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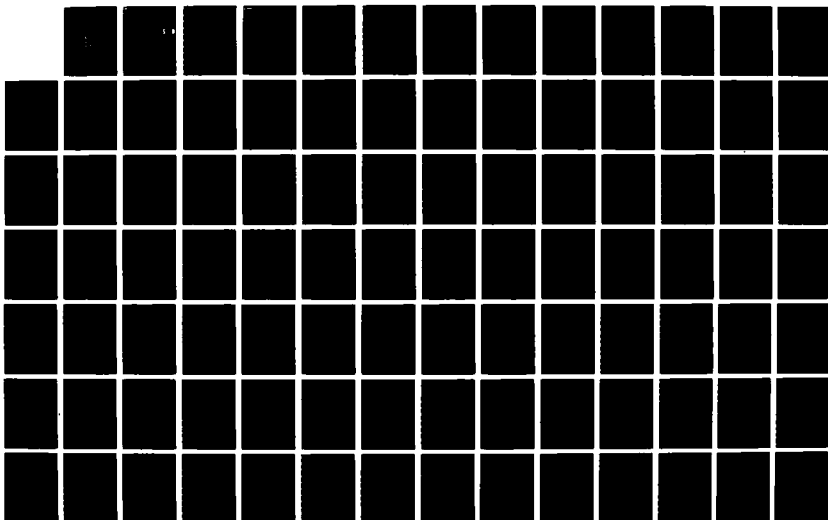
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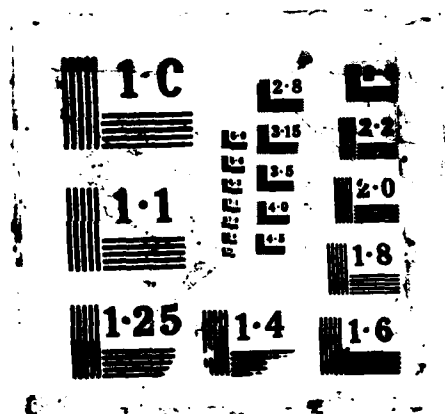
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SECURITY OPTIONS FOR MALAYSIA IN THE 1990s

A thesis presented to the Faculty of the U.S. Army
Command and General Staff College in partial
fulfillment of the requirements for the
degree

MASTER OF MILITARY ART AND SCIENCE

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by

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Since 1975 there have been considerable changes in Malaysia. Among these are the internal issues of fundamentalism and political bipolarism and external security problems associated with the emergence of a belligerent Vietnam supported by the Soviet Union. Changes in the superpower balance of power in the region and the normalization of relations with the People's Republic of China also impact on Malaysia's security. These changes demand that Malaysia review her security options. Through examining threats to Malaysian security and analyzing the options available to counter those threats, this thesis recommends a security option for Malaysia to adopt in the 1990s.

The author concludes that the best option for Malaysia is a combination of measures to meet both the internal and external threats. To solve internal issues the author recommends a continuation of existing social, economic and political programs that aim at developing national unity, ensuring the equitable growth of each element of Malaysia's multi-ethnic society and breaking away from politics of communalism. Against the external threat the author suggests a strengthening of ties with ASEAN, upgrading Malaysia's own defence capability and increased defence cooperation with traditional Commonwealth allies and regional neighbours.

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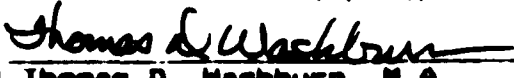
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The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

ABSTRACT

SECURITY OPTIONS FOR MALAYSIA IN THE 1990s by LTC Mohamed Safari bin Abdul Hamid, Malaysian Armed Forces, 129 pages.

Since 1975 there have been considerable changes in Malaysia. Among these are the internal issues of fundamentalism and political bipolarism and external security problems associated with the emergence of a belligerent Vietnam supported by the Soviet Union. Changes in the superpower balance of power in the region and the normalization of relations with the People's Republic of China also impact on Malaysia's security. These changes demand that Malaysia review her security options. Through examining threats to Malaysian security and analyzing the options available to counter those threats, this thesis recommends a security option for Malaysia to adopt in the 1990s.

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CHAPTER 1

INTRODUCTION

SECTION 1

General

Geographically, Malaysia consists of two parts separated by about 400 miles of South China Sea. Peninsular Malaysia lies at the tip of the landmass of Southeast Asia with Thailand to the north and Singapore to the south. Sarawak and Sabah form the northern quarter of the large island of Borneo. Malaysia's population of about 15 million lives in an area of about 129,000 square miles.

Malaysia has a unique diversity of cultures. Major ethnic divisions are Malay 47 per cent, Chinese 34 per cent, and Indian 9 per cent. The differences between these groups are deep, reflecting differences in race, language, culture and religion. Given these ethnic cleavages, assimilation, a process dominating Malaysia's policies, is not an easy task.

Since independence in 1957, Malaya (Malaysia since 1963) has regularly held free elections. The military is subordinate to the civil power and there has never been a threat of a military coup. Malaysia has a constitutional

monarchy form of government. The Yang Dipertuan Agong (King) is chosen every 5 years from among the Sultans (rulers) of the Malay states.

Problem Statement

What effects do internal and external threats in the post-1975 period have on Malaysia's security options? Do events of the pre-1975 period determine Malaysia's current security posture? Malaysia's domestic insurgency, problems of national integration, political bipolarism and the reconciliation of economic growth and equity were inherited from British colonial policies. Thus far, attempts to solve these problems have been only partially successful. Since political and economic sacrifice and tolerance is required from each of the racial groups within the society, Malaysia's dilemma has been to find a solution acceptable to all.

The general elections held on 8 August 1986 resulted in the defeat of Malay Islamic fundamentalism and the reemergence of political bipolarism. The defeat of the fundamentalists at the hands of the ruling Malay party, the United Malays National Organization (UMNO), was considered a major boost to stability. However, the reemergence of political bipolarism due to the loss of seats by the Chinese coalition party of the ruling government to the

opposition Chinese party, the Democratic Action Party (DAP), was a major setback to achieving national integration, political stability and security.

Recent geopolitical developments in the region require Malaysia to reexamine her security options. The viability of her defence arrangements with her former colonial master and Commonwealth allies in these changing times is in question. Malaysia must address these realities maturely as an independent nation. She could pursue an independent course. On the other hand, she could act in concert with her allies or her neighbours as a regional community. Given the present situation, what is the best security option for Malaysia in the 1990s?

SECTION 2

BACKGROUND TO THE PROBLEM

British Colonial Policies in Malaya

The modern history of Malaysia began with the Anglo Dutch Treaty of 1824 which defined and rationalized British and Dutch spheres of influence. The Pangkor Treaty of 1874 between the British and the Sultan of Perak marked the beginning of British colonial rule in Malaya. The treaty represented a turning point in the formal relationship between Britain and the Malay states. While religion and

Malay customs were to be excluded from British control, general administration of the country would be conducted with the "advice" of the British Resident.¹

Understanding the evolution of British rule in Malaya is vital to understanding the development of independent Malaysia. Upon achieving paramount power in the Malay peninsula, the British adopted a policy of "conciliation" with the Malay Sultans and of "minimum interference" with the Malay peasantry.² They created a political and administrative machinery to mobilize the resources of Malaya for the glory of the British Empire. The British influence was greatest in the Federated Malay States (FMS) of Perak, Selangor, Negeri Sembilan and Pahang, and the Straits Settlements of Penang, Malacca and Singapore. The Unfederated Malay States (UMS) of Kedah, Perlis, Johore, Trengganu and Kelantan managed to resist British attempts to impose indirect rule until the Japanese occupation.

The Rise of Malay Nationalism

The Japanese conquest of Malaya in 1945 destroyed the myth of British invincibility and encouraged the rise of Malay nationalism. In this period the Malays increasingly began to see themselves as a united Malay nation. The weakened position of the Sultans during the

Japanese occupation and the Japanese encouragement of Malay nationalism contributed to the growing importance of a new Malay elite which had risen in the 1920s and 1930s. Three new elite groups emerged and began to compete with the old Malay ruling class as leaders who could best protect Malay interests.³

The first group rose from a religious reform movement which had its origins in a Middle Eastern Islamic Renaissance during the late nineteenth century. Reformists saw the revival of Islam as a means of providing the Malays with the means to respond effectively to the radical changes brought by the Europeans, Chinese and Indians. The main opposition to this group came from the traditional Islamic hierarchy, of which the Sultan was the formal head. Traditional religious and secular establishments, reinforced by expressed British intention to maintain Malay religion and custom, had such a great hold on the Malays that the Islamic reformist group was unable to offer any real challenge to their authority. Currently this group is known as the Parti Islam SaMalaysia (PAS) or the Islamic Party of Malaysia.

The second elite group was the English-educated Malay elite whom the Malays regarded as legitimate leaders because of their noble birth and occupation as

administrators in British colonial government. This group shrewdly exploited Malay nationalism and desire for change. This group was the forerunner of what is today the United Malays National Organization.

The third elite group was the secular Malay educated intelligentsia, mainly teachers and journalists. They advocated some type of "Greater Malaya" or "Greater Indonesia" concept. Because of their strong views, they failed to gain a large following among the conservative rural Malays. During the Japanese occupation members of this group sought to assert themselves by developing clandestine alliances with the Chinese-dominated Malayan People's Anti-Japanese Army (MPAJA) as well as the traditional Malay elite. This group now represents the Malay faction of the Communist Party of Malaya (CPM).

From Malayan Union to Federation of Malaysia

In 1944 the British government adopted a plan to incorporate the Federated Malay States, the Unfederated Malay States, Penang and Malacca into a Malayan Union. The plan left Singapore as a separate colony because of fears that Malayan opposition to Singapore would prevent acceptance of the Union. The British government also saw the value of retaining Singapore as a naval base for its own strategic operations in the Far East. Sarawak and

Sabah were not included because of the added complications they would present to an already complex plan. Sarawak and Sabah later became crown colonies in July 1946. The plan called for the creation of a unitary state comprising the FMS, UMS, Penang and Malacca with a central government consisting of a governor and legislative and executive councils. The Malay Sultans were to retain their existing positions and continue to deal with matters pertaining to Malay religion and customs. Sovereignty was to be transferred to the British Crown. All citizens of the new Malayan Union would have equal rights to include admission to the administrative civil service. Finally, Malayan citizenship was to be extended to the total population without discrimination.

Contrary to British expectations, the normally apathetic Malay population arose as one against the plan. Likewise, the Chinese and Indian communities were unenthusiastic. Malay leaders and former British Malayan Civil Service Officers such as Swettenham, Maxwell, Winstedt and Clementi wrote petitions to Downing Street and letters to newspapers. This activity created the impression of a ground swell of opposition to the Malayan Union and ultimately proved successful in bringing about the repeal of the Union scheme.⁴

The Malay Congress held in March 1946 at Kuala Lumpur and attended by 200 delegates representing forty-one organizations, discussed a Malay national movement and a coordinated campaign against the Malayan Union. It was at this Congress that the Pertubuhan Kebangsaan Melayu Bersatu or United Malays National Organization was formed.⁵ UMNO effectively presented Malay opposition to the plan. The Malayan Union was later replaced by the Federation of Malaya in 1957.

The substitution of the Federation of Malaya for the unpopular Malayan Union scheme was accomplished principally through negotiations between the British, the Malay Sultans and UMNO. In the Federation, the sovereignty of the Sultans, the individuality of the Malay states, and Malay special privileges were upheld. A strong federal government was established with legislative powers, yet the states were assured jurisdiction in a number of important fields. Citizenship was more restrictive than in the earlier Malayan Union scheme; requiring residence of at least fifteen years, declaration of permanent settlement, and a certain competence in Malay or English. A High Commissioner was appointed to represent the British Crown.

Although the Federation was a victory for the Malays, it was not well received by the other ethnic groups. Unfortunately, those who opposed the Federation

proposal lacked both the unity at home and the powerful British Parliamentary lobby in London which had been crucial in revoking the Malayan Union scheme. The Chinese in particular, feeling more discontented than the Indians, saw the hope for a new society in the promises of the Communist Party of Malaya (CPM).

Communist Insurgency

The Japanese occupation was resisted by radical Malay nationalists and the Chinese. However, for historical and ideological reasons the main anti-Japanese activity came from the Chinese. They comprised the largest component of the Malayan People's Anti-Japanese Army which was dominated by the Communist Party of Malaya. Although the CPM was formally organized in April 1930, it had existed in the mid-1920s as part of the South Seas Branch of the Chinese Communist Party based in Singapore. The CPM gained its mass support mainly from the Chinese community. The anti-Japanese resistance bore certain features which later characterized the insurgency period in Malaya.⁶

The CPM was in a good position to attempt to seize power in the interim period between the Japanese surrender in August 1945 and the British return in September. It decided against such action for various reasons, the most compelling of which was military. The CPM forces were

small, ill-equipped and unprepared to oppose the returning British force. The communist parties in Britain and China and the Secretary General of the CPM had urged the CPM to adopt a moderate policy. It therefore postponed violent action and decided to conduct an open and legal struggle. The arms which it had collected during the war were hidden in the jungle for use in future struggles. The MPAJA was then disbanded. In its place, the MPAJA Ex-Comrades Association was created to maintain contact with former guerrillas.⁷

The CPM's shortlived overt existence was as a member of the Governor's Advisory Council in Singapore in 1945. It later established the General Labour Union (GLU) in Malaya. At the Fourth Plenary Meeting of the CPM in March 1948, the decision for armed revolution was taken.⁸ This decision was in line with the Communist International (COMINTERN) policy enunciated in 1941 to win the national revolution by expelling the British from Malaya and then creating a social revolution. CPM dominated unions organized strikes and violent attacks against European plantations and mines causing a drop in production which affected the economy of the country. In response, a number of stringent and effective laws against unions were introduced by the government. This diminished the CPM's influence and caused it to resort to violence. On 18 June

1948, after a series of murders of both European miners and planters as well as among the civil population, a state of emergency was declared throughout Malaya.⁹

The CPM developed popular support in the rural Chinese squatter settlements through the Min Yuen or masses organization. The Min Yuen provided supplies, intelligence and auxiliary fighting units. In March 1950, Lieutenant General Sir Harold Briggs, the new Director of Operations in the Emergency, identified his principal goals as the elimination of the Min Yuen and the CPM main force known as the Malayan Races Liberation Army (MRLA). Briggs planned to instill local authorities with confidence which would lead to a flow of intelligence to the government. This would then allow the government to destroy the Min Yuen and deprive the MRLA of vital logistic support. Without access to the Min Yuen for food, information and recruits, the MRLA would eventually expose themselves and be destroyed by security forces.

Implementation of the Briggs Plan was facilitated by wide ranging security measures. Malaya was placed on a war footing. Conscription for the military and police force was introduced, employment controlled and special powers created to regulate society and destroy any support for communist guerrillas. Armed with these measures, the

government began the relocation of Chinese squatter communities from areas of strong Min Yuen presence.¹⁰ In spite of the guerrillas attempts to prevent this resettlement, by the beginning of 1952 the program was four-fifths completed with some 400,000 settled in about 400 "New Villages".¹¹ The resettlement of Chinese squatters in the New Villages, enforcement of strict food controls, and more effective intelligence had made it more difficult for the communists to obtain support. Lieutenant General Sir Gerald Templer, Briggs successor, introduced the concept of "White Areas" in September 1953. Areas considered to be free of guerrilla influence were rewarded by having their food restrictions and curfew eased. The population cooperated with the government so their area could be declared white. By July 1954, victory was in sight as large numbers of guerrillas were killed and their Min Yuen organization dismantled.

In December 1955 at Baling, three CPM leaders headed by Chin Peng met with Tengku Abdul Rahman, president of UMNO and the new chief of the Federation Government, Tan Chen Lock, leader of the Malayan Chinese Association (MCA) and David Marshall, Chief Minister of Singapore. The principle result of the talks was that legal coexistence between the Communists and the other parties was impossible. The CPM would have to abandon the Party's

goals and activities if they were to be accepted back into Malayan society. The CPM leaders refused to accept the idea and thus destroyed any hopes in the Party of obtaining a political settlement before a military one.¹² The relentless pressure of the security forces contributed to the collapse and disintegration of guerrilla organizations and to lowering their morale. In 1958, large numbers of guerrillas surrendered. The MRLA ceased to be an organized military unit in 1958 and the few remaining guerrillas retreated to the Malaya-Thailand border. Although today these small groups continue the CPM struggle, the state of emergency was officially declared ended on 31 July 1960.

Communal Coalition Politics

The main British condition for granting Malaya's independence was that the various communities should cooperate politically and live in harmony. In 1951, UMNO President Dato Onn attempted to get the UMNO to open its membership to all ethnic groups. When this appeal was rejected, he resigned and formed the Independence of Malaya Party (IMP) which was seen by the British as a means to achieving ethnic cooperation.¹³ Not all Malays joined the IMP. The Chinese were indifferent and the Indians hesitant. In the Kuala Lumpur municipal elections, UMNO and MCA decided to form a united front and the partnership won 9 out of 12 seats. The IMP, the preselection favourite,

suffered a devastating defeat from which it never recovered. The party was deregistered in 1954, ending the first and only genuine chance for a successful multi-ethnic party. The Malayan Indian Congress (MIC) joined the UMNO-MCA alliance in 1954. Thus, the alliance represented all of the major ethnic groups in the Malayan political arena.¹⁴ Since the Malays were the largest ethnic group with the biggest electorate of 87 per cent of Malay voters, the UMNO was accepted as the major party of the coalition: the first among equals. It was from this initiative that a national policy grew. One in which parties retained their separate identities and political objectives while at the same time acting as one body in determining candidates and the party to contest a particular seat. In the federal elections of 1955, the Alliance demonstrated its overwhelming popularity by obtaining 81 per cent of the vote and 51 of the 52 seats contested.

The Constitution

The Reid Commission, formed in 1955, was tasked to prepare a Constitution for an independent Malaya.¹⁵ The most controversial features of this Merdeka (Independence) Constitution were those dealing with citizenship and the special privileges of the Malays. There was to be a single nationality in which all persons in Malaya could qualify as

citizens either by birth or by fulfilling requirements of residence, language and oath of loyalty. UMNO's acceptance of this provision was obtained only in return for a guarantee of Malay privileges. The Yang Dipertuan Agong was given the responsibility of safeguarding the special position of the Malays as well as the legitimate interests of the other communities. The essence of the Constitution was the acceptance by the non-Malay leaders that the Malays, as the indigenous race, were entitled to political dominance. In return, the Malay leaders recognized that the non-Malays would be allowed to pursue their socio-economic interests. Islam was to be the state religion but freedom of worship guaranteed. The powers and prerogatives of rulers would be maintained and Malay reservations would be continued. Malay special rights would be upheld and protected under Article 153 which could not be amended except with the consent of the Conference of Rulers. Other rights such as quotas for Malays in the federal public service and armed forces, permits and licences, and educational scholarships were specified. The Malay language would be the official language.¹⁶

The Constitution called for a federal system of parliamentary government headed by a constitutional monarch and based on the Westminster model. The monarch, the Yang Dipertuan Agong, would be elected for a five year term by

the Conference of Malay Sultans. Parliament would be the supreme law making body although it could not pass laws on matters such as Muslim law, land, agriculture and forestry, mining and local government. Laws in these areas were reserved for the individual states. In a peaceful transfer of power on 31 August 1957, the Federation of Malaya became an independent country and member of the British Commonwealth under a multi-ethnic Alliance government headed by Tengku Abdul Rahman.

The Formation of Malaysia

Scholars and historians have cited a number of reasons for the formation of Malaysia. Some have suggested that the plan was of British origin.¹⁷ Malayan reasons for the formation of Malaysia were based on Tengku Abdul Rahman's perception of the need to contain a communist threat.¹⁸ Malaya feared the growing success of the Barisan Sosialis, a pro-communist party in Singapore which threatened to wrest power from the ruling Peoples' Action Party (PAP) through the electoral process. With the CPM guerrillas still operating in the north of Malaya, the Tengku was distressed at the prospect of Singapore becoming another Cuba. With Singapore inside the proposed federation and subject to Malaya's stringent internal security regulations, the communists could be prevented from coming to power.

Singapore and Britain responded favourably to Malaya's proposal and early agreements in principle were easily reached. In Borneo, however, there were hesitations as Borneo's political leaders hoped for a federation of the Borneo states. The Malaysia proposal started a rapid and intense political development. A myriad of political parties, all based on ethnicity, sprang into existence. Some of these opposed the formation of Malaysia. The United Nations Malaysia Mission team analyzed local election results, accepted submissions on behalf of various groups, and decided there was a majority approval for the scheme.¹⁹ The Federation of Malaysia was officially formed on 16 September 1963. Differences between the Sultan of Brunei and Kuala Lumpur over the sharing of oil revenues, the Sultan's status vis-a-vis the peninsular Sultans and his eligibility to become the Yang Dipertuan Agong were the reasons Brunei did not join Malaysia.

Philippines Opposition and the Sabah Claim

In early 1962, the Philippines voiced opposition to the formation of Malaysia on the grounds that Sabah belonged to the Philippines.²⁰ The Philippines claimed that the original 1878 transfer of Sabah from the Sultanate of Sulu (now part of the Philippines) to the British was in the form of a lease rather than a sale. This issue has not

been resolved and affects the relationship between Malaysia and the Philippines. The Malaysian government regards the claim as being motivated by domestic political considerations.

Indonesian Confrontation

In June 1962, Indonesia launched her military confrontation against Malaysia. Scholars and historians have offered various reasons for Indonesian aggression.²¹ Fortunately, Indonesia's military aggression was defeated by joint Malaysia and Commonwealth forces operating under the defence umbrella of the Anglo-Malayan Defence Agreement (AMDA).²² Relations between the two nations improved after September 1965 when the communists were ousted in a purge from all positions of influence in the Indonesian government. In August 1966, a peace agreement was signed between the two nations formally ending the confrontation.

Singapore Separation From Malaysia

The wisdom of Singapore's inclusion into the Federation of Malaysia disintegrated with the PAP's challenge to replace the MCA. It organized an alliance of its own comprising a number of Chinese opposition parties throughout Malaysia under the banner of the Malaysian Solidarity Convention. The heavily Chinese composition of

this new political union made the struggle increasingly appear as one between the Malays and non-Malays. The expression of communal sentiments grew more blatant. It was this threat of communal violence which appeared to have been the crucial factor in the Malaysian government's decision to separate Singapore from the Federation of Malaysia. Singapore's expulsion from the Federation of Malaysia took effect on 9 August 1965.²³

The May 13, 1969 Tragedy

The campaign for the 1969 federal election indicated widespread response to the promises of the new Chinese opposition parties. The Gerakan Rakyat Malaysia (GERAKAN) campaigned on the platform of social and economic reforms, equality, justice and equal opportunity. The Democratic Action Party is the old Singapore-based PAP now reconstituted as a Malaysian party to contest elections in Malaysia. It clamoured for an end to Malay special privileges and equality in education and language. The Peoples' Progressive Party (PPP) capitalized on Chinese sentiments and dissatisfaction with what they regarded as the pro-Malay policy of the the Alliance government.

Since independence the nation has been confronted with either internal and external threats which served to moderate ethnic demands for the sake of national unity. In 1969, however, no such factor existed. Each ethnic group saw the elections of that year as a means of preserving its interests against the encroachment of others. The election result was a severe blow to the Alliance. The Alliance majority of seats in the Dewan Rakyat was reduced from 89 in 1964 to 66 in 1969. Its popular vote declined from 58.4 per cent in 1964 to 48.8 per cent in 1969. The MCA, which had won only 13 out of 33 seats contested, felt rejected by the Chinese community.

It was viewed that the racial riots that occurred immediately after the 1969 general elections were a direct result of the opposition success at the expense of the MCA.²⁴ The jubilant supporters of the Chinese opposition parties celebrated their success with massive parades. During some of these victory parades in Kuala Lumpur, bands of overjubilant youthful supporters booed and jeered at Malays, used offensive language against them and asked them to return to their kampongs (villages). Malay counter demonstrations quickly degenerated into an uncontrolled battleground of racial violence.²⁵

A national state of emergency was proclaimed. Federal troops moved into Kuala Lumpur to restore order and

elections in Sabah and Sarawak were suspended. A strict curfew was imposed to prevent the spread of violence while a new sedition ordinance banned all political activity. Under the proclamation, Parliament was suspended and extensive governing powers were given to the National Operations Council (NOC) under the directorship of Deputy Prime Minister Tun Abdul Razak.

Impact of May, 13 1969 Tragedy

The aftermath of the tragedy was the serious and widespread disenchantment of Malays with Tengku Abdul Rahman's leadership of the Alliance and UMNO in particular. The Malays attributed the Alliance Party election setback to the Chinese and Indian rejection of MCA and MIC in favour of the racial sentiments of opposition parties. This is considered a Malay dilemma because of its unprecedented threat to the accepted norm of Malay political dominance. Dr. Mahathir, the present Prime Minister of Malaysia, in his book The Malay Dilemma stated:

The Malays seemed to be teetering between their desire to assert their rights and arrogate to themselves what they consider theirs, and the overwhelming desire to be polite, courteous and thoughtful of the rights and demands of others. Deep within them is a conviction that no matter what they decide to do, things will continue to slip from their control, that slowly but surely they are becoming the dispossessed in their own land.²⁶

The militant Malay groups demanded Tengku Abdul Rahman resign for being too accommodating at the expense of the Malays towards the Chinese and Indians since independence.²⁷ Malay leadership in the Alliance blamed the opposition's unrestrained attacks on Malay privileges for arousing the violent Malay response. Tan Sri Ghazali, Minister of Home Affairs stated, "For national survival, national harmony, unity and progress, racial sensitivities must never again be trampled on by the different ethnic groups".²⁸

Scholars and historians have cited the violation of the gentlemen's agreement between the Malays and the non-Malays, especially the Chinese, when independence was achieved as the major reason for the riots of 13 May 1969. Under this agreement, the Chinese were given citizenship and in return it was agreed that the Malays should retain and safeguard their special position and maintain the Malay Muslim character of Malaysia. This tacit agreement was embodied in the view that the UMNO always asserted itself as the senior and dominant partner of the Alliance whereas the MCA and MIC played a secondary role. In the elections the Chinese dominated opposition parties had challenged this Malay position and this infuriated the Malays.²⁹

The Search for a Formula

The NOC took immediate action to address the problem of racial conflict. The Department of National Unity was created in July 1969 to formulate a national ideology and new social and economic programs. The Department of National Unity was tasked to study the communal tension in depth and devise a set of strategies to deal with it.³⁰ They regulated the conflict by lowering the rate of political participation, by shifting power away from the political process and institutionalizing the more important aspects of the Malaysian political system in a strong and efficient bureaucracy. The wisdom of this action was that active politicking on sensitive issues in a multi-ethnic society will unduly exacerbate racial tension and hostility. Therefore, communal conflict could be minimized by enacting laws to prevent people from making provocative speeches about sensitive issues.

On 31 August 1970, Malaysia's Independence Day, the new ideology, Rukunegara (Articles of Faith of the Nation) was formally proclaimed by the Yang Dipertuan Agong. It embodied a number of crucial aims and principles to guide Malaysia towards national unity. The emphasis was that:

Our nation, Malaysia, dedicated to achieving greater unity of all her peoples, to maintaining a democratic way of life, to creating a just society in which the wealth of the nation shall be equitably shared, to ensuring a liberal approach to her rich diverse cultural traditions, to building a progressive society, shall be oriented to modern science and technology.³¹

The Rukunegara was considered by the ruling elite to reflect the predominant trend in political and philosophical thinking. Every Malaysian's pledge is to achieve this end and in this they should be guided by the five principles of Belief in God, Loyalty to the Yang Dipertuan Agong and Country, Upholding the Constitution, Rule of Law, and Good Behaviour and Morality".³²

The May 13, 1969 tragedy proved to be a watershed in the annals of Malaysian politics. Malay hegemony was accepted as a political fact of life. To avoid future misunderstanding, the National Front government was formed. It comprises all political parties except the DAP and Parti Sosialis Rakyat.³³ The National Front retained features of elite accommodation, broad coalition, the principle of consultation and compromise, and the practice of multi-ethnic representation in the cabinet.³⁴ Key issues vital to Malay interests were non-negotiable. Prior to adopting this formula, Tun Razak considered a number of options. The options were: indefinitely continuing NDC's rule (urged by many Malays), rule by an all Malay

government (favoured by PAS and other Malay extremists), single party rule and return to the status quo ante.

The National Consultative Council

The National Consultative Council (NCC) representing all segments of Malaysian society, was formed in January 1970. It was tasked to establish positive and practical guidelines for interracial cooperation and social integration for the growth of a Malaysian identity and consensus. The government and the NCC were able to agree on economic and social restructuring of the nation, implementation of the New Economic Policy (NEP), upholding the Rukunegara and certain constitutional amendments that will ensure lasting peace.

The Return of Parliamentary Rule.

Parliamentary rule was reinstituted in February 1971 with Tun Razak replacing Tengku Abdul Rahman as the Prime Minister. The first business of the Parliament was to pass the Constitutional (Amendment) Bill. This act entrenched certain ethnically sensitive provisions of the Constitution (citizenship, language, Malay special rights and the sovereignty of Malay Sultans) by making any amendments to these articles subject to the approval of the Conference of Sultans. The Sedition Act was amended to

prohibit the questioning of sensitive issues even within Parliament and the state assemblies.³⁵

Formation of Association of Southeast Asian Nations

A profound change in Malaysia's foreign policy occurred after Tun Razak became Prime Minister. The new approach was based on three related concepts: the formation of the Association of Southeast Asian Nations (ASEAN), a policy of neutralization of the region, and the establishment of diplomatic relations with the People's Republic of China (PRC). The catalyst for this decisive change was the impending withdrawal of British and Commonwealth forces from Malaysia leaving a vacuum which needed to be filled. The solution was to strengthen Malaysia's own defence forces and also to seek security through diplomatic means.³⁶

The Association of South East Asian Nations comprising five member nations; Malaysia, Indonesia, Thailand, the Philippines and Singapore, was founded at Bangkok, Thailand on 9 August 1967. ASEAN emerged from an ongoing effort during the 1960s to create a framework for regional cooperation among the non-communist states of Southeast Asia. The Declaration of ASEAN Concord seeks to establish a foundation for expanded cooperation in the political, economic, social and cultural fields and

continues to guide the cooperative efforts of the ASEAN states. The second aim was to promote regional peace and stability through abiding respect for justice and the rule of law in the relationships of countries in the region and adherence to the principles of the United Nations Charter.³⁷ ASEAN did not provide collective security arrangements in order to achieve these objectives. The view prevailed that security arrangements would prejudice its image of neutrality. Some members made their own bilateral defence arrangements for security.

The Fall of South Vietnam

The fall of South Vietnam led to the unification of Vietnam and the creation of the world's third largest army. It also created significant geopolitical changes in Southeast Asia and to Malaysia's threat perceptions. The following significant developments have made it necessary for Malaysia to reexamine her security options:

1. The expansion of communist control in Indo-China was viewed by Malaysia with concern. Malaysia feared it would galvanize her latent domestic insurgency. There was also the lingering fear of surplus arms being smuggled to the CPM. The continuous flow of tens of thousand of refugees to Malaysia heightened the tension.

2. The vacuum created by the United States disengagement from the region was filled by the Soviet Union. She has since projected her military power in the region.

3. Vietnam's intimate relationship with the Soviet Union has led to a belligerent Vietnam. Vietnam's invasion of Kampuchea with Soviet support created a profound impact on Malaysia's defence and security posture. Vietnam's future intention is unknown and a cause for deep concern.

4. The reluctance of the United States to intervene against communist aggression in Afghanistan and Kampuchea is another cause for concern. The United States, still affected by the trauma of Vietnam, is seen as impotent by non-communist states of the region. This perceived impotency is a security concern for Malaysia and ASEAN states.

SECTION 3

RESEARCH QUESTIONS

Given the geopolitical changes occurring in the region, what are Malaysia's security options in the 1990s? In an attempt to determine the best option, this thesis will address the following issues:

1. What is the impact of the British colonial policies on the current domestic social, political, economic and security problems of Malaysia?

2. What is the impact of Malaysia's current domestic insurgency on the stability, prosperity and security of the nation?

3. Vietnam's military might in the region is unchallenged and her future intentions are unknown. What is the impact of this Soviet supported imperialism on regional social, political and military stability and on Malaysia's security?

4. In view of changed strategic perceptions, economic conditions and conflict of interests concerning Malaysia's security, what is the impact of Malaysia's defence arrangements/agreements with her Commonwealth allies and regional neighbours on the security of Malaysia?

5. What are the capabilities of the Malaysian security forces to meet the domestic and perceived external threats?

6. What is the impact of Malaysia's foreign policy on achieving political and economic stability and providing security for the nation?

Assumptions: The research questions will be based on the following assumptions:

Malaysia's foreign policy remains unchanged.

Present governments in Southeast Asia remain unchanged.

Relations between the United States, Japan and People's Republic of China remain strong.

Limitations: Research will be restricted to unclassified material.

Delimitations: The period examined will be from 1975 to the present day. The period from 1945 to 1974 will be described briefly to provide a cogent background.

Significance of Study: Malaysia's security posture has not changed since 1975. In view of her current domestic situation and the geopolitical developments in the region, there is a need for Malaysia to reexamine her security options to ensure her stability and integrity.

Malaysia's bilateral defence agreements with her neighbours have to a certain extent contributed to the success of combating insurgency along the common border. However, the differences in threat perceptions and conflict of interests may influence the validity of the agreements.

Malaysia's defence agreements with her Commonwealth allies were signed in 1957 and revised in 1971, since then the strategic, political and economic perceptions of the cosignatories have changed radically.

Given these internal and external geopolitical developments faced by Malaysia, responsive policies and strategies must be adopted to ensure her security and stability. This thesis represents an attempt to identify the best option for Malaysia's security and stability in the 1990s.

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CHAPTER 2

SURVEY OF LITERATURE

SECTION 1

IMPACT OF BRITISH COLONIAL POLICIES

The British colonization of Malaya brought modernization and change to the social, economic and political components of the culture. The colonial period transformed Malaya from a solely Malay country into a cosmopolitan nation. This chapter examines this change and surveys some of the literature relating to it.

Economic Imbalances

Chinese and Indians were encouraged to immigrate to provide an economical workforce and establish a support infrastructure. Later, the Chinese owned mines and most of the family-sized urban businesses. From this vantage point, the Chinese were able to expand their economic hold in Malaya. Gordon Means, in Malaysian Politics analysed this dominant economic position which later influenced Chinese attitudes toward political and economic development in Malaysia.¹ Eunice Thio, in British Policy in the Malay Peninsula 1880-1990 Vol. 1 The Southern and Central States, confirmed the serious consequences of the economic role the British assigned the Malays. They were favoured

as the indigenous race and to protect the Malay cultural heritage from the adverse effects of economic commercialism and urban life, the Malays were effectively condemned to a life of rice peasantry. The main concern of the British was the rubber and tin industries which they saw as the pillars of Malaya's economy.²

Norton Ginsberg, in Malaya, highlights the resultant communalism and economic imbalances. On the eve of Malaya's independence only 20 per cent of the 2.4 million Malays lived in urban areas. These worked mainly in the civil and administrative services. The remainder lived in rural communities engaging in agriculture and related industries.³ Young, in his report for the World Bank Malaysia: Growth and Equity in a Multiracial Society, points out there was a close relationship between ethnic differences, occupations, income distribution and geographical location. In 1970, the agricultural sector had the greatest incidence of poverty. In this sector, Malays comprised 68 per cent, compared with 21 per cent Chinese. In contrast, in the key sectors of the modern economy, which generated the most wealth, the Chinese held 68 per cent and the Malays 26 per cent. This disparity continued to widen from 1:2.5 in 1960 to 1:3 in the 1970s.⁴ Means, Thio, Ginsberg and Young do not suggest viable solutions to correct these imbalances.

Economic Restructuring

The New Economic Policy (NEP) is the government's strategy to correct the economic imbalances. It envisions the creation of a Malay commercial and industrial community. It is hoped that by 1990 the Malays will own and manage 30 per cent of the nation's corporate assets.⁵ The NEP was incorporated in the Second Malaysia Plan (SMP) in 1970. The SMP, with a planned expenditure of M\$14,350 million and a projected annual growth target of 6.5 per cent, shifted emphasis from mere growth to an egalitarian growth distribution policy.⁶ The SMP objectives were two-pronged. First, it aimed at the eradication of poverty by increasing employment opportunities. Second, it sought to correct the prevailing economic imbalances by restructuring the Malaysian society, thus eliminating the present economic specialization along ethnic lines.

The Third Malaysia Plan (TMP) was implemented in 1976 with a planned expenditure of M\$18,280 million and projected annual growth target of 8.3 per cent. It constituted the second stage of the NEP implementation. The government considered the achievement of the NEP goals to be paramount prerequisites for the national unity, security and stability of Malaysia's multi-ethnic society.⁷

Despite the mammoth efforts towards consolidating a greater Malay equity in economic enterprises, progress has been unspectacular. A decade after the introduction of the Second Malaysia Plan, The New Straits Times editorial dated 30 May 1980 pointed out that from 1971 to 1978 Malay interest in the corporate sector increased from 2.3 per cent to 10.3 per cent while the non-Malay share increased from 20.4 per cent to 43.7 per cent.⁸ Since its introduction the NEP has become a major political issue.⁹

Educational Issues.

The colonial education policy complimented the economic policy. The education system, except for the government English medium school, emphasized a distinct ethnic culture and history. The policy specified that each racial group was to be educated in their own language and to accept their assigned role in society thus reinforcing the existing divisions among the races. F. S. Loh in Seeds of Separatism: Educational Policy in Malaya 1874-1940, identified this policy as the main cause of racial polarization. The introduction of the colonial common curriculum prompted by the reversal of migratory trends and communist subversion of Chinese schools was preempted by the Second World War.¹⁰ Loh, however, did not

suggest corrective measures or means for national integration using education as a vehicle.

National Education Policy

The Razak Report 1956 formed the basis of the National Education Act 1957.¹¹ Under this act, a common syllabus and language, crucial to achieving national integration and identity, was gradually implemented. It was met with apprehension and resistance by the non-Malays who preferred multi-language schools. In the "1973 Independence Day Speech", Prime Minister Tun Razak emphasized that the basis of Malaysian culture and language will be the indigenous culture of the region and that this must be clearly understood and accepted. The implementation of policies designed to correct the imbalances in sectors of the nation's life and sensitive political issues regarding education were not to be the subject of public discussions.¹²

Although fully implemented, the National Language Act and the National Education Act of 1957 did not achieve the desired objectives. Education remains a dominant issue in Malaysian politics and stability as pointed out by Means in Malaysian Politics.¹³ Richard Clutterbuck, in Conflict and Violence in Singapore and Malaysia 1945-1983, stated that the greatest threat to Malaysia's economy and

to her internal security will arise from the education system and problems of language.¹⁴ Clutterbuck also pointed out that these threats may come from the Malays if the present economic imbalance is not amicably settled, unity through language achieved and the concept of Malay special rights and privileges as enshrined in the Constitution accepted by the other communities. Clutterbuck did not suggest means of solving these threats although it can be inferred that the government and the society have to find viable solution.

Political Polarization and Communalism

Richard Morrock, in his paper Heritage of Strife: The Effects of Colonialist Divide and Rule Strategy Upon the Colonized People, attributed ethnic differences and political communalism or polarization in Malaysia to the British colonial policies.¹⁵ While maintaining Malay rights and privileges, ethnic communities were isolated culturally, economically and politically. This policy ensured the non-existence of political consensus and expression. There was no concerted effort to unite the population. Morrock, like the other authors, did not provide the answer to solve political polarism and communalism in Malaysia.

SECTION 2

FOREIGN POLICY

On Independence Day Malaya was faced with problems of security, a domestic insurgency, a need for modernization, nation building and clear priorities. The first Prime Minister, Tengku Abdul Rahman, adopted a pro-West and anti-communist policy purely for Malaya's survival and progress. This was clearly stated in his memoir, Viewpoints.¹⁶

Williams Shaw, in Tun Razak: His Life and Times stated that Malaysia's foreign policy changed profoundly after 1970.¹⁷ The change was based on three related concepts: the realization of ASEAN, the policy of the neutralization of Southeast Asia and the establishment of diplomatic relations with the PRC. The catalyst for this decisive change was the British withdrawal of forces from Malaysia and the gradual United States disengagement from the region. The vacuum created by these withdrawals could not be compensated for elsewhere. Therefore the solution was to build up Malaysia's own defence forces and to seek security through diplomatic means. Robert S. Milne in Politics and Government in Malaysia, substantiated both of these developments.¹⁸

Malaysia established diplomatic relations with the PRC in 1974. She gained from the PRC trade and political support for Malaysia's proposal of Zone of Peace, Freedom and Neutrality (ZOPFAN) in Southeast Asia. The PRC and Malaysia resolved that dual nationality does not apply to the Chinese in Malaysia. However, the PRC's continued party-to-party support of Malaysia's CPM insurgency remained a constant threat to Malaysia's security. This threat was highlighted by Tan Sri Ghazali, Malaysia's Foreign Minister, in Malaysian Security: A Viewpoint.¹⁹

SECTION 3

DEFENCE AGREEMENTS AND ARRANGEMENTS

From AMDA to FPDA

The cornerstone of Malaysian security until 1971 was the Anglo Malayan Defence Agreement (AMDA) negotiated in 1957. In the Undeclared War: The Story of Indonesian Confrontation 1962-1966, Harold James and Dennis Sheil claimed that the political survival of Malaysia during the confrontation was largely secured under the defence umbrella provided by AMDA.²⁰

In July 1967, Britain announced the decision to withdraw from Malaysia and Singapore. Although continuing to honour obligations under the Southeast Asia Treaty

Organization (SEATO) and AMDA, Britain believed her primary defence obligation lay in Europe.²¹ Her withdrawal was to be completed in March 1971. The British decision provoked fears in Malaysia concerning security. A series of Five Power Conferences involving Britain, Australia, New Zealand, Malaysia and Singapore resulted in the establishment of an Integrated Air Defence System (IADS) on 1 September 1971. The climax of the conferences was the replacement of AMDA by the new consultative Five Power Defence Arrangements (FPDA) on 1 November 1971.²² David Hawkins in The Defence of Malaysia and Singapore: From AMDA to ANZUK, highlights the fact that the FPDA, being more consultative in nature, was not an effective substitute for AMDA. He also questions the ability of Britain to honour the arrangement given her changed strategic perception and economic condition.²³ Hawkins though identifying the weaknesses of the arrangement, does not suggest an alternative or means of improving the FPDA.

William Shaw, in his book Tun Razak: His Life and Times, stated that Malaysia's proposal for ZOPFAN in South East Asia and establishment of relations with the PRC was the direct result of the British troop withdrawal, replacement of AMDA with FPDA and United States disengagement from the region.²⁴ He leaves the reader with the thought that the FPDA cannot provide for Malaysia's

security and stability and that Malaysia has to seek it through political and diplomatic means.²⁵ Stability and security through political and diplomatic means is still far from achieved given the differences in threat perceptions, national priorities and interests, intra-regional conflicts and the influences of the superpowers. Sheldon W. Simon in The ASEAN States and Regional Security examines these problems. Again, no concrete solution is offered. He simply suggests that Malaysia must address her internal tensions and problems as a matter of priority in conjunction with the perceived external threats.²⁶ Although the problems have been addressed, no adequate solution has been offered. If the FPDA is inadequate to provide security into the 1990s, then an alternative must be found.

Malaysia-Thailand Defence Agreement

The Malaysia-Thailand bilateral defence agreement was concluded in 1949. In August 1952, the Joint Border Intelligence Bureau was established. Anthony Short in The Communist Insurrection in Malaya 1948-1960, stated that the agreement was designed purely to eliminate the CPM guerrillas operating along the Malaya-Thailand common border.²⁷ In 1974, the General Border Committee (GBC) was formed to facilitate closer rapport and the conduct of

joint operations. Of late, it tends to imply the inclusion of defence against external aggression via statements made by political leaders of both nations. Tun Hussein Onn, the Prime Minister, in his condemnation of Vietnamese incursions into Thailand, stated the defence of Thailand and Malaysia is inseparable, a communist threat against Thailand is also a threat against Malaysia.²⁸

Malaysia-Indonesia Defence Agreement

The Malaysia-Indonesia bilateral defence agreement was concluded in 1966. It was specifically aimed at the elimination of the North Kalimantan People's Guerrilla Forces (NKPGF) operating along the common border. Basically it is similar to the Malaysia-Thailand defence agreement in all aspects. Recent statements issued by political and military leaders in view of the geopolitical developments of the region implied that the agreement included defence against external aggression.²⁹

Under the two agreements, joint military operations, intelligence exchange, joint exercises, training of personnel and efforts toward standardization of procedures were conducted by Malaysia with Indonesia and Thailand. One may incorrectly infer the seriousness of commitment from these activities. However, the limitations of the current agreements and other factors as stated by

Sheldon W. Simon in *The ASEAN States and Regional Security* casts doubt on their viability and on the capability of signatory nations to honour the commitment.³⁰

SECTION 4

EXTERNAL THREATS

The Vietnamese Threats

The Vietnamization of Indo-China was made possible with Soviet support.³¹ Vietnam depends heavily on Soviet economic and military aid. The Research Institute for Peace and Security in its analysis, Asian Security 1981, estimated the aid amounted to US\$1.1 billion in 1979 and US\$2.2 billion in 1980.³² Vietnam poses an omnipresent security threat to Malaysia. Malaysia fears Vietnam will act as an agent of revolution in Southeast Asia either alone or as a Soviet proxy. Vietnam could also exploit Malaysia's neighbours in the conduct of her relations with the Soviet Union and the PRC to her advantage. It could destabilize the political environment and security of the region. Vietnam's objectives outside Indo-China are unknown. It can safely be assumed that she aspires to be a regional power.³³ Bruce Grant in his study paper The Security of Southeast Asia addresses this point. Disputes over territorial claims between Malaysia and Vietnam are

potential catalysts for military confrontation between the two nations. The Asian Defence Journal has often highlighted this volatile issue.³⁴ Sheldon W. Simon, in Vietnam: Regional Dominance Arising From the Failures of Great Power Balances, assessed that Vietnam's economic and social conditions will determine when she will make the move to assume regional dominance.³⁵ This is a security concern for Malaysia.

The Soviet Threats

United States disengagement from Southeast Asia and the Soviet Union's intimate relations with Vietnam could assist the Soviet Union in achieving its strategic, political and economic objectives in Southeast Asia. Paul Dibb, in his study paper The Interest of the Soviet Union, analysed the Soviet Union's unsuccessful venture in Indonesia in the 1960s. The same objectives could be achieved in the present situation.³⁶ Malaysia fears the Soviet Union will use Vietnam as a springboard to impose military and political influence in the region.

Lasater Martin, in his analysis in the Pacific Defence Reporter, stated that to protect the Soviet Union's expanding interests in Siberia and the Far East, the Soviets seek to neutralize ASEAN as a pro-Western force.³⁷ This means directly or indirectly the Soviets pose a threat

to Malaysia's security and stability. The Soviet's attempts to subvert Malaysian political and administrative leaders in 1978 and 1980 were nipped in the bud with the arrest of those concerned.³⁸ This indicated the Soviet Union's seriousness in its attempts to neutralize Malaysia. Malaysia also fears that the Sino-Soviet struggle for regional dominance might have security and political repercussions for Malaysia. The Soviet Union Deputy Foreign Minister, Mr Kapitsa, was reported saying if there is no solution in Kampuchea, the Soviet Union and Vietnam would retaliate and support the insurgents in the ASEAN states.³⁹ Derek Davies, in his analysis The Shadows of Kremlin, stated the Soviet Union poses the greatest single threat to Asia today. It could drag the region into instability through direct conflict with the PRC or by supporting the destabilizing policies of its proxy, Vietnam.⁴⁰

A review of literature positively shows that Vietnam is a convenient base for the Soviet Union's future intentions. It is not wrong to conclude that Indo-China is the fulcrum of the Soviet Union's strategy to contain the PRC. It affects Malaysia's security and stability.

The PRC (Chinese) Threat

Malaysia perceives the PRC as a possible external threat to her security and stability. The PRC's continued ideological, moral and party-to-party support for the CPM insurgency seriously threaten Malaysia's security. The PRC still harbours an historical claim to rightful influence over the Southeast Asian region. Donald E. Weatherbee, in The Indigenization of ASEAN Communist Parties, comprehensively covered this aspect.⁴¹ In addition, Tan Sri Ghazali, Malaysia's Foreign Minister in Malaysian Security: A Viewpoint, highlighted the fact that the PRC's strong social, economic and cultural links with the Malaysian Chinese community, strengthened the belief that the PRC posed the gravest long term threat to Malaysia.⁴² Milne, in Politics and Government in Malaysia, shared this view.⁴³ Sheldon W. Simon, in The ASEAN States and Regional Security, points out that the PRC's domestic development and her disputes with Vietnam and the Soviet Union over regional dominance affect Malaysia's security and stability.⁴⁴

CONCLUSION

The British colonial policies did not mold a modern cohesive Malaysia. The hardening of an ethnically fragmented cosmopolitan society was to plague all

subsequent governments. In addition, the geopolitical changes in the region triggered by communist consolidation in Indo-China opened an acutely uncertain era for Malaysia.

Options to ensure healthy harmonious growth and the coordinated coexistence of national and regional aspirations and interests have to be projected. It will be influenced partly by the superpowers' quest for regional dominance and Malaysia's relations with her regional neighbours. The key to Malaysia's enduring stability and security lies in her capacity to overcome the major problems of economic imbalances, communal politics, national integration and resilience that beset Malaysian society.

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³¹Ng Shui Ming, "The Challenge to Isolation," South East Asian Affairs 1981 (Singapore: Heinemann Asia Limited, 1981), p. 356.

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³³Bruce Grant, "The Security of South East Asia," Adelphi Papers No. 142 (London: The International Institute for Strategic Studies, 1978), pp. 26-27.

³⁴Asian Defence Journal (Kuala Lumpur: February 1984), p 7.

³⁵Simon W. Sheldon, "Vietnam: Regional Dominance Arising From the Failures of Great Power Balances," Thomas G. Raju ed., The Great Power Triangle and Asian Security, (Lexington: Lexington Books, 1984), pp. 83-95.

³⁶Paul Dibb, "Interest of the Soviet Union," Thomas B. Millar, ed., International Security in South East Asia and the South West Pacific Region (Melbourne: University of Queensland Press, 1984), p. 48.

³⁷Martin Lasater, "Soviet Threat to ASEAN," Pacific Defence Reporter, (Sydney: July 1986), p. 12.

³⁸Kay Das, "A Tough Guy Takes Over" and "Interview With Mahathir Mohamad," Far Eastern Economic Review, 30 October 1981, p. 30.

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⁴⁰Derek Davies, "The Shadows of Kremlin," Far Eastern Economic Review, 24 August 1979, p. 20.

⁴¹Donald E. Weatherbee, "The Indigenization of of ASEAN Communist Parties." Charles E. Morrison, ed., Threats to Security in East Asia (Lexington: Lexington Books, 1983), pp. 161-183.

⁴²Tan Sri Ghazali Shafiee, Malayan Security: A Viewpoint (Kuala Lumpur: Malayan Centre for Development Studies, 1977), pp. 5-10.

⁴³Milne, Politics and Government, pp. 303-315.

⁴⁴Sheldon, The ASEAN States, pp. 48-86.

CHAPTER 3

METHODOLOGY

To understand the issue of Malaysian security fully, the interrelationship of the internal and external threats must be recognized. Malaysian security is not merely a military matter but includes political, economic, social, ideological and cultural factors. To determine the best security option for Malaysia in the 1990s requires an examination of each of these factors. This thesis will use the research questions identified in chapter 2 to evaluate Malaysia's current internal social, political, economic and military development; and the geopolitical development of the region. From this evaluation will emerge a number of security options which might prove acceptable.

Chapter 4 deals firstly with the issues affecting Malaysia's internal stability and security. These issues are domestic insurgency, fundamentalism, political bipolarism and the impact of the New Economic Policy (NEP) launched in the aftermath of racial conflict in 1970. These issues will be critically evaluated in light of Malaysia's current political, economic, social and military development to identify possible remedial measures or policies which might lead to internal peace, stability and prosperity.

This examination will next consider the military aspect, that is the capabilities of the Malaysian Armed Forces (MAF), the viability of the Five Power Defence Arrangement (FPDA), the possibility of ASEAN as a military alliance and viability of a new defence alliance. The evaluation will focus on the capabilities and effectiveness of using military means to create a secure and stable environment for Malaysia and the region. Additionally, any adverse impact on Malaysia's economic, social or political stability will be considered. Possible military options which may be adopted by Malaysia will then be identified.

The next portion of chapter 4 deals with the impact of regional geopolitical development and superpower influences on Malaysian foreign policy and regional politics. Malaysia's national and regional aspirations and interests both compliment and conflict with those of her regional neighbours. This complex geopolitical issue will be systematically evaluated resulting in the identification of a number of viable options which Malaysia may employ to secure peace through diplomatic means.

Finally, chapter 4 will conclude by summarizing the possible remedial measures and policy options which have been identified for Malaysia in the 1990s. Each of these may address issues individually or they may be employed in

some combination for an ideal solution. The positive and negative impacts of each solution will be highlighted. The effects on proposed or anticipated solutions designed to improve conditions in other areas will also be addressed.

Chapter 5 of the thesis will discuss the possible solutions proposed and recommend the best option for Malaysia in the 1990s. The selected option will be analyzed to determine how well it meets the criteria of suitability, feasibility and acceptability.

Suitability: The option must represent Malaysia's interests and be conducive to the social, economic and political development of Malaysia. It must be acceptable to the entire population.

Feasibility: Malaysia's economic, social and political resources must be capable of supporting the option. The option must be realistic given the existing geopolitical conditions.

Acceptability: The option must be acceptable to Malaysia's regional neighbours and the superpowers. If not complimentary, it must at least not be in conflict with the interests of the superpowers and Malaysia's regional neighbours.

CHAPTER 4

EXAMINATION OF RESEARCH QUESTIONS AND IDENTIFICATION OF POLICY OPTIONS

Security policy is concerned with safeguarding and promoting national interests. Relations among nations change as their national interests change. Changes in Malaysia's internal and external threat perceptions need to be evaluated and appropriate policy responses developed. Any policy adopted needs to be realistic, flexible and most importantly achievable in order to meet Malaysia's national interests. This chapter identifies possible policy options for Malaysia by examining each of the research questions with respect to the current social, political, economic and military development of Malaysia and the region.

SECTION 1

Domestic Insurgency

The latent CPM insurgency, with an estimated strength of about 1200, operates from sanctuaries in southern Thailand. About half of the insurgents are Thai nationals and the others are Malaysian, the majority of whom are ethnic Chinese. The incident rate of contacts or

actions by the insurgents is very low due to excellent coverage by the Police Special Branch and the security forces.¹ The CPM has adopted a strategy of protracted struggle. Living in the relative security of sanctuaries in southern Thailand, they train, expand and wait, hoping that political and racial dissatisfaction and the progress of CPM subversions will create conditions suitable for intensifying the insurgency.²

The military threat of the CPM acting on its own has been assessed as being unable to topple the incumbent government and set up a communist republic as long as present prosperity prevails.³ Nevertheless, Malaysians consider communism a constant threat to their security and national interests. The very presence of the CPM provides a possible rallying point for groups dissatisfied with the government. Because of this the CPM is a serious threat to the security of a multi-ethnic Malaysia.

A high level of economic growth and prosperity, social and political stability, and a strong government is the best guarantee against the resurgence of communism. The New Economic Policy (NEP) objectives, aimed at addressing economic imbalances in the society should be achieved. Failure of programs to provide equality could result in dissension and

instability which will have an adverse effect on security. This situation could be successfully exploited by the CPM, particularly if the dissatisfied elements happen to be amongst ethnic Chinese.

The international nature of communism is a grave threat to Malaysia's security. The composition, ideology and orientation of the CPM, along with the PRC's continued party-to-party support and the special links it has with overseas Chinese has made Malaysian internal security more complex. The PRC's retaliation against Vietnam over the forced exodus of ethnic Chinese is a grim reminder of this strong filiality.⁴ The willingness of the PRC to use military force to exert influence is not without precedent. The quest for control of insurgent groups in Malaysia was an indirect result of the Sino-Soviet conflict. The Soviets sponsored a breakaway faction of the CPM and Soviet disinformation campaigns blend Chinese communism with Chinese nationalism to strengthen Malay suspicions against the Chinese community. The consequences of Sino-Soviet rivalry seen occurring in Malaysia are threats to Malaysia's interests and security.

The CPM has managed to draw support from impoverished rural Malays by exploiting their

discontent. The Baling Riot in 1974, the 1980 Alor Star disorder and the Federal Development Authority (FELDA) agricultural scheme settlers protest in 1981 are clear examples.⁵ These incidents demonstrate that secular, economic, political and social issues can mobilize communism among the Malays.

The CPM has broadened its Malay base by sponsoring front structures such as the Islamic Brotherhood Party, also known as Parti Persaudaran Islam (PAPERI), and the Malay National Revolutionary Party of Malaya (MNRPM) or Parti Kebangsaan Melayu Revolusioner Malaya to destabilize Malaysia. PAPERI's platform is a religious struggle against the enemies of Islam or in effect, the coalition government. It seeks to exploit growing fundamentalism among rural Malays and intellectuals. The MNRPM platform is anti-UMNO and its efforts are also directed towards Malay peasants and intellectuals.

The government fully understands the relations between political, economic and social policies and national security. The New Economic Policy (NEP) is a clear manifestation of this realization. Barring serious economic difficulties the situation will remain under control.⁶

Summary and Options

The multi-faceted dangers of communism to Malaysian society must be fully realized. Revolutionary communist ideology cuts across racial antagonisms, education, language, culture and economic imbalances. These issues will continue to provide fertile ground for communist agitators. Chinese and Malays are both susceptible should the social, economic or political situation deteriorate.

The danger of substantial foreign support for Malaysia's insurgency is always present. Intensified competition between the Soviet Union and the PRC is expected to continue. The PRC will resist attempts by the Soviet Union or Vietnam to gain control of the CPM. Conversely, the Soviet Union's influence could give the insurgency a new Malay political dimension. Malaysia must stave off these external influences whilst keeping its racial problems under control in order to defeat the insurgency permanently.

It is vital that Malaysia maintain healthy social, economic and political growth through policies and activities aimed at forging national unity and progress. Patience in administration and politics as well as goodwill and teamwork among community leaders and

political parties are essential. The military and psychological campaigns to win the insurgency must be continued. The intimate bilateral defence agreements with Thailand and Indonesia must be maintained if not intensified. The government's stringent internal security measures must be unyielding since any easing of the controls would invite CPM penetration into Malaysian society.

A united population is a better guarantee against the CPM's internal threat to national security than mere military might. A contented population will not be easily manipulated to work against the interests of its country.

SECTION 2

Fundamentalism

An official survey in April 1981 found 40 deviant Islamic fundamentalist groups in Peninsular Malaysia with an estimated following of 30,000.⁷ In view of the multi-racial character of the society, Islamic fundamentalism poses a major internal security challenge to Malaysia.⁸ Whatever the cause of their rise, Islamic fundamentalist groups in Malaysia have become a political force that must be reckoned with. Their threats and challenges are serious because of the perceived inherent

tension and contradiction between Islam and the secular national ideology as well as the capitalist orientation of the Malaysian economy.

Islam is inextricably linked with nationalism in Malaysia. The government treads a precarious tightrope between the challenges of Islamic fundamentalism and the aspirations of other communities. Inevitably, religion has become politicized, setting Malays against Malays. UMNO equates race with nationalism and believes in the compatibility of social progress with Islam. PAS strives for the creation of an Islamic state, condemns materialism and is reluctant to attempt any analytical evaluation of either Western or Islamic society. The victory of the militants over the moderates for PAS leadership divided the Malays along religious and political lines.

Fundamentalists believe that violence is justified if it achieves their aims. The fundamentalists attack on Batu Pahat police station in 1983 and the police assault on armed fundamentalists at Memali in 1985 are vivid examples.⁹ There are also fears that fundamentalist links with Iran and Libya could introduce demands for revolutionary changes in multi-racial Malaysia.

The Government has taken measures to prevent abuses of Islam and the spread of fundamentalism. Government bureaucracies have assimilated Islamic values in order to win over the fundamentalists. This assimilation has been misinterpreted and exploited at the polls as political issues to the government's disadvantage.¹⁰ The government's dilemma is to achieve a balance in its attempts at defeating fundamentalism while concurrently fulfilling the aspirations of other communities. PAS defeat at the hands of UMNO and the left wing Chinese opposition party's win over the moderate Chinese in the coalition government have led to political bipolarism. Despite these setbacks, PAS and fundamentalism will continue to be a feature of Malay politics.

Summary and Options

A deeper understanding and support of government policies by the other communities is vital if fundamentalism is to be defeated and progress and prosperity maintained. A moderate UMNO ruling as a coalition offers the best prospect for prosperity and stability. Non-Malays must not provide the catalyst for all-Malay rule or an Iranian model revolution in Malaysia.

The general trend of religious development in Malaysia has been beneficial. In the case of Islam, the strengthening of Islamic consciousness among believers contributes to a greater sense of responsibility, insurance against corruption and abhorrence for communism. Despite the benefits, the government must take measures to prevent abuses of Islam and contain fundamentalism. The fundamentalists must be denied a religious and political platform by the continued assimilation of conducive Islamic values into the government bureaucracy and policies. Concurrently, the government must not infringe upon the freedom of religion of other communities. The implementation of Islamic laws must be in the interests of a modern and progressive Malaysian society. It must not hinder economic, social and political growth. Islamic laws must be applicable only to Muslims because general application to all Malaysians will cause resentment leading to instability.

SECTION 3

The New Economic Policy (NEP) Issue and Political Bipolarism

Malaysia's New Economic Policy (NEP) was drawn up in 1970 in the aftermath of May 13, 1969 tragedy. The aim was to lay the foundation for national unity among

the diverse ethnic groups in Malaysia through the eradication of poverty and the restructuring of society to correct an economic imbalance which had led to an identification of race with economic function. It aspires by 1990 to redistribute commercial equity holdings and employment proportionately as follows: Malays 30 per cent, non-Malays 40 per cent and foreigners 30 per cent. The NEP does not plan to transfer Chinese and foreign equity to Malays or to nationalise the economy. Malay ownership is to be increased through participation in the expanded economy. It was widely felt by all races that the NEP was the right solution to Malaysia's problem in the wake of 1969 riots.

In the 16 years since its inception, the NEP has transformed Malaysian society. From a 2 per cent holding in Malaysian limited companies in 1969, the Malays' equity increased to 12.5 per cent in 1980 and 17.8 per cent in 1985. It is expected to reach 22 per cent by 1990. Foreign equity fell from 43 per cent to 26 per cent in the same period. Non-Malay equity is also expected to increase to 53 per cent by 1990 compared to its target of 40 per cent.¹¹ Malays are now found in the traditional rural sector, the civil service, trading and banking.

The overall restructuring of the economy was remarkably successful during the buoyant 1970s through 1982. The recession and economic downturn after 1983 altered the non-Malays' acceptance of the NEP. The NEP became a volatile political issue because the Chinese feared losing their economic muscle. Together with the entrenched ethnically sensitive provisions of the Constitution (citizenship, language, Malay special rights and the sovereignty of Malay sultans) racialism once again became the election platform of the opposition parties.

The 1986 Malaysian election results fell along communal lines. The Chinese (MCA) representatives in the coalition government suffered a major setback at the hands of left wing Chinese opposition DAP. A better indicator of the inherent ambiguity in DAP victories was the fact that the party's 20.8 per cent of the total federal vote was in urban and Chinese dominated areas.¹² Prime Minister Dr. Mahathir ascribed the DAP successes to the young and new voters thinking differently from those who experienced the trauma of the May 13, 1969 tragedy.¹³

The communal pattern showed so clearly that political analysts concluded that the voting trends were racially biased and in reaction to the ideals of the

NEP. The DAP secured protest votes arising from communal ideologies which went against policies towards national integration.¹⁴ The communal trend it suggests is certainly unhealthy. It has reduced Chinese representation in the government and increased instability through political bipolarism.

The racial balance between ethnic Malays, Chinese and Indians has always been precarious and is reflected in political power as well as wealth distribution. The government is increasingly besieged by Malay extremists demanding all-Malay rule. It must also respond to other communities which want the Constitution abolished or changed with regard to Malay special rights, national language, sovereignty of Malay sultans, NEP and citizenship. Racial polarization has increased since the August 1986 election. In an attempt to stabilize the situation the Prime Minister stated:

"We were patient when they criticized the government. We remained silent when sarcasm was used in the papers, when several chauvinists talked as if the Malays had no rights in this country, as if this country were not the land of the Malays but part of a foreign land. UMNO is the trustee of Malay interests, and for as long as those interests are not threatened, will also guarantee multi-racial cooperation in the country. We are still prepared to extend the hand of friendship to other communities. But don't take us for granted. Our patience is not without limits"¹⁵

Because of economic recession the NEP is held in abeyance except in areas where there is growth. Growth will take priority over restructuring. Those parts of the NEP not consistent with encouraging foreign investment will be held in abeyance. Opposers of the NEP were warned by the Prime Minister in his statement:

"We do not wish to rob other people of their rights. But let no one try to rob us of our rights. The National Front government will extend the policy until the targets are achieved because the policy mirrors our willingness to compromise and give importance to non-Malays"¹⁶

The general Malay perception of the situation was enunciated by former Deputy Minister Abdullah Ahmad when addressing the International Affairs Institute in Singapore on 30 August 1986. In 1976 Abdullah was a political detainee under the Internal Security Act for alleged communist leanings. He was released in 1981 and confessed publicly that he once worked with the Soviets because, as a Malay nationalist, he feared the threat from China and possible domination by the Chinese. Abdullah stated in his address:

"The problem of racial polarization in Malaysia was often blamed on a political system which affords a special position for the Malays, and therefore by extension relegates the non-Malays to an inferior status. Let us make no mistake, the political system in Malaysia is founded on Malay dominance. That is the premise from which we should start. The Malays must be politically dominant in Malaysia as the Chinese are politically dominant in

Singapore. Ours is not a system of discrimination but of Malay preservation, a system of Malay political dominance but not of Malay political domination. Many Malays would prefer to share poverty with Indonesia than see their political position eroded"¹⁷

The negative effects of the NEP on the poorer Malays must be bridged. The gap between rich and poor Malays seems wider than ever. The appearance of a growing class of rich idle Malays holding equities and directorships or sinecures and performing little work makes bitter impressions on the poorer Malays. The poorer Malays are questioning whether the bad effects of the NEP may be outweighing the good.¹⁸ If this problem is not addressed, the poorer Malays, exasperated by dissatisfied expectations, will search for a scapegoat or solution in the form of Islamic fundamentalism or radical politics. This will upset the stability of the National Front coalition government or cause another May 13, 1969 tragedy.

Summary and Options

The greatest threat to Malaysia's economy and her internal security will probably arise from communalism. Politically Malaysia is likely to remain calm unless the current rhetoric and outburst of communal politics escalates to a breakdown of the coalition and compromises. Serious unemployment or the emergence of a fanatical sect of extremists intent upon driving out the other races must not prevail. The Malays must not be forced to

rule by themselves. The present coalition government must be preserved.

Any attempts by the non-Malays to revoke or amend the sensitive issues of Malay privileges and sovereignty of the Malay Sultans, as enshrined in the Constitution, will be violently resisted by the Malays. It will lead to communal conflict. If changes are to be made they should be gradual and agreed upon through healthy discussion and consideration of Malaysia's economic, social and political conditions.

For the time being, restraint, understanding and acceptance by the non-Malays of the status quo as embedded in the Constitution is the only guarantee of peace and stability in Malaysia. Only the dominance of the National Front government by the moderate and compromising UMNO will produce a political stability which other component parties must accept. Failing this, the remote possibility of a merger with Indonesia as enunciated by Abdullah Ahmad will become a reality. The solution to communalism is in the hands of all Malaysians.

The success of the NEP and restructuring of the Malaysian society is entirely dependent upon economic growth. The survival of Malaysia now ultimately depends

on the success of the NEP. There are other political issues such as language and education. The severity of these issues depends on the temper of Malaysians and can be solved given time, rational thinking and acceptance of the objectives of languages and education towards national integration and unity by non-Malays. The NEP's implementation strategy needs to be revised to suit Malaysia's current economic conditions. The gap between rich and poor Malays needs to be bridged. The issue of extending the NEP beyond the year 1990 must be settled by the government as this issue is a cause of major discontent among non-Malays.

The most desirable society is a stable society and leadership's task is to secure it. This involves trade offs and compromises. Fundamentally Malaysia's problem is racial animosity. It is impossible to satisfy every ethnic group and this fact must be accepted by all Malaysians. The government must ensure that everyone gets his share and no one gets everything.

Unemployment remains a source of instability. The population grew from 11 million in 1970 to 14 million in 1983.¹⁹ The majority of the unemployed are between 15 and 25 years old, the peak age at which frustration customarily explodes into violence. The most urgent need

is to restore a high rate of economic growth to keep ahead of population growth. Recession is more dangerous in a multi-ethnic society than in others because the unemployment created often leads to dissension and explosive situations.

Economic problems and poverty do not differentiate between ethnic groups or geographical areas. Malaysians must make an effort to bring forth the future leaders of all ethnic groups. One community cannot survive whilst others perish. Malaysians must be cultivated to think along these lines.

SECTION 4

Capabilities of the Malaysian Armed Forces (MAF)

Historically, Malaysian defence planning, force structure and tactics have been in response to internal insurgencies. The Malaysian Armed Forces (MAF) were built around counterinsurgency (COIN) warfare. The post 1978 militarization programs in Malaysia focused on the creation of a conventional warfare capability, particularly in strengthening the Royal Malaysian Navy (RMN) and the Royal Malaysian Air Force (RMAF).

This conventional warfare capability is necessary to provide a measure of security to deter or

repel the perceived Soviet-Vietnamese military threat. Between 1979 and 1982, the total defence and security budget increased by nearly 200 per cent. Defence expenditure, despite economic constraints in 1983, consumed 5.8 per cent of Malaysia's GNP, more than any other ASEAN nation.²⁰

The Fourth Malaysia Plan (1981-1985) contained a military expansion program with a goal to acquire the means to deter or repel any attack by a regional aggressor.²¹ The MAF's training and exercises have moved substantially from COIN to conventional warfare.

Malaysia's growing global interdependence, heavy dependence on foreign trade, energy supply, food and finished products require that the vital Straits of Malacca be secure. Malaysian economy is extremely vulnerable to disruptions and any prolonged dispute hampering seaborne traffic is disastrous. It could lead to severe economic dislocation triggering political turmoil. It is essential for Malaysia's survival that the Straits of Malacca remain secure and open for free passage. Hence the emphasis for the RMAF and RMN is on enhancing their conventional capabilities to defend maritime resources in Malaysia's Exclusive Economic Zone (EEZ), its territorial claims in the South China Sea and securing freedom of passage in the Straits of Malacca.²²

Preparing for defence is expensive. Budgetary constraints have forced a severe cutback and phasing of some infrastructure projects and procurement programs. Defence development in the 1985 budget is M\$183 million, 23 per cent less than in 1984.²³ The goals of military modernization and expansion remain intact despite the economic recession.

The MAF now concentrates on consolidation, absorption and assesement of strategic requirements. The emerging defence thinking acknowledges that Malaysia can only ward off the first waves of external aggression, after which she will have to rely on friends and allies to come to her military assistance.²⁴

The other option is to defeat external aggression by a comprehensive national defence concept combining military might, guerilla warfare and the people's resilience. Nationalism comes to the fore and is most evident when Malaysia is externally threatened. This forms the nucleus of Malaysia's comprehensive defence.²⁵

Summary and Options

Malaysia's economic and financial health determines defence planning and allocation. In the final

analysis in the competition for scarce resources between internal threats and perceived external threats, consideration of social and economic development must take precedence. The rationale being internal peace and stability eliminate conditions for insurgency.

Given the current stalemate in Indo-China, Malaysia's military development is now more deliberate. The long term threat of latent insurgency and other internal issues have taken precedence over Vietnamese military aggression. The need to acquire arms and increase military spending must be closely related to the country's perception of her security threats. Therefore, Malaysia's economy, social and political development would be the best response. This will neutralize the internal threats and deny external powers the opportunity to interfere. However, programs to enhance the MAF's conventional capabilities must be continued with identified priorities and established time frames for completion.

Military expansion alone is not sufficient as it could easily provoke other countries to do likewise. It is necessary to complement it with geopolitical arrangements such as the Five Power Defence Arrangement (FPDA) and bilateral defence agreements as a means of maintaining stability and strategic balance.

SECTION 5

Review of the Five Power Defence Arrangement

The credibility of the Five Power Defence Arrangement was tested further by Australia's announcement to remove her 75th Squadron based in Malaysia to Australia's Northern Territory by mid-1988. It will be replaced by planned rotational deployment for only 16 weeks a year. This move does not mean a lack of Australian interest in the FPDA but adherence to a new concept of "strategy of denial" or layered defence as advocated in the Dobb Report.²⁶ With vital interests in the region, Australia cannot avoid being part of the Southeast Asian zone. Recognition of this reality was highlighted in the Dobb Report. It defined Australia's national security interests as maintenance of a favourable strategic situation in Southeast Asia and the South Pacific. This region is Australia's sphere of primary strategic interest. The Dobb Report added that "the area of direct military interests where we should try to promote a sense of strategic community and be able to apply independent military power includes Australia and its neighbours".²⁷

On 23 December 1986, New Zealand announced the phasing out of its infantry battalion from Singapore. Malaysia and Singapore expressed that the withdrawal signalled a lack of confidence in the region and would have destabilizing effects.²⁸ New Zealand firmly believes that its future defence policies should be directed towards her immediate area and the South Pacific. It marked the end of New Zealand's forward defence strategy. Regional political analysts alleged that the main reasons were economic constraints and New Zealand's domestic political climate.²⁹

Since her withdrawal from Malaysia in 1971, Britain's expressed commitment to the FPDA was a yearly FPDA naval exercise codenamed Starfish which was held in the South China Sea. In Exercise Starfish 86 held on 20-30 August 1986, the British Naval Group Task Force participated with other FPDA nation navies. However, commitment of ground troops was not indicated in Britain's Statement Defence Estimates 1986.³⁰ With the exception of an Australian rifle company in Malaysia, the withdrawal of New Zealand ground forces will mark the end of the stationing of Commonwealth ground troops in the region.

Summary and Options

The residual effects of these withdrawals on the FPDA is obvious. It implies that Malaysia has to repel the first waves of external aggression before the support of faraway FPDA allies will arrive.

Australia may have less military power than the United States to contribute to Asia-Pacific defence, but this is precisely what gives Australia a vital role in the security of Southeast Asia. A role that must be intermeshed with diplomatic, political and economic dimensions. Australia has a direct security role in Southeast Asia through the FPDA. The Australian presence and commitment to the security of Malaysia has an important deterrent value in the region. Although the Mirage fighter squadrons are being withdrawn from Butterworth, the assured rotation of sorties of F-18s is of vital security value. This is important to Malaysia, whose economy for the rest of this decade will not permit modernization of its frontline interceptor fleet. Moreover, Australian assistance in surveillance of the South China Sea is important to Malaysia's maritime patrolling needs, not to mention its training value. Australia's expertise and experience in naval acquisition and deployment is valuable by providing the RMN with increased capabilities including undersea equipment and training. Australia's Defence

Cooperation Program is a vital element in training and upgrading MAF personnel and units involved in the program.

Not discarding the FPDA in its entirety, it is suggested that Malaysia plan for contingency military and diplomatic action should FPDA allies be reluctant to come to her aid when required. Regardless, the military training exchange programs between Malaysia and her Commonwealth partners in FPDA must be maintained.

SECTION 6

New Military Alliance

A new military alliance in Asia in terms of political, economic and strategic security aspects between the United States, Japan and ASEAN was suggested in December 1983 at Kuala Lumpur. Parallelism of interests which exist between these three nations include free enterprise, trade relations and their non-communist philosophies. This alliance was inspired by the Trilateral Commission comprising the United States, Japan and Western Europe. Although United States and Japanese protectionist tendencies or policies are a source of economic dispute between the United States, Japan and ASEAN nations, this trilaterism seems to be coherent in political

and security aspects.³¹ Given the extended role of the United States as a global power, it may counter the Soviet-Vietnamese threat and Sino-Soviet rivalry and hegemonistic competition in the region.³²

Summary and Option

The major obstacles against the realization of trilateralism between the United States, Japan and ASEAN are differences in threat perceptions, Malaysia's desire for the realization of ZOPFAN and national priorities. Malaysia has no desire to expand beyond its confines into the Pacific. Moreover, an alliance resulting in possible superpower engagement in internal conflict may intensify threats of subversion, infiltration, internal unrest and instability. It may be the wrong response towards forging peace, stability and security.

SECTION 7

ASEAN as a Military Alliance

The Vietnamese armed forces superiority over ASEAN is not disputed. Without third power intervention the outcome of any military conflict is forgone and decisive.³³ Malaysia or ASEAN could draw the involvement of a third power via the FPDA and the Manila Pact. The induced ASEAN unity caused by the Soviet-Vietnamese military nexus and an interlocking network of bilateral

defence agreements suggest the possibility of an ASEAN military pact being a reality.

In spring 1984, Indonesia's Vice President Adam Malik called for a multilateral ASEAN military exercise in Thailand to demonstrate ASEAN solidarity against Vietnam.³⁴ Singapore supported increased military cooperation and exercises within ASEAN and that military capabilities of ASEAN be increased to meet external threats and deter aggression.³⁵ The Philippines rejected the suggestion feeling a change in policy and purpose of ASEAN would be inappropriate.³⁶

The creation of an ASEAN military pact is not premature. It is a viable proposition. Given the right justification, an ASEAN military pact could evolve in incremental stages beginning with intensified military cooperation through interlocking bilateral agreements involving Malaysia, Indonesia, Singapore and Thailand. Statements by the political and military leaders of these nations reflect the spirit of interdependence on each other for survival. Therefore each is prepared to aid one another militarily in the face of external aggression.³⁷ Later there would be a need for the standardization of weapons, equipment, operating procedures and training throughout ASEAN. A final step

toward the realization of an ASEAN military alliance would be agreement on the coproduction of arms and equipment. An expanded integrated air defence system could be developed by building on the existing system operated as part of the FPDA.

The list of combined military exercises among ASEAN nations shown at Appendix A indicates a growing move towards closer military relations. It shows that an ASEAN military alliance is a distinct possibility if the existing political differences among member nations are overcome.

There are substantial arguments against ASEAN as a military pact. Malaysia fears wider political implications as this would end her non-aligned stand. The possibility of Vietnam invading one of the member nations of ASEAN has receded. Vietnam is beset by domestic economic problems and is experiencing difficulty consolidating its position in Kampuchea. ASEAN as a military alliance would make the chances of a political settlement with Vietnam over Kampuchea more remote. The lessening of the Vietnamese threat has led ASEAN nations to differing perceptions of the long term threat to their sovereignty. The long term threat as seen by most members of ASEAN is the PRC. The formal militarization of ASEAN runs counter to Malaysia's goal of ZOPFAN for Southeast Asia. And finally,

the current economic recession has resulted in a focus, in the short and medium terms, on domestic issues including insurgency.³⁸

Summary and Options

There are obstacles to the formation of an ASEAN military alliance. These obstacles are political, differences in the strategic perceptions of individual ASEAN nations and domestic issues. Currently ASEAN member nations are preoccupied with internal issues. There are lingering intra ASEAN disputes to be addressed. There is a fear that an ASEAN military alliance would provoke a similar response from Vietnam and the Soviet Union leading to a greater potential for conflict.

It is deemed sufficient for Malaysia to strengthen the MAF, and forge diplomatic and political consensus in ASEAN's position on crucial security issues. The intensified cooperative defence related activities under bilateral agreements should be maintained. Only the United States has the capacity to provide the nuclear and conventional military power needed to maintain equilibrium with the communists.

SECTION 8

Political and Diplomatic Options

The polarization of the region between Vietnam's Indo-China and non-communist ASEAN presents problems of competing priorities. The Soviets seek friendly relations with Malaysia and ASEAN but security and strategic considerations force the Soviets to support Vietnam. Vietnam is an important regional Soviet counterweight against collusion by the United States, the PRC and Japan.³⁹ Vietnam will continue to be the key element in Soviet regional policy in the future.

Southeast Asia is likely to be a primary area of Soviet interest in the future. The Soviets will continue to isolate, encircle and diminish PRC influence in the region.⁴⁰ The Soviet Union sees the PRC as its most dangerous adversary. Soviet gains and losses in Malaysia and ASEAN are related to Malaysia's and the ASEAN nation's domestic policies and politics.⁴¹ The Soviets can encourage or discourage Vietnamese expansionism in Southeast Asia. They prefer a political solution in Kampuchea to improve relations with Malaysia and ASEAN. The Asian Collective Security Plan they sponsored failed because of strong PRC opposition and the cool responses from ASEAN.⁴²

Vietnam must continue her reliance on Soviet support due to prevalent PRC hostility and isolation by non-communist nations.⁴³ Malaysia and ASEAN have encouraged the PRC to be less hostile and compromised with the United States and Japan to establish links with Vietnam in order to woo Vietnam from the Soviets. However, Vietnam cannot afford to sever its dependence on Soviet support. Vietnam's historical experiences with the PRC have shown her current choice for an ally is the most logical.

The removal of the perceived PRC threat and normalization of relations with the United States could allow Vietnam to free itself from Soviet influence. The containment of Sino-Vietnamese confrontation is expensive for the Soviets and freeing Vietnam could be advantageous to the Soviet's image and lead toward warmer relations with Malaysia and ASEAN.⁴⁴ The PRC should be encouraged to be less hostile towards Vietnam on the Kampuchean issue. Elimination of the PRC's threat to Vietnam is a major prerequisite for Soviet withdrawal from Vietnam. The United States and Japan would also have to encourage the PRC to alter its policy towards Vietnam and detente between the United States and the Soviet Union must be achieved.

An independent Vietnam could serve as a buffer against the PRC's long term threat to Malaysia's security. A strengthened PRC could make its presence felt in Malaysia

and disrupt Malaysia's internal security and stability. The PRC's party-to-party support for CPM insurgents, the Sino-Soviet rivalry and PRC's support to Thailand on the Kampuchean issue has forced Malaysia to be even more wary of the PRC. United States' intimacy with the PRC, parallelism of views over Indo-China, military assistance, and condoning of the PRC's "bleed Vietnam white" policy conflict with Malaysia's interests and make the search for acceptable policy options more complex.⁴⁵

Malaysia believes that the PRC's support to Thailand and her overtures to Malaysia and other ASEAN nations regarding the Kampuchean issue represent the Leninist strategy of temporary alliance with ideological adversaries for short term gains with longer term struggle held in abeyance until conditions change.⁴⁶

The Soviet military build up in the region has yet to become a strategic advantage. Factors influencing the Soviet failure to consolidate military and political influence are the political and economic development of the region. These factors included the cold war between the communist states (Soviet-Vietnam and the PRC); PRC's rapprochement with United States, Japan and pro-west states; gradual reassertion of Japan; United States reassertion in the region; growth and development of ASEAN;

relative peace in the Korean Peninsula and the dynamic economic growth of the region leading to a stable Asian-Pacific trading community.⁴⁷

Soviet disengagement from Vietnam is unlikely because of its heavy investment, military build up, and regional and global strategy. Because of instability in the region; shifts in the region; shifts in the military balance to the Soviet's favour; weakening of United States relations with PRC, Japan and ASEAN; Soviet rapprochement with Japan and Soviet reconciliation with the PRC, Soviet Union will continue to assert influence in the region.⁴⁸

Summary and Options

Trilateral superpower competition permits Malaysia and ASEAN a greater degree of flexibility to formulate viable policy options. The ASEAN spirit has made Malaysia, though having different external threat perceptions, support Thailand in the face of Vietnamese incursions. Malaysia has a powerful incentive to continue supporting Thailand. Without this support, Thailand might be forced to adopt a less viable option to the detriment of Malaysia's security interests. A Thailand more intimate with the PRC is detrimental to Malaysia's security in the long term. Thailand may opt for neutrality which could lead to the Finlandization of mainland Southeast Asia.

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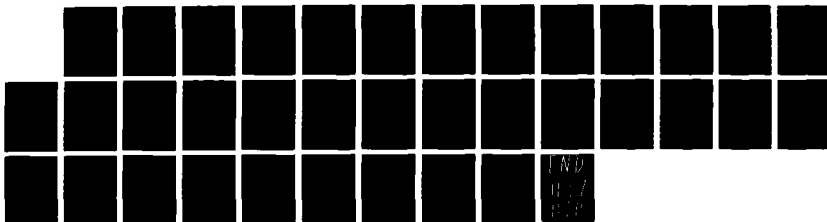
SECURITY OPTIONS FOR MALAYSIA IN THE <1990S>(U) ARMY
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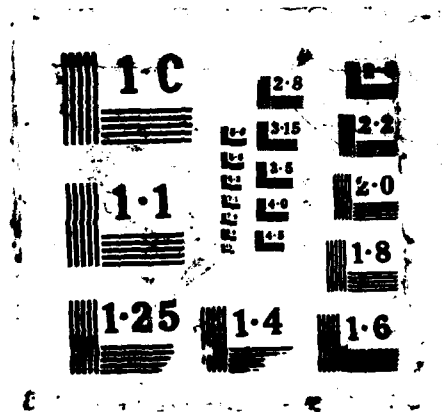
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The desired political option for Malaysia is a balanced relationship with the superpowers. This is to minimize opportunities to interfere in Malaysian and regional affairs. In this arena United States assistance is sought to maintain the military balance with conventional and nuclear deterrence, support ASEAN moves to solve the Kampuchean issue and prevent polarization of the PRC and Soviet-Vietnamese influence in the region. United States could influence peace in the region by linking interests in the region to its bilateral relationship with the Soviet Union.

It is in the interests of Malaysia and ASEAN that the United States and Japan avoid undermining Malaysia's economic growth with protectionist economic policies. Economic growth is vital to Malaysia's political stability and security. ZOPFAN would be in Malaysia and the superpowers' best interests militarily and politically. Equidistance between the superpowers will ensure a more stable and peaceful Malaysia.

SECTION 9

Neutralization

The prospect of ZOPFAN in Southeast Asia faces formidable challenges. These challenges encompass the

issues of guarantees and regional dominance and are beyond Malaysia's control.

The Issues of Guarantee

Guarantees are critical if the neutrality of a state or geographical region is not solely an act of self imposition. Permanent neutrality cannot be achieved unless it is accompanied by international agreement or recognition. A function of guarantees has been to initiate, maintain and terminate treaties for the neutrality of states.⁴⁹

Who would be the guarantors of neutrality for the region? Logically the United States, Soviet Union, the PRC, Australia and possibly Britain could be the guarantors. However, unless there is a strong desire on the part of the superpowers to assist in the creation of a neutral state the issue of guarantee is invalid. The United States has rejected a neutralized Southeast Asia.⁵⁰ The Nixon Doctrine is the United States' counter proposal for neutrality in the region. The Soviet Union has responded with a proposal for an Asian Collective Security System designed to contain both United States and PRC influence. This suggests a lack of support for a neutral Southeast Asia.⁵¹ In the final analysis, the success of any scheme of neutralization is dependent on

formal machinery, balance of power among the superpowers and raising the cost of aggression.⁵²

The Issue of Regional Dominance

A neutral status implies a low profile in the conduct of foreign affairs. This is not acceptable to any state which desires a major role in international politics.⁵³ Two states that aspire to major roles in the in the regional political arena are Indonesia and Vietnam. Vietnam's economy and problems of enforcing hegemony in Indo-China restrict her ability to assume a major role in the region. Indonesia's ideology of Malayu Raya, (Malay Archipelagic Principle) or a state comprising all the people of Malay stock in the region, is embedded in Indonesian history. Indonesia opposed the formation of Malaysia on grounds that the security and stability of the region is of prime importance to Indonesia. Indonesia still hope to assume a role as the fulcrum of regional security. Therefore, Indonesia's perception of her role in international affairs would not permit a neutral Southeast Asia.⁵⁴

Summary and Options

In light of the discussed issues and problems opposing the establishment of a neutralized Southeast Asia the prospect of ZOPFAN must remain a long term goal.

ZOPFAN envisaged the neutralization of an entire region, a political accomplishment without precedence. Given the difficulties inherent in achieving a neutral Southeast Asia, a feasible substitute for Malaysia may be to declare a neutral status for herself.

One lesson Malaysia can draw from the Swiss experience is that, a country with multi-ethnic society can minimize the the political pulls of the original homelands through the adoption of a neutral policy. Another appeal of a neutral Malaysia is that it would allow a foreign policy which would permit internal development in the political, social and economic areas. However, internal stability is a precondition for neutrality and Malaysia is still wrestling to overcome communalism.

SECTION 10

Conclusion

The nature and intensity of internal and external threats to Malaysia depend on government response in meeting the challenges arising from the increasing demands of the populace and the geopolitical development of the region. The task of formulating viable security policies becomes more complex when external threats create an

environment which causes the diversion of attention and resources from the internal considerations at hand.

Malaysia values a highly stable and peaceful Southeast Asia. The maintenance of peace and stability is a prerequisite for further social, economic and political development. Malaysia is concerned with the emergence of a Soviet-Vietnamese military nexus exerting influence in the region. Sino-Soviet attempts to exert influence in the region through the utilization of allies, proxies or direct military pressure is not discounted. This makes Malaysia's quest for peace and regional stability more complex. Political, economic and social solutions to internal discontent and to ensure national unity and resilience, together with military preparedness to meet the external threats, are required.

A viable policy option for Malaysia based on the examination of the research questions includes a combination of responses addressing both internal and external issues. Programs to address Malaysia's internal issues are integral to any policy option. In the quest for peace through diplomatic efforts, Malaysia must utilise the political cohesion of ASEAN for a more profound impact. Militarily, Malaysia must upgrade the Malaysian Armed Forces to meet the expected challenges. Malaysia must

maintain and continue to derive the tangible and intangible benefits provided through close bilateral defence agreements and the FPDA.

Chapter 5 attempts to analyze the viability of such an option.

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CHAPTER 5

THE VIABLE OPTION

Because the threat which Malaysia perceives is of both an internal and external nature, her most viable option must logically encompass responses to both. The discussion of the previous chapter suggests the best response combines internal social, economic and political development; unity, solidarity and cooperation within ASEAN to seek settlement on the issue of Kampuchea and territorial claims; and military preparedness which incorporates both national resilience and Malaysia's allies. How suitable is this option to preserve Malaysia's interests, objectives and security? Is it feasible for the challenging years ahead and will it be acceptable to all concerned?

SECTION 1

INTERNAL POLICY OPTION

Ethnic Harmony

No nation is free from issues which derive from racial pluralization unless it is totally homogenous. Most of the overt conflicts which have erupted in Malaysia have been related to social tensions which predate current controversies. Many of them are related to social changes

arising from the process of development. Ironically, in Malaysia they have been exacerbated by political and economic progress which upsets traditional relationships among the population. It is unfortunate that success in developmental efforts often creates more social change which in turn gives rise to new issues.

Due to historical, cultural, social, political and economic reasons, Malaysia cannot emulate measures attempted in other countries. There is no agreed strategy to resolve the problem of racial pluralization. While an autonomous cultural life, including a separate system of education may be workable in progressive countries, in Malaysia this would signify the return to colonial policies. Malaysia has a continuing task of building a sense of national unity among diverse ethnic groups and developing a national political system that is compatible with traditional, fundamentalist and western influenced values. It must also maintain an appropriate pace of economic development while providing equitable income distribution. Failure to sustain such programs could lead to serious communal tensions which the CPM and external powers would be able to exploit.

Social Development

A positive response by Malays and non-Malays to government efforts to restructure Malaysian society is vital to internal stability and security. The objectives of the NEP must be attained. When the social and economic positions of different ethnic groups become more balanced, each will feel more secure. Such a situation will generate greater tolerance, a willingness to give and take and a readiness to work together and to cooperate. There will be a feeling of confidence and a belief that no one will be overwhelmed by the economic or social superiority of another. If this can be attained there will be no further need for special positions for any group.

Malays must take full advantage of the NEP. They must equal the performance of non-Malays and not expect to be spoon-fed by the government. Nor must they allow themselves to become dependent on special privileges and quotas. Dispensing with such attitudes will accelerate the achievement of the NEP's objectives. Efforts towards achieving national unity and resilience must also continue. The spirit of Rukunegara must be instilled at the earliest possible exposure during primary school. Activities designed to integrate present and future Malaysian generations must be implemented with conviction and vigour rather than the present lip service. In the absence of any

external aggression acting as a unifying catalyst, national integration, unity and identity must be cultivated.

Economic Development

Economic growth and redistributive goals compete for attention and priority. Only with a healthy economy can both be achieved. Malaysia's current static or contracting economy affects the NEP's principle of operating in a growth context. Malaysia needs to diversify her economic base. A glut of tin, rubber and oil has caused a recession which retards economic growth and has led to serious unemployment. Remedial measures must be taken to alleviate these conditions. Since Malaysia imports most of her rice, agriculture needs to be expanded.

With NEP's target date fast approaching, the shrinking economic pie and racial competition exacerbates ethnic tensions. Foreign investment must be encouraged. Non-growth activities must be suspended. Given Malaysia's small domestic market and competition from other countries the government must review heavy industrialization and capital intensive projects. Priorities and national capabilities must be monitored. Markets for Malaysia's products must be found within ASEAN and the world. Rapport with the United States and Japan must be maintained with a view to lifting protectionist economic policies.

Political Development

To build a stable political system by absorbing opposition parties into the National Front coalition places a premium on political accommodation and demands that communal elites cultivate an understanding and empathy for groups other than their own. There appears to be an enlightened attitude, at least at the elite level, that a communally based political organization cannot consider only the interests and reactions of its own community. To this degree at least Malaysian politics are becoming less communal and the political system retains a fairly accommodative and representative character in spite of the restrictions on some political freedoms. Malaysians must understand that the government cannot satisfy the aspirations and demands of all ethnic groups. The very dissatisfaction of each ethnic group indicates that the government does not only satisfy the demands of a particular race. There are bound to be compromises and modifications which mean sacrifices by all are needed to redress those issues tinged with communalism.

The political system since Independence has been tinged with Malay dominance through UMNO. Because access to the decision-making process is controlled by the extra legal structures whose composition includes the non-Malay

leaders of component parties in the National Front coalition this is not a critical issue. Cooperation and support of the non-Malay component is needed to make government strategies work and therefore the non-Malay component has had considerable access to the coalition government's decision-making process. As the social system undergoes modernization and transformation, Malaysia will have to convert to an egalitarian political system. Sincere attempts to form genuine political parties representing all ethnic groups must be made. Although progress may be slow it is the only way to end the present communal based politics. If this cannot be achieved the present status quo ante, the provisions as embedded in the Constitution and the NEP must be accepted without any qualms whatsoever by all groups in Malaysian society.

Meanwhile, understanding, coalition and cooperation remain the keys to Malaysian political stability and security. This is the only guarantee for the peace and prosperity of Malaysia. A moderate UMNO within a coalition government is better than all-Malay rule, merger with Indonesia or an Iranian style revolutionary republic.

Consideration

Suitability: This is the most responsive option in view of the current socio-economic and political climate in

Malaysia. The priority given to internal development and national integration is logical.

Feasibility: This option does not impose undue financial burden in terms of capital investment and defence spending. Since it is a continuation of economic growth and development started with the introduction of the NEP it should be attainable.

Acceptability: Since conflict of interests do not occur, this option will be acceptable to the populace, ASEAN nations, allies and the superpowers. Additionally, an economically and politically strong and cohesive Malaysia will be complimentary to ASEAN and allied interests.

It is easy to criticize Malaysia's democratic institutions, its limitations on fundamental freedom and individual liberties, and its reliance upon special privileges based on ethnicity. But such critics seldom attempt to devise workable alternative strategies. To forge a dynamic modern and unified nation from a society seriously divided along communal linguistic and cultural lines, as well as stratified into classes and functional groupings, is no easy task. All political and economic strategies have costs. It is the Malaysians who must ultimately pay these costs. These recommendations and the government's present strategies are designed to bring

Malaysians closer to the goals desired by all Malaysians. That is a unified, harmonious, prosperous, modern and democratic country.

SECTION 2

EXTERNAL POLICY OPTION

In a diverse region it is not surprising that there are major differences in perceptions of national priorities and threats to national security. There is, however, tremendous opportunity for mutually beneficial cooperation by Malaysia, ASEAN and allies in many spheres of activity.

Political

Politically, the best option for Malaysia involves three components. She must maintain equidistance and regional balance with both superpowers, encourage political settlement, through ASEAN collective bargaining, of the Kampuchean issue, and seek a political and diplomatic settlement of territorial claims.

Maintain Equidistance and Regional Balance with the Superpowers: The prolonged crisis in Indo-China has resulted in a permanent division of Southeast Asia into two opposing camps: Communist Indo-China led by Vietnam and non-communist ASEAN. While maintaining equidistance and regional balance with the superpowers will not resolve this

situation, it may inhibit further proliferation of military power and competition attempting to exert influence over Malaysia and ASEAN. Overlapping interests of United States and ASEAN also contribute to a reliable security presence in the region which can balance the Soviet-Vietnam alliance as well as the PRC. This relative stability and security will encourage economic growth and development, thus contributing to a resolution of internal problems.

Encourage Political Settlement over Kampuchea:

Settlement of the Kampuchean issue is important to Malaysia because it will reduce the PRC's presence in Thailand. Malaysia will then be much less concerned that the Chinese influence immediately to the north will work to exacerbate internal ethnic conditions. Furthermore, an independent Kampuchea can serve as a buffer against Vietnamese or PRC threats or adventurism. Vietnam's unwillingness to compromise concerning its position that the situation in Kampuchea is irreversible, should not cause Malaysia to break ranks with ASEAN and attempt unilateral negotiations. Political settlements must be in ASEAN's collective interests. It could be secured through negotiations with the Soviet Union, Vietnam's mentor and banker, who seeks to establish closer relations with Malaysia and ASEAN. Negotiation must also include the PRC in view of their interests in Kampuchea and the Sino-Vietnamese conflict.

Seek Diplomatic and Political Settlement over Territorial Claims: Malaysia's geostrategic problems were complicated in 1983 by the MAF occupation of Terumbu Layang Layang atoll in the South China Sea. This brought Malaysia into conflict with Vietnam who also claimed the atoll. In 1978, Vietnam occupied Pulau Amboina Kecil (Amboyna Cay), sixty four kilometers northwest of Terumbu Layang Layang, which is claimed by Malaysia. These islands are potential sources of natural resources especially natural gas and oil. Vietnam claimed that all islands, islets and atolls in and around the Spratly group of islands. Malaysia's claim to Pulau Amboina Kecil and Terumbu Layang Layang are based on history and the Exclusive Economic Zone (EEZ) concept. The tension and uneasy confrontation between the occupation forces may result in armed conflict. The Malaysian Armed Forces do not have the capability to defend these territorial claims against a Vietnamese or PRC military invasion. Malaysia has to rely on FPDA allies and Indonesian military assistance in such a situation. Hence, settlement of these issues through diplomatic means is necessary. Conflict with the Philippines over the same issue could be solved within the ASEAN spirit of constant consultation. Negotiations with the PRC and Vietnam would be more complex and need the political support of the United States and Soviet Union.

Military

Upgrading MAF capabilities to deal with domestic insurgency and repelling external aggression is logical. However, this must not mean unilateral militarization of the MAF. Malaysia's defence planners must take into consideration factors such as diplomatic initiatives, threat perceptions and response priorities. Current reserve pools are to be maintained whilst training is enhanced to meet the envisaged challenges. Priorities and time frames need to be established. Due to financial constraints it is suggested that upgrading the RMN and RMAF defensive and offensive capabilities receive the priority. The Malaysian Army is to maintain its present strength but develop specialized units such as armour and combat support to beef up conventional capabilities. The MAF must continue to derive the tangible and intangible assets of bilateral defence agreements and the FPDA through closer relationships, joint training and military contacts.

Because of its treaty commitment to Thailand and because the Soviet Union is significantly involved in Vietnam, the United States has significant military interests in the region. Malaysia acknowledges the need for the United States to play a security role in the region. There is a need to increase security cooperation

between the United States and ASEAN nations. The United States defence commitments to Thailand and the Philippines must be renewed and its security and economic assistance to Malaysia and other ASEAN nations maintained. Additional support could be in the form of increased military presence in Southeast Asia, combined training exercises, military-to-military contacts and an increase in United States foreign military sales.

Security cooperation between sovereign states is based on mutual interests, shared perception of the threat and consensus on the approach to preserve and enhance security in the region. There is a congruence of interests between the United States and Malaysia in the maintenance of the status quo in Southeast Asia and in the promotion of progress and stability among ASEAN nations. Malaysia and ASEAN desire a United States military presence in the region to guarantee a counter balance to the Soviet Union's growing regional power.

Continuation of the FPDA provides Malaysia a psychological advantage which derives from the possibility of receiving co-signatory assistance and commitment. The advantage of maintaining bilateral defence agreements with ASEAN nations is obvious. Additionally, the interlocking links of FPDA and bilateral defence agreements could draw

support from a third power, perhaps balancing the power equation if not actually turning it into Malaysia's and ASEAN's favour.

Given the unfavourable power equation, financial cost, threat perceptions and the stalemate in Kampuchea, unilateral militarization by Malaysia is not a viable solution. Additionally, armed neutrality is not a valid option. Therefore, the best option is to continue upgrading the Malaysian Armed Forces and develop closer relationship through bilateral defence agreements and with FPDA nations.

Consideration

Suitability: This external approach is the most appropriate option considering Malaysia's interests and objectives in the region. It compliments the priority of addressing the internal issues and maintains ASEAN's corporate view, solidarity and security.

Feasibility: This option is most prudent in terms of its financial implications. It is attainable. A less hostile approach between Malaysia, ASEAN, the PRC and the Soviet-Vietnamese alliance will be mutually beneficial and offers prospect for peace in the region. The interlocking of FPDA and bilateral agreements adds strength to the option.

Acceptability: This option is acceptable to ASEAN since it is an expression of a corporate view. By preserving peace in the region through a balance of power it should be acceptable to the superpowers.

SECTION 3

CONCLUSION

Malaysia must continue to develop strategies and responses to both her internal and external threats. The Vietnamization of Indo-China, projection of Soviet military power in the region and the PRC's omnipresent threat must be dealt with delicately in the diplomatic arena. The region is as well as Malaysia's security and stability is influenced by the great power triangle. Conflict in the region must be contained within manageable bounds and through political means.

The impasse in Kampuchea has reversed the priority of traditional threat perceptions. The central objectives of Malaysia's security policies should rightly be nation building and national development. The very nature of Malaysia's non-homogenous society requires urgent responses and quick results in order to stay ahead of unemployment

and population growth. Economic, social and political development are prerequisites to internal security and stability.

Upgrading the MAF, maintaining present bilateral defence relationship and the FPDA is complimentary to the diplomatic initiative necessary for Malaysia's survival. Building on existing alliances offers more than the premature formation of a new alliance. A rational defence policy is needed to maximize investment and the priorities adopted to reflect an appreciation of the capabilities of Malaysia's potential regional enemy.

Malaysia's destiny in the 1990s is in the hands of the Malaysians themselves. They must choose between breaking away from the politics of communalism or accept the status quo ante. Whichever choice is made, trust, moderation, cooperation, understanding and interdependence among all ethnic groups are necessary to assure a secure, stable and harmonious Malaysia.

APPENDIX A

ASEAN NATIONS JOINT MILITARY EXERCISES IN 1984

<u>NAME</u>	<u>DATE</u>	<u>NATIONS</u>	<u>FORCES</u>
SING-SIAM IV	March	Singapore-Thailand	Naval
AIR-THAMAL III	April	Thailand-Malaysia	Air
ELANG-INDOPURA III	May	Indonesia-Singapore	Air
MALINDO-JAYA XI	May	Malaysia-Indonesia	Navy
KARIPURA-MALINDO III	October	Malaysia-Indonesia	Army
ELANG-MALINDO IX	September	Malaysia-Indonesia	Air
SEA-GARUDA V	September	Indonesia-Thailand	Navy
ENGLEK VII	October	Indonesia-Singapore	Navy
MALAPURA	July	Malaysia-Singapore	Navy

Exercise STARFISH is the yearly naval exercise of the Five Power Defence Agreement (FPDA) nations held in the South China Sea. ADEX are joint air defence exercises testing the Integrated Air Defence Systems (IADS) for Malaysia and Singapore under FPDA. Australian air units based in Malaysia participate in the exercise. Other bilateral exercises involving Australian and New Zealand ground troops were conducted with Malaysian and Singapore armies.

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