

AREA HANDBOOK
for
MALAYSIA
and
SINGAPORE

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FOREWORD

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

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

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PREFACE

Malaysia plays a significant role in the balance of forces in South-eastern Asia, and also in the present and emerging confrontations of all of the world powers. Its size, the number and diversity of its people, its location at the most southerly tip of the Asian continent and the marked difference between its political orientation and that of some of its neighbors, all contribute to give it great importance, both political and in terms of military strategy within the Southeastern Asian region. Another element which affects its development is that it is an experiment in federation among disparate ethnic, economic and political components.

Malaysia is a member of the British Commonwealth of Nations, protected by a mutual defense agreement with Great Britain. Its government and people, following strongly anti-Communist policies, are vitally concerned with the struggle to suppress Communist aggression and insurgency in Southeast Asia. The very existence of Malaysia has been threatened by its powerful neighbor, Indonesia, influenced by its orientation toward the Peking variety of Communism. United States interest in the survival of the Federation hence becomes acute.

There has been no lack of source material in the form of government reports, economic surveys and writings in the political field about the Federation Government. State and local governments are subjects less well documented. Material in the form of sociological studies based on recent field work in the area is wanting, as is material translated from the Vernacular.

The research team preparing this publication drew heavily on the *Area Handbook for Malaya*, prepared under the chairmanship of Wendell Blanchard for the Washington Branch of the Human Relations Area Files, Incorporated, at The American University in 1958 and on the *Area Handbook for British Borneo*, prepared under the chairmanship of George L. Harris for the same organization in 1956.

Grateful acknowledgment must be extended to various area specialists who helped in the preparation of this survey. Particular credit is due to Dr. M. Bernard Thresher, who wrote chapters 20, The Economic System; 22, Industry; 25, Public Finance; 26, Banking and Currency;