
Malaysia project 21, 33, 45 et seq., 106, 165 et seq.
Speeches 35, 49–51
Lee Siew Choh 47
Legislation 73–4, 79, 101
Legislature, see 'Parliament'

Macapagal 26, 111 et seq., 119, 138, 148, 151 (see also 'Philippines')
Malacca 2, 13, 41, 65
Malaya, Federation of 14–15, 27, 32 (see also 'Malay Rulers')
Malay Language, see 'National Language'
Malays
Community 4–8
Politics 8, 12, 16 (see also 'UMNO', 'PMIP')
Population 181
Rulers 8, 15–6, 32, 35, 40, 59, 105
Special Rights 10–11, 17, 72, 167–8, 175
States 6, 13–5
(see also 'Civil Service', 'National Language', 'Race Relations')
Malayan, meaning of 4
Malayan Chinese Association (MCA) 16, 165, 174, 183
Malayan Communist Party (MCP), see 'Communism'
Malayan Indian Congress (MIC) 16, 174, 183
Malayan Union 14–5
Manila Accord 26, 108, 111–14, 117–18
Manila Conferences 108–9, 114, 120
Manila Joint Statement 26, 108, 115–20, 135–6, 143
Maphilindo 24–5, 45, 109 et seq.
Malaysia
Criticism 28, 45–9, 60, 78, 105–8, 171, 179
Events leading to 20–1, 27–30, 45, 58–9, 98, 105–6, 136
Federal structure and safeguards 14–5, 62–6, 74, 78–85
Inaugural date of 114, 121, 131, 144
Nationality in 70
(see also 'Common Market')
Malaysia Solidarity Consultative Committee 28–9, 59–76, 82, 86, 88, 92
Malaysia Solidarity Convention, see 'Malaysian Malaysia'
Malaysian Malaysia 21, 165 et seq., 174, 178

National Language (Malay) 6–7, 17, 32, 35, 40, 42, 67, 81–2, 92, 179
New Zealand 98

Oilfields 3, 105

Pan-Malayan Islamic Party (PMIP) 17, 45, 183

Parliament
  Function 56–8
  Membership 43, 46, 49, 59, 66–7, 165
  Borneo Councils 122, 125–8
Party Negara (Sarawak) 88, 185
Pasok Momogun party 128, 185
Penang
  constitutional 9, 15, 41, 65
  trade 2, 13, 153 et seq.
Peoples Action Party (PAP)
  formation (1954–7) 50, 52
  in power (1959) 19, 33
  splits (1961) 20–1, 33 et seq., 45, 52
  in federal politics (1963–5) 165–6, 173
  programme 12, 19, 21, 57, 184
  (see also 'Malayasia—events leading to ', 'Lee Kuan Yew')
Peoples Progressive Party (PPP) 184
Philippines
  general 4, 24, 45, 97, 156
  claim to Sabah 30, 106, 110, 113–4, 118, 136–7, 143, 147–51
  (see also 'Macapagal', 'Manila Conferences')
Plebiscite
  Borneo 110, 121
  Singapore 51
Population 20, 181
Ports, (see 'Penang', 'Singapore', 'Trade')
Puthucheary, J. J. 53–8, 188

Race Relations
  economic 6
  political 10, 15–17, 20, 36–7, 45, 50 et seq., 92–3, 106, 167–8, 170 et seq.
  (see also 'Borneo', 'Chinese', 'Malays', 'Alliance')
Religious freedom 75, 82
Rice 3, 6, 17
Rubber 3, 6, 13
Russia 23, 141

Sabah 13–14, 22, 39–40, 58–9
  (see also 'Borneo', 'Constitution, federal', ' Cobbold Commission', 'Economic', 'Elections', 'Malaysia' 'Parliament')
Sabah Alliance 185
Sarawak—as under 'Sabah'
Sarawak United Peoples Party (SUPP) 23, 38, 88–93, 123, 185
Security Council, see 'United Nations'
Singapore
  up to 1961 9, 12, 14, 18–20, 27, 32–5, 59
  negotiations for Malaysia (1961–3) 20, 29, 36–7, 45 et seq., 63, 80, 105–6, 114, 136
  expulsion (1965) 8, 12, 14, 16, 18, 21, 165 et seq., 172 et seq.
  (see also 'Bases', 'Common Market', 'Communism', 'Economic', 'Education', 'Elections', 'Electorate', 'PAP', 'Race Relations', 'Trade')
South East Asia Treaty Organisation (SEATO) 44, 97–8
Socialist Front (SF) 17, 45, 166, 183
Social Reform 11–12, 17–18, 53–8 (see also 'Education', 'Housing', 'Race Relations')
Straits Settlements 13
Subandrio 111
Sukarno 24, 26, 108 et seq., 136, 148
Sumatra 2, 110

Tan Siew Sin 106
Tariffs, see 'Trade'
Taxation, see 'Finance, public'
Thailand 24, 97–8, 136, 147, 156
Timber 3
Tin 3, 9
Tokyo Conference 136, 138
Trade
  general 1–3, 25, 158–164
  Singapore problems 19, 27, 33, 136, 146–7, 153–6, 161–4, 176
  (see also 'Common Market', 'Economic')
Trade unions, see 'Labour Relations'
Tun Abdul Razak, see 'Abdul Razak, Tun'

Unfederated Malay States (UMS) 13
United Democratic Party (UDP) 16, 184
United Malay National Organisation (UMNO) 16, 50–1, 167, 174, 183
United Nations (UN)
  general 22, 26, 88, 117
  Mission to Borneo 22, 117–18, 120–36

United Nations (UN)—*continued.*
Secretary General 117–18, 121, 131 et seq.
Resolution 1541 (XV) 117, 129 et seq.
Security Council 137–47
United States of America (USA) 97, 151
Vietnam 23, 35, 79
World Bank, see 'IRDB'

The World Studies Series
General Editor: James Henderson, M.A., Ph.D.

Forthcoming Volumes

The European Common Market and Community, *U. W. Kitzinger*, Fellow of Nuffield College, Oxford.

John F. Kennedy and the New Frontier, *Edmund Ions*, Department of History, Columbia University, New York.

Brazil: The Pattern of Poverty and Riches in South America, *L. Bethell*, Department of History, University of Bristol.

The Indian-Pakistan Problem, *Dr Peter Lyon*, London School of Economics.

Israel and the Arab World, *C. H. Dodd*, Department of Social Studies, University of Durham.

Apartheid, *Dr Edgar Brookes*.

The World Studies Series is designed to make a new and important contribution to the study of modern history. Each volume in the Series will provide students in sixth forms, Colleges of Education and Universities with a range of contemporary material drawn from many sources, not only from official and semi-official records, but also from contemporary historical writing and from reliable journals. The material is selected and introduced by a scholar who establishes the context of his subject and suggests possible lines of discussion and inquiry that can accompany a study of the documents. Through these volumes the student can learn how to read and assess historical documents. He will see how the contemporary historian works and how historical judgements are formed. He will learn to discriminate among a number of sources and to weigh evidence. He is confronted with recent instances of what Professor Butterfield has called 'the human predicament' revealed by history; evidence concerning the national, racial and ideological factors which at present hinder or advance man's progress towards some form of world society.

The author traces the making of Malaysia from 1961 onwards, and the resolution of the Malaysian-Indonesian conflict. The documents illustrate the conflicting ideologies, aspirations, and racial and economic problems of South-east Asia. The editor's introduction provides a clear historical setting and background information; and the individual documents are carefully introduced and noted.

J. M. Gullick studied social anthropology with reference to Malaya at the London School of Economics. He has served in the Malayan Civil Service, and has been an executive and Director of a group of plantation and mining companies in Malaya.

ROUTLEDGE & KEGAN PAUL