

DR. MAHATHIR MOHAMAD

BRITISH DOCUMENTS ON THE END OF EMPIRE

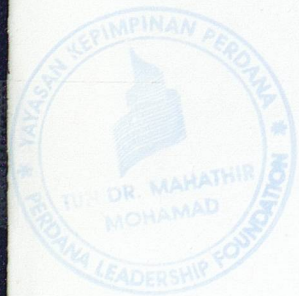
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123 DO 169/214, no 95**28 June 1962****'The Tunku and Malaysia': memorandum by Sir G Tory, enlarging on the implications of Malaysia for the Tunku's political position**

[Tory sent this 'hurriedly dictated note' to Garner on 28 June, 'in case you need some ammunition'. He had reported on Malayan politics in a more measured way two weeks earlier, in a despatch which was later printed by the CRO for confidential circulation (Tory to Sandys, 18 June, CO 1030/989, no 1260).]

The Tunku is very nervous about the effect of Malaysia on his political position. He knows that he will have to deal with many new and difficult problems in the field both of politics and of internal security and he would be glad to be able to avoid this responsibility if he could do this without hurt to his conscience. He is driven on purely and simply by his belief that Singapore left to us, or to itself, will deteriorate into Communism very rapidly and that the contamination will spread both to the Malayan peninsula and through Indonesia to the Borneo Territories themselves. This is the premise on which his whole approach to Malaysia is based and his attitude must be judged against this background.

The basis of the Tunku's assumption is that Lee Kuan Yew's Government cannot survive more than a few months more and that it will be replaced by the Barisan Sosialis, a United Front dominated and manipulated by expert and devoted Communists with the object of taking over Singapore for Communism. Lee Kuan Yew himself has told me that he cannot hold the political position in Singapore for more than four months or so, that is, until he has to go to the Legislative Assembly for more money, unless merger has in the meantime been assured. His whole survival is now based, and deliberately based, on the inevitability of Malaysia and if any setback occurs he believes his position will collapse.

If the Tunku could rely on Britain to remain in charge in Singapore for as long as the Communist threat remained he would never have agreed to merger even within the context of Greater Malaysia. He believes in fact that H.M.G. will not be able, or willing, to resist for long Singapore's demand for independence. Nor does he think us likely to render the leading Communists harmless before we leave Singapore to its own devices. His object, therefore, is to take over Singapore before Lee Kuan Yew's Government falls, in the hope that in the meantime we shall join with the Tunku and Lee Kuan Yew (under cover of the anonymity which the I.S.C. provides) in immobilising the Communist leaders, but in the certainty that in the last resort he will himself undertake the job.

The Tunku states categorically that he will not accept merger with Singapore once the Barisan Sosialis, with its present Communist leadership, has come to power there. This is because he knows that with Malaysia the Communists who are the hard core of the Barisan Sosialis would become leaders of an important section of the political Opposition in the new Federal Parliament and that it would then be impossible for him to proceed against them in the absence of obviously illegal activity on their part without arousing dangerous communal emotions throughout Malaysia, and without drawing trouble down on his head in the United Nations. At that stage, according to the Tunku's estimate, any repressive measures would be regarded as anti-Chinese rather than anti-Communist. The movement for Greater Malaysia has already sharpened communal feeling to a considerable extent and the Tunku fears Malaysia will fail if this situation is aggravated.

There are important persons on the British side who do not share the Tunku's view that all would be lost if Lee Kuan Yew's Government were displaced by a Communist-dominated Barisan Sosialis either before or after the implementation of Malaysia. The Communists in the Barisan Sosialis must, they argue, be left to make their mistakes, to commit illegal acts and so to allow themselves to be eliminated by legal methods consistent with the principles of democracy; otherwise we play into their hands. The Tunku, however, is certain that the Barisan Sosialis represents a significant stage, what Mao Tse-Tung calls the 'minimum programme', of a deliberate Communist conspiracy to take over Singapore and that the longer these Communist leaders are left to build up their support the more likely they are to succeed. The whole basis of the United Front technique, as the Tunku well knows, is that it employs legal methods for illegal ends and that it remains invulnerable to normal police action until it switches to the 'maximum programme' and takes over openly for Communism.¹ The people on our side who do not share the Tunku's view argue that Lee Kuan Yew's Government was also a United Front and yet this is, so to speak, the Tunku's instrument. (In fact, of course, he has no choice.) The Tunku would say to this that in Lee Kuan Yew's Government the Communists, the very same who now strongly influence the Barisan Sosialis, were in a subordinate position and Lee Kuan Yew always realised, and reckoned with, the fact that one day he would have to have a show-down with them. With the Barisan Sosialis it is a very different matter since the Communists already dominate it.

The Tunku's decision to go ahead with Malaysia was taken despite the serious doubts of his ministerial colleagues and the disquiet of his Malay supporters. These saw, as the Tunku does also, that Malaysia would greatly increase the strength of the Chinese component in the Federation and the consequent risk of inter-communal trouble and successful Communist subversion. The Tunku accordingly believes it is essential that with Malaysia power in both the political and internal security fields should be concentrated, and should be seen to be concentrated, in Kuala Lumpur. Now that the people of the Borneo Territories have become suddenly aware of politics, they have become vulnerable to subversion by the Communists, who are already noticeably active in Sarawak, presumably with the object of frustrating Malaysia. The Tunku argues therefore that the longer we delay the visible transfer of power to the centre the more time the Communists will have to do their mischief. (This point was made on a number of occasions to the Cobbold Commission by people in the Borneo Territories who were generally in favour of Malaysia.)

The Tunku has also to reckon with criticism from his Asian friends to the effect that he is lending himself to a British Imperialist manoeuvre designed to perpetuate British political, military and economic influence in this area despite Britain's involuntary retreat before the forces of anti-colonialism. An alternative charge which he fears is that he is a 'neo-colonialist' seeking to build up a colonial empire of his own. For these reasons he considers it to be politically impossible for him to allow the present British Governors to stay once Malaysia is established, or to allow the control of Administration in the Borneo Territories to continue exactly along

¹ A major example of the Tunku's experience of this communist strategy is the attempt by Chin Peng of the MCP to gain political recognition at the Baling talks in Dec 1955, see *BDEE: Malaya* part III, 350–353, 378–382, 391.

colonial lines. If he is to be able to meet criticism from the Afro-Asian bloc, for example, in the United Nations, criticism which the Communist-penetrated Socialists in Malaya and the Borneo Territories are only too ready to stimulate, he must also be able to say that there is an element of 'liberation' in the creation of Malaysia, that Malaysia will bring some constitutional advance, as well as independence from Britain.

For these reasons the Tunku insists that the British Governors should be replaced and that with their replacement there should be some form of responsible government, however rudimentary. The Government must henceforward be seen to be a constitutional government and the functions of government must be vested in a Chief Minister responsible to a Legislature.

The Governors argue that a sudden transition of this kind will lead to the breakdown of government and public order. The Tunku cannot believe that this is so. He says that there never was a Colonial Governor who did not sincerely fear such a breakdown of administration at the actual moment of transfer of power, who did not argue that independence was coming too soon. He says this is what people said in 1956 and 1957 with regard to Penang and Malacca; these two dependencies even sent missions to London to appeal against the 'premature' transfer of power,² but circumstances showed that good government continued in Penang and Malacca despite the fact that Governors entirely new to governing were introduced and Chief Ministers appointed with no experience other than that which they had gained in their political parties. The Tunku would probably admit that people in Penang and Malacca were more advanced politically and educationally than those in the Borneo Territories but he would argue that this was only a matter of degree, that there were in fact a number of potential leaders in the Borneo Territories. He is confident that at least two competent persons can be found to undertake the constitutional role of Governor and he is not convinced that two others cannot be found in the two Territories concerned who are competent to undertake the role of Chief Minister. He says that with the retention of the existing Chief Secretaries and also of the bulk of the British officers in the subordinate ranks of the Administration, good government and public order can in fact be maintained. He speaks (optimistically) of being able to lay his hands on a number of British officers, either recently retired or about to retire from the Federation, who might well accept a contract posting in the Borneo Territories, but he would not in fact deny that the majority of the existing British officers would have to stay on if there were not to be a dangerous slowing down of Administration.

This is the essence of the Tunku's case. He is at present quite unshakable and it is doubtful whether his Ministers will even try to shake him. He considers that he will have conceded as much as he dare if he agrees to the suggestion of the Malayan members of the Cobbold Commission that most of the State functions should be delegated to the new Chief Ministers until a joint Working Party decides they may be permanently transferred to the Centre. He may give way on some of the other minor points at issue but on the constitutional basis of the transitional administration in the Borneo Territories under Malaysia he is adamant.

Mr. Lee Kuan Yew has told me that he recently suggested to the Tunku that he

² See *BDEE: Malaya* part III, 451 and 452.

might at least be prepared to accept a compromise under which the present Governor-type administration would continue for a short period, say a year or 18 months, but Lee says the Tunku would have none of this. The Tunku has himself told me that if H.M.G. are really persuaded by the Governors that there will be a dangerous breakdown in administration and public order if Malaysia on his terms is accepted at once, then there is no alternative to our retaining sovereignty over the Territories until we have brought them to a point at which we are prepared to hand them over on the Tunku's terms.³ When asked what would happen if Lee Kuan Yew's Government failed in the meantime and the Barisan Sosialis got in, the Tunku says he would not, in these circumstances, contemplate merger with Singapore on any terms. The implication is always that if we wanted the Tunku to take on Singapore with the Borneo Territories at some later stage, it would be up to us meanwhile either to see that the Barisan Sosialis did not get into power or to render its Communist leaders harmless. There is no doubt that in his heart the Tunku would regard Malaysia as dead if the transfer of sovereignty were in fact put off for more than a very short time and if the Barisan Sosialis were during this time to displace the P.A.P.

It will be seen from the foregoing paragraphs that the Tunku regards the neutralisation of the Communist leadership in Singapore as an essential condition of merger. He will be taking with him to London Dato' Dr. Ismail, the Minister of Internal Security, and also the Commissioner of Police, Dato' Fenner⁴, to support him in this part of his mission. On this question of internal security in Singapore and the extent of the danger from the Communists (Lim Chin Siong, Fong Swee Suan, etc.) now in the Barisan Sosialis, there is a considerable difference between the current view of the British Commission in Singapore and the view of the Malaysians. On the British side it is said that the evidence that these men are Communists is now very stale and that there has been no recent proof of Communist activity or allegiance on their part. The Tunku and his advisers for their part, and also Lee Kuan Yew and the British police officers serving him, believe that Lim Chin Siong and his friends are committed to a deliberate Communist conspiracy, the nature of which has required them to sever their active links with the Communist movement. The Malaysians' analysis of their activities in recent years shows that they were active Communists at an earlier date (there is no argument about this question of fact), that they cut themselves off from their Communist contacts at the time when they became engaged in Trade Union and political work, but that in these latter years their activities have fitted exactly into the pattern laid down for Communist United Front programmes by Mao Tse-Tung in his own elaboration of Lenin's doctrines. The Malaysians maintain that skilful exposure of this conspiracy would be enough to justify police action against the identified Communists, and it is likely that this will be the main argument put forward by the Malaysians in the forthcoming London talks when

³ This was what the Tunku proposed when he formally rejected the Cobbold recommendations a few days later, see 125.

⁴ Dato Claude Fenner (later Tan Sri Sir Claude) entered the FMS police in 1936; senior assistant commissioner of police, Federation of Malaya, 1954; deputy secretary (security and intelligence), Prime Minister's Department, Malaya, 1958; director of police affairs, Malaya, 1962; inspector-general of police, Malaysia, 1963-1966.

they press us to share responsibility with them and Singapore in the I.S.C. for repressive action against the Communists.⁵

There is also a radical disagreement about the probable effect of repressive action on relatively uncommitted Chinese opinion in Singapore and it is on a correct assessment of this effect and on the implications for Malaysia that justification of police action must depend. The Communists themselves believe that repressive action against them at the 'minimum programme' stage, when they are using legal methods, will consolidate nationalist opinion behind them. This is also the argument of the British Commissioner in Singapore and his Security officers. The Malaysians for their part believe, on the basis of their own long experience in dealing with the Chinese and with Communist subversion in this peninsula, that once the existence of a Communist conspiracy has been effectively revealed, firm and determined action against the Communists will bring the uncommitted Chinese into line with the Government rather than to the support of the Communists who are the object of police action. This was conclusively demonstrated during the Emergency. The Malaysians affirm that the Chinese in this part of the world are for the most part concerned only with their material advancement and will accommodate themselves with whichever party has shown itself to be able to provide firm and effective government. If the show-down were merely between Lee Kuan Yew and Lim Chin Siong, the support would go to Lim Chin Siong. But the show-down is really now between Lim Chin Siong on the one hand and on the other Lee Kuan Yew, with the Tunku standing over him, and it is the Tunku/Lee Kuan Yew combination which is clearly going to win.

⁵ See 129, appendix C for Singapore's internal security and 132–140 for the London talks in July; the issue of mass arrests came to a head in Dec and again in Jan-Feb 1963, see 144, 147, 148, 156, and 158.

124 CAB 134/1951, GM(62)15 2 July 1962
 'The Cobbold Commission Report. Interim Report by the Committee on Greater Malaysia'. *Annex A*: 'Main points of agreement between British and Malayan sides of the Cobbold commission'; *Annex B*: 'Main points of difference between British and Malayan sides of the Cobbold commission'

[The interdepartmental Committee (Official) on Greater Malaysia, prepared this analysis of the Cobbold Report, identifying the problems of transitional arrangements and suggesting tactics that might be adopted in the next round of Anglo-Malayan negotiations which were due to resume in London during the week beginning 16 July. Before the Cabinet Oversea Policy Committee met to discuss this paper on 4 July (see 126), the Tunku announced his rejection of the Cobbold Report (see 125). The references to numbered paragraphs are precisely those in the *Report of the Commission of Enquiry* as later published (see also 118, note).]

Introductory

The Greater Malaysia project is of vital concern to British policy, since, if successfully established, it offers the promise of a new stabilising factor in South East Asia, of an arrangement for Singapore which would ensure the maintenance of our defence position there, and of being able to forestall claims on the Borneo Territories which might be made if they retain colonial status.

2. It is therefore very satisfactory that the Cobbold Commission is unanimously in favour of the project and also considers it as being in the interests of the Borneo Territories.

3. Nevertheless, while the Report is unanimous on this main issue and on many other matters, it has left one big and difficult problem to be settled in negotiation between the British and Malayan Governments. This is the problem of what should be the nature of the arrangements for governing and administering the Territories during the transitional phase which must precede their full integration into the new Federation.

Main points of agreement within commission

4. These are listed in Annex A. It is very satisfactory that there is apparently full agreement on the following:—

- (a) Degree of support for Malaysia in territories.
- (b) Malaysia a workable attractive project which would be in best interests of territories.
- (c) Early decision in principle should be taken and announced by Governments. This and Report should be published in territories and debated in territorial legislatures. Subject to results, Malaysia should be set up within twelve months from the date of the decision in principle.
- (d) On the creation of Malaysia sovereignty over the two territories should be surrendered to the new Federation.
- (e) Malaysian Constitution to be modelled on existing Malayan Federal Constitution i.e. strong Central Government with States enjoying a measure of autonomy; but in view of special circumstances of Borneo Territories certain additional special safeguards should apply to them and be unalterable except with positive concurrence of State Government.

N.B. No important differences are recorded about the nature of these safeguards and in particular there seems to be full agreement on immigration.

- (f) No right of secession of States.
- (g) Some form of transitional period during which it is essential to retain the services of the present British staff and to institute no change in administrative arrangements so far as they affect the 'ordinary lives of the people'.
- (h) Citizenship proposals. N.B. These raise a difficulty, since they allow Federation citizenship to classes of persons who would not get it under the proposals already agreed for Singapore. There is however also a recommendation of the Malayan members (paragraph 190(g)) that persons normally resident in either of the Borneo Territories should not be allowed to vote or stand for election outside their own territory. If this were applied *mutatis mutandis* to Singapore it might enable the Federation to agree to the wider citizenship proposals for Singapore. Mr. Lee Kuan Yew is going to take this up with the Tunku.
- (i) Method of appointing first Head of State in each territory.

In brief, there is virtually no disagreement on the *ultimate* position. Greater precision on the division of powers is however necessary before a final decision could be taken on the actual setting up of Malaysia.

The only really important points of disagreement, all inter-related, are over the *transitional period*.

Main points of disagreement

5. These are listed in Annex B. Briefly, the Malayan members think it possible, on Malaysia Day, to anticipate by several years the constitutional evolution that would be normal in such backward territories by giving immediately a large measure of local political control to elected Bornean Ministers under a constitutional Head of State. The British members think this quite unrealistic and propose a clearly marked transitional period of three to seven years at the beginning of which, though sovereignty would have been transferred to Malaysia at the outset, the administration would be carried on exactly as now i.e. a British Governor with full executive powers; this system to evolve as speedily as possible towards a full ministerial set-up during the transitional phase. As shown in the separate letters,¹ the British members would prefer Her Majesty's Government to continue, by delegation from the Federation, to have full authority for all aspects of administration other than external affairs, defence and anti-subversive measures during this phase.

The position of the Malayan members of the commission

6.

(i) The arrangements must be defensible by the Tunku against charges from the Afro-Asians, the Communists and his own public opinion of 'neo-colonialism' and 'imperialist stooge'.

(ii) The arrangements must not be such as to exacerbate dissatisfaction in Singapore with the terms of the provisional agreement on merger concluded between Malaya and Singapore.

(iii) Integration of the Territories in the new Federation as soon as possible is necessary to prevent racial strife, to forestall Communist mischief-making and to enable an energetic start to be made with essential development plans.

(iv) As an independent country, the Federation could not accept that it should share jurisdiction with Britain in a part of its territory.

The position of the British members of the commission

7.

(a) It is essential to retain effective administration during the transitional phase. Otherwise there will be a break-down of law and order, and civil strife.

(b) It will be some time before the Territories can produce a trained personnel to man an effective administration of their own. Meanwhile administration must depend on ex-patriate officers.

(c) It is not fair or reasonable to expect ex-patriate officers to stay on unless in some way British control of the Executive is maintained—in fact it would amount simply to transferring these officers to the service of a foreign government if British control was not maintained.

(d) Moreover if there is no British control of the Executive ex-patriate officers would regard themselves under the normal rules as having a legitimate claim to retire with compensation; and if this had to be granted at least half of them would go.

¹ See 118–122.

Difficulties for Her Majesty's Government of Malayan proposals

8. Briefly these are:—

(a) Our belief that they would be contrary to the wishes and interests of the Bornean peoples (they would almost certainly be regarded as a breach of our formal assurances in Sarawak).

(b) They might not ensure reasonable and stable Government and might even lead to a breakdown of administration.

(c) They would involve transferring to another Government the services of the HMOCS officers,² whom all agree should stay at their posts and on whose retention most Borneans are insistent. To do this compulsorily would cause very great difficulties with the staff and might not even succeed in retaining them. On the other hand if the right to retire with compensation is offered, (according to precedent elsewhere) it is virtually certain that so many would prefer to go that administration might break-down completely possibly with serious disorders and bloodshed.

Negotiations with the Tunku

9. The crux of the negotiations with the Tunku will, therefore be to secure his agreement to a form of administration for the transitional period which will ensure stability and enable us to retain willing British administrators in Borneo until effective Bornean replacements can be trained. (N.B. Malays even if they were available would not be acceptable to the Borneans while Chinese, who form at present the great majority of potential local senior civil servants, would not be acceptable to the Malay Government either.)

10. Our tactics with the Tunku should no doubt be to start negotiating from the most favourable position from our point of view. But we must recognise that final success depends on the Tunku accepting and working whatever arrangements can be agreed upon and some concessions to meet him will not doubt have to be made.

11. We are preparing a paper which looks at all the possible alternatives, and we shall be having talks with the Governors and with the British High Commissioner in the next few days, after which we shall be in a position to make concrete proposals for the handling of the negotiations with the Tunku.

12. Summary of Conclusions

(1) It is very satisfactory that there should be such a wide area of agreement in the Commission's Report. It seems likely that we and the Malaysians should be able to endorse without difficulty most of the agreed recommendations.

(2) The main difference of view thrown up by the Report is over the transitional arrangements. This will be the main subject of the forthcoming negotiations with the Tunku. We may expect the initial Malayan negotiating position to be at least the recommendations made by the Malayan members of the Commission for the transitional period.

(3) We must seek a negotiable compromise between these Malayan recommendations and the recommendations of the British members of the Commission which would protect our own main *desiderata* while at the same time

² 122, note.

avoiding the difficulties the Tunku would foresee in accepting the recommendations of the British members.

(4) Urgent and detailed study is being given to what precise shape such a compromise might take and a further report on this will be submitted to Ministers as soon as possible.

Annex A to 124

<i>Subject</i>	<i>View of Commission</i>	<i>Paragraph Reference</i>
1. Feeling in territories	Approximately a third unreservedly in favour; another third in favour subject to conditions and safeguards; remaining third against—hard-core of opposition perhaps 20 per cent.	144
2. Interests of territories	A Federation of Malaysia is in the best interests of both territories.	237
3. Next steps	Decision in principle should be taken as soon as possible by British and Malayan Governments. Report and these decisions of principle then to be disseminated throughout the territories with a view to debate in local legislative assemblies.	151 Lord Cobbold's letter of 21st June on behalf of Commission to both Prime Ministers
4. Sovereignty	On the creation of Malaysia, sovereignty over the two territories should be surrendered to the new Federation	153 188
5. Form of Constitution	Existing Constitution of Federation of Malaya should be taken as basis of Constitution of the new Federation, subject to amendments and safeguards. Present Federation of Malaya would then cease to exist and Sarawak and North Borneo would join new Federation as States. No amendments in any special safeguard should be made by Central Government without positive concurrence of Government of State. Power of amending Constitution of each State to belong exclusively to the peoples of each State.	148(b)
6. Name	'Malaysia' all right, but should have, a Malay translation which does not mean 'Great Malaya'.	148(d)
7. Head of Federation	Cannot see any way of meeting local wish that Head of State should be eligible for appointment as Head of Federation	148(c)

<i>Subject</i>	<i>View of Commission</i>	<i>Paragraph Reference</i>
8. Legislative Lists	Federal, State and Concurrent Lists should broadly follow lines of existing Federal Constitution	236(b)(iv)
9. Representation in Federal Parliament	Should take account of size as well as population	236(a)(i)
10. Special position of indigenous races	Native races in territories should be placed in position analogous to that of Malays in Federation of Malaya Constitution	236(a)(ii)
11. Secession	Right of secession not recommended	148(h)
12. State Constitution	Should be on lines of those of Penang and Malacca	153
13. Head of State	In first instance appointment by Yang di-Pertuan Agong on joint recommendation of The Queen and the Yang di-Pertuan Agong	236(b)(ii)
14. Electoral system	Present electoral college system should be retained in Sarawak and introduced in North Borneo	194
15. Development	Urgent attention should be given to this in fields of rural improvement, education, medical and other social services, and training for administrative and technical posts	170 220–228 236(a)(iii)
16. Public Service	Essential that expatriates should remain until locals can take their place. (Malayan members 'reluctant to advocate secondment from Malaya or Singapore unless there is a very definite request from Borneo territories.')	151(d) 231–233
17. Immigration	Entry into Sarawak and North Borneo, even from other parts of Malaysia, should require approval of State Government	148(g)
18. Citizenship	Agreed proposals (of some complexity) put forward	148(k)
19. Transitional period	There is wide difference of view about this (see Annex B), but there is agreement that 'at least in the early years there should be no change in administrative arrangements in so far as they affect the ordinary lives of the people'.	236(a)(v)

Annex B to 124

<i>Subject</i>	<i>Malayan View</i>	<i>British View*</i>
1. Transitional Period		
(a) General	Both sides envisage a comparatively early transfer of sovereignty—the Malaysians say ‘within the next twelve months’ (paragraph 188)—and both say that there should be a transitional period thereafter, but their respective concepts of this transitional period are basically different. The Malaysians want over-all power to pass at once to the Federation; they say this is essential if they are to produce rapid advance in economic and social development.	The British think that the best guarantee of success and avoidance of racial conflict and disorder would be for Her Majesty’s Government to remain in effective control <i>in</i> the territories for a period of three-seven years. Both sides, much more particularly the British, have watered down their views in the Report so as to avoid open contradiction on these matters. The British views are therefore to be obtained from Lord Cobbold’s letter of the 21st June to both Prime Ministers and from the Memorandum of the two British members of the Commission of the same date which Lord Cobbold submitted to our Prime Minister. This fundamental difference of approach comes out, but only in 7a suppressed form, in Chapter VI of the Report. It comes out much more clearly in the accompanying letters.
(b) Governor and Administration	The Governor should be a constitutional ruler and there is no need for him to be British. He would appoint a Chief Minister	The Governor should be British and be an executive Head with the same powers as now. A full Ministerial system should develop

* Except where otherwise specified ‘British View’ includes Lord Cobbold’s own view.

<i>Subject</i>	<i>Malayan View</i>	<i>British View</i>
(b) Governor and Administration <i>contd</i>	who had the confidence of the Legislature and act on his advice, i.e. a full Ministerial system could be set up straight away in each State.	but would take some years.
(c) State and Federal Powers	Essential that not only defence and external affairs but all aspects of internal security (not just anti-subversion) be Federal subjects from the start. All subjects that are eventually to be Federal should also be handed over to the new Federation at once although the Federation would delegate to the Chief Ministers of the respective States the exercise of as many functions as may be necessary for the maintenance of good administration. Malaysians do not want to delegate back Finance but seem to regard this point as negotiable.	The real British view is that, after the transfer of sovereignty, there would be an agreement between the new Federation and Her Majesty's Government that powers other than those over External Affairs, Defence and the anti-subversive aspects of Internal Security would for some years continue to be exercised in the territories by the British Government (Lord Cobbold's letter of 21st June on behalf of Commission to both Prime Ministers.) This is watered down in the Report. Since the Report leaves out the idea that these powers should be exercised by Her Majesty's Government, it appears that the proposal would be for them to be exercised by the Governor as the Head of State Government. The State Government would have policy control and legislative powers, not merely 'executive functions'. (Paragraph 153)
(d) Expatriate Staff	Malaysians agree that British staff should be retained but offer no solution to problem of avoiding an offer of early retirement with compensation.	Governor to be as at (b) above, with Secretary of State for Colonies still exercising ultimate control over staff; basis of their employment would be unchanged and thus no question of immediate retirement would arise.

2. *Ultimate Position*

(a) Religion (para.148(e))	Islam should be the National Religion of Malaysia as in the present Federation. (Article 3(1) of the Federal Constitution says 'Islam is the religion of the Federation: but other religions may be practised in peace and harmony in any part of the Federation.'). They note that	Specific provisions about freedom of religion should be written into 'State Constitution.' Present provision in the Malayan Constitution about Islam should not apply to North Borneo and Sarawak. (NOTE: These make the Ruler of a State, other than Malacca and Penang, the Head of
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<i>Subject</i>	<i>Malayan View</i>	<i>British View</i>
(a) Religion <i>contd</i>	under present federal constitution certain public expenditure may be incurred for Islamic purposes and that this may be considered objectionable in Borneo, but they make no recommendation about this.	the Muslim religion in his State. In Malacca and Penang the State Constitutions are required to provide that the Agong is Head of the Muslim religion in those States.)
(b) Language (para. 148(f))	Lord Cobbold and Malayan members of the Commission think Malay should be the national language. (NOTE: Presumably as in present Federal Constitution.) Malay members think English should remain official language for ten years or until Central Government decides otherwise 'in consultation with' State Government	British members of Commission think that question whether Malay should be the national language should be decided by Borneo peoples themselves when fully elected representative bodies have been constituted. Lord Cobbold and they consider Malay and English should be official languages without time limit, until and unless State Government decides otherwise.

*Possible differences that might be inferred from correspondence about completing the
Cobbold Commission's Report*

(a) Ultimate Constitutional Position	The Malaysians want the ultimate position of North Borneo and Sarawak in Malaysia to be made clear from the start.	There is nothing to show that the British members or Lord Cobbold disagree with this but they have not specifically agreed.
(b) Length of Transitional Period	Malaysians have not specifically disagreed with this but may in the event differ with us over the length of the period (they have apparently not agreed to any length but prefer this should be left to joint working parties of Central and State Governments.)	British members and Lord Cobbold have proposed the period should be, three, five or seven years.

125 PREM 11/3867

4 July 1962

[The Tunku's rejection of the Cobbold Report]: letter from Tunku Yaacob to Mr Macmillan, forwarding a message from Tunku Abdul Rahman rejecting the Cobbold Report

[A committee of the Malayan Cabinet considered the report at Fraser's Hill, a hill station north of Kuala Lumpur, and rejected the proposal to retain British governors and British expatriate officers until they were replaced by Borneans to the exclusion of Malaysians. Although it was not immediately clear to the British from his message whether the Tunku was proposing the postponement of Malaysia until the British government could certify that the Borneo territories were ready for merger, by calling off his visit to London he put 'the whole subject . . . back in the melting pot' (de Zulueta to Macmillan, 4 July 1962, PREM 11/3867; see also CO 1030/1024).]

I am forwarding herewith a message which I have received from the Prime Minister of the Federation of Malaya for submission to you.

'My colleagues and I have studied the Report of the Cobbold Commission and we have come to the conclusion that we cannot accept the recommendations of the Chairman and the British Members. In particular we feel it is impossible for us to agree:—

- (a) that on transfer of sovereignty, only External Affairs, Defence and anti-subversive aspects of internal security are to be transferred to the Central Government;
- (b) to a situation whereby British Governors and Chief Secretaries (or their equivalents) are not only retained but will continue to exercise full authority over other domestic matters; and
- (c) to a situation whereby all expatriate officers are not only retained but until they are replaced by Borneo officers to exclusion of officers from Malaya but are to be replaced by other expatriate officers should they leave before Borneo officers are ready to take their places.

It will be apparent from above recommendations that it is not intended to have any merger of these territories with the Federation. Although Report recommends immediate transfer of sovereignty to the Federation, power will still rest with Britain and the British officials during transitional period. It will clearly be impossible for me to accept such a situation without losing face with our own people. I would accordingly suggest that during transitional period as recommended in the Report, Britain retains her sovereignty over these territories and implements recommendations of the Commission. At the end of this period, when U.K. Government has decided that these territories are ready for merger, I would be happy to discuss creation of Malaysia with you.

Tunku Abdul Rahman Putra.'

This message was received early this morning.

126 CAB 134/2370, OP(62)2nd meeting 4 July 1962
 'Malaysia: report of the Cobbold Commission': Cabinet Oversea Policy Committee minutes

[The Oversea Policy Committee was set up at the end of June. Its membership was: prime minister (chair), lord chancellor, foreign secretary, chief secretary to the Treasury and paymaster general, commonwealth secretary, minister of defence, and colonial secretary. It succeeded the Colonial Policy Committee and its terms of reference were to consider questions of overseas policy (other than defence policy and external economic policy) which concerned more than one department. Its second meeting was attended by Macmillan, Henry Brooke (chief secretary), Sandys, Watkinson, Maudling and the Earl of Dundee (minister of state, FO). Norman Brook and Saville Garner were also present. The entire meeting was devoted to the Cobbold Report and the officials' analysis (see 124) was put in a different light by the Tunku's bombshell (see 125). The committee agreed that the prime minister should send a conciliatory message to the Tunku (see 127 and 128) and noted his intention to inform the full Cabinet of developments the following day. CO officials, however, took a dim view of appeasing the Tunku. Thus, on 11 July, John Martin wrote to Maudling: 'In recent official discussions on Malaysia (and I think also in some of

the Ministerial consideration of the subject) there have been signs of a tendency to believe that Malaysia is so desirable that we must be prepared to pay any price which the Tunku demands. This, I believe, is a dangerous thought . . .' (CO 967/407).]

The Committee had before them a note by the Secretaries (O.P.(62)4) covering an interim report by the Committee on Greater Malaysia,¹ and a note by the Secretaries (O.P.(62)6) circulating a copy of a message to the Prime Minister from the Prime Minister of the Federation of Malaya (Tunku Abdul Rahman).²

The Prime Minister said that the Tunku's message appeared to be based on a misunderstanding. It suggested that since it would be impossible for Malayan Ministers to accept the view of Lord Cobbold that British Governors and Chief Secretaries should continue to exercise authority in the Borneo territories during the transitional period, no point would be served in coming to London for negotiations. The Tunku had clearly made the mistake of assuming that the views of Lord Cobbold and of the British members of his Commission were in fact the views of the British Government. This was not of course the case; the main disadvantage of independent commissions was that they were independent. It would be necessary to send an immediate reply to the Tunku, pointing out that the British Government did not wish to retain authority in the Borneo territories during the transitional period, that they were not in any way committed to the views of Lord Cobbold, and that they would be prepared, on the Tunku's arrival in London, to discuss with him with a completely open mind any proposals which he might wish to put forward.

In discussion the following points were made:—

(a) There had been a very substantial measure of agreement between the Malayan and British members of the Cobbold Commission. They were both agreed that Malaysia would be in the interest of the Borneo territories, that it would be necessary to retain British expatriate officers during the transitional period and that on the creation of Malaysia, sovereignty over the territories should be surrendered to the new Federation. The points of disagreement centred on the transitional period.

(b) Malaysia offered the best and possibly the only hope for longer term stability in Singapore. If it was to be achieved it would have to be achieved quickly in view of the deteriorating position of Mr. Lee Kuan Yew's Government. A further defection from his party had just been reported. The Tunku's suggestion that discussions on the Federation should be deferred until the end of the transitional period, in fact amounted to an abandonment of Malaysia and he must have known this himself.

(c) A further reason for setting up Malaysia as soon as possible was that the Philippine claim to North Borneo³ might be taken to the United Nations and might attract considerable support, even though it had no merit. There was also the possibility of a similar claim from Indonesia.

¹ See 124.

² See 125.

³ Following a resolution adopted by the Philippines House of Representatives in April 1962, on 22 June Diosdado Macapagal (president of the Philippines 1961–1965) made a formal claim to North Borneo. The claim was based on the status of the concession of land made by the Sultan of Sulu (later part of the Philippines) to the precursors of the North Borneo Company whose rights had passed to the Crown in 1946. The British government had long been aware of these claims and the CO had prepared a paper on them in Feb 1962, 'Sovereignty over North Borneo' (CAB 21/4626). Meeting Dean Rusk on 25 June, Lord Home had assured the US secretary of state that 'the Filipino claim was without foundation' although he accepted that Indonesia might turn its attention to North Borneo once the question of New Guinea had been resolved (D1071/83 in PREM 11/3867; see also document 129, appendix B).

(d) The balance of advantage lay in arranging for the full and complete transfer of responsibility for the Borneo territories to the Federal Government when the Federation itself was established. Great difficulties would be created if the British Government were to retain some responsibility for the Borneo territories and to be answerable to them in Parliament at a time when a large measure of overall responsibility had passed to the Federal Government. This was the kind of situation which had caused so much difficulty with the Federation of Rhodesia and Nyasaland. Since both sides accepted the need to retain the administrative services of British expatriate officers, the problem resolved itself into devising suitable terms of service.

(e) The right to retire with compensation had hitherto been offered to British expatriate officers when the Colonial Secretary's control over them was withdrawn; experience showed that many did in fact retire. One way of retaining the British officials under satisfactory conditions might be for them to be taken into the direct employ of the British Government and lent back to the local government; such an arrangement would have some similarity to the secondment of service officers to assist ex-colonial territories.

The Prime Minister summing up said that he proposed to bring the question before the Cabinet on the following day and to seek their agreement to the transfer of full responsibility for the Borneo territories to the Federal Government when the Federation itself was established. It should on this basis be possible to reach early agreement with the Tunku on principles. Further study would be needed of the terms under which British officers would continue to serve in the transitional period.

The Committee:—

Took note that the Prime Minister would bring the question of Malaysia before the Cabinet on the lines indicated in his summing up.⁴

⁴ On 5 July Cabinet considered a note from Macmillan enclosing the officials' interim report. It endorsed his proposal that negotiations should be pursued with the Tunku to bring about Malaysia as soon as possible (while safeguarding the interests of the Borneo territories) and noted that he would press the Tunku to visit London as planned (CAB 129/110, C(62)106 and CAB 128/36/2, CC 44(62)7).

127 PREM 11/3867, T335/62 4 July 1962
 [Resumption of talks with the Tunku]: outward telegram no 641 from
 Mr Sandys to Sir G Tory

My immediately following telegram contains Prime Minister's reply to Tunku's message received this morning via Malayan High Commissioner in London.

2. In handing the Prime Minister's reply to the Tunku you should emphasise that the Prime Minister is very anxious that the Tunku should come here and discuss everything perfectly freely. You may be able to impress discreetly upon the Tunku that once we have appointed Commissioners we are powerless to influence them, and therefore the views of the British members of the Commission are entirely their own, and not in any way inspired by the British Government. If you like to make a jocular reference, you could say that we have had a very tiresome example in a matter of great domestic interest with regard to broadcasting, where, once having let the Commission loose, it has made a report entirely unsatisfactory

to the Government.¹ This is what happens with respectable men once you appoint them to an independent Commission.

¹ The Committee on Broadcasting (chaired by Sir Harry Pilkington) was appointed in July 1960 and reported two years later. On the whole it praised the output of the BBC but criticised 'trivialisation' of programmes on independent TV, thus rekindling the political controversy over the relative merits of public service and commercial broadcasting. *Report of the Committee on Broadcasting*, Cmnd 1753 (1962).

128 PREM 11/3867

4 July 1962

[Resumption of talks with the Tunku]: outward telegram no 642 from Mr Sandys to Sir G Tory, enclosing Mr Macmillan's reply to the Tunku's message (document 125)

Please deliver following reply to Tunku from Mr. Macmillan. *Begins.*

I have just received your message and I feel that there is some misunderstanding. We both agreed that it would be a good thing to have an independent Commission to ascertain the views of the Borneo territories and make recommendations.

2. There are always dangers in these independent Commissions for the very reason that they are independent and I can assure you that I have had many examples of this. I regard the situation to be as follows: both of us are anxious to get Greater Malaysia created as soon as possible and agree that there should be a transfer of Sovereignty to the new Federal State. There will be of course, as in every Federation, problems as to the respective rights and duties of the central Government and of the local governments. But these are matters for settlement between us.

3. The British Government has not the slightest desire to maintain its authority during the transitional period over the Borneo territories. We are not of course in any way bound by the recommendations of the Commission or of any of its members. I hope, therefore, that you will come to London this month as planned in the full knowledge that we will be completely open for free discussion on all the points and any proposals which you may wish to make with a view to an early settlement which I believe to be equally in the interests of your Government and ours. *Ends.*

129 CAB 134/2370, OP(62)7

10 July 1962

'Discussions with the prime minister of the Federation of Malaya on Greater Malaysia. Report by the chairman of the Official Committee': report from Sir S Garner for the Cabinet Oversea Policy Committee.
Appendices: A-E

[This paper offered answers to questions raised in the officials' interim report of 2 July (see 124). As regards the vexed issue of transitional arrangements, the officials suggested five alternative models: 1) 'Cobbold's confidential letter' (see 121); 2) 'Sudan type'; 3) 'special council scheme'; 4) 'local head of state and British chief executive'; 5) 'the Malayan proposals'. In his brief for the prime minister, Brook ruled out the first on the ground that the Tunku would reject it and that it would in any case give Britain 'the worst of both worlds', ie responsibility for the internal administration of the Borneo territories after they had joined the Federation. He also advised against the fourth model which was

