Malaysia-Singapore Foreign Policies in Southeast Asia, 1965-1970

by

Lau Teik Soon

Precis

The thesis is a study of the international politics of Southeast Asia with the emphasis on the bilateral relations between Malaysia and Singapore, indicating the extent of collaboration, competition and conflict, and the implications of this on their regional policies. It attempts to observe the behaviour of the two small states in the international community given the options of alliance, isolation or non-alignment in their relations with the Great Powers, and those of accommodation and dependence or resistance and retaliation in the relations toward each other.

The policies of Malaysia and Singapore were determined by the attempts to influence each other in order to establish a form of dominant-dependent relationship. Singapore's security and economic weaknesses were apparent soon after independence and she reacted against the Malaysian pressures on her: the latter employed various means including the use of ultimatum, propaganda, economic measures and official protests. Malaysia, on the other hand, faced the influence which Singapore could exert through the latter's economic growth and political stability and also the use of similar devices. In security matters, despite the declaration of 'defence indivisibility', each state pursued an independent defence
policy, which caused the split of certain joint efforts, denial of the use of facilities and strained negotiations towards the five power defence arrangement. Characteristics of their hostility were the resistance to demands, the creation of alternative resources, and disregard for agreements reached, including the Separation Agreement.

This relationship of hostility had its implications for Malaysia-Singapore policies toward Indonesia and regional co-operation. It contributed to closer relations between Malaysia and Indonesia in security and cultural matters. For Singapore, Indonesia was also to be developed as a counter-vailing force for political and economic reasons. The effect of Malaysia-Singapore's differences were seen when Malaysia restricted the development of economic and diplomatic relations between Singapore and Indonesia during Confrontation but not after the normalisation of Malaysia-Indonesia relations. As a result, Indonesia was able to achieve leadership in the region, symbolised by the formation of the Association of Southeast Asian Nations. Further, their antagonism impeded regional cooperation. Malaysia stressed the political and security objectives, whereas Singapore favoured priority for economic efforts. Both, however, opposed foreign domination and this was indicated by their cautious approach towards Japan in regional cooperation.
Malaysia-Singapore bilateral relationship and policies towards regional cooperation showed the conflicting interests in the Straits of Malacca region. But towards the Great Powers, they adopted the policy of non-alignment and thus avoided membership of any security alliance created or proposed by the Great Powers. They recognised the need for the American presence to maintain the balance of power in Southeast Asia. As for the communist powers, Malaysia and Singapore established economic and diplomatic relations with the Soviet Union but they did not have any official ties with China, in view of the latter's opposition to their governments. With regard to international issues, both opposed aggression and the pursuit of a military solution to solve certain problems; for example, they objected to the Russian invasion of Czechoslovakia and the American escalation of the war in Vietnam, and they recognised the significance of China's presence in the international community. However, Malaysia and Singapore differed in their attitudes toward Asian communism; this was indicated by the consular relations between Malaysia and Taiwan, and between Singapore and North Korea, and the presence of the Bank of China in Singapore despite the Malaysian objection.

Malaysia-Singapore foreign policies in Southeast Asia during the period have illustrated the role of the small states in the international, regional and contiguous environments. A policy of non-alignment was adopted though this was interpret
to accommodate the five power defence arrangement. Within the region, power politics prevailed; the parallel developments of Malaysia-Singapore hostility, the collaboration between Malaysia and Indonesia and the slow progress of regional cooperation were instances of this. Finally, foreign policy is a new area of conflict/Malaysia-Singapore relations; Singapore has exercised a policy of resistance and retaliation rather than accommodation and dependence, and thus, this could be an important element contributing to the instability of the international situation in Southeast Asia.
MALAYSIA–SINGAPORE FOREIGN POLICIES IN
SOUTHEAST ASIA, 1965–1970

by
LAU TEIK SOON

Thesis submitted for the Degree of
Doctor of Philosophy in the
Australian National University, Canberra
1971
DECLARATION

This thesis is entirely the result of my own original research conducted whilst a Research Scholar in the Department of International Relations, Australian National University.

Lau Teik Soon

[Signature]
DECLARATION

This thesis is entirely the result of my own original research conducted whilst a Research Scholar in the Department of International Relations, Australian National University.

Lau Teik Soon
ACKNOWLEDGEMENTS

I would like to express my gratitude to Professor J.D.B. Miller and Mr. J.L.S. Girling of the Department of International Relations, Australian National University, for their assistance during the preparation of the thesis, to Dr. Astri Suhrke and Mr. Lim Teck Ghee for their comments and to Professor J. Silverstein for his encouragement, understanding, and interest in my academic work.

Two institutions which had provided assistance for making the present study possible and to which I am grateful are the Australian National University for the award of a Research Scholarship and to the Institute of Southeast Asian Studies, Singapore, for the grant of a Research Fellowship.

Finally, I would like to express my gratitude to my friends, individuals and officials in Kuala Lumpur, Singapore and Canberra who have in one way or another contributed to the present work. Last but not least, I would like to thank my wife for her assistance and understanding during these years.

Lau Teik Soon
1.

ABBREVIATIONS

AMDA  Anglo-Malaysian External Defence and Mutual Assistance Agreement

ASA  Association of Southeast Asia

ASEAN  Association of Southeast Asian Nations

ASPAC  Asian and Pacific Council

DAP  Democratic Action Party

MCA  Malaysian Chinese Association

MSC  Malaysian Solidarity Convention

PAP  People's Action Party

SEATO  Southeast Asia Treaty Organisation

SEAMCED  Southeast Asia Ministerial Conference on Economic Development

UMNO  United Malays National Organisation
# CONTENTS

## CHAPTER ONE
MALAYSIA-SINGAPORE INTERNATIONAL POLITICS IN SOUTHEAST ASIA

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>5</td>
</tr>
<tr>
<td>Issues in Malaysia-Singapore relations</td>
<td>9</td>
</tr>
<tr>
<td>Determinants and limitations</td>
<td>19</td>
</tr>
<tr>
<td>Scope and purpose of study</td>
<td>42</td>
</tr>
</tbody>
</table>

## CHAPTER TWO
MALAYSIA-SINGAPORE RELATIONS: FEARS AND THREATS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>49</td>
</tr>
<tr>
<td>In fear of Malaysia</td>
<td>51</td>
</tr>
<tr>
<td>In fear of Singapore</td>
<td>59</td>
</tr>
<tr>
<td>Restrictive movements</td>
<td>66</td>
</tr>
<tr>
<td>The tariff war, currency split</td>
<td>71</td>
</tr>
<tr>
<td>Control of workers, Malaysia-Singapore Airlines</td>
<td>75</td>
</tr>
<tr>
<td>Examples of limited cooperation</td>
<td>80</td>
</tr>
<tr>
<td>Conclusion</td>
<td>82</td>
</tr>
</tbody>
</table>

## CHAPTER THREE
MALAYSIA-SINGAPORE RELATIONS: INSECURITY AND DEFENCE ARRANGEMENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>88</td>
</tr>
<tr>
<td>Defence indivisible?</td>
<td>90</td>
</tr>
<tr>
<td>Absence of coordination</td>
<td>96</td>
</tr>
<tr>
<td>Differing views on British role</td>
<td>106</td>
</tr>
<tr>
<td>Differing views on the new defence arrangement</td>
<td>109</td>
</tr>
<tr>
<td>The new defence arrangement</td>
<td>115</td>
</tr>
<tr>
<td>Conclusion</td>
<td>122</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>FOUR</td>
<td>MALAYSIA-SINGAPORE AND INDONESIA: A STRANGE CONFRONTATION</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Recognition and ultimatum</td>
</tr>
<tr>
<td></td>
<td>Rapprochement and racial unity</td>
</tr>
<tr>
<td></td>
<td>Security arrangements</td>
</tr>
<tr>
<td></td>
<td>Cultural solidarity</td>
</tr>
<tr>
<td></td>
<td>Retaliation and cultural animosity</td>
</tr>
<tr>
<td></td>
<td>Alternative source and competition</td>
</tr>
<tr>
<td></td>
<td>Conclusion</td>
</tr>
<tr>
<td>FIVE</td>
<td>MALAYSIA-SINGAPORE AND REGIONALISM: LACK OF SOLIDARITY</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Regional leadership</td>
</tr>
<tr>
<td></td>
<td>Regional security</td>
</tr>
<tr>
<td></td>
<td>Economic cooperation</td>
</tr>
<tr>
<td></td>
<td>Proposals and results</td>
</tr>
<tr>
<td></td>
<td>Further examples: Divergence and similarity</td>
</tr>
<tr>
<td></td>
<td>Conclusion</td>
</tr>
<tr>
<td>SIX</td>
<td>MALAYSIA-SINGAPORE AND THE UNITED STATES: SECURITY AND ASSISTANCE</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Fears and hopes</td>
</tr>
<tr>
<td></td>
<td>Regional security</td>
</tr>
<tr>
<td></td>
<td>Reaction to the Guam Doctrine</td>
</tr>
<tr>
<td></td>
<td>Economic assistance</td>
</tr>
<tr>
<td></td>
<td>Conclusion</td>
</tr>
<tr>
<td>SEVEN</td>
<td>MALAYSIA-SINGAPORE AND THE COMMUNIST POWERS: NON-ALIGNMENT, RESISTANCE AND ECONOMIC TIES</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Malaysia and the Soviet Union</td>
</tr>
<tr>
<td></td>
<td>Malaysia and Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>Singapore and the Soviet Union</td>
</tr>
<tr>
<td></td>
<td>Singapore and Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>Against aggression and containment</td>
</tr>
</tbody>
</table>
Problems of diplomatic relations with China 316
Admission of China into the United Nations 333
Economic relations with China 348
Conclusion 351

EIGHT : CONCLUSION
MALAYSIA—SINGAPORE: SMALL POWER DIPLOMACY

Introduction 355
Non-alignment in the international community 361
Power politics in the Straits of Malacca 366
Potential area of conflict 371
Malaysia—Singapore as an illustration of inter-state relations 377

APPENDICES 384

BIBLIOGRAPHY 418
Introduction

International politics in Southeast Asia has been studied considerably in recent years and much of the emphasis has been on the conflict situations arising from the interactions among the states in the region. Southeast Asian seems to be an area where relations among the states have been dominated by conflict of purpose or interests. However, a state in the pursuit of its foreign policy objectives and limited by its capabilities and restrained by the environment makes demands on other states and the resultant relationships may comprise a mixture of collaboration, competition or conflict. In any analysis of international politics, it is the degree of collaboration, competition or conflict in the relations among states that becomes the subject of the study.

In Southeast Asia, the studies of the international politics of the region have concentrated on the situations involving regional states and the Great Powers, and how these states adopt various foreign policy orientations to maintain their interests and achieve their objectives, and how these have been manifested in their specific foreign policies. Some studies, for example, dealt with the state's adoption of non-alignment as a viable policy to maintain independence, security or achieve economic development, while others dealt with the need for adjustment and compromise in their foreign relations. Other works, however, have concentrated primarily on the conflicts within the region of Southeast Asia and how these have implications on their foreign policies toward

Here it is intended to further limit the study of the international politics of Southeast Asia to focus on the bilateral relations between two small states and the influences this relationship had on their regional policies, indicating to what extent there was collaboration, competition or conflict. It is not a study of the role of the small states in the international community, although to the extent that Malaysia-Singapore foreign policies in the region have certain parallels to small states' behaviour might or might not support certain of the generalisations that had been advanced. For example, the study could support or refute the theses of D. Vital and Kautilya: Vital's contention was that despite the material inequality of states, the small states did not have to succumb to the pressures of bigger powers, and Kautilya's thesis was that a weak state encircled by hostile

neighbours would either seek accommodation, alliance or a double policy to protect its interests. ⁴

What this thesis attempts to do is to analyse the international politics between Malaysia and Singapore and how and to what extent their relationship affected their behaviour in the regional environment. On a more generalised level, the study attempts to indicate how far Malaysia-Singapore relations have been an important factor in the shaping of the international politics of the littoral states of the Straits of Malacca, and their potentiality as a force for stability and security of the region; hence, the concentration on such developments as Malaysia-Singapore relations, how these have been manifested in their relations with Indonesia, related problems of regional cooperation and security, and their orientation towards the Great Power interests in Southeast Asia.

Malaysia-Singapore relations may represent a unique illustration of two states' interaction which was without foreign interference but which had influence on their foreign policies in the external environment. In their relationship, were the two small states interested in pursuing independently their own interests or were they involved in power politics in the region? This question could be obvious in a situation where the states had been interdependent in political, economic and social matters and thus one's policy could affect directly the other. Malaysia-Singapore relations illustrated the unique phenomenon of a state, which had become independent under pressure, though that independence was achieved constitutionally and not through revolution or military force, interacting with the former central power.

Issues in Malaysia-Singapore relations

The central focus of the thesis is Malaysia-Singapore relations with particular emphasis on their foreign policy objectives, their separate interests, and resultant policy actions. As with most states,
Malaysia and Singapore pursued similar objectives such as the preservation of their territorial integrity, the defence of their ethnic, cultural and social systems, the development of their economies and the enhancement of their international prestige. Neither Malaysia or Singapore had universal goals, though within the region, each aspired to political and economic prominence. In pursuit of such objectives, however, the demands made in the international community could impinge on the interests on the other and this could either create a series of collaborative or conflict situations for them. In turn, this would have repercussions for the stability of the region.

Since the concentration of the study is on Malaysia-Singapore relations and the effect of this relationship on their foreign policies in Southeast Asia, it is important to indicate the issues in Malaysia-Singapore relations. These would indicate the extent of the problems that interdependent states are faced with, particularly in the areas of security and economic development. Both Singapore and Malaysian leaders have reiterated in their public statements that
despite their differences, they both agreed that their economies and defence were interlinked.\(^5\)

Most states regard the preservation of their territory as linked to the security of the adjacent lands. Aside from the proximity, both Malaysia and Singapore faced a common enemy in the Malayan Communist Party (MCP), in whose eyes West Malaysia and Singapore comprise an integral unity called Malaya.

There were other forces in Malaysia–Singapore relations which could have influences on the extent of collaboration or conflict in this field. Security threats are largely perceived as real or potential, and in the case of Malaysia and Singapore, the perceptions of threat could be determined by a number of factors. Irredentism could be a latent element in their relations. This could originate through ethnic affinity between the two major races – the Malays and Chinese – on both sides of the causeway. The Malays in Malaysia could exploit the issue of minority

discrimination in Singapore, that is, of the Malays, as they had done in the cases of the Malay minorities in Thailand and the Philippines. Likewise, it was possible that a racial conflict originating in West Malaysia could involve Singapore in view of the large Chinese population in Malaysia-Singapore. Further, it had been a contention that an independent and viable island republic was not feasible in the long term and merger with Malaya was a solution to the security and other problems of Singapore. After Separation, the Singapore government which originally advanced this thesis, was now faced with the reality of independence and sovereignty, and that Singapore could exist as an independent and viable sovereign state in the international community. To what extent were Malaysia and Singapore relations developing on the basis of interdependence in security?

Since Separation on the 9th August, 1965, foreign policy has become the new element in Malaysia-Singapore relations. From independence in 1957, Malaysia had declared a non-aligned policy, though she was clearly
inclined to the West. 6 During the years 1963 to 1965, Singapore attempted to influence Malaysia's foreign policy by indicating the necessity for certain changes, particularly in Malaysia's relations with the European socialist states and Afro-Asia. Singapore's view of foreign policy had little impact on Kuala Lumpur, as it was only a state in the federation. However, though foreign policy was not an important issue during the merger negotiations nor was it crucial in the considerations for Separation, it provided an avenue for both Malaysia and Singapore to gain an international audience for their respective ideologies for national development. 7 With Separation,

6. I have used the term Malaysia in the way that R.O. Tilman has used it, that is, "in the sense that includes the entire historical experience of both Malaya and Malaysia, whereas the term 'Malaya' (or West Malaysia) is reserved for use as a shorthand label for the eleven states of the Malay Peninsula. Note that where relations between Malaysia and Singapore are discussed, the term is actually used in a sense that excludes Singapore, even though Singapore might have been formally a part of Malaysia at that time". R.O. Tilman, Malaysian Foreign Policy, Research Analysis Corporation, McLean, Virginia, March 1969, p. 4.

Singapore assumed authority over her own foreign policy, which thus became another potential area of collaboration or conflict in their relations.

In security and foreign policy issues, Malaysia and Singapore could be guided by the Separation Agreement. The Agreement represented the international obligation of Malaysia and Singapore towards each other. These obligations were specifically related to external defence, foreign relations and economic cooperation. For example, on external defence and foreign relations, Clauses (1) and (4) of Article V state:

"(1) the parties hereto will establish a joint defence council for purposes of external defence and mutual assistance

(4) each party will undertake not to enter into any treaty or agreement with a foreign country which may be detrimental to the independence and defence of the territory of the other."

cont'd

Singapore's participation in foreign policy as an 'irritant' in Malaysia-Singapore relations prior to Separation is mentioned in Nancy McHenry Fletcher, The Separation of Singapore from Malaysia, Data Paper No. 73, Southeast Asia Program, Department of Asian Studies, Cornell University, Ithaca, New York, July, 1969, pp. 67-71.
On economic relations, Article VI states:

"The parties hereto will on and after Singapore Day co-operate in economic affairs for their mutual benefit and interest and for this purpose may set up such joint committees or councils as may from time to time be agreed upon."\(^8\)

The Separation Agreement was a document mutually agreed upon and signed by the leading Ministers of the Malaysian Cabinet and by all the Singapore Ministers. It was an expression of the need for inter-dependence and co-operation of the two countries in their international relations vis-a-vis each other and towards the outside world. Moreover, both Malaysian and Singapore leaders declared the basic conviction that the two countries would seek reunification sometime in the future. Thus, the uniqueness of Malaysia-Singapore circumstance was that both had been components of a federation, became separate and independent units but declared reunification as a foreign policy objective. The question arises whether in fact their foreign policies have been determined by this consideration or whether their foreign policies

\(^8\) For the Agreement Relating to the Separation of Singapore from Malaysia as an independent and sovereign state, (hereafter called the Separation Agreement) dated 7th August, 1965, see Appendix A.
have accentuated their differences and hence contradicted their idea of reunification.

The need to balance the interests of each other as a result of close proximity, common threat, desire for reunification and treaty obligations might govern Malaysia-Singapore relations during the formative stages of foreign policy formulation. This was reinforced by the question of the ethnic and cultural unity in each state. Both Malaysia and Singapore professed multiracialism as the guiding principle in their social and cultural programmes, but each had a different definition of what was meant by multiracialism. Malaysia adopted an approach in her cultural policy which displayed elements of Malay predominance. This could put pressure on the Singapore government's policy of multiracialism because of the existence of the Malay minority. On the other hand, the approach of Singapore based on meritocracy favoured the Chinese community and this in turn could put pressure on the Malaysian government to pursue a similar policy. What this meant was that the approach of one government would be seen as the model for the other. This could strain the efforts of the leaders of Malaysian and Singapore who
were faced with **critical problems of nation-building**. The achievement of the crucial core values in each other's foreign policy, namely, the preservation of security and cultural identity, obviously made demands and directly affected each other. Further, their economic developments were closely interdependent. The objective of economic development was particularly crucial in the case of Singapore. It was towards Malaysia that Singapore had looked for the raw materials and market to broaden her entrepot trade and build up her industrialisation programme. Also, a large proportion of the manpower in the government and private sectors in Singapore originated from Malaysia. On the other hand, Singapore was an important outlet for Malaysian exports and imports. The inter-dependence and the complementary roles provided the impetus and the vision of the Common Market between Malaysia and Singapore and highly motivated Singapore to join Malaysia together with Sabah and Sarawak in 1963. With Separation, this fact of inter-dependence in their economies could provide Malaysia and Singapore with the basis of cooperation in trade and other matters or influence over each other's domestic and foreign policies.
Malaysia and Singapore were closely linked together in security and economic interests. After Separation, it was obvious that demands would be made on each other, but did they seek to accommodate their interests or to influence the domestic policies of the other in order to undermine the position of each other? If their interests were incompatible, did it result in friction and what attitudes characterised or dominated their relations? Or was their relationship one of cooperation and collaboration where there was recognition that their political and economic systems were interdependent?

The new fields of security and foreign affairs in Malaysia-Singapore relations were critical areas, as their interactions here would affect their foreign policies in Southeast Asia. Singapore was extremely concerned for her survival as an independent and sovereign state. While conscious of her vulnerability and dependence on Malaysia, what approaches did she adopt to cultivate other sources of supply and materials? Singapore structured her economic programmes with an objective of diminishing her dependence on entrepot trade and to base her economic growth on manufacturing and industrialisation.
To achieve this, which foreign policy orientation did she adopt — alliance or non-alignment, and how was this reflected in her policies in Southeast Asia? Malaysia, on the other hand, was concerned with the consolidation of her position as an important regional power. In pursuit of this, did Malaysia seek to exert her influence in the region and particularly over Singapore? Did both seek countervailing forces against each other in an attempt to resist or influence the other's policies?

Determinants and limitations

It is necessary to indicate the more important determinants affecting foreign policy decision-making in Malaysia and Singapore, namely, the political leaders and their perceptions of their states' role in the international community, the pluralistic character of their societies and the external links, the country's economic needs, the strategic location of the two states and their pre-independence experience.

The formulation of the foreign policies of states in Southeast Asia have been dominated by the leaders
and their perceptions of the external environment. The core of political leaders in Malaysia included Tengku Abdul Rahman, the Prime Minister, Tun Abdul Razak, the Deputy Prime Minister and Minister of Defence; Tun Tan Siew Sin, the Minister of Finance and Tun (Dr.) Ismail Abdul Rahman, the Minister of Home Affairs; and in Singapore, there were Lee Kuan Yew, the Prime Minister, Dr. Goh Keng Swee, the Minister of Finance (and later Defence) and S. Rajaratnam, the Minister of Foreign Affairs in Singapore. These Malaysian and Singapore leaders were concerned with evolving the overall political, foreign affairs, defence and economic policies of the two states and thus, their perceptions of each other and the rest of the outside world are important. These perceptions are based on their personal attitudes, values, beliefs and experiences. Based on their experiences, the Malaysian and Singapore leaders could perceive the motivations and intentions of

---

each other. Did Singapore perceive Malaysia as having an interest in cooperation in economic affairs or did they see Malaysian leaders as having intentions to undermine their security and economic development? In the case of the Malaysian leaders, did they see Singapore as essentially a threat to their political, social and economic programmes, posed by the latter's efforts such as the propagation of a 'Malaysian Malaysia'? Were the Malaysian leaders guided by the thought that in any negotiations, Singapore would dominate or that she would not be expected to abide by the agreements?

In their general view of foreign affairs, the Malaysian and Singapore leaders seemed to show some similarities. It has been stated that Malaysia's foreign policy owed much to the personality of the Tengku, while under Lee Kuan Yew, Singapore's foreign policy has been particularly well cultivated and strengthened.10 Both the Prime Ministers recognised the importance of their countries in regional cooperation and in world affairs. The Tengku maintained that aside from the location of Malaysia, the fact

that she was the leading producer of natural rubber and tin would make the security and stability of Malaysia of key concern both regionally and internationally. Lee Kuan Yew, also recognised the strategic importance of Southeast Asia and felt that this fact could be used as a fulcrum to encourage major powers in the world to find it in their interests to maintain the independence and territorial integrity of the states. The Tengku stated the ideal role of his country when he stated,

"We believe that by making a success of our own democracy, relying on own efforts, combined with the advantages of our strategic position and economic importance, we are able to exercise influence, even as a small nation, that is far reaching and effective ... We in Malaysia see our role as one of contributing to the stability of South East Asia through social and economic progress, by carrying out a policy of goodwill and co-operation and by firmly adhering to the free world and strongly supporting the United Nations. We shall continue doing everything we can to promote the cause of democracy and the achievement of peace."11

S. Rajaratnam stated that the philosophy of Singapore's foreign policy, should be guided by how she interpreted

the changes and stability outside her frontiers, and in the light of these, to make whatever adjustments necessary to ensure security and property. As regards the role of Singapore, he also felt that persuasive moral authority was the way to influence others in the international community. \(^\text{12}\) Further, Lee Kuan Yew perceived foreign policy in terms of power politics; in his view,

"Any foreign policy must achieve these two objectives; one, the right political climate; the other, power. For a country can have the best of political climate; but if the power to sustain its position is not there, then the whole thing is futile."\(^\text{13}\)

By political climate, he meant a continuing interests on the part of major powers and the neighbouring powers to respect the independence and territorial integrity of Singapore.

The leading Ministers of Malaysia and Singapore, particularly the Prime Ministers, were the essential formulators, who by their statements established the

\(^{12}\) S. Rajaratnam, "The Premises of Our Foreign Policy", in *The Crucial Years*, Ministry of Culture, April, 1968.

\(^{13}\) Lee Kuan Yew, *We Want to be Ourselves*, Ministry of Culture, 1966, p. 11.
general principles of their foreign policies. Aside from the pronouncements on external issues, however, the leaders themselves made direct contacts with foreign governments in order to explain, negotiate or seek assistance, either through the heads of foreign missions in their countries or through their frequent visits abroad. During these years, Malaysian and Singapore Ministers led various delegations to Japan, India, the Soviet Union, Eastern Europe, the United States, Britain, Western Europe, Australia, New Zealand, and Southeast Asia countries.

Of significance to Malaysia-Singapore relations, the common experience of the leaders made it possible for the Malaysian and Singapore Ministers to meet informally to resolve some of the problems, which the officials had failed to reach agreement. This was partly due to the common academic background of an English education and contacts during their student days in Singapore and London. It was also partly due to their close association during the struggle for self-government and independence, and during the formation of Malaysia.

The foreign ministries in Malaysia and Singapore
had some influence in foreign policy formulation. For example, Tan Sri Ghazali Shafie, the Permanent Secretary in Malaysia, had initiative and authority beyond what was possessed by a civil servant; this was due primarily to his close relationship with the political leaders, particularly Tun Abdul Razak and the Tengku. Besides, the Malaysian foreign ministry had a core of experienced foreign service personnel. In comparison, Singapore had limited experience in foreign policy administration, though her officials had participated in diplomacy during the period when Singapore was part of Malaysia. Partly for this reason, the Singapore's Foreign Ministry had to rely on seconded officers from the various other Ministries, tertiary institutions and the business sectors.

The need for international support for their policies made it necessary to have wide diplomatic contact. This could be attained by establishing diplomatic relations with as many countries as possible.

\[14\] The first officer was sent for a course in diplomacy in Canberra, Australia in mid-1966. As late as 1970, the Foreign Ministry established a division of Training and Research.
possible and for these countries to establish missions in Kuala Lumpur and Singapore. So far, Malaysia has established thirty-five missions abroad and Singapore twenty-four; however, each has direct communications with foreign governments of many countries, which have permanent embassies or legations in Kuala Lumpur and Singapore. Both have emphasised the importance of the United Nations as it gave them

15. Malaysia had twenty-nine diplomatic missions and nine consular missions overseas in 1970. There were forty-eight foreign diplomatic missions and thirty-two consulates or trade representatives in Kuala Lumpur. Of the twenty-nine Malaysian heads of the diplomatic missions, nineteen were Malays, six Chinese, one Indian and one Sabahan, while there were two vacant posts. Six Malays, a Chinese an Indian and one Eurasian headed the Malaysian consulates abroad. These Ambassadors and Commissioners were mainly retired or serving civil servants, some politicians and one retired General. In the case of Singapore, she had twenty-one diplomatic missions, one Commission, one Trade Representative and one Consulate. There were thirty-six foreign diplomatic missions and sixteen consular or trade offices in Singapore. Of the sixteen heads of the mission, six were Chinese, five Indians, three Eurasians, one Malay and one European. These diplomats comprised seconded University lecturers, retired and serving civil servants, politicians and businessmen. Refer Malaysia Year Book, 1971, The Straits Times Press (Malaya) Bhd., Kuala Lumpur, pp. 140-153, and Diplomatic and Consular List, Ministry of Foreign Affairs, Singapore, January, 1971.
legal equality, an international forum for both support and propaganda purposes and contacts with foreign governments, with whom they have no diplomatic relations and which have missions in the United Nations.

In Malaysia and Singapore, the core of political leaders decided on the foreign policies, while the Foreign Ministry officials and the representatives overseas performed their functions of collating information, negotiation and representation, administration and executing the policies. To the extent that the officials and diplomats were able to offer certain policy guidelines, they had influence over the formulations of policies. For the reasons that these were new states and that during the period, they both faced critical situations, foreign policy objectives were decided by the leaders. Thus, the parliamentary political parties in Malaysia, though they had voiced opposition against the government policies, particularly relating to foreign bases and relations with communist countries, were unheeded until the leaders themselves, faced with the circumstances, decided to change their foreign policy
orientation. In the case of Singapore, the Barisan Sosialis, which had no representative in parliament, advocated the removal of the British bases and that Singapore should have relations with China; but they had no impact on the policy makers. Other pressure groups such as the trade unions, the Chambers of Commerce also had little influence on the diplomacy of the two states. While these trade and merchant organisations could facilitate and create the conditions for a favourable internal atmosphere for foreign relations, they had no hand in foreign policy formulation. Public opinion was also an ineffective determinant as there was little awareness of the crucial issues involved; in fact, the leaders sought to interpret these issues to the public and gather its support for policies after they had been implemented. Finally, there was no parliamentary foreign affairs committee or ad hoc advisory groups which could influence the leaders in the formulation of foreign policies. It would seem, thus, that the leaders were dominant in defining the objectives of their foreign policies, enunciating them and initiating the responses to the external environment.
In defining the foreign policy goals, the Malaysian and Singapore leaders were limited in their choice of options regarding both objectives and strategies. This was due to the restraints imposed by several factors such as the nature of their ethnic composition and the external links, the physical and economic limitations, the location and strategic value and the nature of the international system.

The nature of the political social system in the country has repercussion for the foreign policy orientation of a state. In the case of Malaysia, the essential features of parochialism, state loyalty and allegiance to the Sultanate system, the ethnic and religious affinities, were vital elements in the political process of the country.\textsuperscript{18} But at the same time, the Malaysian leaders professed a policy of multi-racialism. The population with its essential Islamic character had significant impact on the leaders; in West Maláaysia, the Malays formed 50%...
of the population, the Chinese 37%, the Indians including Pakistanis 11%, and people of other origins made up the rest, while Islam was the national religion with Malay the national language. Thus, to an extent, Malaysia has the characteristics of a theocratic state. But Malaysia is a heterogeneous state and governmental policies attempt to reflect and accommodate these diversities. On the other hand, Singapore is almost a homogenous society, with a large Chinese population of about 75%, while the Malays comprise 15% and the Indians 8%. However, an attempt is made towards multi-racial policies, partly because of her racial composition and partly due to the existence of the large Malay and Indonesian population in her immediate environment.

19. Malaysia is a state of minority racial groups - the Malays form about 50% in West Malaysia, about 17% in Sarawak and over 10% in Sabah; the Chinese form 37% in West Malaysia, 30% in Sarawak and 23% in Sabah; the Indians form 11% of the population in West Malaysia, the Ibans 32% in Sarawak and the Kadazans 32% in Sabah. Thus, the two most important communities are the Malays and Chinese in West Malaysia; the Ibans and Chinese in Sarawak and the Malays and Chinese in West Malaysia; the Ibans and Chinese in Sarawak and the Chinese and Kadazans in Sabah. Moreover, within Malaysia itself there are other aboriginal tribes and indigenous races (there are 4 main tribal groups in West Malaysia and 11 native tribes in Sabah alone). Malaysia Official Year Book, 1965, Government Printer, Kuala Lumpur, 1967, pp. 42, 60-63. Singapore Year Book, 1966, Government Printing Office, Singapore, p. 73.
The problems of nation building were evident in the internal policies of the governments. In Malaysia, the lack of cohesiveness among the diverse communities was a restraining factor in the implementation of policies. In the case of Singapore, the multi-racial policy and the centralised unit make for easier efforts towards creating a united nation, though problems existed as a result of external pressures, such as the presence of the Malay population in Malaysia.

In their external relations, the leaders of Malaysia and Singapore were aware of the cultural and political ties that sections of their populations had with certain countries. Countries such as Indonesia, China and India have divisive pulls on the respective racial groups. Certain political parties, such as the Pan Malayan Islamic Party and the Partai Raayat, were susceptible to suggestions of a Greater Indonesia which would include Malaysia and Indonesia.

Such racial and religious sentiments as there were in Malaysia have been manifested by her membership of such organisations as Maphilindo and the Commonwealth of Islamic Nations respectively. On the other hand, the emergence of China as a unified and powerful nation with nuclear capability has emotional pulls on the Chinese population in the two states. Besides, there were the political links between the Malay, Chinese and Indian communities and their ancestral homelands. In fact, the early political activities of the Malays, Chinese and Indians were connected to the nationalist movements in Indonesia, China and India. During the colonial period, the Malayan nationalist drew their inspiration from these countries. The first Malay party was formed by Indonesian nationals domiciled in Malaya, the Chinese revolution gave birth to a branch of the Kuomintang and later, the Malayan Communist Party, while the Indian National Congress had its impact in the shape of the Malayan Indian Congress.

Of these links, those between the Malays and Indonesia and the Chinese and China, were significant for the foreign policies of the two states. The racial affinity between the Malays and the Indonesians
had a prominent place in the discussion of regionalism or any political grouping in the area. The heritage of both Malaysia and Indonesia in such Malay kingdoms as the Malacca Sultanate, Sri Vijaya and Majapahit inspired such an association as Maphilindo. Such sentiments of close cultural ties were the reason why after Confrontation, Malaysia explained that the communists were behind the Indonesian Confrontation and that the basic accord of the Malays and Indonesians were not affected by the Confrontation. On the other hand, the Chinese presence in Malaysia and Singapore was seen as a restraint upon Malaysia-Singapore relations with China, as there was fear that the Chinese community could constitute a 'Third China'. Both these tendencies, viz. that of a Malay politico-cultural alliance between Malaysia and Indonesia and that of the Oversea Chinese community as constituting a Third China, were contradictory and divisive forces in terms of national building and, thus, they could place limitations on Malaysia-Singapore foreign policies, particularly towards Indonesia and China.
The leaders recognised that the characteristics of their societies and resources placed limitations on their foreign policies. A factor which could be significant for their consideration was the population pressure on the land in Singapore, with its political, social and economic consequences. Singapore's area comprises 225 square miles and encompasses the main island and a few other islets. In 1966, she had a population of about two million, with a population density which was the highest among independent states in Asia. It has been estimated that at the present rate of growth of about two per cent per annum, the population of Singapore would reach four million by 1980.21 Present attempts

21. There has been a decline in birth rates from 37.8 per thousand population in 1960 to 23.8 in 1968 while death rates have shown some decline from 6.2 per thousand to 5.5 during the same period. The population and density figures for the period 1960-1968 are listed as:

<table>
<thead>
<tr>
<th>Mid-Yr. Estimates</th>
<th>Total Population</th>
<th>Pop. density per sq. mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid 1964 Estimates</td>
<td>1,820,000</td>
<td>8,105</td>
</tr>
<tr>
<td>Mid 1965 Estimates</td>
<td>1,864,000</td>
<td>8,305</td>
</tr>
<tr>
<td>Mid 1966 Estimates</td>
<td>1,913,500</td>
<td>8,522</td>
</tr>
<tr>
<td>Mid 1967 Estimates</td>
<td>1,955,600</td>
<td>8,709</td>
</tr>
<tr>
<td>Mid 1968 Estimates</td>
<td>1,987,900</td>
<td>8,853</td>
</tr>
</tbody>
</table>

at reclamation of land from the sea and the control of population could have limited effect on her population growth. Despite whatever means had been taken, the fact is that her size severely limits the optimum population that Singapore could have. Besides, the needs of economic development would compete for land in the state. Thus, the question of living space would be a big problem and would increasingly be an urgent one in the future. Recognising the political, social and economic consequences that could result from this fact, Singapore sought merger with Malaysia before 1963. Malaysia's density of population was below a hundred per square mile and the population was scattered throughout the country of one hundred and thirty thousand square miles.\textsuperscript{22}

Malaysia and Singapore ranked high in terms of national income and per capita income. The 1966 estimates indicated that the per capita income for Malaysia and Singapore were US$249 and US$517.\textsuperscript{22}

\textsuperscript{22}Statistical Yearbook, United Nations, 1967, p. 82.
respectively. Nevertheless, a common feature of the economies of Malaysia and Singapore was their dependence for markets and for supply of manufactured goods from the outside world. Both countries also, in their efforts to industrialize, were dependent on foreign capital, equipment and experience. Moreover, foreign ownership or investment in the agricultural and industrial sectors was considerable, and this had given rise to Western dominance in the economy, of the two countries.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>NI 1480</td>
<td>2001</td>
<td>2318</td>
<td>2475</td>
<td>NA</td>
<td>194</td>
<td>224</td>
<td>246</td>
<td>355</td>
<td>NA</td>
<td>214</td>
<td>245</td>
</tr>
<tr>
<td></td>
<td>GDP 1629</td>
<td>2181</td>
<td>2557</td>
<td>2724</td>
<td>NA</td>
<td>214</td>
<td>245</td>
<td>271</td>
<td>280</td>
<td>NA</td>
<td>214</td>
<td>245</td>
</tr>
<tr>
<td>Singapore</td>
<td>NI 633</td>
<td>848</td>
<td>940</td>
<td>1098</td>
<td>420</td>
<td>478</td>
<td>508</td>
<td>517</td>
<td>561</td>
<td>420</td>
<td>478</td>
<td>508</td>
</tr>
<tr>
<td></td>
<td>GDP 661</td>
<td>881</td>
<td>986</td>
<td>1030</td>
<td>1141</td>
<td>437</td>
<td>496</td>
<td>529</td>
<td>538</td>
<td>584</td>
<td>437</td>
<td>496</td>
</tr>
<tr>
<td>Indonesia</td>
<td>NI 7268</td>
<td>8164</td>
<td>NA</td>
<td>9770</td>
<td>NA</td>
<td>81</td>
<td>82</td>
<td>NA</td>
<td>91</td>
<td>NA</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>GDP 7512</td>
<td>8420</td>
<td>NA</td>
<td>10063</td>
<td>NA</td>
<td>84</td>
<td>84</td>
<td>NA</td>
<td>94</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Thailand</td>
<td>NI 1986</td>
<td>2828</td>
<td>3339</td>
<td>3884</td>
<td>4155</td>
<td>80</td>
<td>98</td>
<td>109</td>
<td>123</td>
<td>127</td>
<td>80</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>GDP 1989</td>
<td>3018</td>
<td>3905</td>
<td>4237</td>
<td>4572</td>
<td>80</td>
<td>104</td>
<td>128</td>
<td>134</td>
<td>140</td>
<td>80</td>
<td>104</td>
</tr>
<tr>
<td>Philippines</td>
<td>NI 1978</td>
<td>6592</td>
<td>7163</td>
<td>7561</td>
<td>8073</td>
<td>193</td>
<td>218</td>
<td>221</td>
<td>226</td>
<td>233</td>
<td>193</td>
<td>218</td>
</tr>
<tr>
<td></td>
<td>GDP 5305</td>
<td>7115</td>
<td>7972</td>
<td>8357</td>
<td>8979</td>
<td>206</td>
<td>235</td>
<td>246</td>
<td>250</td>
<td>259</td>
<td>206</td>
<td>235</td>
</tr>
<tr>
<td>Burma</td>
<td>NI 1134</td>
<td>1409</td>
<td>NA</td>
<td>1482</td>
<td>1529</td>
<td>53</td>
<td>59</td>
<td>NA</td>
<td>59</td>
<td>59</td>
<td>53</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>GDP 1220</td>
<td>1480</td>
<td>NA</td>
<td>1560</td>
<td>1614</td>
<td>57</td>
<td>62</td>
<td>NA</td>
<td>62</td>
<td>63</td>
<td>57</td>
<td>62</td>
</tr>
<tr>
<td>Cambodia</td>
<td>NI 360</td>
<td>611</td>
<td>686</td>
<td>754</td>
<td>NA</td>
<td>70</td>
<td>104</td>
<td>112</td>
<td>120</td>
<td>NA</td>
<td>70</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>GDP 386</td>
<td>651</td>
<td>731</td>
<td>797</td>
<td>NA</td>
<td>75</td>
<td>111</td>
<td>120</td>
<td>127</td>
<td>NA</td>
<td>75</td>
<td>111</td>
</tr>
</tbody>
</table>

Malaysia and Singapore were therefore, vulnerable to external developments, both political and economic, like price fluctuations of the primary commodities, economic unions and international trade. Malaysia's economic development was generally based on the export of her primary commodities, rubber and tin, and the development of the 'infra-structure' of the economy. Both encouraged foreign investment to their countries. At the same time, the Singapore government had a limited policy of direct participation in the industrialisation programmes. Singapore served as the entrepot for Southeast Asia and was becoming the regional commercial centre. However, the need for markets necessitated Malaysia and Singapore to expand their trade relations beyond their traditional partners. Both the states required the foreign capital, equipment and expertise and thus had to formulate new programmes to offset their economic limitations.

Malaysia and Singapore with their small population and limited resources might seem powerless to influence developments in Southeast Asia. However, both are located in a vital area - they partially control a vital international sea route, and possess either raw
materials or facilities which could be crucial for the maintenance of the balance of power in the region. These indicated the importance of both countries, which could give them some influence in the international politics of Southeast Asia.

Southeast Asia has historically been an area of Great Power interest, both Asian and European. India and China contributed to the cultural, economic and political values on the region. India had political influence in the area, while China had a rather tenuous tributary control over the Malay States from early times until the 15th century. With the advent of the Europeans, the political rivalries of Europe were extended to the area from the 16th century and Southeast Asia countries had to maintain the balance by playing one against another. The Thais played the French against the British and vice-versa, and the Johore Sultanate played the Dutch against the Portuguese. Since the end of World War II, decolonisation saw the rapid withdrawal of the Americans, Dutch, the French and finally the British. But in place of the colonial pattern of power conflicts, Southeast Asia has now become the battleground of the Great Powers – Russia, United
States and China. Malaysia and Singapore by virtue of their location in the power conflict assume greater importance and significance. Further, aside from their resources and location, Malaysia and Singapore offer the strategic bases of power in the area, as a result of the presence of the naval bases and airfields, and this could well provide the added incentive for Great Power interests in the area.

Malaysia and Singapore were limited by their circumstances to pursue a limited initiative in foreign policy. Both were weak states militarily and vulnerable to external attack and thus were dependent on outside powers for their external defence. This was their experience during the Communist rebellion or the Emergency in 1948-1960, and Confrontation during 1963-1966. However, with the shifting balance of power in the region caused by the British military withdrawal, the American impending withdrawal and the emergence of China, both countries might have to depend less on a collective security arrangement and more on international diplomacy and support. While limited defence build up was necessary to subdue potential internal disturbances, and bilateral security arrangements were effective against limited Communist
rebellion, Malaysia and Singapore had to widen their scope of diplomacy to meet with the challenges resulting from the international developments in Southeast Asia.

This meant that they would have to seek new alternatives for their development as independent states. Initially, Malaysia had declared a policy of non-alignment though this was qualified. Before 1965, non-aligned policy had been subdued as she was anti-communist and had no diplomatic relations with any community country. This partly explained the poor response to Malaysia among the Afro-Asian countries and the non-aligned states.24 After 1965, both Malaysia and Singapore could pursue either an non-aligned or other types of policy, which would be determined by past experiences and other factors.

Firstly, Confrontation had taught them the meaning of diplomatic isolation and with the end of Confrontation, it would be possible for them to establish greater contacts with the Afro-Asian countries, Russia and the East European countries. Secondly, the changing foreign policy of the metropolitan power, that is, Britain in the early 60's necessitated

a new look at alternatives to seek out means of preserving their security - these could include establishing contacts with the communist powers. Thirdly, there was the need for markets and assistance from the developed countries of the East and West. Thus, the adoption of a foreign policy orientation would be dictated not only by the bipolarity of the international system but also the basic needs of the two countries concerned, the desire to remain independent and non-involved in Great Power issues.

Within the region, Malaysia, under the Tengku had initiated the Association of Southeast Asia, and this aspiration for regional leadership could continue in the late 60's. Singapore had expressed caution regarding the scope and composition of regional organisations and stressed the need to be friendly with such countries as Cambodia, Burma and the Asian communist countries, viz. North Korea and North Vietnam. On regional security matters, both Malaysia and Singapore were dependent on the Commonwealth partners, namely, Britain, Australia and New Zealand as a continuation of the pre-colonial position. It should be noted, however, that their
security problems were different. Malaysia was harassed by the communists and she had turned to bilateral military arrangements with Thailand, besides the assistance from the Commonwealth partners. Even in regard to the Commonwealth arrangement, there could be a problem in view of the reluctance of the Australians and New Zealand to commit themselves to the defence of Sabah — this was due to their partnership with the Philippines in SEATO. Thus, in view of the limited responsibility of the Commonwealth defence arrangement, it could be envisaged that Malaysia would want to consolidate her security arrangements with Thailand, seek new bilateral arrangements or form a new regional security alliance.

**Scope and purpose of study**

Malaysia and Singapore are both new, small and developing states, confronted with the crucial problems of preserving their independence, territorial integrity, political and social systems, developing economic growth and creating a favourable international image. By the nature of their physical resources, manpower, economic and military, they are both weak
states and therefore dependent on the international community to fulfill some of their needs. Through international diplomacy, they would be able to find the economic and security assistance to solve some of these problems. From the viewpoint of the other members of the international community, Malaysia and Singapore have certain vital raw materials and useful facilities, but more significant, is their strategic location, commanding the vital Straits of Malacca and near a crisis situation. For these reasons, foreign powers, particularly the Great Powers, would be interested in having diplomatic relations and supporting the two states, if the latter's interests were not incompatible or hostile to the foreign interests.

Malaysia and Singapore have grave internal problems relating to nation-building, economic distribution, education and political participation, as well as the communist rebels, which threatened them through subversion and overt activities. These problems could be tackled by themselves and with the assistance of outside powers either through bilateral or regional arrangements. It could be that by
following the policy of non-alignment, their independence would be respected, that assistance would be forthcoming and that they would not be drawn into any alliance with the bloc powers in the bipolar international system.

The crucial problem for Malaysia and Singapore in their foreign policies, however, is their bilateral relations. Separation had indicated their incompatible interests, and how they arranged their relationship could be crucial to the region; whether Malaysia-Singapore relations would be a force for stability or be a potential area of conflict for the region. In a sense, Malaysia-Singapore relations is a study of a small state's role in the region, with the emphasis on Singapore's foreign policies. Singapore is the smaller, initially economically and militarily, weaker of the two states. She could be vulnerable to pressure and thus would seek the best policy to ensure her independence and development. A problem of Singapore was her dependence on Malaysia, and the latter could seek to limit the freedom of choice of the Singapore leaders, or attempt to implement the partial veto on the foreign policy of Singapore.
Malaysia-Singapore foreign policies in Southeast Asia may indicate the tensions in a dominant-dependent relationship between two small states; and in their interactions between themselves and other powers in the region. The study could indicate the extent of their collaboration, competition or conflict in their relationship. Further, it could indicate the strategies adopted by a small power in an environment which would be regarded as hostile, and thus substantiate or refute the propositions put forward by D. Vital and Kautilya about the policies that a small state should pursue. Was it necessary that Singapore should accommodate or be an ally of a bigger power to survive and develop? If not, what policy did she adopt in her relations with her neighbours and Great Powers?

Within the scope of the study of Malaysia-Singapore foreign policies in Southeast Asia between

25. For a brief description of the nature of a dominant-dependent relationship, see K.J. Holsti, op. cit. pp. 150-152.
August, 1965 and September, 1960, it is hoped to indicate the main contention that there were other alternatives, besides, accommodation and alliance, for a small power to remain independent and develop. Chapters Two and Three set out the basis for the mutual hostility of Malaysia and Singapore and the strategies or techniques adopted by each other to pressure, influence or resist the policies of the other. The chapters would indicate that despite the interdependence of their economic, social and security environments, their relationship produced a great amount of conflict and little collaboration. Chapters Four and Five attempt to indicate the divergencies in Malaysia-Singapore regional policies, particularly in their relations with Indonesia and their membership of ASEAN. The convergence of the Malaysian and Indonesian policies on political and security matters would seem to be a trend which would alarm Singapore, despite the latter's attempts to develop a working

26. The two dates are convenient cut-off points as they cover the period from Separation until the retirement of the Tengku as the Prime Minister of Malaysia. Tun Abdul Razak's assumption of the office of Prime Minister brought about a new trend in Malaysia's foreign policy. See Institute of Southeast Asian Studies, Trends in Southeast Asia, No. 2, Proceedings and Background Paper of Seminar on Trends in Malaysia, July, 1971, pp. 27-40.
relationship with Indonesia, particularly in the economic field. These contradictory developments, viz. the collaboration between Malaysia and Indonesia in political-security matters and Singapore's espousal of economic cooperation as the basis for a viable regional organisation, were reflected in their policies towards ASEAN. Chapter Five further deals with the issues of regional leadership, unity, conflict and cooperation present in the Straits of Malacca region. Chapter Six and Seven attempt to indicate Malaysia-Singapore's adoptions of non-alignment as a viable foreign policy orientation against the background of the regional security problem in mainland Southeast Asia, their relations with the European communist powers and their approaches to China. In their relations with the Great Powers, Malaysia and Singapore eschew power politics and advanced the motivations for their adoption of non-alignment as that of non-involvement in bloc rivalry, independent decisions on world issues, economic assistance and markets, and relations based on the principles of co-existence. Chapter Eight, the concluding chapter, sums up Malaysia-Singapore
foreign policies in Southeast Asia and attempts to answer the questions posed in the study; the implications of the relationship of hostility between Malaysia and Singapore, the power politics in the Straits of Malacca, and the non-alignment of Malaysia-Singapore foreign policies. Finally, it is hoped to put forward a proposition that a small power in a hostile environment, instead of following the policy of accommodation or alliance, could adopt a policy of resistance and retaliation in its foreign policy.
CHAPTER TWO
MALAYSIA–SINGAPORE RELATIONS: FEARS AND THREATS

Introduction

In their foreign policies, Malaysia and Singapore pursued similar objectives, such as the preservation of their independence and political system and promotion of their economic development. In view of their close proximity, past economic interdependence and socio-cultural ties, their policies were bound to affect each other. Where their interests coincided, there was limited collaboration, otherwise, there would be conflict and competition. In the situation after Separation, Malaysia's and Singapore's policies were seen as attempts to undermine or control the other in an over-all effort to establish a form of dominant-dependent relationship.

Independence for Singapore was jealously guarded and to be preserved against perceived threats. In the perception of the Singapore leaders, Malaysia constituted a threat. Her weakness was obvious immediately after Separation, as she did not possess a viable military force and she was just developing
her alternative economic resources. On the assumption that Singapore was vulnerable as an independent state without the cooperation of Malaysia, the latter sought through subtle propaganda, economic pressure and other measures to influence the former.

Malaysia, on the other hand, was faced with the crucial problems of nation building out of her diverse communities, and the government particularly faced difficulties in the need to resolve the social, economic and political problems of the country. In the perception of her leaders, Singapore's economic and political development could constitute a divisive force. Singapore, in fact, aggravated the problem for Malaysia by her explicit policy to exert political influence over the latter.

Malaysia-Singapore relations thus revealed during this period an example of international politics as they were related to the exercise of power. Efforts to influence and change policies, resist demands and create alternative resources independent of the other typified Malaysia-Singapore relationship of mutual fear.
In fear of Malaysia

Malaysia-Singapore relations were tense, primarily due to the perception of the Singapore leaders that Malaysia constituted a threat to their well being and development. This perception could be a result of various experiences, such as the critical situation when the leaders were faced with the ultimatum of separation or suppression, the Malaysian declaration that Singapore would 'forever' be separate and the hostility shown by certain members of the ruling party in Malaysia.

The decision of Separation was made by the Tengku and supported by the leading Ministers of his government. An attempt was made to discuss with the Singapore leaders a solution to the conflict but nothing came out of it. It would seem that the decision of Singapore's Separation had already been finalised some time before the actual date.

The Tengku, after he had obtained confirmation from

1. Between the 5th and 7th August, 1965, Lee Kuan Yew and Dr. Goh Keng Swee had negotiations with the Malaysian Prime Minister. For the sequence of events leading to Separation, see Transcript of interview by Fred Emery with the Prime Minister on 13.8.65, The Times, 16.8.65, The Japan Times, 12.9.65, The Straits Times, 14.9.65.
his colleagues and presumably after all precautionary steps had been taken to meet any trouble arising from the decision, confronted Lee Kuan Yew with the ultimatum: either accept Separation, that is, an amendment to the Malaysian Constitution which would exclude Singapore from the Federation, or face suppression, that is, repressive measures against the leaders of the Singapore Government. The Tengku reiterated that it would be useless for Lee Kuan Yew to attempt to resist Separation although the latter had hoped to persuade the Tengku to consider a 'looser federation' and other ways of lessening communal tension.

Faced with the ultimatum, Lee Kuan Yew had no choice unless he was prepared to accept suppression and whatever consequences that would follow. He said,

I realised there was no other way than what he thought was the solution, that we had to leave Malaysia. And, I knew from what he said and he has an intuition about those matters, that we would all be in for big communal trouble if Singapore

or if I and my colleagues insisted on going on with Malaysia as it is.3

The speed and secrecy in which the Separation Agreement was concluded indicated that the internal situation was extremely unstable and there was need for Separation to be a fait accompli before any powers - internal or external - could react. The Separation Agreement was signed by the five senior members of the Malaysian Cabinet, namely, the Tengku, Tun Abdul Razak, Tun Dr. Ismail, Tun Tan Siew Sin and Tun T. Sambanthan and the three Singapore Ministers who were in Kuala Lumpur, Lee Kuan Yew, Dr. Toh Chin Chye and Dr. Goh Keng Swee. The document was then flown down to Singapore, where the remaining Singapore

3. Transcript of Press Conference given by the Prime Minister at Broadcasting House, Singapore, 9.8.65, pp.7-8. Details of Lee Kuan Yew's proposal included a truce between governments and between political parties, ban on the publication of communal articles, common market and Singapore's responsibility for internal security. A counter proposal by the Malaysian Government was that the PAP should leave the Federal Parliament, and that Singapore could run everything except the Army and Foreign Affairs. Refer to Transcripts of the Press Conference of the Prime Minister with Malay journalists on 11.8.65, interview with Fred Emery on 13.8.65 and interview with Foreign Correspondents on 14.8.65.

4. It was expected that the defence allies of Malaysia viz. Britain, Australia and New Zealand might have attempted to influence Malaysia and Singapore if they had known of the situation.
Ministers deliberated on the issue and finally reached a majority decision to sign the document at midnight of the 8th August, 1965. Immediately after, the signed document was taken to Kuala Lumpur in the Malaysian aircraft, which had been waiting to rush it back to Kuala Lumpur in time for the parliamentary session of the Dewan Ra'ayat that very morning of the 9th August, 1965.5

Aside from the fact that the Singapore leaders were coerced into immediate surrender on the issue of Separation, would the three Singapore Ministers have been detained on the spot or were their personal lives in danger if they had refused to sign? The detention of the Singapore leaders was certainly

5. The Malaysian Parliament met at 10 a.m. on 9th August, 1965 and the Constitution and Malaysia (Singapore Amendment) Bill 1965 was passed by the House of Representatives at 1.35 p.m. On the same day at 4.10 p.m. the Speaker announced that the Bill had passed the Senate and had been given Royal Assent. By prior agreement, the 13 PAP members stayed away from the debate, while both the Barisan Sosialis members, two members from Sarawak, two from Sabah and two from Malaya were absent for one reason or another. In the actual voting, 126 voted for, 1 abstained while those who left the House during the voting included Syed Jaafar Albar and the PMIP leader, Mohamed Asri. PDM (Parliamentary Debates, Malaysia) Vol. II, Nos. 8, 9.8.65, Col. 1519-1525.
considered. An order to this effect had been issued earlier in June, 1965, prior to the Tengku's departure to attend the Commonwealth Prime Ministers' Conference in London. In fact, the Singapore leaders could have been prepared for this as they had a contingency plan to establish a government-in-exile in the event this happened. Then there was the question of the personal safety of Lee Kuan Yew, Dr. Goh Keng Swee and Dr. Toh Chin Chye, who were closeted in Kuala Lumpur. Would they have been able to leave Kuala Lumpur between August 4th and 7th? No evidence is available to throw light on this question, but the references of Lee Kuan Yew to the danger of a wholesale removal of the Cabinet as befell Aung San of Burma, and the consequent chaos and disintegration of the government, could be an indication of the fate that would have befallen them.

6. The order of arrest of Lee Kuan Yew was issued on the 7th June, 1965, the day after the MSC met in Singapore. The Tengku left Malaysia on 11th June, 1965 without the order being executed. Translation of the speech made in Chinese by the Prime Minister at the Liquor Retail Traders Association's 28th anniversary celebrations on 3.10.65, p. 2.

7. Interview, S.R. Nathan, 21.4.69. According to Lee Kuan Yew, the government-in-exile would have their base established in Phnom Penh. Transcript of interview given by the Prime Minister to four Foreign Correspondents on 14.8.65, p.4.
The experience that the Singapore leaders had undergone no doubt had an influence on their perception of Malaysia as a threat to their security and development. In their weakness, Singapore had no choice but to succumb to the threat of Malaysia. But this was further aggravated by the attitude of Malaysia that Separation was final and Singapore had to rely on herself and not on Malaysia. At the same time, it was felt that there were certain sections of the ruling party who were trying to undermine the position of Singapore.

Malaysia's declaration that 'Singapore shall cease to be a State of Malaysia and shall forever be an independent and sovereign state and nation separate from and independent of Malaysia, and that the Government of Malaysia recognises the present Government of Singapore as an independent and sovereign government of Singapore' was significant in that it implied that she had ruled out reunification as an objective in her future relations with Singapore. On the Singapore side, it was not stated that separation would be permanent, but it was initially regarded as a

8. For full text of Proclamation on Singapore, refer to Appendix A.
fundamental basis for their relations. In the Proclamation of Singapore, it was stated that Singapore 'shall become an independent and sovereign state and nation separate from and independent of Malaysia and recognised as such by the Government of Malaysia.' The difference between the Tengku's declaration and the reference by Lee Kuan Yew to the former, wherein the word 'become' was substituted for 'forever be', was significant. Merger with Malaya had been the objective of Singapore's policies and Separation was not easily accepted by her leaders. Lee Kuan Yew expressed the view that reunification was possible:

It was my privilege to have brought about merger through Malaysia; to have helped the Tengku bring this about. It was not to be my good fortune to have seen Singapore and Malaysia with Singapore in it prosper and flourish as the states and the different races in Malaysia draw closer and closer together. But somebody else will do it. I am quite sure of it.

9. Paragraph 5 of the Proclamation of Singapore, 9th August, 1965. Refer to Appendix B.

10. Transcript of Press Conference given by the Prime Minister (Lee Kuan Yew), 9th August, 1965, p. 12.
Singapore leaders felt that there were influential sections in Malaysia which advocated a policy of isolation and undermining of the Singapore government. It was felt that these people would view an independent multi-racial Singapore with considerable distaste and apprehension. According to Lee Kuan Yew, there were Malaysian leaders who, although they spoke of co-operation with Singapore, had no intention of allowing Singapore to prosper and progress as long as they could prevent it. Moreover, Singapore stated that Malaysia was spreading propaganda in Afro-Asia that the former was a Chinese country and a front for Communist China. Specifically, Malay extremists were accused of creating an image of Singapore where there was Chinese domination of their Malay population.

11. In his view, they wanted to do this, 'in order that the disparity between a progressive and an open society on the one hand and a more closed, tender and a more delicate society on the other should not be too shocking and so vivid as to shake the very foundations of the feudal system.' Transcript of speech by the Prime Minister, at the opening of the Trade Union House and Singapore Conference Hall on 15.10.65, p. 1.

12. According to Lee Kuan Yew, this was reported to him by the Ministers who went to Afro-Asian countries in late 1965. Prime Minister's speech at the Chinese Chamber of Commerce on 5.12.65, p. 2.

In fear of Singapore

Malaysia has to build a nation out of her diverse ethnic and cultural communities and any attempt to disrupt her national policies in this respect would be regarded as a threat to her stability. Malaysia was concerned with the effect that the political development in Singapore could have, particularly as it was seen as a disruptive factor which could create divisions between the Malay and non-Malay communities and undermine the position of the government. Thus, to preserve her political and social system, Malaysia reacted to any interference in her domestic affairs which she perceived as coming from Singapore. This was aggravated by the Singapore concept of 'two sovereignties in one nation' which meant a unity of political culture in Malaysia-Singapore and therefore implied conflict of interests between the two governments.

The concept of two 'sovereignties in one nation' was enunciated by S. Rajaratnam when he elaborated on Singapore's relations toward Malaysia; he declared,

It must be a foreign policy of a special kind, a foreign policy towards a country which, though constitutionally foreign,
is essentially one with us and which, when logic and sanity reassert themselves, must once more become one. It must be a foreign policy based on the realization that Singapore and Malaysia are really two arms of one politically organic whole, each of which has through a constitutional proclamation been declared separate and independent.14

Thus, there was the explicit acceptance of Malaysia-Singapore inter-dependence as well as formal separateness. However, in Singapore's view, while the development and survival of the Malaysians and Singaporeans were linked and inter-dependent, this was not to be confused with the relations between the governments. Thus, the Singapore government could not be expected to support a ruling party in Malaysia, in this case, the Alliance government, whose ideology it differed from.

It was clear that the leaders hoped to influence the political development in Malaysia by self-extension which was explained, thus,

If we in Singapore can succeed in establishing a tolerant multi-racial society, then the catalyst effect on the rest of the region is

bound to set off social change within these territories themselves leading to the emergence of a secular nation state.  

More directly, S. Rajaratnam referred to the influence Singapore would have in Malaysia. He declared that the government's policy would be to build a 'Malaysian Singapore' and not a 'Singaporean Singapore', and advocated that 'a multi-racial society founded in the concepts of democracy, social equality and socialist concepts of economics and social justice was the only safe and practical way of building a united nation out of many races, and of solving the economic and social problems of peoples of all races.  

16. The concept of a 'Malaysian Singapore' was essentially similar to that of a 'Malaysian Malaysia', which was defined as follows:  

A Malaysian Malaysia means that the Nation and the State is not identified with the supremacy, well-being and the interests of any one particular community or race. A Malaysian Malaysia is the antithesis of a Malay Malaysia, a Chinese Malaysia, a Dyak Malaysia, an Indian Malaysia or Kadazan Malaysia and so on. The special and legitimate interests of different communities must be secured and promoted within the framework of the collective rights, interests, and responsibilities of all races. Support for the ideal of a Malaysian Malaysia means, in theory as well as in practice, educating and encouraging the various races in Malaysia to seek
Malaysia naturally resented Singapore's obvious attempt to influence her political development by creating among Malaysians doubts of and resistance to their government. It was mainly due to the incompatibilities of their ideologies that Separation came about. During the period Singapore was in Malaysia, the Alliance government tried to insulate the Malayan electorate from the PAP, opposed the PAP's entry in the General Elections of 1964 and resisted the formation of a united opposition front under the PAP. Thus, after Separation, Malaysia reacted strongly to the Singapore interference in her domestic affairs and this was illustrated by political affiliation not on the basis of race and religion but on the basis of common political ideologies and common social and economic aspirations, which is the real basis of ensuring the emergence of a truly free, prosperous and equitable national community.


the Malaysian official protests against Singapore.

In the course of thirty-three days in September-October, 1963, the Malaysian Government sent two protest Notes through diplomatic channels to the Singapore Government. The first Note accused the Singapore Prime Minister of making 'disparaging remarks and unwarranted accusations' which in the Malaysian view could create disharmony and conflict among the major communities in Malaysia. The second was over Lee Kuan Yew's 'policy of survival' speech. The Malaysian government took exception to his criticisms that Malaysia was still 'a medieval feudal society', that the government machinery was 'inefficient and bogged down by corruption' and that the political leaders had obtained their positions 'by bossmanship and undemocratic means'. The Malaysian protest Note ended with the warning that such statements could lead to 'a serious deterioration in the relations between the two countries for which the Singapore Government alone must be held responsible.'

18. The Straits Times, 22.10.65.
The Singapore reply stated that the Prime Minister had merely explained past history, especially the reason why Singapore had been evicted from Malaysia. It denied the charge that it had broken an undertaking not to interfere in the internal affairs of Malaysia, and stated that if there had been any interference it came from the Malaysian side. The statement added that while the Malaysian leaders took objection to certain uncomplimentary remarks being made about them, the Malaysian leaders should not at the same time give reasons to Singapore citizens, 'to believe that religious, racial and other communal and sectional pulls on small pockets of Singapore citizens like UMNO Youth, Singapore are being exploited for the benefit of a foreign country to the detriment of Singapore.'

19. The Straits Times, 22.10.65 (ed). In late March, 1967, Singapore handed a Note to Malaysia in protest against Tengku Abdul Rahman's support for Ahmad Haji Taff, the Chairman of Singapore UMNO, and alleged that the Malay leaders were exploiting communal sentiments by inciting the Singapore Malays to hate their Malay leaders and Ministers in the government. The Straits Times, 15.2.67.
Malaysia's fear of the influence of the Singapore government in the Malaysian environment was also reflected in her action against the Malaysian branch of the PAP. Exactly a month after the Separation, the registration of the PAP, Malaysia, was cancelled on the ground that it was essentially a Singapore organisation. After the expected protest from their leaders, the Party's name was altered to the Democratic Action Party and it was re-registered in October, 1965. On the other hand, in Singapore, the branches of the political parties of Malaysia were required to change their party names and symbols. Subsequently, UMNO, Singapore became the Singapore Malay National Organisation, the PMIP, Singapore became known as the Angkatan Islam and the MCA was converted to the Singapore Chinese Party.


Restrictive movements

Malaysia-Singapore relations were irked by stress and strains primarily due to the use of economic threats, resistance and retaliation by the two states. Behind their policies was the past argument that Singapore's economic survival was dependent on the hinterland provided by Malaysia: this gave Malaysia the leverage to influence Singapore, while the latter, on the other hand, resisted and retaliated against the Malaysian pressures. However, it was obvious that the interdependence in their economies built up over the years could not be entirely cut off without serious repercussions on both states. 22

22. Malaysia continued to be Singapore's chief trading partner. During the period 1962-1969, Singapore's imports from Malaysia increased over the years except in 1967-68, when imports decreased appreciably. Exports to Malaysia declined mainly due to a marked decrease in exports to West Malaysia. See the tables below.

| Singapore Imports from Malaysia, 1962-1969 (S$ million) |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| West Malaysia                   | 727.7    | 756.8    | 791.9    | 884.9    | 942.5    | 839.6    | 810.1    | 1089.7   |
| East Malaysia                   | 143.6    | 127.3    | 185.0    | 224.1    | 222.9    | 230.2    | 239.7    | 306.5    |
| Malaysia                        | 871.3    | 883.9    | 976.9    | 1109.0   | 1165.4   | 1069.8   | 1049.8   | 1396.2   |
Malaysia initiated moves to institute immigration regulations to control the movement of goods and persons across the Causeway. This came at a time when Singapore was reviving her trade relations with Indonesia and establishing new trade links with East European countries. As Malaysia was still facing Confrontation from Indonesia and did not have any relations with communist countries then, the Singapore moves were regarded as detrimental to the security of Malaysia. She declared that precautions had to be taken to safeguard the security of the country against subversive influences. It was noted that while Malaysia had no control over the negotiations for Singapore's resumption of ties with Indonesia, she had control

cont'd

Singapore Exports to Malaysia, 1962-1969 (S$million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>West Malaysia</td>
<td>941.5</td>
<td>1011.1</td>
<td>925.5</td>
<td>938.6</td>
<td>907.6</td>
<td>824.8</td>
<td>756.0</td>
<td>779.4</td>
</tr>
<tr>
<td>East Malaysia</td>
<td>171.3</td>
<td>214.3</td>
<td>233.9</td>
<td>281.7</td>
<td>287.5</td>
<td>272.5</td>
<td>267.0</td>
<td>308.4</td>
</tr>
<tr>
<td></td>
<td>1122.8</td>
<td>1225.4</td>
<td>1159.4</td>
<td>1220.3</td>
<td>1195.1</td>
<td>1097.3</td>
<td>1023.0</td>
<td>1087.8</td>
</tr>
</tbody>
</table>

over the Johore end of the Causeway.

Malaysia was obviously threatening Singapore as the reasons for her introduction of the Causeway control were not sincere. Malaysia was negotiating the 'normalisation of relations' with Indonesia at the time, and was sending out feelers to the Russians to establish some links with the latter. Thus, the reasons given by Malaysia, that Singapore's relations with Indonesia and the European communist countries would undermine Malaysian security, served to conceal her attempts to threaten Singapore.

Malaysia finally stated the basis of the policy to introduce immigration control. She indicated that immigration control was the 'inherent right of a sovereign and independent country to check the entry of foreign persons.' It would seem then that the introduction of immigration controls was not the direct result of any real threat to Malaysian security but stemmed from the need to restrict the movement of Singapore citizens into mainland Malaysia.


24. The Straits Times, 16.6.66.
As a result of negotiations between officials of both countries in late 1966, it was agreed that reciprocal arrangements for immigration controls would be effected from 1st July, 1967.\textsuperscript{25} However, on the eve of the full implementation of the agreement, the Malaysian government sought a postponement, on the ground that more time should be given for citizens on both sides to obtain the required documents, but Singapore refused to agree. On the other hand, when a need arose for a Singapore consular post in Johore Bahru to issue visas, passports and deal with related matters, the request was turned down by the Malaysian Government.\textsuperscript{26}

Two further points of conflicts over immigration matters occurred in Malaysia-Singapore relations. It had been agreed that each government would be responsible for the issue of travel documents to citizens and non-citizen resident in the respective countries irrespective of their place of birth.\textsuperscript{27}

\textsuperscript{25} PDM, Vol. 4, No. 1, 14.6.67, Col. 317-320.
\textsuperscript{26} Refer PDS, Vol. 26, No. 11, 15.12.67, Col. 712 and PDS Vol. 28, No. 5, 16.12.68, Col., 324-325.
\textsuperscript{27} PDM, Vol. 4, No. 37, 16.2.68, Col. 5533-5534.
Singapore, however, was reluctant to issue the necessary travel documents to those 'stateless' persons who were born in Malaysia but resident in Singapore, for fear that she would have to assume responsibility for many non-citizens consequent upon the issue of the certificates.  

Another point of conflict was the question of 'illegal immigrants', particularly of Malaysians who overstayed in Singapore after their visit passes expired. Holders of valid travel documents of Malaysia and Singapore were allowed visit passes of a fortnight at any one time, and this was readily given at each entry point into the country. For a variety of reasons, such as proximity of the two countries, the social factors, such as family contacts, and the search for employment, there were many illegal immigrants who overstayed in Singapore and Malaysia. Singapore regarded this problem as crucial, and introduced two separate pieces of legislation, viz. the Immigration (Prohibition of Entry) Order, 1966 and the Immigration (Amendment) Bill in December 1969 and January 1970, to

restrict the entry of foreigners and impose penalties on illegal immigrants.\textsuperscript{29}

The tariff war

Singapore sparked off the 'tariff war' by introducing the licensing and quota regulations to cover Malaysia. She gave as her reasons the need to comply with international law and trading practice and to protect the new industries. The Malaysian response was immediate – Tengku Abdul Rahman said that 'Singapore would be hurt' and a directive was issued to all Government departments to buy Malaysian-made products even if they were more expensive.

Following a number of official meetings between the two sides, and a submission from Singapore laying down the 'basis for some form of economic integration without reverting to the status quo', they agreed to lift the restrictions on the flow of goods. However, this was nullified soon after by the introduction of tariffs on a wide range of goods by the Malaysian government, and the Singapore government

\textsuperscript{29} The Straits Times, 7.8.70.
retaliated in similar terms. \(^{30}\)

The issue was of course one concerning the political feasibility of a Common Market between the two countries. While Singapore was in Malaysia, there was a provision in the Malaysian Agreement to eventually work towards the establishment of a Common Market. With an independent Singapore this was not possible, and moreover, Malaysia felt that a common Market would mainly benefit Singapore. \(^{31}\)

Currency Split

The common currency had been in circulation in the Malaysia-Singapore area since 1906. It had been a feature of the close economic relationship in the past and, as a result, the two territories were considered a single economic unit. The continuation of the common currency would have demanded close consultation in all economic matters affecting the two states. \(^{32}\) In the conflicting situation prevailing

\(^{30}\) Ibid., 12.10.65.

\(^{31}\) Dr. Lim Swee Aun, the Malaysian Commerce Minister, admitted that a Common Market would put Malaysian factories out of business. Ibid., 13.10.65.

in Malaysia-Singapore relations, this was impossible.

Singapore considered that three guarantees were necessary to maintain the sovereign right of Singapore and to safeguard her foreign interests in the matter of the common currency, namely, management control, direct ownership and immediate access to her assets. It appeared that while the Malaysian government was prepared to concede to the first two guarantees, the stumbling block proved to be the question of the immediate access to Singapore's assets. Singapore proposed that the assets should be invested either in the International Monetary Fund or in the Central Bank of a third country and that the Singapore Deputy Governor of Bank Negara (the Central Bank of Malaysia) should have a legal status in Singapore. Both these proposals were rejected by Malaysia on the grounds that they would render Bank Negara meaningless and that Malaysia could not agree to such infringements on her sovereignty.

The separate currencies of Malaysia, Singapore and Brunei came into effect in June, 1967. The exchange and interflow of the currencies were unaffected in the short term as a result of the agreement on the interchangeability of the currencies. However,
whether or not parity of value and interchangeability would be maintained indefinitely would depend both on the economic as well as political climates prevailing at any given time. If the monetary and fiscal policies of the two countries were drastically different, the result might be different exchange values for the two currencies, which could lead to the development of a black market for currencies and smuggling of goods across the Causeway. The principle and acceptance of interchangeability would necessitate cooperation in matters affecting the parity of the currencies. For example, when pound sterling was devalued, Malaysia and Singapore consulted on the question of the devaluation of their currencies. The Singapore government was prepared to retain the value of all the old coins, but Malaysia conceded to this only in respect of one, five and ten cent coins. The problem lay in the type of reserves of each country, whether in sterling, dollars or in gold and other assets, and this had a bearing on the final decision arrived at in the devaluation of the old Straits notes and the silver coins.

33. J. Purcal (ed.), ibid., p. 49. For the agreement on the interchangeability of their currencies, see Foreign Affairs, Malaysia, Vol. 1 No. 6, September, 1967, p. 59.
Control of workers

Singapore used the argument of the need to curb unemployment and population to institute a system of control over Malaysian workers in Singapore. More significantly, the Singapore Government expressed that the new policy was a direct response to the Malaysian policy of 'economic subjugation' of the state. As a first step, Singapore proceeded to introduce a system of work permits for foreign workers, nearly all of whom were Malaysians. The Malaysian Prime Minister, Tengku Abdul Rahman, reacted by stating that this would handicap Malaysian workers in Singapore and advanced the argument that since Singapore benefited from Malaysian materials, it was only logical that Malaysian workers should have a share in the profits. The Government had

34. The Minister for Labour, Jek Yuen Thong in Parliament stated not only that the prospect of a common market had been dimmed, but that the Malaysian Government was out to isolate Singapore and pressurise it into 'economic subjugation'. He further said, "since their Government is not so friendly to our people and tries to stifle our industrial growth, why should we make our amenities available to their people?" PDS, Vol. 24, No. 9, 24.12.65, Col. 478-479.

35. Those who were employed in either the private or government sector in positions below the basic salary of M$750 had to possess work permits which were renewable annually.
no intention at the moment to reciprocate the actions of Singapore.\textsuperscript{36} However, when Singapore took another measure to control Malaysian workers by not renewing their work permits, the Malaysian government responded vigorously. The latter retaliated by embarking on what was called 'Operation Swop' which was aimed at repatriating the sixty thousand Singaporeans in Malaysia and in anticipation of the fifty thousand Malaysians being expelled from Singapore. Faced with such a crisis, the leaders of both governments met and decided to drop the issue.\textsuperscript{37}

Singapore had from the beginning considered Malaysia as an important source of professional, qualified, skilled and unskilled persons, to man the public and private services. She maintained an open door policy for Malaysian graduates to enter the Singapore Civil Service and incentives such as reduced period of residential qualification for citizenship, higher salaries, and better prospects of promotion were

\textsuperscript{36} PDM, Vol. 2, No.11, 10.11.65, Col. 2099.

\textsuperscript{37} After a brief golf summit between Tun Abdul Razak and Dr. Goh Keng Swee in Johore Bahru at the end of March,1968 the whole operation was called off. The Sunday Times, 1.4.68.
offered. However, Malaysians in the service were expected to take up citizenship although this was not mandatory. Lim Kim San explained that,

There is at present no intention to require those who refuse to seek Singapore citizenship to leave the service. This may, however, jeopardise their prospects of promotion as they may have to be excluded from some jobs which are security sensitive and would have to be held by Singapore citizens who are required to be loyal to the Republic.38

The policy of open recruitment of Malaysians in the Singapore Civil Service was resented by the Malaysian Government but nothing was done to check this. At the same time, Malaysia did not deter her skilled and unskilled workers from working in Singapore.39 The latter in May 1970 established a Non-Citizen Employment Exchange which registered mainly unemployed Malaysians. According to the

38. By mid-1967, there was a total of 697 non-citizens, mainly Malaysians, in Divisions I and II of the Singapore Civil Service. PDS, Vol. 26, No. 4, 31.10.67, Col. 257-258, and Vol. 26 No. 1, 29.6.67 Col. 9.

government, this was to 'counter the danger of the new industries not getting into full production because of the shortage of the workers.40

Malaysia-Singapore Airlines (MSA) was another example, where the diverse interests of the two countries prevented cooperation in a joint endeavour. The MSA was a profitable joint enterprise from which both countries stood to gain, even after Separation.41 But in early 1971, Malaysia and Singapore decided to break up MSA and establish separate airlines.

The difficulties stemmed from Malaysian efforts to have a more equitable share of the MSA's administrative, servicing and catering facilities, which were mainly located in Singapore. From time to time, Malaysia felt that she had not enough control in the administrative decisions, for example, regarding domestic schedule, the location of a workshop complex


41. For the financial year ending March 31, 1970, a record pre-tax profit of about M$30 million had been made, which was treble the figure for the period 1968-1969, The Straits Times, 22.8.70.
or the catering services. She called for more
domestic services to be provided within Malaysia,
the Fokker Friendship workshop to be located in
Kuala Lumpur, and the catering services to be trans-
ferred from Singapore to Penang or Kuala Lumpur. 42
Malaysia argued that she was an equal partner with
Singapore in MSA, that the main portion of the
domestic services of MSA was located within Malaysia
and that service and not merely the profit motive,
should govern MSA decisions. Malaysia also felt
that Singapore was acting too independently of
her. Joint ownership in MSA meant that both Malaysia
and Singapore would have to agree on the operation
of its services, both domestic and international
services. But Singapore concluded air services
agreements with such countries, as Israel, with whom
Malaysia had no relations. Moreover, in the dispute
over reciprocal landing rights between Singapore and
Britain, Malaysia had no hand in the negotiation but
was only informed of the developments by MSA. 43

42. Siaran Akhbar 10/69/186 (Transport) 13.10.69, The
Straits Times, 3 and 4 July, 1970 and PDM, Vol. 4,
No. 29, 7.2.68, Col. 4637-4638.

43. On the disputes between Singapore and Britain over
regional reciprocal landing rights, refer to The
Straits Times, 27 and 28.11.70, 28.9.70.
Examples of limited cooperation

Malaysia and Singapore have indicated that the bilateral trade and economic links between them would be exploited to the advantage of each other, and used to influence the policies of the other. In the case of third parties, however, where economic competition did not make demands on the other, some efforts at collaboration was possible. For example, joint steps were taken to meet price fluctuations in the rubber market and in working out a joint policy against increased freight charges of foreign shipping conferences.

Malaysia-Singapore economic co-operation was limited to measures to challenge the unfavourable prices for primary commodities and the increased freight charges. Thus, during the crisis of November, 1967, when rubber prices were low, Malaysia sought Singapore's aid in the matter of additional storage space for the Malaysian government's purchase of the rubber. Though Singapore could not meet the request in its entirety, she did grant additional facilities to the Malaysian Government during the crisis period.  

44. PDM, Vol. 4, No. 14, 13.11.67, Col. 2650-2676.
More significant was Malaysia's initiative in forming the Association of Natural Rubber Producing Countries (ANRPC) with the objectives of price control, direct sales to the market, research and development of natural rubber. Singapore was a member of the Association together with other countries, viz. Malaysia, Indonesia, Thailand, Ceylon and South Vietnam. It was felt that the existing marketing system between Malaysia and Singapore could provide the base for a joint marketing system for natural rubber proposed by the Association.45

Besides co-operation between Malaysia and Singapore on problems connected with natural rubber, both countries attempted to work out a joint policy with regard to the freight charges imposed by the Far East Freight Conference (FEFC). Representatives of the timber exporters association of each country met to form a united stand on the new increases in timber shipping rates. At the governmental level, proposals were made to put pressure on the FEFC by threatening to withdraw from its service and establish an alternative shipping schedule, which would exclude the FEFC.

45. In this respect, the Singapore Finance Minister stated that Singapore would work closely with Malaysia on the issue of a joint marketing system. The Straits Times, 14.10.70. Refer Foreign Affairs, Malaysia, Vol. 1, Nos. 7 and 8, March, 1968, pp. 10-17.
Conclusion

In Malaysia–Singapore relations, based on the illustrations of their behaviour as expressed by their leaders, the dominant consideration seemed to be that of power, either there were attempts to coerce and subdue or to resist and retaliate, aimed at influencing for change in the policies of the other. Malaysia was vulnerable where her policies of nation-building had not been successful and where politics were still based on communal rather than national sentiments, and where such issues as the National Language and special privileges for the Malays still divided the people, and where her policy of multi-racialism had a rather tenuous hold on the population especially the non-Malays. As such, Malaysia was sensitive to any attempts to interfere with her policies aimed at integrating the various communities in the society. In the case of Singapore, her weaknesses lay in her dependence on entrepot trade, lack of a hinterland and her image as a third China. In their restrained hostility, Malaysia and Singapore played on these pressure points to exploit the social cleavages, economic dependence and the Malayness or Chineseness of the other. It could be that in any future arrangement or reunification both
would attempt to establish a dominant-dependent relationship, where one could dictate terms to the other.

These objectives of influence, resistance and retaliation were very much the concern of the leaders of Malaysia and Singapore. They were motivated by their past experience, which inculcated in them a distrust and unresponsiveness to the needs of the other. Their perceptions dominated Malaysia-Singapore relations, and their actions and reactions were results of their mutual fear and distrust. Yet while they caused much public anxiety, they were able to resolve their differences albeit ad hoc by direct communications with each other. Thus the Tengku and Lee Kuan Yew met in June, 1966 when both governments had accused the other of interference, and Tun Razak and Dr. Goh Keng Swee held a golf summit in March, 1968 when the 'operation swop' threatened to get out of hand. Further, there was a number of visits between the ministers across the causeway to discuss cooperation on such matters as the exchange of radio and television programmes, and health checks and anti-drug trafficking.  

46. Siaran Akhbar, 9/69/263(FEN), 17.9.68, 4/70/328 (Kesihatan), 27.4.70, and The Straits Times, 8.10.70.
There was even a talk of constructing a 'causeway of minds', following Tun Razak's visit to Singapore and that of Lim Kim San and E.W. Barker to Kuala Lumpur in August-September, 1969. However, it seemed that the foundations were extremely weak to build this, in view of the incompatible political and economic interests.

Aside from ministerial summits and visits, Malaysia and Singapore employed other means to explain and state their positions and retaliate the perceived pressure from one another. There was no resort to physical force because the issues were not so critical as to threaten directly the core values of the other in the economic and political fields, and where they threatened to reach such a level, the tensions were reduced through the ministerial summits. There was no drastic action, such as the total economic boycott or trade embargo, to force a change in the political system of the other. Hence, Malaysia and Singapore employed a variety of other techniques to influence the other namely, through diplomacy, limited economic measures, propaganda and the implicit use of threats. There were exchanges of diplomatic notes on the question of interference, imposition of tariffs and the control of
workers, use of the radio and news media to appeal to the public and opposition political parties, and warnings and ultimatums. It would seem then that resort to these methods would be characteristic of their relationship.

The attempts to influence one another could only be regarded as effective if one succumbed and changed her course of action or was prevented from following a course of action. While the leaders were able to resolve certain problems temporarily, they were not able to alter the policies decided by the other. The Malaysian use of the ultimatum was successful as it resulted in the separation of Singapore in August, 1965. However, the attempt to create an image of Singapore as a third China neither had an impact on the Malay minority in Singapore, as the latter failed to take up the offer of land in Johore, nor did it prevent international recognition of Singapore by Afro-Asian and non-aligned countries. On the other hand, Singapore's propaganda programme, What Others Say, over Radio Singapore, which was directed at playing up the sensitivities of the Malays and contrasting the development assistance to the Malays and Non-Malays in Malaysia, was a constant irritant in
Malaysia–Singapore relations. The Malaysian economic pressure did not appear to be effective. Singapore's growth rate continued and this could be attributed to her efforts to industrialise, attract foreign investment and enter new markets abroad. Even Malaysia–Singapore trade was not very much affected primarily because trade between the two countries were in private hands, particularly the Chinese communities. In the field of external trade where there was no direct demands on each other, both seemed to be willing to collaborate, for example, in matters connected with the ANRPC and the FEFC.

47. Dr. Goh in Parliament: "In the post-Malaysia period, Singapore's Gross Domestic Product increased at a compound annual rate of 12.3 per cent as compared with 6.5 per cent during Malaysia and 8.1 per cent pre-Malaysia." He attributed the growth to developments in trade, industry and tourism and to external developments such as the resumption of trade with Indonesia and the strong economic position of the United States, Europe and Japan. In his statement on the economic development of Singapore between 1966 and 1969, see PDS, Vol. 29, No. 8, 9.3.70, Col 481-490. Singapore was the third biggest investor in Malaysia after the United States and Japan. Up to 1969, the investments of the United States, Japan and Singapore in Malaysia were M$75 million and M$62 million and M$59.8 million respectively. Figures released by the Federal Industrial Development Agency of Malaysia and quoted in The Straits Times, 26.6.70.
The consequences of Malaysia-Singapore relations during this period, as related to the political and economic fields, seemed to have created a lack of responsiveness and an attitude of hostility towards each other. Both continued to be guided by the fear of subjugation or interference, which was greater on the part of Singapore. Thus, Malaysia's request for postponing the date for the implementation of the causeway control was rejected by Singapore, and Malaysia retaliated by refusing the Singapore application for a consular office in Johore Bahru. Even where there was mutual benefit to be derived, there was no attempt at collaboration. Malaysia did not trust the Singapore's management of MSA and Singapore felt that her interests would not be protected by Bank Negara, Malaysia, if the common currency was to be maintained. Worse, the leaders valued less the adherence to any agreement arrived at through negotiation or written document; thus, Malaysia and Singapore did not pay heed to the agreement for economic cooperation laid out in Article VI of the Separation Agreement. This could have serious repercussions in the future, if both were guided by their mutual hostility and a relationship based on quid pro quo and not by the need to adhere to international arrangements or treaties.
CHAPTER THREE
MALAYSIA-SINGAPORE RELATIONS: INSECURITY
AND DEFENCE ARRANGEMENTS

Introduction

Malaysia and Singapore leaders have perceptions of the source of the threat to themselves, namely, a hostile neighbour or an aggressive communist power in Southeast Asia. Both countries could be vulnerable to a 'sneak sudden attack' from a hostile neighbour, and dangers such as those posed by militant and aggressive states were the responsibility of themselves. In the case of Malaysia, she was faced with specific and immediate threats, viz. the Malayan Communist Party and Sarawak communists along the border areas with Thailand and Indonesia, and the Philippine 'annexation' of Sabah.¹ These threats were to be dealt with by a

combination of measures, including reliance on her own forces and co-operation between her and her allies in either bilateral or regional defence arrangements.2

Malaysia and Singapore have declared that their defence was indivisible. This implied a mutual acceptance that the territorial integrity and the continuation of non-communist governments were crucial to one another. It was argued that if Malaysia fell to any aggression, it would cause Singapore like a domino to fall as well. Thus, it would be in their interest to work out a defence arrangement with their Commonwealth allies to ensure their joint survival. However, Malaysia-Singapore hostility during the period had indicated that this was difficult. It had deterred them from bilateral cooperation in defence matters, while it has put strains on their negotiations with their allies to reach a new defence arrangement for Malaysia-Singapore.

2. The Agreement on External Defence and Mutual Assistance between Malaysia and Britain was such a regional arrangement. See Appendix C.
Defence indivisible?

Malaysia and Singapore initially displayed what seemed to be signs of defence cooperation when they agreed to meet threats of a civil disturbance and external aggression. Singapore's immediate problem was internal security, in particular, the fear of a communal clash between the Chinese and Malays in the island. The Malaysian Government agreed that,

In the event of any need for troops to contain any disorders in the Geyland Serai area, (a predominantly Malay area) the Malaysian Government will respond immediately with multi-racial troops such as the reconnaissance regiment.3

Singapore, on the other hand, sent a battalion of her infant army to Sabah, which was a target of Indonesia's Confrontation. The despatch of the Singapore Infantry Regiment battalion was really a gesture of 'defence indivisibility' because for the period immediately after Separation, it was important that defence cooperation be seen to be operative in public.4

3. The Straits Times, 10.8.65.
4. Interview, S. Rajaratnam, 6.2.69.
It would seem that the agreement to exchange troops was useful propaganda to express their defence solidarity. However, the mutual hostility in Malaysia-Singapore relations came clearly to the fore, particularly over the interpretation of Article V of the Separation Agreement, relating to their defence rights and obligations. This dispute manifested Singapore's anxiety regarding Malaysian intentions in the island, the fear of Malaysian intervention in any communal disturbances, and Singapore's desire to be sovereign in matters related to her internal security. On the other hand, Malaysia resented what she regarded as Singapore's violation of the Separation Agreement.

The different interpretations made in the national interests reflect the insecurity in Malaysia-Singapore relations. The occasion was the controversy over the occupation of Camp Temasek, which revealed their

5. Following negotiations in November, 1965, it was agreed that Singapore Army units, until then under the Malaysian Command, would be returned to the control and administration of the Singapore Ministry of Defence as from 1st January, 1966. Arrangements were then made for the withdrawal of Malaysian troops who were occupying Camp Temasek in Singapore. But the Malaysian government was not prepared to withdraw entirely from the camp. The Straits Times, 16 and 26.2.66.
disagreements over the issue of responsibility for the defence of Singapore and the rights and obligations of the two states in the Separation Agreement.

Article V of the Separation Agreement stated that the governments of Malaysia and Singapore would enter into a treaty on external defence and mutual assistance. Under Article V, Clause 3,

The Government of Singapore will afford to the Government of Malaysia the right to continue to maintain the bases and other facilities used by its military forces within Singapore and will permit the Government of Malaysia to make such use of these bases and facilities as the Government of Malaysia may consider necessary for the purpose of external defence.  

Further, each Government would undertake not to enter into any treaty or agreement with a foreign country which might be detrimental to the independence and defence of the territory of the other. Malaysia's position was that under Article V of the Separation Agreement, Malaysian armed forces were given the right to remain in the island for the defence of Malaysia and Singapore against external aggression and that it was the responsibility of the Singapore Government

6. See Article V of the Separation Agreement, Appendix A.
to accommodate the Malaysian troops under the terms of the Agreement.\(^7\) Thus, Malaysia considered herself the possessor of the defence rights in independent Singapore. It was asserted that Singapore had agreed that Malaysia should be responsible for the defence of Singapore, that the latter agreed to allow Malaysia to maintain the bases and other facilities in the island in order to enable Malaysia to discharge her responsibility.\(^8\) The Malaysian Government maintained that it would honour its obligations and would continue to station troops in Singapore in the discharge of these obligations. It referred specifically to Clause 3 of the Article which it contended, provided that the right of Malaysia to maintain bases and station troops was a continuance of the right on August 7th, that is, before Separation Day. Further, it declared that 'the exercise of their right depends

---

\(^7\) The Age (Melbourne), 17.2.66 and statement by Tun Abdul Razak in Merdeka, the UMNO paper and quoted in The Straits Times, 5.3.66.

\(^8\) Ibid., 21.2.66.
solely on the judgement of the Malaysian Government.\footnote{9}

Singapore, however, regarded the Malaysian presence as not necessary for the defence of her territory. The Singapore Government rebutted the Malaysian interpretation of the agreement and understanding reached. It maintained that there did not exist a treaty which gave Malaysia the right to retain bases in the republic. Its view was that Article V stipulated that the two governments would enter into a treaty of external defence but the two governments had as yet not entered into any such treaty. It pointed to Clause 3 of the Article and maintained that Camp Temasek was not 'used' by Malaysian military forces on the date of the Separation.\footnote{10} Singapore feared that to concede to the Malaysian 'right' to maintain troops in the island would 'create a precedent for the permanent stationing of Malaysian troops on the

\footnote{9 The Straits Times, 17.2.66.}

\footnote{10 The Singapore statement referred to Section 9 of the Constitution of Malaysia (Singapore Amendment) Act, 1965, passed by the Malaysian Parliament, which provided that all property, movables and unmovables which before Malaysia Day belonged to and were the responsibility of the Government of Singapore, should revert to Singapore once again. Ibid., 19.2.66.}
island." Singapore insisted that Malaysia should be prepared to accept her, in word and in deed, as an equal partner in a regional defence arrangement. The attitude was symptomatic of the Singapore perception of Malaysia as a threat and of her resistance to the domination by Malaysia.

Malaysia, on the other hand, resented the unilateral action of Singapore which was regarded as a violation of the Separation Agreement. Malaysia was offended in that she had not been consulted in the change of the agreement relating to the presence of Malaysian troops: she felt that if there was to be any change, the proper way was to discuss it with the Malaysian Government. She reiterated that the understanding was that the status quo should be maintained, since there had been no official request from Singapore for any change in the basic agreement. To resolve the problem, negotiations at ministerial level took place between Malaysia and Singapore.

11. For the Singapore position on the issue, see PDS, Vol. 25, No. 1, 23.2.66, Col. 16-30.
12. The Straits Times, 25.2.66.
The agreement arrived at was that the Malaysian troops could remain behind in Singapore but they would be withdrawn when Singapore had built sufficient troops of her own. Subsequently, the Malaysian troops were withdrawn from the island.13

Absence of Coordination

The idea that Malaysia-Singapore's defence was indivisible was therefore not related to any bilateral agreement to defend each other. The Separation Agreement, particularly Article V, had not defined the rights and obligations with clarity or precision and hence it was open to diverse interpretation to suit each other's objective. Besides, the lack of agreement on defence cooperation, between Malaysia and Singapore, there was no machinery to facilitate either consultation or coordination in defence matters.

13. Tun Razak's letter, which informed the Singapore government of the decision to withdraw and which was revealed by Lee Kuan Yew, read in part as follows:

I also understand that since the separation of Singapore, the Government of Singapore has increased its Armed Forces for purpose of defence of Singapore. The Malaysian Government therefore feels that it is no longer necessary to maintain its army units in Singapore and I am therefore informing you that they will be withdrawn completely from Singapore by 31st December, 1967.

The Joint Defence Council established after Separation became defunct after a few months. It was meant to be mainly an advisory body and a forum for consultation, but more important, it was to provide for co-operation in security between the two Governments. However, it became evident that Singapore resented the dominance of Malaysia in the Council. She felt that the administrative structure and the objective reflected Malaysian interests and not those of Singapore. For this reason, Singapore withdrew from the Council. After the dissolution of the Council, ad hoc arrangements on defence and security were agreed upon but despite a series of negotiation, no new body was formed to replace it.

The lack of a machinery for joint consultation or negotiation substantiated the view that Malaysia


15. Singapore stated that the papers continued to originate from the Malaysian Ministry of Defence and other service departments, and the agenda dealt mainly with matters of interest only to the Malaysian Government. Ibid., 1.4.66.

16. Inter-governmental meetings of defence officials and ministerial meetings, particularly between Tun Razak and Dr. Goh (and later Lim Kim San) were held, but nothing came out of it. See for example, Suara Malaysia, Vol.2 No.14, April 1, 1966, p.1 and Vol.2 No.20 May 12, 1966, p. 10.
and Singapore were formulating policies independent of each other in defence and security matters. In turn, the absence of coordination in their defence build-up, equipment procurement and duplication of services reflected separate over-all defence policies. This incompatibility in their defence structure and policies further created stress and strains in Malaysia-Singapore relations.

The impetus to the need for expansion in the defence forces of Malaysia and Singapore was the announcement of the British withdrawal East of Suez. There were other factors which gave rise to urgency in both countries to build up their own defences: there was the need to build up their armed forces to maintain internal stability; the need for eventual self-reliance for their defence and participation in a new regional defence arrangement.

Malaysia's priority in defence planning was to build up the Army and Air Force. In the development of the Army, Malaysia's objective was to have a highly-trained mobile force, assisted by a large reserve of trained men in volunteer services and call-up
reserves. The Royal Malay Regiment which had been described as the backbone of the country's defence was expanded from seven battalions in 1963 to fourteen by the end of 1969. The other indigenous regular forces were the Borneo Rangers, one battalion each from Sarawak and Sabah, which were raised, trained and equipped by the British Government.

The essential character of the Malaysian Army was the dominance of Malays in the various units, particularly, in the Royal Malay Regiment and the volunteer services. In any conflict, it became apparent that the Army units would be prejudiced

17. The Straits Times, 26.11.65.

18. The Royal Malay Regiment established in 1933, was open only to the Malays. They contributed the majority of the Malaysian soldiers sent to the Congo as part of the United Nation force. In late 1966, it was decided that the Borneo natives could join the Royal Malay Regiment. Following the racial riots in 1969, the Royal Malay Regiment was increased to fourteen battalions. The Commonwealth allies were requested to expedite their assistance of arms and other equipment for the new battalions. The raising of the Borneo battalions was part of an agreement concluded between Malaysia and the United Kingdom when Malaysia was formed. The Straits Times, 24.6.67, and 4.6.69.
against the non-Malays. The effect of this to Singapore could be seen in the reiteration by her that the threat to her was from communalism as well as communism. Malaysia, on the other hand, was conscious of the policy of Singapore to develop her defence system based on the Israeli model. This was evident in Singapore's introduction of the citizens' army, compulsory military service and the use of Israeli advisers. Singapore's capability was aimed to ward off aggression for a short period before assistance arrived, but the Malaysian image of Singapore, due to her efforts to create an Israeli type defence system, was one of a state prepared for preemptive action against a potential aggressor.

What Singapore wanted was a speedy and efficient build-up of the Army without incurring heavy cost. The programme which finally emerged was a combination

---

19. This occurred in the major racial clash in Kuala Lumpur in May 1969. See F.V. Gagliano, Communal Violence in Malaysia 1969: The Political Aftermath, Ohio University, Center for International Studies, Papers in International Studies – Southeast Asian Series No. 13

20. The Straits Times, 4.9.67.
of the volunteer citizens' army and national service for youths and employees of the state.\textsuperscript{21} According to the Defence Minister,

\begin{quote}
At the present proposed rate of recruitment, there will be a self-renewing reserve of 20 army and police battalions at the end of ten years, while annually recruitment costs will be kept to a sum required to support four new battalions.\textsuperscript{22}
\end{quote}

Concurrent with the recruitment to serve in the Army, there was the development of a training ground, where modern techniques of warfare suitable to Singapore could be learnt. In particular, there was a need for trained officers for the regular Army.

\textsuperscript{21} The National Service (Amendment) Act, 1967, instituted compulsory military training for eighteen year olds as from 1st January 1967. Those called up were liable for either two years' full time or twelve years part-time training, and at least ten years with periodic training in the National Service Reserve on completion of their training. Those selected for full time training would be based on their educational merit, and this would comprise ten percent of every batch called up. This 'elite group' of national servicemen would go to make up formation of four new battalions of the Singapore Army, namely two battalions of the Singapore Infantry Regiment and two para-military police battalions, i.e. the Police Field Force. All national servicemen on completion of their training would be transferred to the National Service Register for ten years or until the age of forty, whichever was later. \textit{The Straits Times}, 2.3.67.

\textsuperscript{22} \textit{Ibid.}, 28.2.67.
Consequently, the Singapore Armed Forces Training Institute was established with the help of an Israeli defence mission, which was responsible for the design of the training institute, preparation of instructors' courses, the syllabus and training programmes.23

The way that Malaysia and Singapore went about acquiring the sophisticated and expensive aircraft for their respective airforce, was an indication of the absence of any coordination, which would be necessary, if both considered that there was compatibility of interests in defence. There was apparently none. Worse, there was the impression that a small arms race would occur in the Malaysia-Singapore area as a result of their purchases of super-sonic jets, Bloodhound missiles and the like. Malaysia decided that the Royal Malaysian Air Force should be equipped with a striking capacity instead of merely performing

23. Besides Malaysia, the British Government was irritated when Singapore decided to opt for the Israeli-style defence rather than the British system. See FEER, Vol. 57, No. 6, August 10, 1967, p. 277 (Far Eastern Economic Review)
a supporting role as it had done in the past. 24 Malaysia began a major development of her air forces when she acquired her first combat aircraft and the trainer–ground strike light jets, and started a scheme to train men in rocketry and bombing techniques. The objective was apparently to build a compact, fully operational air force with at least eight squadrons, including a squadron of jet-strike aircraft, one of Caribou transport aircraft and one of the Alouette helicopters. 25 When British withdrawal was announced, the Malaysian Government gave urgent consideration to the acquisition of supersonic aircraft for the RMAF. Malaysia went shopping

24. For example, during Confrontation, the RMAF played merely a supporting one, chiefly involved in supply operations and transport of the Commonwealth allies in the Borneo territories, and thus was a useful adjunct to the massive transport operations undertaken by the Royal Air Force. The Age, 25.11.64.

for either British, French, Canadian or American supersonic aircraft. The British Government was prepared to offer the supersonic fighters, the Lightning, to the Malaysian Government, but the Malaysian Government preferred the Hawker Siddely Harrier Jet. 26

Singapore's priority was to set up an air force training school to offset the effects of Britain's proposed military withdrawal. According to the programme, Singapore's requirements were two Air Force interceptor squadrons, and a radar defence system. 27 Singapore turned to Britain both for aid, credit and training assistance. Among the aircraft

26. The purchase of the latter was conditional on two factors: firstly, the British Government should extend better credit terms than they had offered; and secondly, that Britain should provide the air support for Malaysia in the interim period, especially the stationing of two squadrons in Labuan until the Harrier could be delivered some time after 1971. The Times, 20 and 22.1.69 and The Straits Times, 28.1.69 and 22.2.69.

27. According to a report, the minimum requirements were two squadrons, comprising twenty four aircraft, forty to fifty surface-to-air missiles, several ships armed with missiles and a powerful radar network to co-ordinate the whole defence system. See Arun Senkuttuvan, "Flying High with LKY" in FLLR, Vol. 59, No. 8, February 22, 1968 pp.303-304, 306.
ordered from Britain for the Singapore Air Defence Command (ADC) were refurbished Hunter jet fighters, comprising 'trainers' and interceptors and ground support aircraft, reconnaissance version of the Hunter and two-seat Hunters for advanced and operational training. The aircraft would be equipped with the necessary armament for training in the ground support role of land and sea forces. The Armed Forces Flying Training School was established on 1st June, 1968.  

Finally, both Malaysia and Singapore had small navies which were directed mainly to do anti-piracy work, fishermen's protection, check smuggling and illegal immigration. The Royal Malaysian Navy developed a limited striking capability by the addition of small but compact vessels with modern weapons.  

28. According to the contracts signed with the British firms, deliveries of the 16 Bac 167 Mark 34s would be due before the end of 1969 and the Hunters would begin arriving in Singapore in August, 1970. The Straits Times, 4 and 6.7.68.  

29. By the end of 1967, the RMN's strength had trebled from 1,000 in 1963 to 3,000 men, and about 60 vessels including 2 frigates. The Hang Tuah was a refurbished frigate of 2,000 tons, suitable for long range patrol and operations in support of the Army. A second frigate, the Hang Jebat, renamed Rahmat, was being refitted in England for delivery to the RMN. The Straits Times, 31.12.67.
Singapore's Maritime Command, on the other hand, was still in its infancy with an order for six fast patrol boats in mid-1968; the first of these called Independence, was launched at Portsmouth a year later. 30

Differing views on British role

Incompatible interests, lack of mutual responsiveness and a relationship based on mutual fear and distrust prevented any attempts at bilateral defence cooperation between Malaysia and Singapore. Both recognised that in the short term, a defence arrangement with their allies, Britain, Australia and New Zealand was necessary to maintain regional security. More significant, however, was the deterrent that such an arrangement could have in the event of a Malaysia-Singapore conflict. Nevertheless, even on this issue of a defence-arrangement, the two states did not agree on such matters as the role of the British in Singapore, the defence of Malaysia and the form the new treaty should take.

30. Ibid., 21.5.68.
Differing views on the British role could be discussed by taking the issues of the continuation of the British bases in Singapore and the presence of British troops in East Malaysia. On the first issue, it was evident that the defence capability of Singapore after Separation was negligible, and therefore the island must depend either on British military protection or on a joint assurance by the powers of the region. But since the regional assurance of protection did not materialise, Singapore was unlikely to demand the removal of the British bases.

Singapore's position on the British presence was clear; it was vital to the island and unless an acceptable alternative presented itself, the British bases would remain in Singapore. However, there were certain conditions under which British bases would be allowed to operate; firstly, they were for

Malaysia's and Singapore's defence and for the preservation of peace in Southeast Asia; secondly, Singapore would have sovereignty over the bases; and thirdly, the United States would not be allowed to use directly the bases in Singapore.

The Malaysian position was similar to that of the Singapore leaders. The Tengku said that the British bases provided the country's only defence against Indonesian aggression. However, there were certain quarters in Malaysia which disagreed with the Prime Minister, particularly the Malaysian branch of the Afro-Asian Peoples' Solidarity Organisation (AFPSO). They called for a removal of the British bases or a review of them.32

On the second issue, Malaysia and Singapore disagreed on the desirability of the withdrawal of the British troops from East Malaysia. During the Bangkok talks and the Tokyo discussions in 1964, the possibility of British withdrawal from East Malaysia had already been accepted by the Malaysian leaders, although Singapore did not favour such a move unless

32. The Tengku denounced the AFPSO for this although UMNO members were active in the organisation. The Mirror, Vol. 1, No. 25, 21 August, 1965, p. 4.
a peaceful settlement was assured.\textsuperscript{33} Tun Razak even went further by declaring that if a settlement could be reached with Indonesia, and that if Malaysia was satisfied that she could live in peace with her neighbours, the Anglo-Malaysian defence treaty could be reviewed.\textsuperscript{34} When Malaysia-Indonesia rapprochement was reached in 1966, Malaysia called for the British withdrawal from East Malaysia.\textsuperscript{35} Malaysian forces were despatched almost immediately to Borneo to relieve the British troops.\textsuperscript{36}

Differing views on the new defence arrangement

Separation had altered the nature of the Commonwealth commitment in the area, and it was felt that

\begin{itemize}
\item \textsuperscript{33} The Nation, 22.1.64.
\item \textsuperscript{34} The Times, 6.2.64.
\item \textsuperscript{35} According to The Times (London) editorial, Britain was being pressed by Malaysia to make an early gesture of withdrawal from Borneo. \textit{Ibid.}, 12.8.66.
\item \textsuperscript{36} A week after the Jakarta Agreement, an advance party of Malaysian troops from the Malaysian Infantry Brigade headquarters left for Sarawak. At the same time, a new Malaysian Director of Operations was appointed to take over from the British Director \textit{Ibid.}, 20.8.66. However, under a special arrangement, the Royal Air Force would remain behind in Labuan, off the Borneo coast, to provide logistical support for Malaysian forces in charge of the border. The Straits Times, 22.10.66.
\end{itemize}
110.

a new treaty was necessary to formalise the British position in Singapore. The British Government accepted the fact that no formal defence agreement existed to underwrite British occupancy of the enormous bases in Singapore. However, it would seem that at the exploratory stage, Malaysia and Singapore had different views as to what form the new defence treaty, if negotiated with Britain, should take. Singapore seemed to favour a bilateral agreement, while Malaysia preferred a tripartite arrangement. In both cases, however, they expected that Australia and New Zealand would be associated.

The issue of a new defence arrangement with Malaysia-Singapore allies became imperative when Britain announced her decision to withdraw from the region by the mid-70's. Britain's decision to completely withdraw from Malaysia-Singapore was

37. For the relevant section of the review on forces 'outside Europe', see the extract from United Kingdom Supplementary Statement on Defence Policy 1967, London House, July 1967, Cmnd. 3357 in T.B. Millar (ed.), Britain's Withdrawal from Asia, Its Implications for Australia, Strategic and Defence Studies Centre, Australian National University, 1967, pp. 109-112.
discussed during a series of individual meetings between the British Government and the Prime Ministers of Australia, New Zealand, Singapore and Malaysia in June-July 1967. Initially, the Malaysian leaders' reaction indicated the urgency of building up a defence system for the country, and they felt that Britain could not abrogate her commitments to Malaysia.\(^{38}\) While pointing to the British commitment embodied in AMDA, Malaysia declared that the Commonwealth defence allies should meet to discuss the implications of the British withdrawal and, if necessary, to work out an alternative defence arrangement. Therefore, the Tengku proposed a Five Power Defence Conference to discuss his suggestion of 'a truly Commonwealth concept and an integrated set-up' between Malaysia, Singapore, Britain, Australia and New Zealand.\(^{39}\)

---


39. The proposal was first put forward by the Tengku in early July, 1967, and he offered Kuala Lumpur as the venue for the talks. After the Defence Review was published, Malaysia decided to make a formal approach to Singapore, Australia, New Zealand and Britain to convene a conference to discuss a common defence arrangement. *The Age*, 5 and 6.7.67.
Singapore, noting the British decision, hoped that the disengagement could take place in a way so as to give her the best chance of continuing security and stability. On the Tengku's proposal for a defence conference, Singapore, like Australia and New Zealand, was initially luke-warm to the proposal. Specifically, Lee Kuan Yew favoured an arrangement by which Britain would retain a token force in Singapore and whereby British staff officers would stay on to help operate the early warning radar defence system. With reference to the 'credibility' as a security factor of the amphibious force which Britain was expected to keep in the Far East, Lee Kuan Yew felt that this force should be based closer to the area than Australia so that it could use the Singapore facilities. However, Singapore was sensitive to the suggestion that Malaysia would be included in any Commonwealth Strategic Reserve based in Singapore. This would be consistent with Singapore's objection to the presence of Malaysian troops in the island.  

40. The Straits Times, 9.11.67 and The Times, 11.11.67.
Throughout the discussion of the need for a new defence arrangement, both Malaysia and Singapore acted unilaterally in either making proposals or were unsympathetic to the other's position. In the crisis situation, the need for cooperation was not contemplated but instead each sought for her own advantage certain concessions from the British government. In this respect, both Malaysia and Singapore leaders were unresponsive to the suggestions of the other. Thus, while the Singapore leaders were not enthusiastic about the Tengku's suggestion of a Five Power Defence Conference and his proposal of a Commonwealth integrated arrangement, Singapore leaders could not be expected to receive support for their position to influence the British government, when the latter announced the accelerated withdrawal and brought forward British complete withdrawal to 1971.

Singapore resented the British decision to accelerate withdrawal and her objection was based on the following reasons: firstly, they regarded the withdrawal time-table agreed in July 1967 as final; secondly, they had apparently designed their economic and defence plans to correspond to the original
British military rundown terminating in the mid-70s and thirdly, any further defence cuts should be subject to negotiation between the governments concerned. Not only was the Singapore Government reluctant to accept the British announcement, she threatened Britain with drastic retaliatory action, including the withdrawal of Singapore's foreign exchange reserves from the sterling bloc, and the replacement of British shipping, banking and insurance interests by those of Japan. Lee Kuan Yew felt that further discussion on the issue of British accelerated withdrawal was necessary. Consequently, he left for London in the hope that the British plans for the accelerated withdrawal could be altered in some way. He had sought support from the Prime Ministers of Malaysia, Australia, and New Zealand but they did not accept his invitations to join him on his London mission. 

---

41. The Straits Times, 12.1.68 and The Age, 9.1.68.

42. Lee set himself a limited objective: first, he would seek no date on the final withdrawal, and second, he would obtain British aid for the defence expansion of Singapore. Alex Josey, Lee Kuan Yew in London, Donald Moore Press Ltd., Singapore 1968, pp. 35-37.
The new defence arrangement

Though Malaysia and Singapore had incompatible objectives in their bilateral relations, they nevertheless perceived it in their common interest to maintain a Commonwealth presence, comprising the forces of Britain, Australia and New Zealand. The common threat to Malaysia, Singapore, Australia and New Zealand in the region was that of aggression by either a communist or a hostile power. However, the new defence arrangement excluded internal communist rebellion, though external intervention could transform such an event to aggression and, hence, involve the allies of Malaysia and Singapore. In this respect, the presence of the Commonwealth forces could be regarded as a deterrent to any potential aggressor.

At the same time, the Commonwealth presence could be a deterrent to any overt hostility between Malaysia and Singapore. Malaysia and Singapore demonstrated their desire for a continued Australian-New Zealand military presence, together with that of the United Kingdom, and expressed the hope that they would decide to increase their forces in the area.
The argument used against any Australian-New Zealand withdrawal was that this might produce another 'emergency'. Moreover, Singapore felt the people of Malaysia and Singapore would be deeply disturbed and therefore more vulnerable to subversion if they saw Australian forces departing on the heels of the British.43

The different defence policies of Malaysia and Singapore were viewed with concern by their Commonwealth allies. The Malaysia-Singapore incompatibility coupled with the Commonwealth review were reflected in the new defence arrangement. The Commonwealth defence partners were irritated with the Separation, particularly at the Malaysian-Singapore presumption that 'those countries which had agreed to help underwrite the defence of Malaysia's Federal experiment would automatically continue to underwrite a fragmented Malaysia.'44

43. According to John Bennets, The Age, 18.5.68.

44. The Australian Prime Minister, Sir Robert Menzies, qualified the Australian agreement to help defend the Malaysian area with a hint that the nature of this commitment could be reviewed at a later date. Refer to Peter Boyce, "The Politics of Separation" in The Bulletin, August 21, 1965 and published in The Mirror, Vol. 1, No. 27, 4 September 1965, pp. 2-3.
Malaysia had favoured the idea that the British equipment and installations in Singapore should be handed over to joint Malaysia-Singapore command, and in return, Malaysia was prepared to accommodate the stationing of Singapore soldiers in Malaysia as part of a joint defence force. \(^45\) Singapore naturally opposed these suggestions and this was consistent with her opposition to the presence of Malaysian troops in the island. Moreover, while there was agreement that the Singapore radar system was vital for complete and absolute coverage of West Malaysia and Singapore, the two states dismantled the structure of the old radar defence system and created a new arrangement based on independent control of each other's radar unit.

The old Commonwealth radar defence system comprised the two radar air defence centres, one in Bukit Gombak in Singapore and the other in West Hill, Penang; the Royal Air Force aircraft movement information centre at Paya Lebar, Singapore; and two operational fighter stations, viz. a squadron of RAF

45. *The Age*, 18.5.68.
Lightnings at Tengah in Singapore and two Royal Australian Air Force squadrons of Mirages and Sabres in Butterworth, Malaysia. Added to this were the Bloodhound surface-to-air missile squadrons in Seletar and in Butterworth.

This system was discarded and Malaysia and Singapore decided on separate control of each other's radar unit. Malaysia was not prepared to take over the radar centre in Penang and the reason given for this was that the system was too sophisticated and Malaysia did not have enough trained personnel. However, Malaysia replaced this with two mobile radar units, one of which was centred at Butterworth and the other was a mobile radar unit. Singapore, on the other hand, took over the radar centre at Bukit Gombak. At the same time, Singapore favoured the continuance of the Bloodhound surface-to-air missiles as an element of air defence system, but Malaysia preferred to do without them in Butterworth.

The burden of coordination, resulting from separate radar units and different air forces in Malaysia

and Singapore, delayed the appointment of a commander for the Commonwealth air defence of the area. The problem resulted in a long drawn out argument involving Malaysia-Singapore and Australia. The latter had agreed to provide the overall commander but was reluctant to send a serving officer and instead offered a retired officer to take charge. It was not until the meeting in Singapore in early January, 1971, that agreement was reached on this issue. Australia agreed to a serving officer to be the commander of the integrated air defence system. It was assumed that a serving officer would have a stronger control over the Australian base in Butterworth. The Air Defence Council was then established to take over the integrated air defence system for Malaysia and Singapore.

With the announcement that Britain would withdraw completely by 1971, there was doubt about the continued maintenance of the huge military establishment at Terendak in Malaysia in a new defence arrangement.

The Australian military officers were agreed that the Australian Infantry battalion should not remain in Terendak after the British withdrawal and they expressed three alternatives; return to Australia but be available for emergency and occasional exercises in the Malaysia-Singapore area, go to Butterworth and with the RAAF form a self-contained Australian command, or move to one of the bases in Singapore after British withdrawal. Subsequently, the third option was chosen, namely, that the Australian battalion in Terendak would be withdrawn to Singapore. Though there were economic reasons for the Australian withdrawal to Singapore, the political motivation was the fear, on the part of the Australians, that they could be involved in a potential communal conflict or be dragged into a local crisis such as between Malaysia and Singapore.

48. In December, 1968, the Australian Prime Minister gave a public assurance that the Australian battalion would remain in Terendak. _The Age_, 19.12.68.

49. There was also the economic argument that the Terendak complex was beyond the capacity of the Australian Government to maintain while Malaysia was not prepared to finance the complex jointly with the other countries. _Interview_ G. Bogaars, 5.2.69. Thus, the Commonwealth troops began to leave Terendak for Singapore in early 1969 and the withdrawal was completed by the end of the year.
Finally, there was the question of the training facilities at the Jungle Warfare Training School in Malaysia and the Naval base in Singapore. There was the proposal that the Training School should be administered jointly by the five nations, but the Malaysian Government felt that with the withdrawal of all Commonwealth ground troops from Malaysia, she should have full sovereign control of the training base. Malaysia maintained that the future use of the training school would have to be negotiated on a bilateral basis with the government. Singapore, thus, had to rely on her own training facilities at SAFTI in Jurong. With regard to the use of the Naval Base, Singapore allowed the Royal Malaysian Navy to use it together with the Australians and the New Zealanders. Nevertheless, Malaysia had begun to develop her own naval base which would mean her withdrawal from Singapore in future.

Conclusion

In terms of security interests, Malaysia and Singapore seemed to have much in common, namely, the threat of political conflict resulting from racial clashes, the threat from the local communists through overt and subvert activities, and the general external threat from an aggressive neighbour, such as Indonesia under President Sukarno. In view of such limitations, as their size, proximity, manpower, economics and vulnerable coastlines, it would seem logical that the two states should work in a cooperative endeavour to ensure their security. Even if it was not possible to cooperate in joint efforts, it could be possible for Malaysia and Singapore to collaborate on certain vital areas such as their air defence and the surveillance of their seas. However, Malaysia-Singapore relations indicated that despite their public pronouncements that their defence was inseparable, each state pursued an independent development of their defence system and a policy of cooperation with the Commonwealth allies which excluded, if possible, any joint participation between Malaysia and Singapore.

That Malaysia-Singapore relations were guided by their mutual hostility was obvious in security
matters. Malaysia had been formed partly because of the fear of the Malayan government in 1961 that an independent Singapore might be ruled by a hostile and communist-dominated government. Then the Tengku stated,

> While Singapore is under the British we feel that there is no threat of open action by the communists which might endanger the peace and security of the Federation, but with an independent Singapore anything might happen ... we must prevent a situation in which an independent Singapore will go one way and the Federation the other.\(^5\)

After Separation, it could be that the communist threat in Singapore had diminished. But despite the Singapore's declaration that she would be 'forever a sovereign and democratic and independent nation',\(^6\) Singapore under the PAP was perceived as an unfriendly state and this could be a threat to the government of Malaysia. This was aggravated by Singapore's action, namely, the breach of the understanding apparently arrived at regarding defence cooperation, the military build up

---

51. PDM, Vol. 3, No. 16, 16.11.61, Col. 1590-1613.

52. Paragraph 6 of the Proclamation of Singapore, See Appendix B.
based on the Israeli-model and on sophisticated defence weaponry. Singapore, on the other hand, feared subjugation by Malaysia at a time when she was militarily weak. This was clearly manifested by her request that in case of a racial disturbance following Separation, Malaysia would send multi-racial forces to quell the trouble. Further, she resented the Malaysian insistence to maintain a military presence in Singapore and the denial of training facilities by Malaysia for her armed forces. Also, Singapore clearly felt alarmed at the Malaysian defence build-up, particularly when the Malays dominated the armed forces.

Their objectives in security matters seemed then to be, firstly, to make a complete break in security matters, secondly, to deny each other defence facilities, thirdly, to build up their defence forces independently, though contradictory, to each other's positions, and fourthly, to ensure a deterrent by continuing with the Commonwealth presence even if this meant a limited collaboration between them. Thus, Malaysia and Singapore went their separate ways after splitting up the Joint Defence Council and the joint radar defence system. Malaysia denied Singapore the use of the Jungle Warfare
Training School, while Singapore excluded the stationing of Malaysian troops, either based on a bilateral agreement or even in the context of the Commonwealth arrangement. The minimum collaboration was seen in the continuance of the Royal Malaysian Navy base in Woodlands, but even this was realised to be a temporary arrangement. Both accelerated their defence build-up, which were viewed with concern by the other. Malaysia accelerated the expansion of the Royal Malay Regiments, her Air Force and Navy, while Singapore adopted Israeli advisers and introduced compulsory national service. Both embarked on the purchase of sophisticated weaponry, such as supersonic aircraft and missiles.

These were attempts to restrain their defence competition. The leaders met occasionally and there appeared to be consultations on such matters as the nature of the ANZUK commitment in a new defence arrangement. Dr. Goh Keng Swee visited Tun Razak in March, 1966 to discuss such issues as the implication of the British defence review, and he saw the Malaysian leaders in January, 1968, immediately after his return from the London talks with the British government. However, the leaders took unilateral and independent action as they
competed for assistance from their allies and refused to take joint action. Thus, the Tengku's proposal for a tripartite agreement between Britain, Malaysia and Singapore or an integrated Commonwealth force was turned down by Singapore, while Malaysian leaders refused to go along with Lee Kuan Yew in his last minute bid to gain further concessions from London. Yet both were concerned to have a continuing Commonwealth presence in the area.\footnote{Their attitudes towards the Commonwealth defence arrangement was important in view of the long term implications for the security of the region. There were occasions of soldarity. Singapore despatched a battalion}

\footnote{The Malaysian position was that the British presence would be required for the defence against external enemies even though Confrontation had ended. See for example, PDM, Vol. 3, No. 9, 25.8.66, Col. 1666-1668 and Vol. 4, No. 14, 13.11.67, Col. 2582. Singapore was interested in a defence arrangement, which could work as a team, with 'a British skipper and perhaps a spin bowler, while Malaysia and Singapore provided the pitch and fielders and Australia and New Zealand the stump and pads.' The Times, 10.1.68}
to East Malaysia immediately after Separation and apparently stated that she would consider giving military assistance to Malaysia in the event of a Philippine attack on Malaysia. Further, Singapore allowed the continued use of the Woodlands naval base by the Royal Malaysian Navy though this was in conjunction with the ANZUK naval forces. Malaysia and Singapore participated in the joint war exercises, Bersatu Padu or Operation Unity, off the east coast of West Malaysia in mid-1969. Beyond these, however, Malaysia and Singapore differences would seem to be a hinderance to any future Commonwealth presence.

This was particularly obvious in the reactions of their Commonwealth partners, as seen in their reluctance in implementing the agreements as embodied in the Five Power Defence Arrangement. The lack of responsiveness

54. S. Rajaratnam was reported to have stated that Singapore would consider offering military aid to Malaysia if armed conflict broke out between Malaysia and the Philippines over Sabah. Warta Malaysia, Vol. 4, No. 42, October 17, 1968, p. 1.

and collaboration, the independent defence policies of Malaysia and Singapore, the tendency to ignore treaty commitments or understandings would create future problems for the working of the new defence arrangement. The Australian troop withdrawal from Terendak and the trouble over the accommodation of the ANZUK forces in Singapore were signs of disagreements. More significant, the Five Power Defence Arrangement merely provided for 'consultations' in the event of external aggression against Malaysia or Singapore, while it had been explicitly stated that the ANZUK powers would not want to be involved in an internal rebellion, whether racial or communist; this could be extended to include a Malaysia-Singapore conflict as well. Thus, the Five Power Arrangement could be just a deterrent and a temporary agreement until such time as when an alternative defence alliance emerged to maintain the stability and security

56. Australia further would not commit herself to come to the assistance of Malaysia in the event of hostilities between Malaysia and the Philippines. The Age, 5.2.69.
of the Malaysia-Singapore area.  

Malaysia-Singapore relations would seem to be an unstable force as far as regional security in Southeast Asia was concerned. The Commonwealth forces had met the threat of communist and aggression but they would be deterred from interfering in any hostility between Malaysia and Singapore. In such an eventuality, Malaysia and Singapore might have to rely on their own defence forces, their bilateral arrangements with their neighbours or rely on international support for their security. This consideration could be an important determinant in their policies towards Indonesia, regional cooperation and the Great Powers in Southeast Asia.

57. The two important members in the new defence arrangement were Australia and Britain. The ANZUK Brigade in Singapore would comprise three thousand troops with Britain contributing about half, Australia one-third and New Zealand one-fifth. The Canberra Times, 11.1.71. The Australia commitment was tied up to their concept of forward defence, their kinship with Britain and their alliance with the United States in SEATO and ANZUK. Britain, besides being a member of SEATO, could be motivated by the need to maintain stability so as to safeguard her economic investments here. The estimated value of British investment in Malaysia-Singapore was M$6,000 million. See FEER, Vol. 59, No. 8, February 22, 1968, p. 304.
Introduction

Malaysia-Singapore relations have affected profoundly their relationship with the outside world, particularly with their big neighbour, Indonesia. Malaysia's objective vis-a-vis Indonesia seemed to be to cooperate with the latter in security and cultural activities. Both were threatened by the communists at home, but they were bound by ties of culture, race and religion. However, there was a limit to Indonesia's support of Malaysia in the event of aggression against the latter, but whether Indonesia would assist the Malaysian government if it was embroiled in a racial-civil war, there seemed to be some doubt. Nevertheless, it was clear that both Malaysia and Indonesia were cooperating closely in security and cultural matters during the period under survey.

Any close relationship between Malaysia and Indonesia, however, was perceived as detrimental to Singapore, if it meant joint efforts by Malaysia-
Indonesia to deprive, influence or dominate the island. On the other hand, Singapore in her need to look for alternative sources of raw materials and markets turned partly to Indonesia. This was also motivated by Singapore's efforts to be less dependent on Malaysia to sustain her entrepot activities.

Malaysia-Singapore competition to gain the favour of Indonesia, and in the process came to conflict, was a strange confrontation between the two states. Indonesia, the originator of Confrontation, was able to exploit these differences between Malaysia and Singapore to achieve her objective of leadership in the region. In the process, Malaysia had to choose between challenging Indonesia for regional leadership or achieve closer rapport with Indonesia. Here the difference between the Malaysian Prime Minister, Tengku Abdul Rahman and his deputy, Tun Razak was quite evident; the former maintained that Malaysia should take the lead in regional associations, while Tun Razak seemed to favour a dominant role for Indonesia.

For Singapore, opposition to Indonesia's anti-Chinese policy had to be balanced against the need
to create an alternative source of supply and market in Indonesia. At the same time, however, Singapore's image of a third China or a second Israel strained her relations not only with Malaysia but with Indonesia as well.

To an observer, a paradox of the post-confrontation situation was that while before Sukarno's long term objective of a Greater Indonesia seemed destined to failure, now with the strained relationship between Malaysia and Singapore and the two states' renewal of ties with Indonesia, the latter was able to exploit the new situation to her advantage and thereby advanced her position as the leader in the Straits of Malacca.\(^1\) Aside from the New Order policy of good-neighbourliness towards Malaysia and Singapore, the issues like the Indonesia's recognition of Singapore and the normalisation of relations with Malaysia, gave her the opportunity to advance her interests.\(^2\) On the other hand, Malaysia-Singapore relations were further strained by their

\(^1\) See Creighton Burns, in *The Age*, 30.9.66.

\(^2\) Explaining the good neighbour policy, Acting President Suharto in his State Address to Parliament on the nation's Independence Day, 17th August, 1967,
differences in their policies toward Indonesia.

Recognition and ultimatum

Singapore, guided by the urgent consideration to have alternative sources of raw materials and market and to offset any Malaysian pressures on her, adopted the policy that she would consider trade relations with Indonesia, China and any other country. Singapore was particularly keen to renew trade relations with Indonesia. This prompted the

cont'd

stated inter alia,

"The old order had carried out a confrontation against these two countries, (Malaysia and Singapore) a confrontation which had not been beneficial nor advantageous to Indonesia. Good neighbourliness means mutual respect and cooperation. It means that every nation enjoys equal rights, big or small. Under the good neighbour policy, cooperation can be carried out which will bring about not only national but also regional benefit." For a transcript of Acting President Suharto's State Address to the Indonesian Parliament, see Monitoring Digest, 17.8.67, pp. 26-34.

Indonesian offer of recognition, which was made in her own interests; that of continuing with Confrontation against Malaysia and aggravating Malaysia-Singapore relations by a divide and rule policy. Viewed from the Indonesian perspective, the recognition of Singapore would serve the Confrontation purpose of isolating Malaysia, thereby aiding in the latter's disintegration. Thus, on the occasion of Singapore's independence, Indonesian indicated that she would extend diplomatic recognition to Singapore, while Confrontation against Malaysia would be continued.4

Recognising this and aware that Malaysia could react to Singapore's disadvantage, particularly when Malaysia faced the threat of Indonesian Confrontation, Singapore had certain reservations regarding the

4. Dr. Subandrio, the Indonesian Foreign Minister, stated on the occasion of Singapore's independence, that Indonesia would extend diplomatic recognition to Singapore, while President Sukarno called for the continuation of the 'Crush Malaysia' campaign. Keesing's Contemporary Archives, (KCA) Vol. 15, August 7-14, 1965, p. 20892.
recognition by Indonesia in late 1965. She declared that she would continue to maintain close links with Malaysia, and in fact, kept Kuala Lumpur informed of the Indonesian approaches. Thus, Lee's pre-condition for any move towards establishment of diplomatic relations was the non-interference in the internal affairs of each other's country.

Singapore had made clear to Indonesia her attitude on the question of recognition while welcoming the Indonesian Government's move to normalise relations; she noted that the latter intended to recognise Singapore whilst intensifying Confrontation.

5. Singapore at this time discovered an alleged Indonesian-backed plot to overthrow the Singapore Government by violence and armed revolution immediately following Separation. The Singapore police stated that it had uncovered an 'Indonesian-backed communist plot' to create a communist state in Singapore through the People's Revolutionary Party of Singapore. Some twenty members of the Party were arrested including the leader, Sin Siew Lin. The Straits Times, 27.8.65.

6. On September, 1965, Lee Kuan Yew had referred to the 'several overtures' by Indonesian representatives and stated that the Malaysian Government knew of this. The indirect contacts were held in Bangkok. Asian Almanac, Vol. 3, No. 18, October 24-30, 1965, p. 1315. See also The Mirror, Vol. 2, No. 5, 11 April, 1966, p. 1, 8.
That Singapore could not respond immediately to the Indonesian offer was evidence of Singapore's cautious consideration of the matter, as a result of the Malaysian Government's objection to the Singapore recognition on the ground that Malaysian security would be jeopardised. However, Singapore could not entirely resist the Indonesian advance towards the recognition of the state. Singapore could not ignore the presence of one hundred million Indonesians, but she could only establish friendly relations with Indonesia, provided the latter agreed to respect the republic's sovereignty and integrity. In any case, recognition need not necessary have to lead to diplomatic relations. Singapore assured Malaysia that the mere act of recognition would not affect the physical problems of defence, while there would be consultations on all matters where Malaysia's defence interests were affected.

The Indonesian proposal had met with public disapproval from Malaysia. The Tengku affirmed his opposition to any separate negotiation with either Malaysia or Singapore. His stand regarding any discussion with Indonesia was that, 'we would not hold any talks with Indonesia without
Singapore being a party to such talks. This is as it should be because between Singapore and ourselves, the relationship is so close.\(^7\) The Tengku maintained that, 'the recognition of Singapore by Indonesia raises very important issues on the defence of Malaysia as Sukarno had reiterated his determination to crush Malaysia'. His argument was that diplomatic relations would follow recognition, and the presence of the Indonesians on Malaysia's doorsteps would endanger the security of the country.\(^8\) He felt that consultations were of no avail once the Indonesians had established themselves in Singapore and used the opportunity to intensify Confrontation.

To forestall Singapore's acceptance of the Indonesian note of recognition the Tengku presented Singapore with the ultimatum:

Singapore, as an independent nation may think that she can make friends, with whomsoever she likes, but in this instance, she has to

\(^7\) The Straits Times, 14.4.66

\(^8\) Ibid., 17.4.66
choose between Indonesia and Malaysia.\footnote{9}

This was a threat to Singapore that in the event the latter agreed to establish diplomatic relations with Indonesia, she might have to face certain measures by Malaysia: Malaysia could break off diplomatic relations and effect economic embargo on Singapore. What it really meant was that Singapore could not accept recognition from Indonesia until Confrontation was ended and relations between Malaysia and Indonesia were normalised.\footnote{10}

The ultimatum from Malaysia came after her anxiety over Singapore's haste to renew barter trade with Indonesia even when official relations had not yet been established. Again over this issue, Malaysia's concern for her security was pitted against Singapore's need to find alternative sources of raw materials.

\footnote{9} The emergency meeting of the Malaysian Cabinet was held on 12th April, 1966. \textit{Ibid.}, 13.4.66, and see also \textit{FEER}, vol. 52, No. 3, April 21, 1966, p.145.

\footnote{10} The Indonesian note of recognition was handed over to Singapore immediately after the Bangkok accord between Malaysia and Indonesia. However to signify that de facto recognition was made in mid-April, 1966, S. Rajaratnam requested the back-dating of the Note. \textit{Interview}, Toh Hock Ghim, 5.6.70. See the Indonesian Note of Recognition, Appendix E.
and market and to reduce thereby dependence on Malaysia. Since official relations with Indonesia had not been resumed and therefore official trade could not be conducted, the Singapore Government hoped that at least 2% of its GNP could be recovered by reviving barter trade on an organised scale. Pulau Senang, the southern most of Singapore's off-shore island and near the limit of her territorial waters was chosen to be the centre of the barter trade. The island was the farthest point from West Malaysia and thereby Singapore hoped to be less liable to be accused of endangering the security of Malaysia. However, the assurance by Singapore's Defence Minister, Dr. Goh Keng Swee, that detailed discussions with Malaysia on security aspects of any resumption of barter trade would precede any concrete decision by Singapore to implement the plan, did not soften the Malaysian attitude on this issue.\footnote{See Harvey Stockwin, "Barter over Barter" in \emph{PEER}, Vol. 50, No. 5, November 4, 1965, pp. 190-191.}

On the day the Pulau Senang plan was announced, the Malaysian Cabinet met at an emergency session,
after which it was stated that the benefit which Singapore expected to derive from this plan was out of all proportion to the threat to the very existence of both Malaysia and Singapore. Further, it was wrong for Singapore to enter into any deal with Indonesia, 'when events there are steadily moving in our favour', an obvious reference to the Indonesian developments after the coup.  

Indonesia, however, apparently had no intention of resuming barter trade. The reason was made clear when Antara, the Indonesian daily, declared that when Indonesia broke off trade relations with Singapore, she also abolished a foreign trade structure which had for a long time impeded the growth of Indonesia's economy. At the same time, it stated that Confrontation had revolutionised the foreign trade relations of Indonesia by forcing their businessmen to look for alternative outlets to promote exports. Thus, Indonesia would not now sacrifice her economic independence and reinstate a foreign economic base which

12. The Straits Times, 26.10.65
threatened her own economic system.\textsuperscript{13}

Rapprochement and racial unity

Before any rapprochement between Malaysia and Indonesia was possible, certain conditions had to be fulfilled. Firstly, Indonesia should cease hostilities against Malaysia, secondly, Indonesia should not make any moves such as the recognition of Singapore, which could be interpreted as hostile to Malaysia, and thirdly, Indonesia should recognise Malaysia's territorial integrity and thus exclude any preconditions for talks relating to the status of the Borneo territories. When Indonesia seemed to have accepted those terms, the way for a rapprochement was open.

Malaysia was concerned with her security and territorial integrity, while Indonesia's objective of regional leadership could be achieved through

diplomacy rather than Confrontation. In Singapore, however, the rapprochement and subsequent collaboration between Malaysia and Indonesia in defence matters, were perceived as a development, which could be threatening to her. Implicit in this was the attitude that Malaysia and Indonesia were dominated by Muslim leaders and their cultural, racial and religious ties could promote a security alliance between them in the future. This fears had been expressed with regard to the concept of Maphilindo and were again manifested when Malaysian leaders, like Tun Razak, favoured a closer relationship with Indonesia.

Contacts were established between Malaysia and Indonesia late in 1965, but the Malaysians displayed due caution regarding these Indonesian initiatives. This was because the Indonesia combined a desire to seek a peaceful solution, while at the same time, intensifying Confrontation against Malaysia. Further,

14. The Tengku confirmed that contact had been going since October, 1965, and that Indonesian representatives including army officers had talked to him. FEER, Vol. 52, No. 4, April 28, 1966, p.178.
the de facto recognition of Singapore was regarded as a step to intensify Confrontation and therefore a threat to her security. Thus, Malaysia was unwilling to consider negotiations with Indonesia, unless the latter ceased her acts of aggression. When Indonesia showed restraint on the recognition issue and reduced the level of hostilities, especially the incursions along the border areas between East Malaysia and Indonesia, Malaysia agreed to negotiate a peaceful settlement between the two countries.

In any peace settlement between Malaysia and Indonesia, the issue of Malaysian security and territorial integrity would have to be resolved before Confrontation could end. This issue was specifically related to the question of self-determination for East Malaysia, that is, Sabah and Sarawak. While the Malaysian view was that the peoples of Sabah and Sarawak had declared without doubt their desire to remain in Malaysia, as shown by the Cobbold Commission, the United Nations Report and the 1964 elections, the Indonesians, nevertheless, felt that the solution to the issue must reflect in some way Indonesian 'approval' of the incorporation of the
Bornean states in Malaysia. In mid-May, 1966, Indonesia decided to drop both the demand for a Borneo referendum and request for a further United Nations assessment. In her view, what was required was for the will of the majority of the Borneo peoples to be determined correctly and Indonesia would not object if the Borneo states decided to remain in Malaysia. Indonesia hoped, however, that a peaceful settlement should be based on the Manila Agreement of 1963. An atmosphere conducive for talks had thus been created and negotiations were expeditiously held, culminating in the arrival of an Indonesian military mission in Kuala Lumpur, and the ministerial meeting in Bangkok. This led to the Djakarta Agreement of 11th August, 1966.

15. In mid-May, 1966 the KOGAM (Crush Malaysia Command) met at the Bogor Palace with President Sukarno, General Suharto, Ministers and military officers present and approved direct talks at Foreign Ministers' level to be held between Malaysia and Indonesia. KCA, Vol.15, July 9-16, 1966, p.21493

16. On 28th May, 1966, the mission of eight KOGAM members led by Rear Admiral O. B. Sjaaf, General Suharto's Deputy as Head of the Strategic Command, was enthusiastically welcomed by the Malaysian Deputy Prime Minister, Tun Razak in Kuala Lumpur, and later the Indonesians were received by the Tengku at his home in Alor Star. Two members of the KOGAM delegation remained in Kuala Lumpur and accompanied the Malaysian delegation to Bangkok, where the Indonesian team led by Malik was waiting to commence talks to end Confrontation. The Straits Times, 29.5.66.
The Djakarta Agreement, which originated from the Bangkok accord in June, laid down the foundations of future Malaysia-Indonesia relations. Tun Razak and Adam Malik were the principal participants in concluding the agreement. In Bangkok, a provisional agreement was reached, which contained 'the principles upon which practical steps to restore relations between the two countries should be based.' The Bangkok Accord was ratified almost immediately by the Malaysian cabinet, but it took more than two months before Jakarta could give affirmation to the agreement reached. Aside from the immediate problem of ending confrontation, the Agreement dealt with specific matters relating to the status of East Malaysia and the establishment of diplomatic relations. More important, it was apparent that private discussions on other matters, including the withdrawal of the

17. See the Agreement to normalise relations between Indonesia and Malaysia, Appendix F.

British troops from East Malaysia, security collaboration and regional co-operation, took place between the leaders of the two states.

The Djakarta Agreement formalised the end of Confrontation and resolved a number of immediate issues between Malaysia and Indonesia. The most obvious were the cessation of hostilities, the Borneo question and the establishment of diplomatic relations. The declaration to end hostilities under Article III of the Jakarta Agreement was a mere formality as the border in Borneo had practically been free of incidents since April, 1966. On the question of Borneo self-determination, Indonesia accepted Malaysian sovereignty over the Borneo states, and what was required was an expression of intention by Kuala Lumpur to hold elections in the two states without any specific dates. As it turned out, Article I of the Jakarta Agreement stated,

19. Tun Razak had said that Indonesia recognised Malaysia's independent sovereignty, and therefore the question of Borneo's self-determination did not arise. However, on June 10, 1966, the Malaysian Permanent Secretary of Foreign Affairs, Tan Sri Ghazali Shafie travelled to Djakarta with a face-saving formula which would allow Indonesia to claim that she was satisfied with the wishes of Sabah and Sarawak to belong to Malaysia. This was the
The Government of Malaysia, in order to resolve the problems between the two countries, arising out of the formation of Malaysia, agrees to afford the people of Sabah and Sarawak who are directly involved, an opportunity to affirm as soon as practicable, in a free and democratic manner through general elections, their previous decision about their status in Malaysia.20

There was disagreement between Malaysia and Indonesia as to whether or not the Borneo question was tied up with the resumption of diplomatic relations: that is, whether or not the execution of Article I was a prerequisite for the restoration of diplomatic relations. Malaysia felt that once the agreement had been ratified by the two governments, diplomatic relations would be resumed and this would not be contingent on the implementation of whatever method had been chosen to obtain the Indonesian acceptance of Sabah and Sarawak. However, Indonesia's position was that diplomatic relations would be resumed when the Sabah and Sarawak question had been

cont'd

'secret agreement' announced by Malik a few days later, whereby self-determination for the Borneo territories could be affected. FER, Vol. 52, No. 12, June 23, 1966, p. 587.

20. See Appendix E, Article I of the Jakarta Agreement,
settled in accordance with the exchange of the Notes. However, after the Sabah state elections were held, Indonesia was apparently satisfied that Malaysia had fulfilled the agreement and dismissed the Sarawak elections as a pre-requisite for normalisation.  

The question of diplomatic relations between Malaysia and Indonesia caused a disagreement between the former and Singapore. The latter had succumbed to the pressure of Malaysia over the recognition issue though Singapore insisted that de facto

21. Elections were held in the state of Sabah in April, 1967 and the results reaffirmed the people's wish to remain in Malaysia. However, for various domestic reasons, especially after the constitutional crisis in September 1966, and the May crisis after the Malaysian General Election in 1969, the Sarawak elections were not held until 1970. The Indonesian Parliament on August 27, 1967, passed a resolution stating that Malaysia had implemented the basic parts of the peace agreement and therefore relations with Malaysia could be normalised pending general elections in Sarawak. The resolution also inferred that the normalisation of diplomatic relations was urgent for the solution of 'economic smuggling and border security problems between Indonesia and Malaysia'. Indonesia felt that should Sarawak decide to secede from Malaysia at a later date, Indonesia could then still maintain relations with Malaysia minus Sarawak. Asian Almanac, Vol. 5, No. 41, October 14, 1967, p. 2344.
recognition by Indonesia had occurred earlier. Subsequently, for the reason of prestige, Singapore wanted to establish diplomatic relations with Indonesia as soon as possible but again Malaysia-Indonesia relations delayed this.

Kuala Lumpur and Singapore had agreed that diplomatic relations between them and Indonesia should be established simultaneously and not separately. But on the tenth anniversary of Malaysia's independence of 31st August, 1967, Malaysia and Indonesia decided on the exchange of diplomatic relations at ambassadorial level. A week later in a joint communique, following S. Rajaratnam's visit to Jakarta, Singapore and Indonesia agreed to establish diplomatic relations at the same level.22

Security arrangements

With the resumption of diplomatic relations between Malaysia and Indonesia, the two countries began to collaborate on security matters particularly in their efforts against the communists, rebels, smugglers, and pirates. While all these represented cooperation on an ad hoc basis and on a limited scale, there was speculation that Malaysia and Indonesia could extend their common endeavours to form a security pact in the future. It was noted that such Malaysian leaders as Tun Razak, favoured a security role for the Association of Southeast Asian Nation (ASEAN), which was an Indonesian-initiated organisation.

Before security cooperation between Malaysia and Indonesia could be effected in East Malaysia, the former had to remove the British troops from these areas. Obviously, this was a gesture of concession by Malaysia to Indonesia, which had maintained that Malaysia was a neo-colonial project of the British and wanted the removal of foreign troops based in Borneo across her border. Thus, after the Jakarta

---

23. Immediately after Malaysia had ratified the Bangkok accord, at a press conference on 7th June, 1966, Tun Razak stated that once normal relations between Malaysia and Indonesia were established, British
Agreement was signed, both Malaysia and Britain agreed on the withdrawal of the British troops. While there may be other reasons for the British withdrawal from East Malaysia, the Malaysia-Indonesia normalisations undoubtedly had an effect on the immediate British withdrawal. Subsequently, the question of Malaysia-Indonesia military co-operation in East Malaysia was discussed, including the issues of a border agreement to deal with the communist on the border areas of East Malaysia-Indonesia and joint patrols against piracy in the Straits of Malacca.

In East Malaysia, particularly in Sarawak, Malaysia faced opposition from the communists and the anti-Malaysian rebels, particularly the Tentera Nasional Kalimantan Utara (TNKU) or the North Borneo Liberation Army. On the other hand, Indonesia had to deal with those elements of the Indonesian Army who opposed the New Order. Thus, it was advantages

cont'd

trroops would 'obviously' have to leave Sarawak and Sabah. KCA, Vol. 15, July 9-16, 1966, p. 21494. The Straits Times, 7.6.66

24. In early August 1966, Britain announced that ten thousand British troops would be withdrawn from Borneo as soon as the Bangkok Accord was ratified and the Malaysian forces could take full responsibility for the defence of East Malaysia. KCA, Vol. 15, p.21576.
for Malaysia and Indonesia to conclude an agreement on border operations. An Indonesian military mission was in Malaysia to discuss the main areas of co-operation in defence and security between Malaysia and Indonesia. Specifically, the main subjects discussed were border security along the East Malaysian-Indonesian border and piracy in the Straits of Malacca. Their agreement was embodied in a Record of Understanding. On the question of the border operations, Malaysia and Indonesia agreed to establish a Joint Border Security Committee, and station liaison officers in each other's territory. There would be no joint patrols and each country would confine its patrol on its own side of the border. However, the liaison teams would keep in touch with the border commanders and solve directly any problem which arose pertaining to the border security.25 Subsequently, both governments concluded

a Joint Border Security Agreement. Aside from the establishment of the Joint Border Security Committee and the liaison offices between Malaysia and Indonesia, there was co-operation in psychological warfare, the pooling of police and military intelligence, logistic support for the troops and the supply of provisions. In fact, the military co-operation along the border was described as 'the best of its kind'.

26. The details of the border operation agreement were part of a Record of Understanding reached between Malaysia and Indonesia in September, 1966. In a follow up to the Kuala Lumpur talks, a Malaysian military mission went to Jakarta in early October, 1966 to seek early implementation of some parts of the border security agreement, particularly on the establishment of the liaison offices. One reason for the Malaysian anxiety was the continuing intrusion into Malaysian territories of 'incursionists'. The mission was successful in obtaining Indonesian approval to implement immediately the establishment of the liaison offices, which in late October were established at Kuching, Tawau and Sungaledo, while the Malaysian Mission in Tarakan was not set up until the dissolution of the Indonesian Task Command in April 1967. By this time, both governments had ratified the Joint Border Security Arrangement. During Confrontation, the Indonesian Task Command at Tarakan was responsible for operations against East Malaysia. This Command was not disbanded until 18th April, 1967, when the Malaysian liaison team arrived to witness its dissolution. See The Times, 20.4.67.

27. This was the opinion of the Indonesian military commander, Brigadier General Witono in June, 1968. The Straits Times, 6.6.68.
A further step towards ensuring the security of the border was made when Malaysia and Indonesia instituted controls to check the daily commuters crossing the border. This was embodied in the Border Crossing Agreement.  

These efforts at joint military co-operation in Borneo were aimed at eliminating the communists as well as the Indonesian rebels. The latter continued to infiltrate with groups of the TNKU into the East Malaysian states. These defectors, who were pro-

28. Under it, border control posts would be established in Sarawak, Sabah and in Indonesian Kalimantan; and Malaysia and Indonesia would issue passes for the purpose of travel and trade but not for employment to persons crossing the border. Full implementation of the Agreement was delayed by the Indonesian Government due to 'administrative difficulties' though it was partially enforced with the establishment of the border control posts in Sabah. However, by May, 1969, it was fully implemented. The Malaysian Government ratified the Agreement in November, 1969, The Straits Times, 28.11.69.

29. In August, 1966, units of the Indonesian Army (Tentera Nasional Indonesia) and the TNKU crossed into Sarawak. The largest of the armed group was led by an Indonesian regular officer, and the objective was apparently 'to subvert and sabotage Sarawak and Brunei and prepare the way for an Indonesian takeover'. The Tengku revealed that between August and October, five Indonesians had been captured near Batu Pahat in West Malaysia, forty-one armed 'incursionists' were captured in Sarawak and one Indonesian killed and nineteen
Sukarno, included a few officers and were styled, the West Kalimantan Communist Army (Kumpulan Tentera Kommunis Kalimantan Barat), and under their direction was the Sarawak Peoples Guerilla Force (Pasukan Gurila Ra'ayat Sarawak or PGRS), the operational arm of the Clandestine Communist Organisation in Sarawak.  

In the view of a commentator, until Indonesian-Malaysia relations were formalised, it could be that Indonesia would not immediately abandon her ambition to establish her authority in North Borneo, and that having procured the British withdrawal from East Malaysia and with inadequate Malaysian replacements, Indonesia was continuing her covert campaign against captured in Sabah and that a week later, about seventy TNKU regulars had surrendered.


30. The most senior officer of the West Kalimantan Communist Party was Brigadier-General Soeharjo, who commanded the Indonesian forces in East Malaysia during Confrontation. *The Straits Times*, (editorial), 25.9.66.
East Malaysia.31 Moreover, the political climate in East Malaysia was particularly precarious, following Singapore's Separation, and the subsequent political crisis and declaration of Emergency in Sarawak. Another view was that the PKI, hard-pressed in Java, began to centre its bid for a comeback on a guerilla war in Sarawak, joining up with the PGRS and the TNKU.32

With the conclusion of the Border Security Agreement, Indonesia disassociated herself from the Brunei rebels and denied them support in their opposition to Malaysia. Indonesia warned the rebels that unless they supported the Indonesian policy for a peaceful solution of the Malaysian-Indonesian dispute, action would be taken against the rebels.33


33. *The Jakarta Times*, 10.10.66. According to *The Age*, 4.11.66 the TNKU commander Abang Kifli had suggested to Adam Malik in a written statement that an international commission could supervise the disbandment of the TNKU. In October, 1968, Malik said that Abang Kifli had declared support for the Indonesian policy towards Malaysia. *The Times*, 10.10.68.
Malaysia-Indonesia security cooperation was also seen in their agreement to take joint actions to curb piracy in the Straits of Malacca. This issue was linked with the question of smuggling and barter trade. Agreement was reached to establish direct military communication between Kuala Lumpur and Medan as part of the co-ordination programme to put down piracy in their waters. Subsequently, they signed a four-point Record of Understanding related to the control of piracy in the Straits of Malacca. These were firstly, the co-ordination of efforts in the conduct of operation in the Straits of Malacca; secondly, the establishment of radio communications between the respective naval operational headquarters; thirdly, the liaison visits between military officers to exchange views on common problems; and finally,

34. In late January, 1967, General Hamid Bidin, the Malaysian Chief of General Staff led a delegation to Sumatra to discuss the issue with the Indonesian military commander there, General A.J. Mokoginta. This was followed by talks between General Mokoginta and the Malaysian Secretary of Defence in Kuala Lumpur. The Djakarta Times, 17.2.67.
the exchange of information pertaining to the problems in the Straits of Malacca. The Indonesian Government set up a 'special command' in Jakarta to tackle smuggling in the Straits of Malacca and the South China Sea.  

The atmosphere for Malaysia-Indonesia limited military co-operation was improved when the Indonesian prisoners in Malaysia were repatriated and Indonesia troops remaining in the border areas near East Malaysia were withdrawn. The repatriation of the Indonesian 'prisoners of war' numbering about six hundred was one of the agreements reached in the Bangkok talks. The Indonesian Armed Forces units and volunteers assigned to the border areas were withdrawn.

35. In charge of the Command was Rear Admiral O.B. Sjaaf, the leader of the military mission to Kuala Lumpur in May, 1966. The Straits Times, 19.5.67.

36. In October, 1966, the Indonesian prisoners detained in West Malaysia and East Malaysia were returned to Indonesia, where, according to a spokesman of the Alert Theatre Command (KOLAGA), the members of the armed forces would be returned to other units while the volunteers would be sent home. The Straits Times, 30.9.66. The Djakarta Times, 30.9.66.
and these units were disbanded and replaced by the Sumatran Inter-Regional Command and the Kalimantan Defence Command, both charged with the supervision of the borders and co-operation with their Malaysian counterparts. However, the Supreme Operation Command (KOTI) set up to direct Indonesia's confrontation against Malaysia was not abolished, because in the view of President Suharto, it was required to secure the agreement between Indonesia and Malaysia.

Thus, in terms of military co-operation, Malaysia and Indonesia had taken steps to track down the rebellious and communist elements operating in Borneo and in curbing the piratical activities in the Straits of Malacca. Moreover, there were numerous exchanges of goodwill visits among military personnel of both countries and scholarships and courses in Indonesian

37. According to the Secretary-General of KOLAGA, Lieut-Col. Otto Bojoh, there were still 20,000 troops at the border in December, 1966, and the delay in their withdrawal was due to 'financial difficulties'. The Djakarta Times, 17.4.67.

military academies were offered to Malaysian military personnel. It could be that this limited military co-operation for specific purposes would be extended to embrace a wider defence co-operation between Malaysia and Indonesia in the future. There was enthusiasm on the part of individuals that the limited co-operation would eventually result in a defence pact between the two Muslim countries. The Secretary of the Malaysian Ministry of Defence had declared that co-operation among the Malay-Indonesian peoples was absolutely necessary for the development and the safeguarding of peace in Southeast Asia. A member of the Indonesian Parliament viewed the security arrangements on the border region as part of the efforts for co-operation between Malaysian-Indonesian Armed Forces and a guarantee for peace in Southeast Asia, and he hoped that the co-operation could be extended to the Philippines when the Maphilindo plan was realised. Though

39. Two Malaysian senior military officers attended courses in the Indonesian Army Staff College in Bandung, the first time Malaysian officers had done so. The Straits Times, 25.10.67.

40. The Djakarta Times, 6.10.66 and 15.10.66.
Maphilindo was not revived, the Association of South-East Asian Nations (ASEAN) emerged as the regional organisation to which Indonesia belonged; however, the possibility of ASEAN taking on a defence role was an issue on which there was division within the regional members themselves.

Thus, Malaysia and Indonesia's volte face in their relations had been achieved. In April, 1966, Malaysia and Indonesia were still antagonistic in their public stances: to Indonesia, Malaysia was still a neo-colonialist project aimed at the encirclement of Indonesia and therefore had to be crushed, while to Malaysia, Indonesia was a hostile neighbour determined to undermine her territorial integrity through Confrontation. But within a year, the former adversaries seemed closer together than ever before and were co-operating against communists and rebels. To rationalise this reversal, the Malaysian leaders explained that Confrontation was really caused by the communists and communist-inspired Indonesian leaders and that Indonesia had been temporarily led astray. 

41. As Tun Razak said, "The suspicions were built by the former people - you know the Communists. Basically, there was no enmity between the people themselves; Indonesians and Malaysians are one people and even at the height of confrontation
Cultural solidarity

The end of Confrontation and the agreement to cooperate on security matters occurred at a time when the strong cultural and racial links between the Malays and Indonesians were being emphasised. Such sentiments coupled with their common opposition to communism were important considerations in Malaysia-Indonesia relations, and influenced their respective bilateral relationship and their participation in the regional associations. For Singapore, the emphasis on security and cultural ties between Malaysia and Indonesia could only increased her fear of a regional bloc based on racial, cultural and religious considerations.

The cultural solidarity between Malaysia and Indonesia was illustrated by the agreement between the two countries on a number of subjects including there was no enmity'. Interview of Tun Razak by Harvey Stockwin, in FEER, Vol. 52, No. 10, June 9, 1966, p. 471.

42. During the visit of the Indonesian military mission just prior to the Bangkok meeting, for example, the Indonesians were greeted outside the Tengku's house with banners reading: Selamat Datang Rumbongan Muhibbah, Sedarah Sedaging dari Indonesia, or 'Welcome to the goodwill mission, our blood brothers from Indonesia'. For a report of the welcome accorded to the Indonesian military mission, see Harvey Stockwin, "Prodigal Returns" in FEER, Vol. 52, No. 9, June 2, 1966, pp. 439-440.
a common spelling system and employment of Indonesian teachers in Malaysia to assist in the implementation of the National Language policy. The system called Malindo involved a common romanised spelling for both Bahasa Indonesia and Bahasa Malaysia. It was hoped that this would facilitate an exchange of reading materials, students, scholars and teachers between the two countries. Moreover, in the view of a leading Malay figure, it would facilitate the learning of the Malay language among the non-Malays in Malaysia, particularly when the Malay language was the sole official language from August, 1967.

Both the Malaysian and Indonesian governments agreed to the Malindo spelling system though there were

43. The Indonesian Minister of Culture and Education said that the co-operation between Malaysia and Indonesia in these fields would benefit both because it was based on similar history, culture and the same aspirations. Malindo was 'part of the efforts to achieve the common aims of the Indonesian and Malaysian peoples'. Malindo would constitute the first step in making Bahasa Indonesia one of the official world languages'. The Djakarta Times, 31.5.67. See also The Straits Times, 28.6.67 and 2.2.69.

44. The view was expressed by Syed Nasir bin Jafar, who was the Director of Dewan Bahasa dan Pustaka (The Literary and Language Agency) The Straits Times, 24.6.67.
opposition to it from certain sections of Indonesians. Thus, while Malaysia favoured early implementation, Indonesia announced that the system would be introduced only in 1969. A permanent committee of Malaysian and Indonesian officials would be set up to develop the Malindo spelling system.  

Malaysia and Indonesia also negotiated an agreement on the recruitment of Indonesian teachers and lecturers for Malaysian Malay secondary and tertiary institutions. When Malaysia decided to establish the National University, she made specific requests for lecturers to the Indonesian Government, which responded favourably. The initial Malaysian request was for two hundred teachers for the secondary schools and twenty lecturers for the National University. Aside from this willingness to provide the teachers and lecturers, the Indonesians were prepared to extend

45. In the face of rising opposition from the students, professors, publishers and even from the former Vice-President, Dr. Mohammad Hatta, both governments decided to go slow on the implementation of the system. Both Education Ministers made statements to the effect that the Malindo system would take five to ten years to implement fully. The Straits Times, 13.1.69.
places and scholarships to Malay students in Indonesian schools, particularly in technical and vocational subjects.\textsuperscript{46}

Retaliation and cultural animosity

The developing cordial relationship between Malaysia and Indonesia in the security and cultural fields could only heighten Singapore's apprehension of the trend towards a regional bloc based on the Malay race. On the other hand, her image as a Chinese state held by both Malaysians and Indonesians created doubt and suspicion of each other's intentions. Indonesia's policy towards her Chinese population was

\textsuperscript{46} This topic was first broached by Khir Johari at the time of the signing of the Education Accord in June, 1967. For Indonesia, there were prestigious and political gains in the agreement to dispatch Indonesian teachers to Malaysia. In August, 1969, President Suharto received the delegation from Malaysia, which included the Minister of Education and the Vice-Chancellor designate of the National University, and agreed in principle to extend any possible assistance to the Malaysian Government in the educational field. \textit{The Djakarta Times}, 20.5.69.
viewed with alarm in Singapore, conversely, Singapore's execution of the Indonesian marines was regarded as a retaliation on the part of the island state against influence by the Malay race to dominate the international relations in the Straits of Malacca.

The image of Singapore as a Chinese state was evident by the Indonesia's assurances to Singapore during the anti-Chinese riots following the coup in Indonesia. The New Order government found it necessary to assure Singapore that the former's Chinese policy was an internal matter and did not denote in any way an aggressive policy towards Singapore. This was indicated when during the anti-Chinese riots in Indonesia in early 1967, Indonesia sent an emissary to Singapore to explain to the latter her policy in order to dispel any fears on the part of the island that Indonesia was anti-Chinese or anti-Singapore.47

The execution of the Indonesian marines by Singapore had repercussions on their relations, particularly when Indonesia regarded the rejection

47. The emissary was Brigadier General Sunarso who later became his country's Ambassador to Singapore. *The Straits Times*, 11.5.67.
of the President's personal appeal for clemency as a slight to their prestige. Though Singapore defended her position by emphasising that due consideration through the legal process had been given to the condemned marines, yet it was obvious that Singapore's objective was to assert her independence and right to retaliate if her security and territorial integrity was threatened. At the same time, it could be a warning to any hostile intent against her as a result of any alliance between Malaysia and Indonesia.

In view of the constant reference to this incident in any discussion of Singapore-Indonesia relations, it would be useful to recall the events leading up to the execution. The two Indonesian marines were involved in a bombing incident in early 1965 before Confrontation ended, in which three deaths occurred; they were subsequently captured and detained. Besides them, there were forty-five Indonesians who

48. Indonesians refer to this incident constantly as an example of Singapore's 'aggressive' attitude towards Indonesia. An Indonesian daily, Siran Harapan, published a series of articles about Singapore, which dealt with the 'tiny but aggressive neighbour country'. See the translation in The Mirror, Vol. 6 No. 15, April 13, 1970, pp. 4-6, and Vol. 6, No. 16, April 20, 1970, pp. 3 and 8.
had been imprisoned for various offences during Confrontation. In December, 1966, forty-three of them were released and immediately flown back to Indonesia and in May, 1967, the remaining two, who had been sentenced to death for bringing a time bomb into Singapore and which exploded but did not cause death, had their sentences remitted and were subsequently repatriated to Indonesia. The two marines had legal representation and the appeal was heard in the Privy Council. The Privy Council rejected the appeal on the grounds that the two Indonesians, though members of the Indonesian Armed Forces, were not entitled to be treated as prisoners-of-war under the 1949 Geneva Convention because they were not in uniform when captured. Confrontation was never an official declaration of war between Indonesia and Malaysia, nor was the New Order Government prepared to sign a statement to the effect that the two saboteurs had been members of the Indonesian Marines.

49. It should be noted that the Indonesian Marines (KKO), even after the coup, was pro-Sukarno and disregarded the orders of the New Order Government, for example, in their pursuit of 'piratical attacks' against shipping and fishing vessels in the Straits of Malacca. The inter-service rivalry in the Indonesian armed forces could have influence the nonchalant attitude of the Indonesian government.
The decision to execute the Indonesians was conveyed to the Indonesian Embassy by the Singapore Government on October 9th, 1968. President Suharto appealed for clemency and commutation of the death sentences to life imprisonment, followed by appeals from the Tengku and the Singapore Malay National Organisation. The Indonesian government also requested a stay of execution. These appeals were rejected and eight days later, the two saboteurs were executed. The Singapore Embassy and the residences of the diplomats in Jakarta were sacked by Indonesian rioters, while in Kuala Lumpur, a demonstration by some Malaysians was held in support of the Indonesian position.

The Singapore Government's statement on the incident explained its position on the matter. Firstly, the government had shown understanding and

50. According to a Foreign Ministry official, the postponement was requested because the Indonesians did not want any embarrassment in their foreign relations especially when the Hague meeting of Indonesia's creditors were being held at about the same time as the execution date. Interview, S.R. Nathan, 28.12.68.

51. See the Singapore statement, The Straits Times, 19.10.68.
sympathy towards the Indonesian Government in problems arising from Sukarno's Confrontation. The Singapore Government had released the forty-five Indonesians who were detained for various offences during Confrontation and returned them to Indonesia. Secondly, in the case of the two saboteurs, they had been responsible for the loss of lives and injury to others as a result of their bombing mission. Thirdly, there was no proof or statement from any source to the effect that the Indonesian saboteurs were military personnel. Even if it were recognised that they were, they would not be treated as prisoners-of-war because no declaration of war had occurred. This point had been argued extensively in the law courts. The Foreign Minister, S. Rajaratnam, who was in Kuala Lumpur at the time of the execution, stated that Singapore worked according to the rule of law, and setting a precedent in this case by granting a reprieve would have led to a great many difficulties later on. As for the demonstrations against the Singapore mission, the Singapore Ambassador on October 22nd, delivered a protest note to Adam Malik, who assured the Ambassador that Indonesia would not change her
policy towards Singapore.\textsuperscript{52} It was apparent that the leaders of the two countries were concerned that 'relatively minor difficulties' such as the execution should not deter the two countries from pursuing an active policy of mutual cooperation, particularly in regard to economic development of the two countries.\textsuperscript{53}

\begin{flushleft}
\textbf{52. Interview, P.S. Raman, 2.12.70.}
\end{flushleft}

\begin{flushleft}
\textbf{53. Though, the official Indonesian reaction was one of restraint, there were naturally outbursts from certain quarters, such as the Students' Youth Action Front, the Indonesian Muslim Workers' Union, which demanded a review of Indonesia-Singapore relations and retaliatory measures to counter the Singapore action, and if necessary, cease all relations with Singapore. To suggestions that retaliatory actions should be taken against Singapore, Adam Malik warned that 'If we allow Confrontation, we can also allow Sukarno to come back and lead it. You can declare confrontation again, or even war if you like, but you should think of the consequences. The government should take steps that do not bring any harm to the people'. He stated that the execution was regrettable, but that the government should not be influenced by emotion into repeating past experiences.}
\end{flushleft}

\begin{flushleft}
The government was also against any form of economic sanction against Singapore. Shipping activities between the two countries had been halted and there was a ban on the\textit{ disembarkation} of passengers and crew members of Singapore ships at Jakarta harbour for a few days. In the government's view, however, cutting off trade with Singapore would only harm Indonesia because the latter still needed Singapore as a 'trading life-line'. At the end of October, the Secretary of the Sea Communications Department instructed port authorities to normalise shipping procedures between Singapore and Indonesia.\textit{Asian Almanac}, Vol. 7, No. 1, January 4, 1969, p. 3112.
Alternative source and competition

In the period under survey, Singapore earnestly sought to reduce her dependence on Malaysia and offset any decline in her imports of raw materials and demand for her manufactured products. Immediately, after Separation, this was crucial as she feared the consequences of a total economic boycott by Malaysia against her. This partly explained the urgency to renew barter trade with Indonesia and establish trade relations with that country. For Malaysia, the objective was to increase her trade with Indonesia and compete against Singapore as the entrepot centre for Indonesian goods. Herein was an area of conflict between Malaysia and Singapore in their relations with Indonesia. And for Indonesia, there was the opportunity to establish new patterns of economic ties with her two quarrelsome neighbours.

The first definitive step to establish a new basis for economic relations between Singapore and Indonesia was taken when the former received an Indonesian trade mission soon after official relations
were established. It was agreed from the outset 'that the new trade policy must be flexible and of mutual benefit'. The negotiated agreement in the form of a minute, pending the conclusion of a trade agreement, was signed between Indonesia and Singapore. According to the Agreed Minutes, non-discriminatory trade would re-open through all ports. The Singapore Government agreed to give Indonesia favourable credit facilities to private traders in Indonesia for the supply and export of goods from Singapore to Indonesia to an amount of M$150 million for a period of six months. The amount of credit specified could be increased and the period of utilisation extended if both governments agreed. In return, the Indonesian Government would allow exports including hard products, for example, rubber and tin to Singapore, and to accord no less favourable trade terms than that granted to other country. Both governments agreed

54. The Indonesian trade mission arrived in Singapore on August 30, 1966 and began a fortnight's negotiation, 'regarding final procedures which will speed up the realisation of trade and communication'. Indonesia and Singapore were led by Titihetu, the Director-General of Internal Trade and Lim Kim San, the Singapore Finance Minister, respectively. The Straits Times, 31.8.66.
that all practical steps would be taken to ensure that cargoes to and from each other's country were carried exclusively by shipping companies, having their domicile in either of the two countries and utilising ships owned or operated by them. A centre for small vessels was established to facilitate barter trade.55

The Agreed Minutes were significant in that they expressed the new basis for Singapore-Indonesia economic relations. Singapore indicated her readiness to remove 'certain elements of discrimination' in the two-way trade and to facilitate credit to speed up the resumption of trade, while Indonesia was prepared to allow a relaxation of her regulations on exports to Singapore. However, even after a year of the signing of the Agreed Minutes, formal trade relations between Singapore and Indonesia were still not

established. The Singapore Foreign Minister during his visit to Jakarta in early September, 1967, had to explain to Indonesian leaders that Singapore was not exploiting their difficulties and that Singapore wanted Indonesia to prosper as the latter’s prosperity meant more business for Singapore. Indonesian officials reiterated that although Indonesia wanted close economic relations with Singapore, there was no question of a reversion to the situation of extreme dependency existing before Indonesia’s confrontation with Malaysia. 56

To further induce a closer economic relationship, Singapore encouraged investments in Indonesia. A high level economic mission led by Dr. Goh Keng Swee went to Indonesia, the purposes of which were firstly, to dispel the image of Singapore as an exploitative-economic state, and secondly, to express that the

economic development of Indonesia would be mutually beneficial to Singapore and Indonesia. Agreement in principle was reached in matters relating to Singapore's investment in Indonesia and co-operation in certain fields. The value of investment approved by the Indonesian Foreign Investment Board amounted to US$20.7 million and joint ventures would include flour mills, the manufacture of detergents, sweets, chocolates and other confectionary, extraction of timber and crumb rubber mills. Other projects which were under consideration included a steel mill, the assembly of television, refrigerator and other electrical appliances, the manufacture of steel pipes.

57. With reference to the new basis of their relations, Dr. Goh said, inter alia,

Singaporeans must wake up to the fact that Indonesia today is different from Indonesia under Sukarno. Under Sukarno, there was a crazy regime. To-day there is a rational government in Indonesia with economists and technocrats like Dr. Sumitro in the government. They have worked very hard for two and a half years, and they have restored confidence in Indonesia. Under these circumstances, Singapore must contribute towards the progress and rehabilitation of the Indonesian economy.

bolts and nuts, and corn oil and palm oil products. In addition, the Indonesian government agreed in principle to the Singapore proposal to develop the planting of agricultural commodities in the Rho Islands, and to give consideration to proposals to develop fisheries and timber extraction in Indonesia. Also, Singapore would pursue proposals for early implementation of hotel development. More significantly, however, Singapore proposed an agreement on the import of Indonesian raw materials but there had been no positive reply from Indonesia.\(^{58}\)

To encourage the investments in Indonesia, Singapore decided to waive tax on profit and dividends accruing to industrialists investing in projects in Indonesia approved by the Indonesian government. In addition, the Singapore Government would freely allow remittance of foreign exchange from Singapore for the purpose of investing in the approved projects.

The Basic Agreement on Trade and Economic Matters between Malaysia and Indonesia officially marked the

\(^{58}\) Monitoring Digest (SIN), 22.3.69, p. 18.
resumption of trade relations.\(^59\) It covered such matters as trade, trade fairs and exhibitions, economic and technical co-operation in various fields, including shipping, fisheries, ship-building, industries, primary commodities, particularly rubber and tin. The joint communiqué on trade agreements stated that both countries had decided to establish a joint commission for the sound development of trade and economic relations.

A Malaysian trade mission went to Jakarta to further discuss methods of co-operation in production and trade in rubber, tin, oil, forestry, fishing and shipping.\(^60\) Later, both countries agreed to establish co-operation in production development, research,

\(^{59}\) The Agreement was initialled in Kuala Lumpur by the Indonesian Secretary-General of the Department of Trade, Arifin Harahap and the Malaysian Secretary for Commerce and Industry, Raja Mohar bin Raja Baduzaiman. The Straits Times, 12.5.67.

\(^{60}\) According to the joint communiqué they would appoint trade supervisors in each other's country and standardise the price of rubber. Ibid., 6.7.68.
education and marketing of agricultural produce and fishing. In addition, Indonesia agreed to allow its 'export personnel' to serve with the Malaysian Government and Malaysia agreed to provide Indonesia training in poultry management. The governments also discussed the possibility of setting up a joint committee on fishing in the Straits of Malacca, and joint ventures in offshore tin mining in the Straits. Technical co-operation in marketing and processing of natural rubber between the two countries would also be considered. 61

Subsequent developments in the trade relations among Malaysia, Singapore and Indonesia indicated the general lines of pursuits of each country. Singapore's main concentration was to return to her vital position as an entrepot centre for Indonesian imports and exports, but Singapore had to offer favourable terms and inducements, including the extension of credit facilities and investment in Indonesian enterprises. Malaysia, on the other hand, had similar economic

problems as Indonesia, both being primary producing countries and, thus, their relations included not just trade but also an exchange of knowledge and expertise in production. Moreover, besides the common attitude that they should improve their agricultural sectors and establish their manufacturing industries, both tended to look upon Singapore as taking an unfair advantage with her superior technological and financial expertise.

Conclusion

In the triangular relationships among Malaysia, Singapore and Indonesia, these separate developments emerged, namely, the security and cultural links between Malaysia and Indonesia and the economic relations between Singapore and Indonesia. Malaysia and Indonesia seemed to move towards an alliance based on anti-communism and cultural kinship and this was obviously resented by Singapore as a development which could be aimed at dominating her and undermining her independence. On the other hand, Singapore's economic dominance and assertive nationalism were perceived by Malaysia and Indonesia as racial arrogance which could blemish the
region as a Malay archipelago. Malaysia and Singapore's relations with Indonesia could also be seen as an attempt to build up their power vis-a-vis each other.

Malaysia's foreign policy objectives as realised in her relations with Indonesia in security, cultural and economic matters were, firstly, to deter a development between Singapore-Malaysia that would be detrimental to her interests, and conversely, to work towards collaboration with Indonesia to protect her security along the East Malaysian border with Indonesia and the Straits of Malacca; secondly, to seek Indonesia's assistance to implement her language and educational programmes; and thirdly, to cooperate in technological developments relating to the primary commodities and to increase trade between the two countries. In general, Malaysia's objective seemed to be to establish closer bilateral relations with Indonesia. In the case of Singapore, her objective was to improve trade and develop

61. Indonesia's view of Singapore as expressed by a former vice-president was partly due to the fear of Chinese hegemony in the Malay Archipelago, which in turn could lead to China's domination of the area. See Mohammad Hatta, "One Indonesian View of the Malaysian Issue", Asian Survey, Vol. 5, No. 3, March, 1965, pp. 139-143.
Indonesia as an investment outlet for her capital. Moreover, she attempted to allay the fears of Indonesia that she could intervene in any way with the Chinese policy of the latter.

In their relations with Indonesia then, Malaysia and Singapore's differences and conflict were apparent. Malaysia used the ultimatum when Singapore seemed to readily accept Indonesian recognition and to resume barter trade, at a time when Malaysia regarded her security threatened still by Indonesian Confrontation. On both issues, Singapore's weakness was obvious when despite assurances that Malaysia's security would be safeguarded, she had to succumb to the Malaysian pressure. The mutual hostility was again manifested when Malaysia and Singapore could not agree to simultaneous establishment of diplomatic relations with Indonesia, although there seemed to have been an understanding on this point. Singapore was obviously alarmed at the close cooperation between Malaysia and Indonesia in the fields of security and culture. The agreements to have joint action against the communists in East Malaysia and to patrol the Straits of Malacca could indicate a tendency to reach a security alliance between the two countries; the Record of
Understanding pertaining to the Straits of Malacca could have future implications for shipping and trade in the sea-lane, which was Singapore's life-line.

Singapore attempted to build up her economic fences by re-establishing barter trade, increasing imports of raw materials, and investing capital in Indonesia. Her resentment against a developing Malaysia-Indonesia alliance could have greatly influenced her decision to execute the Indonesian marines, despite the personal intercession by the Tengku and President Suharto. However, Indonesia's emphasis on economic development restrained Indonesian hostility against Singapore, which was seen as useful to Indonesia. Nevertheless, the execution of the marines and the image of Singapore as an exploitative economic state had influenced Singapore-Indonesia relations.

The consequence of Malaysia-Singapore policies toward Indonesia could be a new alignment of forces in the Straits of Malacca. Malaysia-Indonesia colla-

boration was in contrast to the Malaysia-Singapore conflict. This could have given the opportunity for Indonesia to exploit the circumstances of international politics in the area. Indonesia's aspiration to regional leadership which could be expressed in her initiative in a regional organisation and her mediatory role in regional disputes, could be fulfilled. Indonesia's concessions to Malaysia in agreeing to the terms for the normalisations of relations was compensated by the rapid reversal of policy by Malaysia, and the latter's request for her assistance in security, cultural and educational matters. Moreover, Malaysia's support of Indonesia in regional affairs and in the international community was in contrast to Singapore's independent position towards Indonesia. 63

63. Malaysia supported foreign assistance to the economic development of Indonesia. More recently, Malaysia backed Indonesia strongly during the Djakarta Conference in May, 1970, called to seek international action in the Cambodia crisis. Malaysia, Indonesia and Japan were the members of the task force set up by the Conference. Singapore was conspicuous as her delegation was the only one not headed by a Foreign Minister. See Foreign Affairs, Malaysia, Vol. 3, No. 1, June 1970, pp. 44-53.
For Malaysia and Singapore, the objective of their relations with Indonesia could be to seek a strong power status vis-a-vis each other. Malaysia, in developing close relations with Indonesia, could be in a better position to deal with problems regarding Singapore. Singapore's strive to have a better economic relation with Indonesia was an attempt to be less dependent on Malaysia. Malaysia-Singapore's differences and conflict were thus extended to their policies toward Indonesia. This further aggravated not only their relationship but could have consequences for the region. Indonesia could exploit their differences and introduce a divide and rule policy in the Straits of Malacca. Further, a security alliance between Malaysia and Indonesia could lead to coordination of their foreign policies on one hand, and a conflict of policies with Singapore on the other. These trends could be seen in their attitudes toward the regional organisations, especially the Association of Southeast Asian Nations.
Introduction

Regionalism implies an alliance of states in an area which have come together in order to defend their independence, achieve economic objectives or deter perceived threats. The assumptions are that these states have some common problems and perceptions and that a state by itself has not the capability to achieve these objectives, and thus it requires the assistance of others in the region. A defence treaty may be necessary if it is a problem of security, while in economic matters, economic blocs, trading groups or diplomatic coalitions may create solidarity among the regional members on trade issues. Regarding Malaysia and Singapore, it has been shown that in security and economic matters, while there has been an attempt at limited collaboration, strains have been prominent due to their differences in their perceptions of threats, lack of cooperation or integration, doubt about the credibility of the defence commitment and economic competition between them. This has resulted in sceptism about the intentions of each other and suspicion prevailing in Malaysia–Singapore relations,
which in turn has been reflected in their policies toward Indonesia.

Malaysia and Singapore's attitudes toward regionalism in Southeast Asia manifest their lack of solidarity on regional issues such as the nature, scope and commitment of a regional organisation. This has been due to a conflict of interests between Malaysia and Singapore and is a further indication of the differences in Malaysia-Singapore foreign policies in Southeast Asia. Malaysia sees in regionalism a means to promote her international prestige, exert her regional leadership while maintaining an interest in non-alignment and economic cooperation. Singapore, on the other hand, seeks to emphasise her non-aligned position and interest in any regional endeavours for economic cooperation. While there seemed to be differences in the extent of each other's interest in keeping regional associations non-aligned and for economic purposes, yet there was a marked divergence in their attitudes with regard to the security role of a regional association. Thus, whereas a regional organisation has the purpose of serving common objectives, yet the conflicting interests of Malaysia and Singapore would hinder the solidarity that their
membership in it was expected to create. This is best illustrated by examining their roles in the Association of Southeast Asian Nations (ASEAN).¹

Regional leadership

An objective of Malaysia has been to assume the role of leader in insular Southeast Asia and to that end, she initiated the formation of the Association of Southeast Asia (ASA) in 1961. Again in 1965-1966, she intended to expand ASA to take in Singapore, Indonesia and other Southeast Asian countries. The Malaysian initiative towards the revival of ASA coincided with other developments in the region, viz. the normalisation of relations between Malaysia and the Philippines and the establishment of the New Order in Indonesia. In order to induce other states to join ASA, Malaysia declared that the organisation was not an attempt to form a power bloc but aimed at goodwill, mutual under-

¹ ASEAN was formed in August, 1967 among Malaysia, Singapore, Indonesia, Thailand and the Philippines. It is a regional association which was formed during the period under survey, and of which Malaysia and Singapore are members. More significantly, the initiative for its formation came from the regional members themselves and they were not externally assisted or directed. For these reasons, the focus of this chapter is on Malaysia and Singapore’s policies toward ASEAN, however, the significance of other regional organisations, will be dealt with as well.
standing and welfare in the region.

ASA was supposed to be an economic, social and cultural alliance among Malaysia, the Philippines and Thailand established on 31st July, 1961, but the organisation was quickly rendered inactive due to the Philippines' non-recognition of the new Malaysian federation and severance of diplomatic ties with the latter. However, even after the resumption of relations between Malaysia and the Philippines in mid-1966, and ASA was revived, it was obvious that it could achieve little with the grandiose plans that it drew up. Various ambitious projects were suggested which entailed heavy financial expenditure, expertise and sophisticated equipment, which the countries themselves could not afford or did not possess. Examples of such projects were the telecommunication link among the ASA countries, the expansion of port facilities, the expansion of airport and aeronautical facilities and the Asian Highway. Other proposed projects included the liberalisation of trade, agreement on commerce and navigation, research on primary commodities and in sugar, pulp and paper technology. There were certain projects, however, which could have been implemented, for example, the products display centre, promotion of tourism, conferences
The Malaysian proposal of an expanded ASA hoped to include all the states of mainland and insular Southeast Asia as members, but North Vietnam was excluded. But it would not be a military alliance nor would it be an anti-communist alliance or anti-western alliance; it would be 'pro-Southeast Asia, pro-development, pro-regional co-operation, pro-peace'. The non-aligned status of ASA was emphasised in the hope that states like Singapore, Burma and Indonesia would support Malaysia's case.

Malaysia's rivalry with Indonesia for regional leadership became apparent in early 1967, when the latter made overtures to other countries in Southeast Asia to form a regional organisation. The Malaysian effort to counter the Indonesian proposal was essentially a personal effort of the Prime Minister.3


3. The Tengku's reaction to the Indonesian proposal was to ignore it. As he said, 'I don't know anything about it (Indonesian proposal) but we have never said it was a bad idea'. Tan Sri Ghazali bin Shafie apparently disagreed with the Tengku and showed his pro-Indonesian attitude when he assured the Indonesian Foreign Minister of his support. The Straits Times, 23.4.67.
The Tengku's response to the Indonesian proposal was based on the assertion that ASA had great potential, that it had endured for some time and had showed considerable promise, and that there was no necessity to establish another regional grouping in the same area.

Singapore was not sympathetic to the Malaysian proposal. Despite the Tengku's personal effort to persuade Singapore to support his position, Singapore rejected ASA.\(^4\) It was a time of difficulty in Singapore-Malaysia relations following the Malaysian opposition to Singapore's resumption of barter trade with Indonesia. Probably, more important, there was the attitude of Singapore that regional organisations in Southeast Asia had tended to take the form of ideological alliances favouring the West and against the communist bloc, and for this reason, Singapore's agreement to join ASA would have compromised her non-alignment in foreign relations. ASA was seen as

---

\(^4\) The Tengku stated that he understood Singapore would not join ASA because the latter wanted to preserve her status as a neutral country. *The Mirror*, Vol. 3, No. 17, 24 April, 1967, p. 2.
a pro-West and anti-communist organisation. Singapore was prepared to join any form of regional cooperation as long as the emphasis was on economic development and not on ideology. S. Rajaratnam stated,

Singapore always believes that the only way out for the future, especially for small countries, is to co-operate and pool our resources together as long as the primary objective is economic development.5

Aside from Singapore, Malaysia's partners in ASA failed to support her. Thailand chose to tie up ASA with ASPAC which was a larger Asian grouping with anti-communist overtones, while the Philippines advocated that Maphilindo should be revived in the form of a Greater Maphilindo to accommodate both ASA and Maphilindo members.6 From Singapore's viewpoint, both ASPAC and Maphilindo were unacceptable because of the anti-communist membership of the former and the racial character of the latter. Malaysia had

5. The Straits Times, 26.4.67.

6. ASPAC stands for the Asian and Pacific Council, which was formed in June, 1966 and was clearly an anti-communist body. Refer to pages 219-221. Maphilindo was the original idea of ex-President Macapagal to form a regional organisation of the Malay race comprising Malaysia, the Philippines and Indonesia. It was aborted soon after it was created in mid 1963.
rejected Maphilindo as a basis for regional cooperation on the ground that Maphilindo had no proper foundation because it was formed for the limited purpose of ending hostilities between Malaysia and Indonesia during the Confrontation period.  

Malaysia had advocated the retention of ASA, but the Philippines and Thailand were sceptical about the adequacy of ASA to fulfill the demand of the new era of regional co-operation in 1966, especially on the question of the Indonesian participation. Each member of ASA for its own national prestige wanted to retain its own blueprint for regional association; Malaysia wanted to hold on to ASA, the Philippines wanted a Greater Maphilindo and the Thais sought a closer identification between ASA and ASPAC. In other words, the members of ASA themselves did not agree on the need to retain the regional organisation of which they were members. They were agreed, however, that a larger organisation was required to attract Singapore and Indonesia.

While there was disagreement among the ASA members over the nature and scope of the new regional grouping,

7. In Parliament, Tun Razak reiterated that as far as Malaysia was concerned, the Maphilindo concept was dead and buried. *PDM*, Vol. 3, No. 24, 30/1/67, Col. 3667.
Indonesia's position was that whatever the form of the new association, whether it was essentially the same in form and structure as ASA, it should have the appearance of being initiated by Indonesia. More important, the new regional association would have a more non-aligned image under the leadership of Indonesia and this would attract other states to join, including Singapore, Burma and Cambodia. Moreover, while Singapore, Thailand and the Philippines were interested in regional co-operation and each had her own reasons for rejecting the Tengku's proposal for an expanded ASA, they saw the need to accept as a fait accompli Indonesian aspirations for leadership of the region. Thus, they were amenable to the Indonesian proposal and this culminated in the formation of the Association of Southeast Asian Nations in August, 1967 with Malaysia, Singapore, Indonesia, Thailand and the Philippines as members.

Malaysia had tried and failed to maintain her position of leadership in the regional organisation and this was particularly illustrated when ASA was dissolved to avoid duplication of the regional institutions. However, though Indonesia had assumed

8. Refer to pages 212 and 213.
leadership of ASEAN, Malaysia particularly under the Tengku did not miss the opportunity to assert that ASEAN was nothing more than the extension of ASA. More than that, the Tengku decided on unilateral action to promote ASEAN among the anti-communist states of Indo-china against the opposition of Singapore and Indonesia. Thus, Malaysia under the Tengku government seemed to regard the competition for regional leadership as an important objective in her foreign policy.  

The Tengku continued to place Malaysia in the forefront of the regional movement by reiterating that ASEAN was derived from ASA, and thus from Malaysia's initiative. This was apparent during the Third Ministerial Meeting of ASEAN held in the

9. A further example of the Malaysia-Indonesia rivalry was seen when the Tengku organised the Commonwealth of Islamic Nations in 1968, and was elected its first Secretary-General. The Indonesian Foreign Minister was reported to have objected to the establishment of a permanent Islamic secretariat. *Malaysian Digest*, Vol. 2 No. 11, F. 6, 1970, p. 2.

10. Tun Razak's attitude was in contrast to the Tengku's adamant attitude on the matter. Tun Razak felt that if the aims of ASEAN were the same as those of ASA, then ASA would not be needed. *Warta Malaysia*, Vol. 3, No. 35, September 1, 1967, p. 12.
Cameron Highlands, in December, 1969. This theme that ASA was 'the precursor' of ASEAN was similarly stressed in claims that the ASEAN Declaration had its genesis in the Bangkok Declaration of 1961. This was a point that the Indonesians had not accepted and probably would not accept. The Tengku was reluctant to concede that ASA had been aborted by its founder-members. Even if he had to, the Tengku emphasised that ASEAN was the structure built upon the foundations constructed by ASA. He took great pains to point out that ASEAN was an extension of ASA and this was proved by the fact that ASEAN continued with the organisational procedures and discussions of the projects that had been drawn up by ASA. The ASA National Secretariat of the member-states became the ASEAN Secretariats

11. Opening the Conference, the Tengku declared that

'it was here in April 1962, that ASA, the precursor of our present organisation ASEAN met in a special session of the foreign ministers, which was the first working session of the organisation at ministerial level. That meeting set in train a great number of projects and plans for the benefit of the countries of our particular region of Southeast Asia.'

and the ASA programmes and projects were transferred to ASEAN.  

The Malaysia-Indonesia conflict was further demonstrated at the Cameron Highlands meeting. The Tengku invited Laos and South Vietnam to attend as observers without issuing similar invitations to Hanoi and the Provisional Revolutionary Government of South Vietnam. Indonesia's position was that the presence of the communists would preserve ASEAN as a 'friendly, non-ideological regional bloc'. Singapore expressed her opposition to any offer in the future of membership to Laos and South Vietnam.  

On the question of the admission of new members to ASEAN, it would seem that Indonesia instead of Malaysia was seeking to draw the limits of the new boundary of ASEAN. Laos and South Vietnam would want

---

12. The Tengku stated at the ASA Foreign Ministers' Meeting in Kuala Lumpur in August that 'whatever your decision may be, all the good work into the making of ASA and all the constructive ideas ASA has evolved, will not be wasted. To put it in another way, ASA has sunk the piling and made the foundation which the building of ASEAN can rise to great heights, an edifice not only secure and strong but enduring and inspiring.' Siaran Akbar, PEN, 8/67/458(Fm), 28th August, 1967.  

to join but they would face opposition from the ardent non-aligned members, Indonesia and Singapore, while Burma and Cambodia were approached but turned down the invitations. The only prospective member accepted by all the ASEAN founder-members was Ceylon, which herself was carefully assessing the reactions of Russia and China, before considering membership of ASEAN. Malaysia favoured the admission of Ceylon, and to allay the fears of the latter, Tengku Abdul Rahman said that ASEAN was not opposed to China though some members of ASEAN were not on terms of friendship with Peking. However he noted that the question of Ceylon joining ASEAN had never risen since Ceylon had not formally applied for membership.

14. The National Cambodian Radio announced on 8.8.67 that Cambodia refused to participate in ASEAN because it was a neo anti-China and anti-Chinese organisation. Foreign Reactions to ASEAN, Ministry of Foreign Affairs, Singapore, 23.8.67.

15. The Prime Minister, D. Senanayake said that Ceylon would not join if it was against the country's non-aligned policy. Paper on ASEAN, Ministry of Foreign Affairs, Singapore, 26.8.67.

Regarding North Vietnam, the Tengku initially felt that her membership in ASEAN was impossible as it was involved in the war.  

Regional security

Malaysia and Singapore have different perceptions of the objectives of the regional association. Malaysia was concerned with the security problem in the region and though ASEAN was still in its infancy, yet she and other members, mainly Indonesia, hinted at the organisation assuming a defence role in the future. This undoubtedly would put strain on the association as the perceptions of threat were different and there was the lack of a tradition of cooperation and resources among the members. Singapore emphasised the economic role that ASEAN should perform and stressed that economic development was a prerequisite for security in the region. Thus, Malaysia's

17. The Tengku was reported to have said that while having no objections to North Vietnam or South Vietnam joining ASEAN, he thought this was impossible as long as they were fighting each other. See Alex Josey on the Association of Southeast Asian Nations over Radio Singapura International Affairs, 11.8.67.
and Singapore's attitudes were different with regard to the objectives of the region association.

Malaysia indicated that ASEAN could take on a defence or security role immediately ASEAN was established. Tun Razak suggested that ASEAN might ultimately become a defence alliance in addition to promoting economic collaboration among the member nations. Though the alliance would not be a military alliance in the strict sense of the term, the members would have to come to some understanding to 'co-operate in defence of each other.' He declared,

... unless we take decisive and collective action to prevent the growth of intra-regional conflicts our nations will continue to be manipulated one against the other. The vacuum left by the retreat of colonial role must be filled by the growth and consolidation of indigenous powers - otherwise our future, individually and jointly, will remain dangerously threatened.18

The question arises whether or not the 'military alliance' was related in the local regional context or in the Cold War context. In terms of the region, Malaysia's immediate problem was internal communist

subversion and the presence of communist guerrillas along her borders with Thailand and Indonesia. Malaysia had bilateral arrangements with Thailand and Indonesia to handle this problem. The problem of internal communist subversion was a task which the Malaysian Government felt it could adequately handle on its own.

Intra-regional conflict between the countries of Southeast Asia seemed remote at this time, but in the sense that the 'military alliance' was a non-aggression pact among the ASEAN members, it could be directed to prevent another Confrontation. A military alliance in the defence of Southeast Asia against external aggression from a Great Power would be beyond the capabilities of the ASEAN members.

The Malaysian suggestion that ASEAN would take on a military role could be primarily for domestic consumption. This was mainly because of the impending British withdrawal and the need to allay the fears of both internal and foreign investors of a 'vacuum' in

19. The call for a non-aggression collective arrangement was later made by the Malaysian Minister of Home Affairs, Tun (Dr) Ismail in January, 1967 but it provoked no response from any of the other ASEAN countries. See J.M. van der Kroef, "Malaysia-Singapore: Neutrality or Regional Defence?", World Review, Vol. 8, No. 1, March 1969, p. 323.
the Malaysia-Singapore area. It could be related to the sentiment of unity with Indonesia expressed by certain groups of the Malays. The possibility of ASEAN becoming a military pact, while it might not have any prospect of realisation, had an impact on the pro-Indonesian groups particularly the Pan-Malayan Islamic Party.

Indonesia made her position known to the other members regarding her attitude on military bases in the area: that the presence of the military bases detracted from the non-military nature of the new organisation and non-alignment, but ASEAN members could make their own security arrangements provided these were not aimed at the other members. Malaysia and Singapore were not affected by the Indonesian objection, because of the British announcement of complete withdrawal by mid-70's. Malaysia and

20. For example, a leading newspaper, the Utusan Zaman welcomed Tun Razak's statement. Reactions to ASEAN, Ministry of Foreign Affairs, Singapore, 23.8.67.

21. The corresponding anti-British sentiment expressed by the group resulting from the British announce­ment was observed by Michael Leifer, "Some Southeast Asian Attitudes", International Affairs, Vol. 42, No. 2, April, 1966, pp. 219-229.
Singapore took the view that the issue was not vital to them. It would seem that the question of bases was not directed so much at Malaysia and Singapore as much as towards Thailand and the Philippines. The ASEAN Declaration included in its preamble the compromise formula:

... that all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of states in the area or prejudice the orderly processes of their national development.

Singapore, however, found it necessary to emphasise the non-military role that ASEAN should play, because of the widespread discussion at that time on security alliances. Her opposition to the domination of a big power led her to reject any idea that ASEAN could take on a security role. This was directed at Indonesia, which had suggested that a military bloc centred on ASEAN might be necessary to offset any imbalance caused by the British withdrawal.

22. It was reported that Adam Malik said that Malaysia, Philippines and Thailand had given assurances that foreign troops would leave and vacate their bases eventually. Eastern Sun, 11.8.67.

23. See The Asean Declaration, Appendix G.
and the impending disengagement of the United States from Southeast Asia. Adam Malik had stated,

As a solution to the problems arising out from those developments, a shift in the centre of gravity is often suggested. I am of the opinion that should there be a shift in the centre of gravity among the Southeast Asian states, it is our duty to direct such centre into that of a polarisation of forces of the Southeast Asian nations themselves. Far too long already has the fear engendered by the cold war and the ensuing fight for security driven us into a blind reliance to a non-regional power which most often has no parallel interest with our own. Therefore, Indonesia considers the reduction of 'non-regional powers' involvement in our region not to be understood as an invitation for the expansion of the interest of another non-regional power.24

The implications of the Indonesian position was quite clear. Firstly, with the withdrawal of the British and the United States, there was a need to fill the vacuum with an indigenous military arrangement. Within the region, it was obvious that no military alliance can be established without Indonesia. Secondly, the countries were individually weak but

collectively they could resist external interference. Thus, ASEAN was established to deal with powers outside the region on an equal footing.

Malaysia was inclined to support the Indonesian view on this matter. Malaysia saw no alternatives for newly developed countries of the region but to shape their destiny together and to prevent external intervention and interference. Tun Razak stated,

Most of us have been dominated by colonial powers either directly or indirectly and even to-day we are not entirely free from the struggle for domination by outside powers. Therefore unless we are conscious of our responsibilities and ready to take decisive and collective actions to prevent the growth of inter-regional conflicts, our nations will continue to be manipulated against one another. The colonial powers have retreated from this region and the vacuum left by them must be filled by the growth of our own collective power and collective will to survive and prosper; otherwise, our future individually and jointly will remain dangerously threatened. 25

The preamble of the ASEAN Declaration had stated that the ASEAN countries were 'determined to ensure their stability and security from external interference in any form or manifestation'. Both

Malaysia and Indonesia felt that this meant that the primary responsibility for security was with the ASEAN countries themselves. They felt that ASEAN as a collective organisation would be better able to withstand external influence. Singapore's position differed in this respect from Malaysia and Indonesia. She maintained that as the ASEAN members were developing countries, they needed the assistance and participation of more developed countries before they could gain strength and succeed. Within the region, it was best to work towards a modest economic cooperation among the members.

Economic Cooperation

Singapore emphasised that ASEAN should refrain from an ideological and political role and concentrate mainly on economic cooperation. She contended that the security of Southeast Asia was more likely to be jeopardised through economic stagnation and collapse within the region that from overt military threat from outside. Rajaratnam stated,

ASEAN should remain an organisation for uniting Southeast Asian nations and not dividing them. That is why my government believes that ASEAN should remain an organization solely to promote economic
co-operation in the region. We should not burden it with responsibilities for sorting out the ideological complexion of Southeast Asia or resolving its military and security problems. Those of us who are preoccupied with ideological and security problems could profitably set up other organisations for this purpose.*

The problems of economic co-operation will strain ASEAN to its fullest for many years to come. To burden it with ideological and security problems is to invite its breakdown.**

While Malaysia was concerned with the security role of ASEAN, Singapore stressed that the regional association should primarily be aimed at economic co-operation.** In this, Singapore had support from the Philippines. The reason why both Singapore and the Philippines wanted to emphasise the economic aspect of the organisation was to offset any attempt by Indonesia then, and in the future, to turn ASEAN into a political or military organisation. Rajaratnam


27. At the inaugural meeting, Singapore hoped that specific ideas for economic projects for development would be discussed, and the Singapore delegation to Bangkok was prepared with specific proposals, such as shipping and tourism for regional co-operation. During the discussions in Bangkok, Singapore wanted it recorded in the proceedings and in the communique, that the primary aim of ASEAN was regional co-operation in economic matters. See the joint communique of the Asean ministerial meeting, 1967, Appendix G.
reiterated that ASEAN was not concerned with military problems of the region, although he felt that economic and social progress were impossible without security. He stated,

... one of the consequences of the successful realisation of the aims and objects of ASEAN would be to bring economic stability and thereby enhance prospects for peace and security in this region. In this sense and only in this sense is ASEAN an organisation for promoting peace and security in the region.28

Singapore's objective of rapid economic development could be served by any form of regional economic co-operation in Southeast Asia. This was because of her central location, excellent port facilities, efficiency in economic administration and skilled labour force. For this reason, the other states were cautious regarding any economic co-operation that might have been suggested by Singapore. However, Singapore's success in emphasising the economic role of ASEAN was indicated by the commitment of ASEAN to look at certain proposals for co-operation in such fields as tourism, shipping, fisheries and means of

expanding intra-regional trade.\textsuperscript{29}

Singapore, while advocating regional economic cooperation as crucial for Southeast Asia, felt that in view of the lack of resources of the member countries, foreign assistance should be sought. S. Rajaratnam indicated this when he stated that while projects could be implemented solely with the resources and skills of its members, nevertheless,

\ldots it is also a fact that the ASEAN countries are short of resources, especially of investment capital and also of certain types of skill and expertise. It may, therefore, be more practical for us to invite outside participation and assistance in ASEAN projects, whether launched on a bilateral basis or involving all other members of ASEAN.\textsuperscript{30}

This would appear to be in line with the ASEAN policy, as the ASEAN members had categorised certain projects which required external assistance but not participation. However, the political implication of Singapore's attitude was clear when it was realised

\textsuperscript{29} Refer to the Joint Communique and the ASEAN Declaration, Appendix G.

\textsuperscript{30} S. Rajaratnam at the ministerial meeting of ASEAN. The Mirror, Vol. 4, No. 33, 12 August, 1968, p. 3.
that in Singapore's view, 'outside participation and assistance' could come primarily from three countries, viz. Australia, New Zealand and Japan. Singapore was known to favour Australia and New Zealand participation in a regional organisation though this would receive little support from any of the other members.\(^{31}\)

Proposals and results

Malaysia and Singapore were at odds as to the character of ASEAN. Malaysia favoured ASEAN assuming a military role which could come under Indonesia's leadership. Singapore, on the other hand, was cautious about the role of ASEAN, and adopted a dual strategy of emphasising the economic role of the

\(^{31}\) Australia was represented at an informal meeting of the ASEAN Foreign Ministers in Bangkok in December, 1968. Also, Australia and New Zealand were present as observers to the SEAMCED Conference in April, 1968. Singapore had suggested that Australia and New Zealand should get together with Japan on the ground that they were more developed countries which could assist Southeast Asia jointly without incurring the suspicion that either one wanted to dominate the region. *Interview*, P.S. Raman 28.1.71.
association and the need for foreign assistance in implementing any project of the regional association. These essential differences between Malaysia and Singapore have contributed to the cautious and slow development of ASEAN.

As with most regional organisation, ASEAN purported to represent the efforts of the member states in economic, social and cultural affairs. Singapore was the leading advocate of economic regional cooperation and this was apparently construed by Malaysia as an attempt to establish the former as a regional leader on the basis of her economic success, and thus obtain undue influence. However, the difficulties inherent in co-operative efforts in ASEAN should be recognised, for example, the different economic and political systems in each country, the different levels of economic development and manpower and financial resources. There was the realisation among the ASEAN members that expectations should be modest and fulfillment of plans must be gradual. Besides, certain criteria had to be met before any proposal could be adopted. For a start,

32. FEER, Vol. 69, No. 4, July 23, 1970, p. 34.
the members were prepared to accept only those proposals which placed few demands on their resources. Secondly, these proposals should be capable of implementation merely by administrative procedures. Thirdly, the project must be seen to benefit all participants. Fourthly, bilateral co-operation in any project should be open to other members who might wish to join at a later date.

Soon after the formation of ASEAN, the fourth ministerial meeting of ASA in Kuala Lumpur in 1967 voted to transfer all ASA projects to ASEAN. Three main groups of projects which could be transferred to ASEAN were firstly, those projects which had been extensively discussed in ASA and which could be adopted with advantage by ASEAN; secondly, those projects which required slight adjustment to enable the participation of the other two ASEAN countries; and thirdly, those projects which require further consideration and re-appraisal before they could be

33. According to the joint communique,

The Foreign Ministers agreed upon the procedure for the gradual phasing out of ASA activities and requested the ASA National Secretariat of Malaysia to inform the standing committee of ASEAN of their intention to transfer ASA programmes and projects to ASEAN.

considered for implementation as ASEAN projects. These recommendations included ASA projects already implemented or were in the process of establishment, namely, the Visa Abolition Agreement of 31 July, 1962, the ASA Fund, the ASA Products Display Centre in Bangkok, the Secretariat of the Southeast Asian regional branch of the International Council of Archives in Kuala Lumpur, and the exchange of publications of an educational, cultural, legal, technical, scientific and informational nature.

After its formation, ASEAN did not completely 'adopt' the ASA programmes and projects without first establishing the premises under which joint projects could be taken up. There was also the need to establish a set of criteria for the adoption of certain projects, laying down the procedure for its implementation and assessing the financial commitments of each member state. The attitude of ASEAN towards projects of other international organisations in the region, of which some ASEAN nations were members, also had to be clarified. The following set of criteria for the practical implementation of ASEAN projects were established; feasibility for immediate implementation; quick results, benefits
'accruing to all participating members, minimum financial requirement and furtherance of the objectives embodied in the Bangkok Declaration. The Singapore argument that unanimity of participation should not be imposed was accepted by the conference. Thus, the conference agreed on a flexible procedure, whereby in cases of projects agreed upon by the ASEAN members, any member which decided it was not yet ready to participate could do so subsequently.\(^4\)

An important consideration was the limitation of the financial commitment of the ASEAN members. They categorised projects into four main groups in this respect, viz. financing through allocation of funds in the current annual budgets of member countries, financing through allocation of funds to be provided in the coming annual budgets of member countries, financing partially or completely through a joint fund to be established and financing through international agencies. The attitude of ASEAN towards the regional projects of other international

organisations was decided upon; that is, that the guiding principle should be the basic ASEAN spirit of co-operation. For example, those bilateral treaties existing or about to be concluded should activate rather than impede the implementation of other ASEAN projects. Nevertheless, it was desirable that duplication of regional projects should be avoided. During the years of ASEAN's existence, the above considerations were constantly the guidelines for the decisions taken. Thus, progress has been slow and cautious but the first few steps towards joint efforts were taken.

During the years 1967-1970, the annual ministerial meetings decided on the recommendations and proposals of the numerous permanent and ad hoc committees. Eight such permanent and other committees have been established, viz. the permanent committees on finance, commerce and industry, tourism, transportation and communication, food production and supply including fisheries, civil aviation, and shipping, and the committees on mass media and cultural activities. Arising out of these discussions, certain concrete projects have been
implemented.

The most important of these was the establishment of the ASEAN Fund with a contribution by each member of $3 million. The decision to set up the Fund was made in 1969 but initially Malaysia, Thailand and the Philippines formally agreed, while Singapore and Indonesia withheld assent. The Fund was to finance local projects approved by ASEAN. These projects would be carefully screened according to the above criteria and the financial resources of the organisation. Thus, although ninety-eight recommendations covering projects for co-operation were forthcoming from the committees, only a few could be implemented immediately. The selection of these projects possibly caused both Singapore and Indonesia to delay their formal approval of the ASEAN Fund. Subsequently, all the members signed the agreement for the establishment of the ASEAN Fund. 35

There were some projects which although agreed upon by the ASEAN members could not be implemented

35. The only other agreement signed was the agreement for the promotion of co-operation in mass media and cultural activities. See the joint communique of the ASEAN ministerial meeting, 1969, Foreign Affairs, Malaysia, Vol. 2, No. 1 and 2, December, 1969, p. 47 and 49.
immediately for administrative and financial reasons. It was thus left to the members themselves to coordinate these projects at their own pace and method. On tourism, for example, most of the ASEAN members had implemented the seven-day visa for the convenience of tourists and many had agreed to accept collective travel documents for group tourists. Programmes had been prepared to encourage tourists to visit ASEAN countries and the year 1971 was designated 'Visit ASEAN Year'. In commerce and industry, ASEAN countries were working in close co-operation, particularly on activities concerning primary commodities, like rubber and tin. To stabilise rubber price, Malaysia had agreed to a regional marketing arrangement put forward by Thailand. In transport and telecommunications, the Kuala Lumpur-Medan (Sumatra) VHF link was scheduled to be completed by the end of 1970. Satellite earth stations in Malaysia, Singapore, Indonesia and the Philippines were at different stages of progress and most of them would be in operation by 1972. On shipping, efforts and resources were being urgently consolidated to establish machinery to counteract the monopolistic practices of shipping conferences.
The progress of ASEAN had been modest and slow partly due to the difficult relations and partly due to the lack of a tradition of cooperation among the member states. Nevertheless, it could be regarded as a promising start in Southeast Asian regionalism. Besides the limited results since its formation, ASEAN had provided a forum for the exchange of ideas and views of the five members. It was a regional organisation with the prospect of additional members. It represented unity, though fragile in the area. The lack of solidarity in regional cooperation might be obvious but there would be little improvement unless ASEAN members particularly, Malaysia and Singapore, agreed on some basic issues with regard to regional cooperation.

Further examples: Divergence and similarity

Two further examples will be useful to indicate the points of divergence and similarity between Malaysia and Singapore in their foreign policies in Southeast Asia. One is related to the question of regional security and non-alignment, while the other refers to their attitudes toward Japan's influence in the region.
The Asian and Pacific Council (ASPAC) was reportedly an attempt to build an Asian equivalent of the Organisation of African Unity and the Organisation of American States. However, in terms of its sponsorship and membership, it was regarded as an anti-communist organisation and thus, susceptible to the accusation that it was a product of and response to the Cold War. This was obvious as the Council was established under the sponsorship of South Korea which had called for co-operation among the free nations of Asia against the 'terrible threat of international communism'. Further the communiqué of ASPAC expressed support for the American and allied assistance to South Vietnam and the United States' objectives of bringing about the establishment of a unified, independent and democratic Korea. Of the nine members, viz. Australia, Japan,

36. While the United States welcomed the ASPAC, Russia's Tass Agency stated it was an entente between neo-colonialist and reactionary forces, and the China's People's Daily stated that it was an attempt to piece together an Asian anti-communist alliance. Asian Almanac, Vol. 3, No. 51, June 19-25, 1966, pp. 1577-1578. For the Joint Communiqué of the First Meeting of ASPAC, see Appendix H.
South Korea, Malaysia, New Zealand, the Philippines, Taiwan, Thailand and South Vietnam, Malaysia was the only country that did not have any military pact with the United States.

ASPAC thus was an association among the anti-communists countries in the Asian and Pacific regions, though Malaysia attempted to play down this by stating that ASPAC should not become an anti-communist or military alliance. Malaysia from the outset stressed that ASPAC was an organisation for the co-operation among the members in economic, social and cultural fields. Malaysia also laid less importance on ASPAC than ASEAN and this was indicated by the fact that she did not send her Foreign Minister to these conferences.

With three members of ASEAN, namely, Malaysia, Thailand and the Philippines, already members of ASPAC, the latter sought closer relations with the Southeast Asian organisation. The Council in its meeting in 1968 adopted a recommendation that ASPAC

37. This was a constant theme of the Malaysian delegations at the ASPAC annual meetings between 1967-1970 held in Bangkok, Canberra, Tokyo and Wellington. Khir Johari led the delegation in all the ASPAC meetings. New Zealand was the only other country that did not send a Foreign Minister to these meetings.
should inaugurate an informal exchange of views and information with ASEAN. Further, it was hoped that other members of the non-aligned group in Southeast Asia, viz. Singapore, Indonesia, Burma and Cambodia, would join ASPAC.

Singapore, however, was not disposed to join ASPAC; mainly because she was cautious of the anti-communist nature of the Council, and she contended that such an organisation would only duplicate what the United States and her Allies were attempting to do, viz. the containment of China. Singapore, because of her avowed non-aligned policy and her opposition to military alliances against China, could not associate herself with any regional anti-communist organisation, and rejected overtures from ASPAC.  

During the 1968-1970 period, Japan's presence was increasingly being felt, particularly in the economic sectors of Southeast Asia. The area was becoming a huge market and investment centre for Japan, while trade with Japan was important for Southeast Asia.

38. Japan attempted to recruit Singapore and Indonesia in 1969. Japan indicated that Indonesia would attend the ASPAC meeting in the hope that this would influence Singapore into accepting the invitation to attend. Interview, P.S. Raman, 28.1.71. See also Pacific Community, Vol. 1, No. 1, October 1969, p.1.
The centre of Japan's interest in the area was Malaysia, Singapore and Indonesia, those states which are in command of the Straits of Malacca, a vital gateway for Japan's European and Middle East trade. Besides trade, other interests of Japan in Southeast Asia were evident, these included economic assistance and political influence in the area. SEAMCED provided the framework for the influence of Japan in Southeast Asia.

Malaysia's and Singapore's responses to the presence of the Japanese were similar to other countries which had experienced Japanese occupation or militarism. Both governments demanded war reparation, while for domestic and political reasons, they adopted a cautious policy with regard to Japanese large scale investments. The presence of the Japanese could be opposed by the Chinese on emotional grounds and because they feared the economic competition from Japanese investors. In the case of Singapore, however, though there was antagonism towards the Japanese, the over-riding consideration of economic development overcame the reluctance to accept Japanese capital. But while accepting the Japanese influence in the economy, the Singapore Government was less
disposed to accept Japanese political influence.

The SEAMCED was initiated by Japan and the other participating countries were Malaysia, Singapore, Indonesia, Thailand, the Philippines, Cambodia, Laos and South Vietnam.\(^\text{39}\) The main purpose of SEAMCED was to channel Japan's assistance to Southeast Asia. Presently, 80% of Japan's foreign aid went to Asian countries. Japan intended to increase her foreign aid to 1% of her GNP, the goal set by the United Nations for developed countries.

Malaysia and Singapore both advocated that Japan should play an economic role in regional projects and the Singapore had always stressed the need for the participation of more developed and technologically advanced countries in the development of Southeast Asia. Capital, technical expertise, organizational know-how and markets in countries with ample purchasing power were needed and these would have to come from outside the region. But

---

39. Prime Minister Sato said that Japan proposed the conference as it was the wish of the Japanese people to share with the peoples of Southeast Asia the hardships which beset their path towards development. *Asian Almanac, Vol. 3, No. 43, April 24-30, 1966,* p. 1576. In 1966, Indonesia and Cambodia attended as observers, and became full members subsequently.
while accepting that Japan could contribute substantially in the economic development of the region, Singapore was not prepared to have Japan make the SEAMCED into a Japanese-dominated organisation. The large Japanese delegation monopolised the SEAMCED Conference in Manila in 1967, and Singapore was determined not to have Japan repeat the Manila performance. Japan, while she was prepared to contribute to the economic development of Southeast Asia, saw SEAMCED as an organisation to gain a political foothold in the area.

Singapore decided, as the host country for the 1968 meeting, to invite other countries as observers, as a demonstration to counter-balance the Japanese influence in SEAMCED. In this, she had the support of most of the ASEAN members, including Malaysia and Indonesia. Thus Cambodia, Australia, New Zealand, Ceylon, India and Pakistan were invited to the meeting. Japan's displeasure at the Singapore move was based on the grounds that the SEAMCED was aimed particularly at the economic development of Southeast Asian countries and not of countries outside the region. The Singapore position was that there were other developed countries which could contribute

40. Refer to the speeches by the Acting President and S. Rajaratnam, The Mirror, No. 16, 15 April, 1968, pp. 4, 6 and 8.
towards the economic development of Southeast Asia as well.

Japan's attempt to exert her influence was seen in her efforts to formalise the organisation by establishing a permanent standing committee of the SEAMCED. Japan had planned to institutionalise the conference in three ways, firstly, through a standing committee at ambassadorial level, secondly, by establishing a study group and thirdly, by using the abbreviated name of SEAMCED. Moreover, Japan felt that the membership should be confined initially to the present group of states. It referred to these proposals as 'a move to give new significance to the conference in the face of a new situation which would result from the planned British withdrawal and the trend towards peace in Vietnam.' But these proposals were opposed by the Southeast Asian members. The argument was that the conference was not an organisation and therefore had no members; it was merely a get-together of Ministers. The 'offensive' against the Japanese proposals was led by Thailand and the Philippines. They feared that this was a Japanese bid for regional leadership and was a competitor against ASEAN interests. Malaysia
suggested the establishment of a permanent joint working committee at the level of officials and this was subsequently adopted as a 'face-saving' device for Japan.41

It was clear that Japan pressed for a more formalised and permanent organisation, but the meeting in Singapore in 1968 had indicated that the time was not yet opportune for Japan to assume a regional political role in Southeast Asia. This was due to the aversion of the Southeast Asian states to the hegemony of a strong power. Also, the war time scars of the Japanese Occupation were still unhealed. Moreover, there was a consensus among the ASEAN members not to jeopardise the new regional organisation by conflicting interests among countries in Southeast Asia and Japan.

41. The Malaysian proposal set down three objectives of the joint working committee:
(1) The committee by meeting periodically could concentrate on producing portfolios of suitable regional projects for adoption and implementation.
(2) It could be the clearing house for eliminating possible over-lapping of activities of ASEAN, ASPAC, Colombo Plan, ECAFE.
(3) It should be its responsibility to consider the mobilisation of resources for the financing of joint regional programmes and projects. The Straits Times, 10-12.4.66.
Conclusion

Regional organisations set up with Southeast Asian membership were for the purposes of economic, social and cultural cooperation, but the political and security motivations were evident in the attitudes of some countries, including Malaysia, Singapore and Indonesia. Malaysia's objectives as indicated by her reactions to ASEAN, ASPAC and SEAMCED were firstly, to initiate the establishment of regional associations either under her leadership or with Indonesia, secondly, to work towards an eventual security arrangement based on an existing regional organisation and thirdly, to cooperate with the anti-communist countries of the region to promote their solidarity. In the case of Singapore, her attitudes towards these regional organisations emphasised firstly, cooperation on non-security matters, particularly on economic projects, secondly, the need to maintain a non-aligned posture within the region, and thirdly, the necessity of the developed countries to participate in the activities of these regional organisations. Both Malaysia and Singapore opposed any sign of domination by a non-regional power and agreed on limited areas of economic cooperation.
The Malaysian aspiration to achieve regional leadership seemed to have shifted from an initial position of prime mover to that of a joint effort with Indonesia. The Tengku particularly pursued his aim of expanding ASA but when his efforts received little response from the other countries, he agreed reluctantly to accept the Indonesian initiative. His deputy, Tun Razak, however, had supported the Indonesian position from the beginning. More important, the Tengku eventually could have been attracted to the idea of a security alliance based on ASEAN. The development could be in line with the Tengku's opposition to communism and support for joint efforts by anti-communist countries. Hence, Malaysia became a member of ASPAC as well. This

42. It was understood that the idea of forming ASEAN first arose during discussions in Bangkok between Razak and Malik when both were in the Thai capital to end hostilities in June, 1966. Current Notes on International Affairs, Vol. 38, No. 8, p. 326.

43. The possibility of ASEAN turning into a security organisation was apparently discussed during the Tengku's visit to Indonesia in April, 1968. See Ivor Richardy's article in The Mirror, Vol. 4, NO. 19, 6 May, 1968, p. 6.
would seem to indicate that while Malaysia declared herself a non-aligned country, the concept could accommodate her membership of such organisations.

Singapore's actions and declarations toward regionalism manifested her interests which were in conflict with those of Malaysia. She feared any regional arrangements which she perceived to be anti-communist and inclusive of only anti-communist states. Thus, she opposed the Malaysian invitation to South Vietnam and Laos to participate in the ASEAN meeting in the Cameron Highlands and refused to join ASPAC. Her argument was that any regional organisation that took on an ideological posture would face the opposition from a rival Great Power. More important, this would detract from the policy of non-alignment which she professed. She also resented any attempt at domination by any regional or non-regional power. For this reason, she disagreed with any suggestion that ASEAN should become a security organisation, as this could mean Indonesian hegemony, and rejected Japanese domination of SEAMCED. Her idea of an expanded regional association would include membership for other Southeast Asian countries including Burma, Cambodia, and North Vietnam,
and which would seek assistance from the developed non-regional countries. Thus, Singapore suggested that Burma, Cambodia and North Vietnam together with Laos and South Vietnam should be invited to join ASEAN, and that countries such as Australia, New Zealand and Japan should be approached to provide assistance to implement the programmes of the regional organisations.

The conflicting views of Malaysia and Singapore were evident in their policies towards regional associations. Singapore did not support the Tengku's initiative to expand ASA, rejected Tun Razak's suggestion that ASEAN could become a security organisation and did not join up with Malaysia in ASPAC. Malaysia, on the other hand, seemed to move towards a common interest with Indonesia to reach a regional security arrangement: aside from their bilateral cooperation in security matters, they had similar views on ASEAN. Indonesia showed interest in joining ASPAC, and both Malaysia and Indonesia were principal participants in the Djakarta Conference on Cambodia. However, Malaysia and Singapore would oppose any Japanese domination of the region.44

---

44. Japan could have an initial interest in ASEAN. The retiring Japanese in Kuala Lumpur stated on August 20th, 1967, that Japan would seriously consider joining ASEAN if the organisation were expanded at a later date and an invitation was made to Japan. The paper on ASEAN, Ministry of Foreign Affairs, Singapore. 26.8.67.
Malaysia-Singapore conflict of interests and lack of cooperation in the region, seen in their policies toward Indonesia and regional organisations, could retard progress towards regional solidarity, cooperation and the stability of the region. In fact, Malaysia and Singapore seemed to be developing along two different paths toward different alignments in Southeast Asia. Malaysia would orientate her policies to move closer to those of Indonesia, in view of their close bilateral relations and common interests in regional security. Singapore, on the other hand, had remained aloof from their view that ASEAN could take on a security role. Within the region, Malaysia seemed to reinforce her anti-communist position, whereas, Singapore seemed intent to maintain a non-aligned image in Southeast Asia. However, the policy of non-alignment was also one of a general orientation to the international community of bipolarity and it could be that Malaysia and Singapore would adhere closely to this concept on issues affecting the interests of the Great Powers in Southeast Asia.
CHAPTER SIX
MALAYSIA-SINGAPORE AND THE UNITED STATES:
SECURITY AND ASSISTANCE

Introduction

Malaysia and Singapore, besides being concerned about their neighbours and the region, were keenly conscious of the Great Power interests, which had direct implications for the foreign policies of the two countries in Southeast Asia. The United States of America, the Union of the Soviet Socialist Republics and the People's Republic of China are ideological rivals with universal goals, such as global influence and presence. During the second half of the sixties, developments in Southeast Asia presented both opportunities for the exercise of the Great Powers' influence and a radical shift in the balance of power in the area. The anti-communist military success in Indonesia could have provided the impetus for an anti-communist alliance built around the New Order in Indonesia, and reinforced by the Indonesia-Malaysia normalisation of relations. On the other hand, the indecisive outcome of the war in Vietnam, the continued development of
nuclear power by China and the gradual withdrawal of the Western powers probably gave rise to the fear of a growing imbalance in the area.

Confronted with the competing Great Power interests, how did Malaysia and Singapore set about achieving their own objectives including security and economic development? Their general foreign policy orientation was that of non-alignment, in the hope that this policy would exclude them directly from Great Power conflicts, allow them independent judgement on various issues and benefit them in the way of diplomatic relations and economic assistance from the Great Powers.

Malaysia-Singapore relations with the United States were closely associated with the notion that the area was a British responsibility and American strategic interests in the Straits of Malacca took account of the British capacity to maintain security in the area. To the United States, the recognition that Malaysia-Singapore was primarily a British sphere of influence had certain advantages: the United States would not assume direct charge of defence of that area, nor assume the burden of empire, and it seemed that the United States would not extend her commitments too
widely as she was involved in a war in Vietnam.  
Malaysia had a defence treaty with the United Kingdom 
and the British bases maintained in Malaysia were 
available for SEATO purposes. Thus, the United States 
did not consider it necessary to have an independent 
policy to win over Malaysia–Singapore to her cause 
in Southeast Asia.  

To Malaysia and Singapore, it was undesirable 
to have too close a relationship with the United 
States because of their efforts to build up their 
policy of non-alignment and prestige in Afro-Asia. 
The British military strategic base was accepted by 
many of the Afro-Asian countries as necessary for the 
defence of the two states. At the same time,

1. James W. Gould, United States and Malaysia, Harvard 
University Press, Cambridge, Massachusetts, 1969, 
p. 220.

2. Boyce maintained that this could be due to American 
ignorance of the area and the anti-west propaganda 
of Singapore in the early 60s. 
Peter Boyce, Malaysia and Singapore in International 
Diplomacy, Documents and Commentaries, Sydney Uni-
Malaysia and Singapore did not join the Southeast Asian Treaty Organization, which the Tengku had referred to as 'ineffective, negative, outmoded and under the stigma of Western domination'. Nevertheless, both the states realized the strategic importance of the American presence in Southeast Asia to maintain the balance of power, hence they expressed support for the United States' policy in Vietnam, though they were critical of the American methods in Southeast Asia.

Following certain developments, Malaysia and Singapore anticipated a possible shift towards greater involvement of the United States in the Malaysian area. These developments were the abortive coup in Indonesia, which had dislodged the biggest Asian communist party outside of China, namely, the Indonesian Communist Party (PKI) from its power position; the Malaysia-Indonesian detente; and the eventuality of British withdrawal from the Straits of Malacca. Strategically, there was the possibility that the United States could assume the 'British responsibility'.

or foster a regional security alliance with Indonesia as its core. The difficulties faced by the United States in Vietnam made both options immediately unlikely. But the United States showed increasingly interest in the security of this area, and improved her relations with Malaysia and Singapore with the objective of widening her Asian supporters of her policy in Vietnam.

During Confrontation, Malaysia was disappointed at the American reaction to her request for military aid and at what she regarded as inflexibility in American foreign policy. To Malaysia, the United States appeared lukewarm to her problem of survival in the face of Indonesian hostile policy. This was illustrated by the American attitude towards the Malaysian efforts to build up her defence forces. The United States was reluctant to give military assistance to Malaysia, and even in the matter of military equipment purchase from the United States, the latter was not ready to give Malaysia easy credit terms. The American military mission that had visited Malaysia, while it offered to assist Malaysia to buy military equipment, principally helicopters, was only
prepared to grant credit terms at commercial rates. This provoked an anti-American protest and increased Malaysian scepticism of the United States as a source of military assistance.⁴

A principal consideration of the United States could be that any aid to Malaysia would start an arms race in the region, since the United States was fully aware that the Russians and the Chinese would offset any imbalance in the area.⁵ The United States wanted to opt out of Confrontation by not supplying military assistance to either side - Malaysia or Indonesia.⁶

---

⁴ The American negotiators insisted on the commercial rate of 5% which was higher than the interest rate on loans for Vietnam, Korea, India, Pakistan and even Indonesia. The anti-American protest was sponsored by the national Afro-Asian People's Solidarity organisation, which had leading members of UMNO in it. James W. Gould, op. cit., p. 225.

⁵ This fear was manifested again in 1969. The United States, through her Ambassador in Malaysia, warned Malaysia against the intended purchase of the French Mirages as part of her military build up and stated that this might give rise to problems for United States' aid programme to Malaysia. The Times, 27 and 28.1.69.

⁶ In September 1964, the United States cut off military aid to Indonesia. To be consistent and to stay neutral, the United States would have to refuse similar aid to Malaysia. Keesings' Contemporary Archives. Vol. 15, February 20-27, 1965, pp. 20592-20593.
However, the United States wanted to maintain relations with Indonesia, the biggest nation in Southeast Asia and one which had a potential of being a strong power base for a regional security pact in the future.

Fears and hopes

In their relations with the United States, Malaysia and Singapore have the common purpose of obtaining assistance from the Americans, in particular, to achieve their objective of economic development. Here Malaysia-Singapore competition in foreign policy did not make any direct demands on each other. However, there was the perception of Singapore leaders that the United States saw the island as a Chinese enclave, while Malaysian leaders hoped that the United States would be sympathetic to their anti-communist activities. This was related to the common view that the United States would be interested in promoting an anti-communist alliance in the Straits of Malacca.

Singapore was very sensitive in her perception of threats to her independence and sovereignty. As a result of this was that Singapore felt that the United States might intervene on the side of Malaysia should
the British become disillusioned and abandon the military base as a result of Separation.\textsuperscript{7} To fore­stall such an eventuality, the Singapore Prime Minister decided to publicly deny the bases to the United States. Another reason for Singapore’s initial anti-United States posture was to support her non-aligned foreign policy, obtain recognition from the Afro-Asian bloc and gain admission to the United Nations.\textsuperscript{8} Evidence of the fear of American intervention was illustrated by Lee Kuan Yew’s statement that if Britain withdrew from the Malaysia-Singapore area, he was prepared to continue with a weakened Commonwealth military presence rather than with the United States. He declared, 

\begin{quote}
If the British withdraw, I am prepared to go on with the Australians and the New Zealanders but I am not prepared to go on with the Americans.\textsuperscript{9}
\end{quote}

\begin{thebibliography}{9}
\bibitem{7} K.G. Tregonning in \textit{The Bulletin}, Sydney, 25.9.65, p. 23.
\bibitem{8} Peter Boyce, \textit{op. cit.}, p. 159.
\bibitem{9} \textit{The Straits Times}, 1 September, 1965. At the time of the announcement of the accelerated British withdrawal in January, 1968, it was reported that having to depend on the United States for security was something that Lee Kuan Yew had always sought to avoid. Alex Josey, \textit{Lee Kuan Yew in London}, Donald Moore, Singapore 1968, p. 44.
\end{thebibliography}
Singapore was anxious that the United States should not intervene in the internal problems of Malaysia and Singapore. Lee Kuan Yew added that if the American Government interfered on the assumption 'that all Chinese are Communist elements', and that if the American Government helped 'a reactionary feudal group to suppress the whole population', then 'we will all be involved.' Thus, Singapore feared that the United States would assist Malaysia to maintain the pre-Separation situation, which could mean an unequal relation for the island state.

The fear of American intervention in the internal affairs of Singapore was further shown by Lee Kuan Yew's revelation of the attempted subversion by the Central

10. Transcript of Prime Minister's interview with members of the Chinese Press in Hokkien, recorded at TV Singapore Studio, 12 August, 1965, p. 10. The allusion to the American thinking, that all Chinese were communist elements, was a reminder of the American attitude towards the People's Action Party when it assumed power in 1959. It was then felt by many Westerners that because the PAP was a socialist party, Singapore would become a communist or pro-communist base in Southeast Asia.
Intelligence Agency (CIA) in Singapore. The CIA agent was freed because Singapore was working to establish merger with Malaysia, and it was felt that the United States could influence Kuala Lumpur to obtain the agent's release; this might then become a difficult issue between the two states then. Thus, Singapore's apprehension was based on her experience with the United States and her resentment of the American misconception of Singapore as a 'Chinese state' which was vulnerable to submission as a communist base. It was partly to dispel such myopia in American thinking, which Singapore felt existed in the State Department among the 'Chinese hands', and partly to reassure herself that there was no real

11. Some time in 1960, a CIA agent from Bangkok attempted to bribe a Special Branch officer of Singapore but was discovered and detained by the authorities. To secure his release, the American government was told to donate M$100 million dollars for the economic development of Singapore. Instead, the American Government offered M$10 million dollars to the PAP and this was rejected. What aggravated the situation after the revelation was the denial of the American State Department that such an incident had taken place. This led Lee Kuan Yew to publicise the letter of apology written by the Secretary of State, Dean Rusk on 15th April, 1961. It was only then that the State Department admitted the truth of the matter, while explaining that they were not fully aware of the background of the case. The Straits Times, 4.9.65 and see also The Mirror, Vol. 1 No. 28, 11 September, 1965, pp. 2-3 and Vol. 1 No. 29, 18 September, 1965, pp. 2-3.
basis for her anxiety about the United States drawing Malaysia and Indonesia together to form a security alliance in Southeast Asia, that Lee Kuan Yew visited the United States in October, 1967.

Singapore was particularly concerned with her own security and survival and in this connection was anxious to dispel the American image of Singapore as a 'third China', and the fallacy that an anti-communist security alliance built around Indonesia-Malaysia and possibly the Philippines, that is, the Maphilindo powers, would be a viable deterrent against communism in Southeast Asia. The Prime Minister recalled that a few years ago there were some quarters in the United States which called him a communist or a pro-communist. Again, after Singapore's separation, there was the propaganda that Singapore was a 'third China', and hence, the island's independence and sovereignty should be undermined to prevent it from becoming another Cuba, that is, a communist island-bastion in the midst of an anti-communist region. Lee Kuan Yew impressed on the United States that he was not an overseas Chinese but a Singaporean of ethnic Chinese descent. Moreover, the people in Southeast Asia were becoming more and
more Southeast Asian. As for the relationship between the overseas Chinese and China, he expressed the doubt whether China would want to invite nuclear devastation for the sake of a few million of their 'poor cousins' in Southeast Asia. It was implied that the United States should not fear that Singapore would go communist or intervene in the internal affairs of Singapore. Thus, besides stating the general ethical principles governing international relations, that is, 'mutual respect, non-interference and equality among all nations are essential principles underlying the creation of a stable and peaceful international order', Singapore and the United States stated that 'every nation should have the right to select its own political, economic and social system and its own way of life free from any outside interference or pressure.'

While Singapore had expressed initial doubt about American intention towards her, Malaysia hoped that the United States would assist her in her military build-up. Malaysia indicated her support of the

American policy in Vietnam but she opposed the renewal of massive military assistance to Indonesia.

Confrontation had brought the United States into closer touch with the problem of Malaysia's survival, and led to co-operation between the British and the Americans in pursuit of their respective Southeast Asian policies.\(^\text{13}\) This could have encouraged certain sections in Malaysia to suggest a larger American role in the defence of the Straits of Malacca, and Malaysian membership of the Southeast Asian Treaty Organisation.\(^\text{14}\) The government did not succumb to these pressures so long as the Anglo-Malaysian Defence Agreement existed and so long as the British were capable of defending Malaysia in the event of external aggression. The pro-American attitude was reinforced as a result of the new international situation in Southeast Asia,

---

\(^{13}\) This was manifested in the joint communique between President Johnson and Prime Minister Douglas-Home in Washington in February, 1964. Peter Boyce *op. cit.*, p. 162.

caused by the Separation of Singapore from Malaysia, the anti-communist counter coup in Indonesia and the end of Confrontation. Moreover, the Vietnam situation could have unfortunate consequences for Malaysia and other states in the area. More significant, there was the fact of the impending decision of the British Labour Government to cut back its military commitments in the Malaysia-Singapore area as part of the general British withdrawal East of Suez. Furthermore, the possibility of the Russians, who were increasingly using the Straits of Malacca, establishing a dominance and a foothold in the area, could not be ruled out. At the same time, the United States could assist in raising the low price of rubber which had affected the Malaysian economy considerably. These events necessitated a rethinking in Malaysia's policy vis-a-vis the United States, and the result of the new policy of Malaysia tended to draw her into a more outwardly pro-American policy in Asia, notably toward Vietnam.  

15. Peter Boyce, op. cit., p. 158.
Regional security

The Johnson visit in October, 1966 to Malaysia sought to clarify for both Malaysia and the United States their attitudes towards various issues. For Malaysia, the central problem was the fear of an extension of the conflict in Vietnam, of externally assisted subversion or a resurgence of a national liberation movement. The problem of China was also relevant because of the increasing nuclear capability of China, which gave further evidence of this by a nuclear explosion just prior to the American President's visit to Malaysia. In response to this, the American President stated in Kuala Lumpur,

We have already declared that nations which do not seek national nuclear weapons can be sure that they will have our strong support, if they need it against any threat of nuclear blackmail. 16

Malaysia gave public support of the United States' policy in Southeast Asia; for example, the Prime Minister stated that he had 'never failed to give solid backing' to the American involvement in Vietnam and 'to help explain to the rest of the world, the great sacrifices made by America in assisting freedom loving people defend

their rights and sovereignty*. Further, Malaysia expressed her belief in the 'domino theory', when she declared that Malaysia understood the vital role of the United States; that unless the peace of South Vietnam was made secure, 'the hopes of hundreds of millions in our region of Asia who stand for freedom, prosperity and progress would be lost'. On her part, Malaysia was determined to resist the 'expansionist movement' from gaining a foothold in the country.17

Malaysia's support of American policy in Vietnam was qualified later, however, when she felt that the Vietnam issue could not be solved in the military field. Malaysia saw the bombing of Hanoi-Haiphong as purely a military operation and an ineffective way to end the war.18 The Tengku felt that the only way to solve the Vietnam problem was to have both the North Vietnamese and the United States at a conference table.

---

17. Ibid, Vol. 1 No. 3, pp. 97-101. On the occasion of President Johnson's visit, the Malaysian authorities raided the Labour Party premises and certain members were detained. This did not prevent anti-American demonstrations against the visit. PDM Vol. 3 No. 13, 25.10.66 Col. 2253-2256.

While President Johnson's visit could have resulted in Malaysia being more explicit as to her support of the United States in Vietnam, the Malaysians were, nevertheless, careful to point out that they could not contribute any force to Vietnam. Aside from the limitations of Malaysia's own armed forces, the political motive was clear—Malaysia did not want to be a military ally of the United States. But, Malaysia was prepared to supply small arms, transport to the police forces and to train counter-insurgency officials. She also offered to help in certain reconstruction programmes and this was reiterated during Vice-President Humphrey's visit in 1967.\(^\text{19}\)

The other issue which was important to Malaysia was the question of the regional stability and security of the area. This related directly to American assistance in the build up of Malaysia and economic assistance to Indonesia. Malaysia had ordered about twenty million dollars worth of American Sikorsky helicopters at 5 1/2%.

\(^{19}\) The Prime Minister reiterated that while Malaysia was not involved militarily, she was prepared to offer any help that might be required of her in the peaceful, constructive programme of development in that country. The Straits Times, 3.11.67. See Foreign Affairs, Malaysia, Vol. 1, No. 7 and 8, March 1968, p. 12-33.
interest per annum spread over seven years. During President Johnson's visit, the Tengku requested better terms, viz. to reduce the rate of interest to 3% spread over ten years. In early 1967, the United States granted a loan of fifty-seven million dollars through the Export-Import Bank of Washington for the purchase of defence equipment including helicopters. Apparently, this was a second defence loan from the United States at a reduced rate of 3%. Malaysia supported renewed American military assistance to Indonesia; but the Tengku said that while assistance towards Indonesia's economic rehabilitation was necessary, it was felt that there should be restraint in the United States' desire to provide military aid to the new anti-communist government in Indonesia. This was based on the fear that the United States might be directly involved in the Straits of Malacca as she built up Indonesia's military capability for creating a new regional security pact in Southeast Asia.

Singapore was apprehensive that the United States would structure a new regional security pact

with Indonesia as the core-member. She felt that the countries in the area should not possess 'offensive weapons' but instead work towards a mutual security pact based on the following conditions: firstly, that top priority should be given to economic and commercial arrangements for the region; secondly, that each nation involved in the proposed pact should declare that force must not be used to change boundaries; thirdly, that a guarantee should be given by the Great Powers, including the United States, the Soviet Union and China, that they would underwrite the territorial integrity of each state: that no boundary would be changed by force; and that if any member was attacked, then all would be committed to the rescue of the victim.21

Singapore's position on the Vietnam situation was as follows,

As Asians we must uphold the right of the Vietnamese people to self-determination.
As democratic socialists we must insist that the South Vietnamese have the right not to be pressured through armed might and organized terror and finally overwhelmed by communism.

21. Lee Kuan Yew's suggestion of a 'three way underpinning of Asian security' by the three Great Powers was a version of the proposal for the neutralisation of Southeast Asia. The Straits Times, 23.10.67
So we must seek a formula that will first make it possible for South Vietnamese to recover their freedom of choice which at the moment is limited to either communist capture or perpetual American military operations. Then after the South Vietnamese are able to exercise their collective will without duress from either side, ultimately, be it after five, ten or twenty years, they must have the right to decide their final destiny, whether or not they choose to be reunited with North Vietnam and on what terms.  

Singapore, thus, was opposed to either a communist takeover or escalation of the war in Vietnam, and favoured the conditions by which the self-determination of the South Vietnamese could be exercised without duress. As a first step towards this end, Singapore favoured a return to the Geneva Conference of 1954 by which the Great Powers could impose conditions of peace, including the withdrawal of all foreign troops in Vietnam, and the supervision of the country by the International Control Commission. This was similar to the Malaysian position as advocated by Tun Razak at the United Nations General Assembly session in 1966.


23. Tun Razak had appealed to all countries to help bring the disputing powers in Vietnam to the Conference table and suggested that this could be done by reconvening the Geneva Conference. The Straits Times, 27.9.66. Suara Malaysia, Vol. 2 No. 40 September 29, 1966, p. 1 and 10.
Singapore's lack of faith in the capacity of the South Vietnam to resist the communists led her to advocate a strong American military position in Vietnam. Lee Kuan Yew was convinced that any settlement in Vietnam should be a mutually agreed solution as a result of negotiations and not of American military weakness or defeat: the latter case would set an unfortunate precedent for other communist movements in Southeast Asia. Also, the settlement of Vietnam should be concurrent with an agreement to guarantee the security and stability of the rest of Southeast Asia. He felt if the United States decided to cut her losses in Vietnam and if the latter was lost to the communists, that he was quite sure the 'liberation armies' would start moving westwards and southwards. The belief in the 'domino theory' did not mean the automatic collapse of any neighbouring Southeast Asian states.

24. Lee Kuan Yew stated, "I have no confidence whatever in some kind of spurious bogus peace which means in effect temporary neutralisation and after two, three, four years the liberation army takes over. I have no doubt in my mind that Laos, Cambodia, Thailand will very quickly do likewise, perhaps even Burma. They have no chance then". The Straits Times, 5.11.67
once South Vietnam went communist, but rather, that if it was shown that the United States could be defeated in Vietnam, this could give encouragement to other 'liberation movements' to agitate for the downfall of the neighbouring states. The motive of Lee Kuan Yew in invoking the domino theory seemed to be to influence the United States to help redress the balance in the region, by maintaining a strong presence in the area.25

Singapore, thus, had an interest in seeing the United States maintain her presence in South Vietnam until such time when a 'fair peace' could be arrived at for South Vietnam and the rest of Southeast Asia. However, as with Malaysia, Singapore was not prepared to contribute troops to the American effort nor did it wish to become an American ally by joining the Southeast Asia Treaty Organisation. Both did not want to compromise their non-alignment in foreign policy, and they did not feel that their survival was immediately threatened. Regarding SEATO, they felt that it was an ineffective organisation to deal with regional conflicts.

as there was no strong commitment of its members to come to the rescue of an ally which had suffered aggression in SEATO, the other members merely noted and agreed to consult if there was a breach of the peace in the area.

It would appear then that in the United States' view, Southeast Asia was a less important area than Western Europe, for her defence and security, and unless the United States was prepared either alone or in conjunction with the other Great Powers to devise a security arrangement which would guarantee the nations' survival after the Vietnam war, Malaysia, Singapore and other Southeast Asian countries would not want to be part of any security pact like SEATO.26

Thus, in terms of the United States' policy in Southeast Asia, both Malaysia and Singapore would support the American effort provided, firstly, there was no escalation of the war leading to likely conflict with the Soviet Union and China; secondly, the objective was

26. On March 25, 1967, Lee Kuan Yew was quoted as saying that to ensure against a recurrent communist threat, the countries of Southeast Asia 'may well prefer a permanent American military presence'. Congressional Quarterly Review, China and the US Far East Policy, 1945-1967, Washington 1967, p. 220d.
the eventual self-determination of the people of South Vietnam; and thirdly, both Malaysia and Singapore were not required to contribute troops to the American war effort. However, Malaysia provided training to South Vietnamese in anti-guerilla operations, while Singapore was a source of supply of strategic materials like oil and petroleum to South Vietnam. 27

Reaction to the Guam Doctrine

President Nixon announced the so-called Guam Doctrine, which laid down the policy of military non-intervention in Southeast Asia, and military withdrawal from Indo-China. 28 The doctrine elaborated quite clearly that in cases of insurgency and border aggression in Southeast Asia, the United States would not readily commit herself, even in cases where she had treaty commitments. Even in the case of a nuclear attack, although

27. About 5,000 Vietnamese officers had been trained in anti-guerilla operations in Malaysia between 1961 and 1966, and the training had continued at about 120 a year. James W. Gould, op. cit., p. 232.

the United States had declared her intention to support the non-nuclear state, it was questionable whether the United States would render herself liable to attack for the sake of a small state in Southeast Asia, which was not immediately vital to American security. After Vietnam, the force of American domestic politics would dictate American foreign policy to a greater extent than before, and in the immediate future, it seemed unlikely that Americans would accept another 'Vietnam'.

The doctrine had its impact on Malaysia and Singapore, which had accepted the inevitability of Great Power presence and responsibilities, including the prevention of aggression by hostile states in Southeast Asia. Malaysia remained firm in her conviction that the United States would not forsake her responsibility in the area despite the Guam Doctrine. The Tengku visited Washington in October 1969, and on his return, he declared that President Nixon gave assurance that the United States would not leave Southeast Asia in the lurch and allow 'a new type of imperialism' to take over the region, which could thus be at 'the mercy of Chinese communist imperialists'.

He was confident that the United States would provide help in the event of an unprovoked aggression by external enemies and that the United States was prepared to 'spread their umbrella for the security of the region'. However, in the view of the United States, it was necessary for the states in the region to have stability in their societies as a prerequisite for peace in the region. On her part, she would provide the necessary technical and even military assistance for any potential collective security pact in Southeast Asia.

There was apparent doubt in Malaysia and Singapore whether they could rely on the American government's assurance that American forces would be kept in the region. Lee Kuan Yew asserted that a prerequisite for regional stability must be a preparedness, on the part of the United States, to balance any increase in the military presence of other Great Powers, notably the


31. For statements to this effect made in Kuala Lumpur by the American Commander-in-Chief of the United States Army in the Pacific, General Ralph Harris, Jnr. see The Straits Times, 20. and 24.4.70.
Soviet Union. On the other hand, the objective of regional stability would require 'acquiescence by Moscow and a mutual reduction of commitments'. In the absence of both possibilities and in view of the uncertainties prevalent in the region, it was left to countries in the area, like Malaysia and Singapore, to suggest other alternatives such as the neutralisation of Southeast Asia to ensure their peace and security.

Economic assistance

Malaysia and Singapore felt that progress towards national and regional stability could be enhanced not just by national and regional defence arrangements but by internal social and economic development as well. For them, particularly Singapore, it was imperative that alternative market and sources of capital be found to develop their industrialisation programmes. To achieve these, both looked to the developed countries, particularly to the United States, the Commonwealth and recently, Japan, for assistance in terms of fair prices for their primary commodities, reasonable credit and loans for development and industrial projects,

32. The Mirror, Vol. 6 No. 16, April 20, 1970, p. 4
technical assistance, expertise and joint ventures.

For the economies of Singapore and particularly Malaysia, the sale and export of primary commodities, like rubber and tin, formed a very significant part of their export earnings. In the case of Malaysia, rubber comprised a significant percentage both of the total exports and of the gross national product of the country. The dangers confronting the rubber industry came from the increased production of synthetic rubber in the United States and Western Europe and the fluctuating price of rubber in the world market which was influenced by the Great Powers. While Malaysia felt that she could meet the competition from synthetic rubber, which was not a complete substitute for natural rubber, the country felt that the price of natural rubber was dependent on the manipulation of the supply and demand of rubber by the consumers, particularly

33. Rubber cultivation took up 65.4% of the total cultivated area and contributed 41.4% of total export earnings. Straits Times, 4.5.70 See T.R. McHale, Rubber and the Malaysian Economy, University Handbook Series, MPH, Singapore 1967, pp. 91 and 99.
the United States.\textsuperscript{34}

One of the main grievances of Malaysia had always been the American policy regarding the latter's release of stockpile rubber. From time to time, the General Services Administration (GSA) of the United States, in response to domestic inflationary trends, would release certain of its stockpile rubber in order to depress the market price. This was often done without consultation with the natural rubber producing countries like Malaysia, Indonesia and Thailand. The problem centred mainly around the question of a minimum price level where release of the stockpile rubber would cease. The following example illustrated the frequent controversy between Malaysia and the United States in this matter.\textsuperscript{35}

In early March, 1970, it was learnt publicly that the GSA was contemplating releasing 169,000 tons of

\begin{itemize}
\item \textsuperscript{34} PDM, Vol. 4 No. 22, 23.1.68, Col. 3901-3902. Refer to the table of Pan-Malayan rubber exports, 1957 to 1967, Appendix I.
\item \textsuperscript{35} In 1966, the GSA reversed an understanding without consulting with the natural rubber producing countries. It had been agreed that 112,000 tons would be released in the following manner: 40,000 would be sold for government or military contracts, and the remaining 72,000 tons would be sold in quarterly doses. The GSA removed all these limitations and increased the amount to be released to 170,000 tons, \textit{PEER}, Vol. 54 No. 3, October 20, 1966, p. 157.
\end{itemize}
stockpile rubber into the market. This came as a surprise in view of the GSA decision a year before to increase its rubber stockpile. Apparently the Malaysian Government had been informed regarding the stockpile release just prior to the public announcement. Malaysia responded immediately by consulting other natural rubber producing countries and tried to formulate a common proposal for an acceptable disposal programme to be presented to the United States Government. Malaysia proposed together with other rubber producing countries that the GSA should release small amounts of the stockpile rubber, and that sales should be suspended if the price was below a certain agreed figure. However, two months later, before any decision had been arrived at regarding this proposal, the GSA announced the intention to release 7,000 tons a month beginning mid-May 1970, from its strategic stockpile.  

36. The Minister of Commerce and Industry, Khir Johari declared that the Malaysian Government had assumed that consultation would be held with them before any disposal from the GSA rubber stockpile was made, and that Malaysia and the United States would adhere to the observerance of the principle of non-disruption of the market. Malaysian Digest, Vol. 2 No. 5, March 14, 1970, p. 3 and Vol. 2 No. 10, May 30, 1970, p. 6.

37. Previous to this, the GSA wanted to release 9,000 tons a month until all 169,000 tons were sold. The Straits Times, 18.5.70
Apparently the Malaysian Government was not informed of this. But what was worse was that since the GSA intention was made known, the price of rubber dropped by fifteen cents from seventy cents; this meant an approximate loss to Malaysia of three hundred million dollars. The drop in price was the result of a number of factors relating to the demand for natural rubber, but the announcement of the GSA release was a very significant factor which aggravated the instability of the rubber market. The Malaysian Government protested to the United States but it was to no avail as the United States did little to stop GSA sales. Malaysia had in previous years attempted to initiate discussions between the United States and the natural rubber producing countries but this had been futile. Similarly, with regard to the release of American stockpile tin, the United States which had not acceded to the International Tin Agreement,

38. Opposition to the GSA policy was voiced by the Malaysian Rubber Exchange and press. A Chinese daily, Sin Chew Jit Pac, on May 19, 1970, stated that "the United States Government reticently permits the GSA dagger pointing at the throat of the producing countries. This is indeed unpromising and unfriendly". Malaysian Digest, Vol. 2 No. 10, 30.5.70, p. 5. See also The Straits Times, 19.5.70, The Mirror, Vol. 6 No. 21, May 25, 1970, p. 6.
could not guarantee that the GSA tin releases would be phased out when the price declined.\(^{39}\)

Besides the difficulties between Malaysia and the United States over the GSA rubber and tin stockpile policies, there were other areas where Malaysia felt that she had not been given fair consideration by the United States. Financial assistance from the United States to Malaysia had been minimal. According to an American official, it was 'probably the lowest in Asia'; in the '50s, it totalled about M$70 million and nothing after that until 1966.\(^{40}\) One reason given for this was the favourable foreign reserve of Malaysia. Malaysia had hoped that the implementation of the First Malaysia Five-Year Plan in 1966 would be assisted by reasonable loans from the United States, but these were not forthcoming. Instead Malaysia had to appeal to an 'Aid to Malaysia Club' to help in the implementation of the development plans. Where credit was available from the United States, the interest rate and terms were considered

\(^{39}\) Foreign Affairs, Malaysia, Vol. 1 No. 1-2, 1966, pp. 43-44.

\(^{40}\) James W. Gould, op. cit., p. 227.
prohibitive. Thus, although the Export-Import Bank had offered RM150 million to Malaysia, it was not extensively used, except for the purchase of aircraft for Malaysia-Singapore Airways. This was because of the high interest rate of six per cent per annum and the loans were tied to the purchase of American goods and services.41

More important than aid and credit were investment and trade, and even here, Malaysia was disappointed with the United States. The overall investment of the United States in Malaysia was relatively small compared to that of the United Kingdom and Japan; though in pioneer industries, and oil exploration, the United States was the leading capital subscriber. This was despite the Malaysian encouragement to foreign investments and the conclusion of an Investment Guarantee Agreement, by which American investors were insured against expropriation, war, revolution or insurrection.42

41. The President of the Export-Import Bank was in Malaysia in March, 1970 to persuade Malaysia to use more of the offered loan. Malaysian Digest, Vol. 2 No. 5, March 14, 1970, p. 6.

42. The Investment Guarantee Agreement was signed in June, 1965. In May, 1968, the Petroleum Agreement was signed between the Malaysian Government and two American firms, Esso Exploration of Malaysia.
trade, the position was satisfactory, though the trend was towards an increase in the imports of American products and hence a deficit on the bilateral balance of payments. In certain areas of their trade relations, problems had arisen because of the restrictions imposed by the American Government, for example, the quota on textile exports. As for tourism, it was not until early 1970, that an air services agreement was signed between Malaysia and the United States enabling Pan-American Airways to make flights to Kuala Lumpur.

Malaysia thus had certain grievances against the United States regarding the stockpile release, investment and trade. However, there were some compensations for Malaysia in the educational and social fields. Here cont’d

Incorporated and the Continental Oil Company of Malaysia. By the Agreement, the companies must surrender 50% of the allotted area after 5 years, and another 25% after the second 5 years. Asian Recorder Vol. 14 No. 31, July 29-August 4, 1968, p. 8450.

43. See Appendix I.

44. It was reported in Parliament that as late as August 1967, no satisfactory agreement had been reached regarding the American restrictions on imports of Malaysian textiles. PDM Vol. 4 No. 13, 25.8.67, Col. 2499-2501, see also Malaysian Digest, Vol. 2 No. 3, February 14, 1970, p. 7.
the presence of the United States was considerable. Such American institutions as the Peace Corps volunteers, the Fulbright programme, the Ford Foundation and the Asia Foundation had existed in Malaysia since the late '50s. In the view of the former Director in Malaysia, 'the Peace Corps has been the major American contribution to Malaysian development.' Malaysia was one of the first countries to respond to President Kennedy's offer of volunteers and by 1966, over a thousand volunteers had served in Malaysia. Aside from the Peace Corps volunteers, Malaysia had benefited from the various American Foundations which had given grants for such projects as development planning, agricultural diversification, economic advice to the Economic Planning Unit, family planning and educational reform, graduate scholarships, and training of journalists.

In the case of Singapore, despite the initial political difficulties between Singapore and the United States, economic relations between them were actively pursued, 'in a sensible, mutual recognition of commercial and economic expediency.' Economic relations with the


United States had been growing steadily and satisfactorily, though here again, there were such problems as the imposition of a textile quota by the United States. The generous investment incentives, such as industrial sites and tax concessions offered by Singapore, had resulted in an inflow of American capital in pioneer industries, including the electronic industry and offshore oil exploration. An investment guarantee agreement was concluded which would provide guarantee to approved American investors against risks of currency inconvertibility, losses due to confiscation and damage to properties and assets attributable to war or insurrections.\(^47\)

The problem over the textile quota was related to the efforts of Singapore and Malaysia to establish their industrialisation programmes. It had been strongly felt that developed countries like the United States should concentrate their industrialisation on a more advanced and sophisticated level rather than on the production of textile goods, which was an essentially labour-intensive industry. This argument had been supported by American

\(^{47}\) The Straits Times, 26.3.66.
economists and officials who considered that, rather than hold back industrialisation of developing countries, the United States should retrain and relocate American textile workers as the manufacture of cotton textiles represented inefficient use of American resources and skills. In the case of Singapore and the United States, an agreement was reached in 1966 which allowed Singapore to export up to thirty-five million square yards of textiles annually for the next three years. While this meant a small concession by the United States, it benefitted Singapore in terms of employment and encouraged her textile industry.

Singapore did not receive, nor did it seek, direct

---

48. The problem was not that of the United States alone but concerned developed countries who were associated with the Long-Term Agreement Regarding International Trade in Cotton Textiles (LTA), which permitted quotas on foreign exports of stock. By this agreement, the developed countries could invoke a clause of the LTA which permitted them to cut off imports which could threaten their own producers. However, bilateral agreements between countries could be reached on the amount of textile that could be imported. James W. Gould, op. cit., p. 237.

49. In 1970, negotiations were begun to replace this agreement. The Straits Times, 14.11.70.
financial assistance from the United States. With respect to their bilateral trade, this had been in the American favour from 1964-1968. But in 1969, Singapore exported more than she imported from the United States for the first time. In foreign investment, the United States led Japan and Britain, and the American capital was tied up in such joint ventures as oil refineries, electronic and aerospace industries.

Besides the American economic presence, United States' assistance in the social-cultural fields was evident as well. However, while such institutions as the Ford Foundation, Fulbright Programme and the American Field Service programme were present in Singapore, the Peace Corps programme did not. Most recently, however, Singapore and the United States agreed to exchange air


51. The Mirror, Vol. 2 No. 28, 13.7.70, p. 2. Also refer Appendix I.

52. For example, together the American Lockheed Co., and the Australian-Singapore General Aviation Services would build up Singapore's aerospace programme. The Straits Times, 17.6.70.
cadets for training and study tours. It would be expected that exchanges of such a nature in the fields of technology and advanced techniques would continue steadily over the years.

Conclusion

As with most weak and small states in the international community, Malaysia and Singapore were faced with the options of isolationism, alliance or non-alignment. Situated strategically near a crisis situation, viz. the Vietnam War, and exposed to external contacts and influences, it was impossible for them to remain isolated from the international community. However, their experiences with the communists could have swayed them into an alliance with the United States, such as membership of SEATO. In view of certain domestic restraints such as their Chinese population and to maintain their independence, non-involvement in Great Power disputes and to have access to the markets of as many countries as possible, Malaysia and Singapore adopted a policy of non-alignment which was flexible enough to accommodate their military alliance with the ANZUK powers. This had been accepted by the Afro-Asian countries and

53. The exchange scheme was sponsored by the United States Air Patrol. Three Singapore air cadets went to the United States while three American cadets came to Singapore. The Straits Times, 21.7.70.
the non-aligned states.\textsuperscript{54}

In regard to the American security interests in Southeast Asia as illustrated by the Vietnam War and the Guam Doctrine, Malaysia and Singapore took generally a similar line, though Malaysia seemed outwardly more pro-American. Both expressed, although with slight variation, their beliefs in the domino theory. Malaysia, especially the Tengku, enthusiastically supported the American action in Vietnam and extolled the United States as the leader of freedom, peace and security. Singapore maintained that a strong American presence was necessary to prevent the outbreak of liberation movements and to counterbalance the power of the Russians and the Chinese in the region. The Guam Doctrine set out that the United States would consider assistance to efforts at regional security arrangements. Malaysia supported, while Singapore cautioned, the United States in the latter's renewed military assistance to Indonesia. However, both did want direct American military involvement in the Straits of Malacca for fear

\textsuperscript{54} Rajaratnam stated that Singapore's policy on the base was in line with the Afro-Asian decision 'that military bases were all right if they served the legitimate interests of the country in which they were located and those of the country which established them.' \textit{The Straits Times}, 27.8.65 and \textit{The Mirror}, Vol. 1, No. 30, 25 September, 1965, p. 5-6.
that this might escalate to create another American presence in Southeast Asia.

Malaysia and Singapore made minimal gestures in support of the American position. Malaysia indicated her support for the South Vietnamese cause by providing training facilities in anti-guerilla techniques and a gift of small arms to South Vietnam. Singapore provided the supply of materials and repairs of American vessels and this benefitted her economically as well. However, as indicated earlier, Malaysia was prepared to consider South Vietnam's membership of ASEAN, whereas, Singapore's view was that both the Vietnams should be members of the regional organisation.

Malaysia and Singapore realised the caution in American policy towards them; this was manifested in the issue of the states' independence and security. Malaysia learnt that despite Indonesia's aggression during Confrontation, the United States played a neutral role and tried through diplomacy to bring the disputants to the negotiating table. Further, the United States was reluctant to facilitate the Malaysian purchase of arms for fear that this could lead others to do the same and hence start a small arms race in the region.55

55. The Times, 27 and 28.1.69.
Singapore's difficulty with the United States stemmed from her experience with the CIA and the American image of her as 'third China'. The anxiety of Singapore was related to the American apparent sympathy towards the Malay powers namely, Malaysia and Indonesia.

Yet Malaysia and Singapore were important enough in the region to the American interests, in view of their strategic location, stability and economic importance in the region; specifically, the raw materials and facilities that the two states could offer. However, while the trade in rubber, tin and textiles, and American investment were of minimal significance as far as the United States was concerned, to the two small states, they were extremely important. The American insensitivities to Malaysia and Singapore provoked occasional misunderstandings between them, such as over the GSA releases and textile quotas. However, the United States presence was increasingly felt as a result of her private investors, educational and social foundations which were in the two states.

In view of the British military run-down and the impending American withdrawal from Vietnam, Malaysia and Singapore viewed with anxiety the shifting balance of power in Southeast Asia. Whatever indirect presence
the American had in the area through the Commonwealth presence was regarded as temporary, and hence, both the states attempted to put their views across to the United States on the matter of a settlement of Vietnam and a general security arrangement for Southeast Asia. They proposed that the Vietnam War should be resolved through negotiations and not through military means and that the South Vietnamese should be given the right of self-determination. More important, both suggested that the Great Powers should guarantee the independence and territorial integrity of the states in Southeast Asia. In any such arrangement, however, it was recognised that the states in Southeast Asia should maintain a non-aligned position and to this end, Malaysia and Singapore began to emphasise their relations with the communist powers.

56. The indirect American presence was due to the American commitment to Australia and New Zealand in the ANZUS Pact. Under Article 5 of the ANZUS Pact, armed attacks against 'armed forces, public vessels, or aircraft in the Pacific' of any of the signatories, as well as against their territory or possessions, require others to respond. Fred Greene, U.S. Policy and the Security of Asia, McGraw-Hill Book Company, New York, 1968, p. 98.
CHAPTER SEVEN
MALAYSIA-SINGAPORE AND THE COMMUNIST POWERS:
NON-ALIGNMENT, RESISTANCE AND ECONOMIC TIES

Introduction

Malaysia and Singapore professed the policy of non-alignment as a general orientation and a means of identification with the countries of Afro-Asia. At the same time, they accepted the inevitability of the Great Power presence in Southeast Asia, but non-military presence was preferred in their area. There was also the assumption that by this, the Great Powers would neutralise each other and thus deter themselves from involvement in the internal affairs of the Southeast Asian states. More important, the Great Powers could aid in the economic development of the countries by providing markets and technical assistance.

During this period in the mid-60s, Malaysia and Singapore established diplomatic relations with the European communist countries, including the Soviet Union and Yugoslavia, in order to enhance their image as non-aligned states. Both the states were concerned with the
changing balance of power in Southeast Asia caused by the British withdrawal, and thus began to emphasise their non-alignment in order to achieve their objectives of independence and security. More important, their relations with the communist powers could be useful to the two small states in their need for markets for their products.

In the case of Russia, both Malaysia and Singapore saw the opportunity to establish diplomatic relations with the communist power, at a time when the latter had lost her position of dominant influence in Indonesia and when she expressed a policy of peaceful co-existence and non-interference in the internal affairs of other states. Moreover, Russia was not considered a threat to the government because the local communists were Peking-oriented. The two states established first contacts, they made agreements and finally diplomatic relations with the European communist powers. They, however, maintained their independence by expressing their opposition to the Russian aggression in Czechoslovakia and her plan for a security pact to contain China.
Malaysia-Singapore relations with China were crucial for their security, internal stability as well as their economic development. Their independence was threatened by the local communists led by the Malayan Communist Party (MCP), which had established a base in Peking. More important for their bilateral relations, China in step with her ideological ally, the MCP, did not recognise the two governments while, on the other hand, the cultural ties between the Chinese community in Malaysia-Singapore and Peking was a strong determinant in their relationships.

Nevertheless, Malaysia and Singapore recognised the power status of China in the international community, but they reacted differently. Malaysia under Tengku Abdul Rahman remained adamant against recognition of China and it was not until Tun Razak took over the leadership in Malaysia that the shift in Malaysian foreign policy was discernible. In the case of Singapore, the recognition of Peking had been declared since independence but no diplomatic relations could be possible unless Peking recognised the government. Moreover, it was realised that
Singapore's diplomatic relations with Peking were contingent upon diplomatic relations being established between Peking and Malaysia. This was expressly indicated in the Separation Agreement. Their differences toward China were apparent in their attitudes toward the Bank of China and Taiwan. Nevertheless, both had significant trade ties with China.

Malaysia and Singapore recognised the advantages in establishing relations with the Soviet Union in view of the rapidly changing situation in Southeast Asia. Not only had the Soviet Union's opposition to Malaysia-Singapore lessened, but Russian policy of peaceful co-existence and of disavowal of the export of revolution had appeal for Malaysia and

1. Article V Clause (4) reads, "each party will undertake not to enter into any treaty or agreement with a foreign country which may be detrimental to the independence and defence of the territory of the other party." See Appendix A.
Singapore. For Malaysia and Singapore, the economic motivation was particularly strong, in view of Russian and East European high purchases of Malaysian rubber and the possibility of the Russian market being opened to them. As a matter of fact, Malaysia was interested in sending rubber trade missions to Russia and East Europe in late 1963, but Confrontation prevented this.

2. Before to the Russians, Malaysia was a 'neo-colonialist creation of British Imperialism used as a means of preserving British domination of the area and as a military bridge-head for the realisation of its aggressive designs in Southeast Asia and in the Far East. Moscow supported the 'liberation struggles' in Malaysian Borneo, and demanded a British withdrawal from Malaysia. By late 1964, however, Russia's opposition to Malaysia had significantly cooled off. She disapproved of the Indonesian landing on the Malaysian mainland, aggression in East Malaysia and terrorism in Singapore and the withdrawal of Indonesia from the United Nations. Though she vetoed the Norwegian resolution in the Security Council, condemning Indonesia for aggression, she did not comment unfavourably on the seating of Malaysia in the Security Council in January, 1965. Apparently Tass carried excerpts of an article in the Soviet Defence Ministry organ Krasnaya Zvezda which outlined the Russian objection against Malaysia. Dawn 17 and 30.9.63. Russian objected to Malaysia being given the seat in the Security Council only after Indonesia's opposition had been expressed. Peter Boyce op.cit. pp. 249-250.
Malaysia and the Soviet Union

Any formal relation with Russia was officially disavowed by Malaysia even as late as August, 1965. Questioned on the possibility of diplomatic relations with Russia and East Europe, the government firmly stated that such relations were not envisaged in the near future. Tengku Abdul Rahman noted two factors which would determine any change in the government's policy on this matter - they were firstly, a mutual desire on the part of Malaysia and the communist country to establish diplomatic relations, and secondly, the availability of finance and personnel. At this stage, preliminary soundings had been made by the communist countries for the reaction of Malaysia to such an exchange, but apparently the Malaysian Government had not made up its mind. One reason for this reluctance was that it was considered too radical a shift from the traditional position of Malaysia in international affairs, viz. that of excluding diplomatic relations with any communist power. Even when she had decided to establish relations with non-aligned

3. FDM, Vol. 2 No. 8, 9.8.65, Col. 1535.
communist Yugoslavia, the Tengku sought to couch it within the general framework of Malaysia's foreign policy. He stated, inter alia,

... to suggest that this move on our part is the dawn of a new era in Malaysia's foreign policy ... goes a little bit too far. Malaysia's readiness to have close ties with East European countries was not a readjustment of our foreign policy, but purely an expansion of it.4

This could mean that while before communist opposition to Malaysia prevented her non-aligned policy from being operative, now it was possible to establish diplomatic ties with Europe. Moreover, there was more pressure from within the Alliance to adopt a more liberal attitude towards communist countries. Within the Alliance, the UMNO members of the Afro-Asian Peoples' Solidarity Organisation had expressed the desire for a formal link with the East European bloc.

Malaysia received an unofficial approach from Russia regarding the establishment of relations in

early 1964 but nothing came out of it. The occasion for the Russian initiative was in February, 1964, when Malaysia and Indonesia met in Bangkok to find a solution to Confrontation. Russian's move was prefaced by the statement that she had become disenchanted with the Indonesians, and that she wished to stay neutral in the dispute between Malaysia and Indonesia and to develop friendly relations with Malaysia. However, since the approach was unofficial as it was made through their correspondents of Tass and Pravda, Malaysia indicated that the matter would be taken up if a formal and official approach

5. It was reported that the Russian Ambassador in Bangkok, Antely Nikolayev, met the Malaysian Deputy Prime Minister, Tun Razak. However a Malaysian spokesman admitted that unofficial approaches had been made to some members of the Malaysian delegation regarding the establishment of diplomatic relations. The Russian emissaries were journalists from Tass and Pravda. The Russian Embassy, denied the report and continued its support of Indonesian Confrontation. This would be due to the objection by Indonesia, which had sought clarification on the matter from the Russian Ambassador in Jakarta on 22nd February, 1964. Refer The Straits Times 18.2.64 and The Bangkok Post, 23.2.64.
was made by the Russians. The Russians apparently sent the Tass correspondent again as their emissary to Kuala Lumpur in August, 1965. During discussions then, the question of diplomatic relations could have been brought up, but specifically two issues were mentioned, first, the possibility of establishing a Tass office in Kuala Lumpur, and second, the possibility of Malaysia despatching a trade mission to Moscow. The Malaysian Government agreed in principle to both, though it was considered inappropriate to establish the Tass office then as Confrontation was still on. Following the opening of a Tass office in Singapore in January, 1966, Malaysia stated that Tass would be allowed to operate in Malaysia provided a special permit was first obtained from the Government.

6. In March, 1965, the Tass correspondent in Bangkok, Sergei Svrom, was allowed to visit West and East Malaysia at the invitation of the National Press Club, the first Russian journalist and unofficial representative of his Government to visit Malaysia. The Age, 18.3.65.

The question of diplomatic relations with Russia was cautiously examined by the Malaysian Cabinet in view of the possibility of Singapore going ahead with the establishment of relations with Russia, and in view of the latter's changed attitudes in international affairs. It was argued that trade would be boosted and that Russia's presence might have a deterrent effect on China should the latter have expansionist aims. The immediate concern was for security, and it was felt that unless Russia withdrew her condemnation of Malaysia and her support of Indonesia, then relations between the two countries would be difficult at this stage. Malaysia reiterated that the question of diplomatic relations with communist countries depended on mutual friendship, and that Malaysian willingness to establish

8. Apparently the case for the establishment of diplomatic relations was put forward by R. Ramani, Malaysia's Ambassador to the United Nations. *The Straits Times*, 26.8.65.
diplomatic relations with countries in Eastern Europe should be matched by a mutual desire for friendship from the Soviet bloc.⁹ Meanwhile, besides the pressures from within the UMNO and the Opposition for diplomatic relations, there were demands from the business community for direct trading ties with the communist countries, which could be facilitated by direct representation at the trade commissioner level. This would stimulate trade between Malaysia and the Soviet bloc countries and establish direct trade contacts with the consumers.

The first concrete negotiations towards establishment of either trade or diplomatic relations between Malaysia and Russia was held in Bangkok in July, 1966.¹⁰ These discussions culminated in the Malaysian decision to send a trade mission to Moscow. The Tengku played down the political implication of this decision by emphasising that

¹⁰. Initial communication could have gone through the Russian Trade Representative in Singapore. *Ibid.*, 23.9.66.
the primary motive was trade and that no political discussion would be held.11

It was significant, however, that the Malaysian delegation included the Under-Secretary to the Prime Minister's Department and the Deputy Secretary to the Ministry of Foreign Affairs, and thus it was possible that while trade relations were publicly stressed as the primary objective of the mission, diplomatic relations were discussed. The joint communique issued stated that the Malaysian delegation and Soviet officials 'exchanged views on the promotion of trade and expressed readiness to establish direct trade relations.' Though no agreement could be reached regarding the nature of the 'direct trade relations', Malaysia indicated that she had no objection to the opening of a Soviet trade office. Any direct trade relations would entail the establishment of representation in each other's capitals and Malaysia was obviously concerned that this should not immediately lead to

11. The Tengku made the announcement after a Cabinet meeting. Ibid., 31.8.66.
The response to the Russian overture came in the Malaysian Parliament when the Tengku set the conditions for diplomatic relations with Russia. Firstly, the Tengku stated that Malaysia was prepared to establish diplomatic relations with the Soviet Union but the initiative, should come from Moscow. Malaysia was not against communism *per se* but against any ideology which implied aggression and threatened the security of other countries. Secondly, if diplomatic relations were established, it did not mean that Malaysia would condone Russian

---

12. In March, 1967 Russia sent another journalist to lay the groundwork for the eventual establishment of diplomatic ties between Malaysia and the Soviet Union. The *Pravda* representative in Australia, Yuri Yasnev, was guest of the Malaysian Government and had discussions with top government officials. He revealed that the Soviet Union was ready to establish diplomatic relations with Malaysia and that it was up to Malaysia to decide. Russia was of the view that statesmen everywhere were moving 'towards a more realistic assessment of the contemporary international situation and a sober account of the basic forces active in the world area.' *The Straits Times*, 16.3.67.
aggression. The Prime Minister stated,

Once we establish diplomatic relations with Russia, if Russia shows by any act or deed that it has again reverted to its policy of aggression, there is nothing to stop us from breaking relations with them.\textsuperscript{13}

The final move towards the establishment of diplomatic relations between Malaysia and the Soviet Union occurred when the Russian mission came to Malaysia to discuss trade and diplomatic relations in March, 1967.

The Tengku made the decision to have diplomatic relations with the Soviet Union, but it was important for Malaysia that, at least publicly, the initiative should appear to have come from the Russian side. It could be the Tengku's sensitivity to the effect that Malaysia-Russia relations might have on the Western bloc that necessitated this procedure.\textsuperscript{14} Thus, when Pravda reported that the Russian mission was in Kuala Lumpur in response to Malaysia's desire to improve her political relations with

\begin{footnotes}
\footnotemark[13] PDM, Vol. 3 No, 15, 19.1.67, Col. 2528

\end{footnotes}
Moscow, the Malaysian Ministry of Foreign Affairs issued a statement denying any consent to establish diplomatic relations. Nevertheless, the negotiations resulted in the agreement in principle to an exchange of diplomatic missions between the two countries.

The decision to establish diplomatic relations with Russia represented a turning point in relations between Malaysia and Russia. The New York Times described the agreement to establish diplomatic relations between Malaysia and the Soviet Union as a 'major foreign policy shift by the traditionally anti-communist Malaysian Government.'

15. Ibid., 17.3.67.

16. In May 1969, Tan Sri Ghazali Shafie maintained, however, that in exchanging diplomatic relations with the Soviet Union, 'it is not that the principles of our Foreign policy have changed it is rather that these principles of co-existence which we, together with many states, have long espoused have won gradual acceptance.' Foreign Affairs Malaysia, Vol. 2 No. 1 and 2, December 1969, p. 13.

Significantly, Malaysia moved to the position that she was not opposed to Russia but was against Chinese communism.

In establishing diplomatic relations with Russia, the Tengku explained that Malaysia had been in seclusion for too long after independence, and that it was time to 'blossom out a bit to make friends with nations other than those in the Western bloc.' However, he reiterated that if Russia committed any act against Malaysia's security interests, like aggression or subversion, Malaysia could break off relations at any time. For the present, Malaysia was not afraid of Russia's communist ideology based on the philosophy of co-existence; what Malaysia was worried about was the 'Mao Tse-tung brand of communism which adheres to the philosophy of militarism.' Malaysia, thus, had become more specific in her opposition to Peking.

18. The Straits Times, 12.10.67, Japan Times, 12.10.67.
The simultaneous announcement of the establishment of diplomatic relations at ambassadorial level stated,

The two countries desiring to further develop their relations in accordance with the principles of co-existence, mutual respect for sovereignty and territorial integrity, equality and non-interference in the internal affairs of one another, have now decided to exchange diplomatic missions at ambassadorial level. 19

In anticipation of the establishment of the Russian diplomatic mission, the offices of the Russian trade representative and TASS were set up at the end of 1967. 20

In commenting on the exchange of diplomatic mission, The Straits Times took the Malaysian government's line that it was Russia and not Malaysia that had initiated the moves towards diplomatic relations. Moreover, in its view, though Kuala Lumpur could not be entirely happy


20. The Russian Ambassador to Malaysia was V.N. Kuznetsov, who arrived in March, 1968. Malaysia did not send her Ambassador to Moscow until October, 1968.
about increased Russian influence in Southeast Asia, considerations of trade must override political doubt. The paper further referred to the changing international situation in the area, and warned that Malaysia should watch with keen interest Russian regional intentions. 21

Malaysia-Russia relations were improved by the visit of Tun Razak to Moscow in May, 1968. This was the first visit by a Malaysian Minister and he was enthusiastically welcomed by the Russians. The Soviet Government even sent Tun Razak back to Kuala Lumpur on a special Aeroflot plane which was regarded as highly unusual and could only be interpreted as an official gesture of friendship. While

---

21. The Straits Times (Editorial), 25.11.67.
in Moscow, Tun Razak had discussions with President Podgorny, Foreign Minister Gromyko and Foreign Trade Ministry officials. It was then that Tun Razak touched on the question of the Great Power role in ensuring the security of Southeast Asia. He said,

We in Malaysia think that the big powers, including the Soviet Union have an important role to play to contribute towards the peace and stability of Southeast Asia by guaranteeing the independence and security of these countries and by undertaking faithfully not to interfere in their internal affairs.\(^\text{22}\)

According to Tass, Tun Razak's visit signified the close relations between the two countries, who were reliable partners in trade and whose interests were determined by mutually advantageous co-operation and not by competition. It continued that this reflected a drift from the dependence on the United States and Britain.\(^\text{23}\) While Tass report was of propaganda value, Malaysia apparently gained sufficient impression to conclude that the East European countries had changed their attitudes and

\(^{22}\) The Straits Times, 24.5.68.

\(^{23}\) Quoted in The Straits Times, 24.5.68.
had understood Malaysia's policy of non-alignment. 24

Malaysia's policy towards the Soviet Union had begun with a cautious approach in mid-1965 and had culminated in full diplomatic relations between the two countries. This had come about because of various factors. Firstly, while it was not expedient for domestic and external reasons to take the initiative, the Malaysians had been prepared to establish full relations with Moscow but the process had to be slow and phased out. While Singapore's acceptance of the Russians was predictable because of her previous position in the matter, in the case of Malaysia, the change was a shift in foreign policy and therefore the ground had to be prepared for domestic and international acceptance. This was mainly because of her avowedly anti-communist position at home and abroad. Secondly, the general international situation had changed. The Sino-Soviet split had

by 1965 become intense, and Russia espoused the policy of co-existence in contrast to China's revolutionary approach. Thirdly, the regional shift resulting in the emergence of the New Order in Indonesia and Russia's lukewarm support for Confrontation, made it easier for Malaysia to adjust to the Russian presence once the regional international scene was stabilised. Fourthly, the British withdrawal and the stalemate in Vietnam made it necessary to re-evaluate the strategic situation in Southeast Asia. All these factors made the circumstance conducive for Malaysia to practice non-alignment, that is, diplomatic relations with both the leaders of the ideological blocs viz. the United States and the Soviet Union.

An argument for relations with Russia was that Malaysia would boost trade with the Soviet Union and that direct trading with communist countries would increase trade and remove the 'third parties'. Rubber had been purchased not directly from Malaysia but through the London and Singapore markets. On

the other hand, the Russians assured Malaysia of greater purchases of rubber.

The report of increased Russian purchases seemed to be the immediate justification for an invitation to the Russians to visit Malaysia in March, 1967. A trade pact between Malaysia and Russia was signed, the first signed by Malaysia with any communist country. Russia agreed to sell heavy and light machinery on favourable credit terms. It provided for most favoured nation treatment in matters of

26. The Agreement was the first to be signed in the National Language. The Straits Times, 4.4.67. Following the agreement, three Russian ships came to Port Swettenham in October and November, 1967 to pick up rubber. The Malaysian commodities for export under the agreement included rubber, tin, timber, spices, tea, rare metals and ores, fruits, manufactured products, including canned fruits and juices, textile goods, handicrafts, plywood, electric cables and floor tiles, and the Russian commodities for export included machinery and heavy equipment, fertilisers, chemical products, caviar, spirits and wines. The Times, 4.4.67. Foreign Affairs, Malaysia, Vol. 1, No. 6, September, 1968, pp. 41-44.
trade and shipping and the promotion of direct trade on the basis of equality and mutual benefit. The agreement would be valid for a year and remain in force for periods of one year, unless either party decided to terminate it. The conclusion of the Trade Agreement paved the way for increased Russian trade activity in Malaysia. Once Trade Representation was established, the Russians looked into possibilities of launching a massive export campaign in Malaysia to boost two way trade. A Russian trade fair was held in Kuala Lumpur in September, 1969.27

Russian imports of Malaysian rubber continued to grow in 1967-1968. Figures for the last quarter of 1967 indicated that Russia imported about 20% of Malaysia's total rubber exports, compared to 2% by China, while the total Western purchase was about 56% of the total exports.28 There was a 60% rise


28. *The Straits Times, 31.5.69*. For the first half-year of 1969, the United States replaced Russia as Malaysia's top customer in rubber, for the first time since 1964. Until 1968, Russia was buying around 200,000 tons annually.
in Malaysian total exports to communist countries, especially to Russia and Poland; during this period, the total exports amounted to M$196 million while imports were M$5.7 million. The Malaysian imports exceeded 20% of the figure for 1967, but it was still only 3% of the exports to Russia. The trend towards increased Russian exports to Malaysia continued in 1969-1970.

Besides the interest in promoting a market for her produce in Malaysia, Russia was also interested in air traffic and in offering an alternative shipping service between Malaysia and Europe. For the first purpose, an Air Services Agreement was signed in November, 1969, which allowed the Soviet Aeroflot to operate through Kuala Lumpur. There was speculation that Russia

29. This was the first air services agreement that Malaysia had signed with a communist country. A similar agreement with Bulgaria was initialled on 21 November, 1969, and others were due to be signed with Yugoslavia and Czechoslovakia. The Straits Times, 21.11.69.
might try to sell aircraft to the Malaysian Government, which was thinking of establishing its own civil airline separate from Malaysia-Singapore Airways. As regards shipping facilities, Russia was prepared to offer an alternative to the Far Eastern Freight Conference (FEFC).

Malaysia and Eastern Europe

Malaysia's emphasis on her non-alignment in practice was indicated by her willingness to establish diplomatic relations with the other Eastern European states. Thus she established diplomatic relations with Yugoslavia, Bulgaria, Rumania and Hungary between 1967 and 1968, followed by trade agreements with these countries.

Malaysia and Yugoslavia agreed on establishing diplomatic relations in May, 1967. The agreement to establish diplomatic relations at ambassadorial level was contained in the communique, which declared inter alia,

The governments of Malaysia and Yugoslavia believing in the same objectives of pursuing an independent foreign policy and sharing in the conviction that an independent country
should be allowed to settle its own internal affairs without intervention and interference from outside, and believing further that international disputes should be settled by peaceful means, have agreed to give formal expression to their common diplomatic ideals in the form of establishing formal diplomatic relations, between the two countries at ambassadorial level.\textsuperscript{30}

Subsequent to Yugoslavia, other Eastern European countries which established diplomatic relations with Malaysia were Bulgaria, Rumania and Hungary. In nearly all cases, the communique concluded at the end of discussions, reiterated that the basis of relations would be 'in accordance with the principle of peaceful co-existence, mutual respect for sovereignty and territorial integrity, equality and non-interference in internal affairs of one another.'\textsuperscript{31}

Besides diplomatic relations, trade agreements

\textsuperscript{30} The Straits Times, 7.5.67. Foreign Affairs, Malaysia, Vol. 1 No. 6, September, 1967, p. 54.

\textsuperscript{31} Malaysia's diplomatic relations with Bulgaria and Rumania were established in January and March, 1969 respectively. Asian Recorder, Vol. 15 No. 29, July 16-22, 1969, p. 9034.
were signed with the Eastern European countries, namely Rumania, Yugoslavia, Czechoslovakia, Poland and Hungary between 1969 and 1970. Malaysia's interest in Eastern Europe was motivated by the prospect of an increased market for the sale of rubber and the hope of establishing direct trade links without having to go through the London and Singapore markets. Seminars to promote sales, including those for industrialists and rubber manufacturers were held in these countries, while the Malaysian Rubber Fund Board set up a Natural Rubber Advisory Service for Eastern Europe with headquarters in Vienna. In addition, Malaysia participated and agreed to participate in Trade Fairs in Eastern Europe. 32

The trade agreement between Malaysia and Bulgaria was interesting in that the latter proposed barter-trading whereby Bulgarian machinery and equipment would be exchanged for Malaysian rubber and tin. Together with this, Bulgaria would offer technical

assistance in the way of training facilities and expertise in farm mechanisation, vineyard development and shipbuilding. The Bulgarians offered to enter into joint ventures with the Government or the private sector in timber, pharmaceutical and other products. An Air Services Agreement was also signed between Malaysia and Bulgaria. This meant that Balkan Airlines would be the third Eastern European airline to operate in Kuala Lumpur as Yugoslavia and the Soviet had signed similar agreements earlier. All the three airlines were expected to begin operations in Kuala Lumpur by the end of 1970.\(^33\)

Malaysia's relations with the Soviet Union and Eastern Europe were comprehensive and covered diplomatic and economic activities. However, the relations were confined to countries clearly in the Communist bloc and not those where the political situation was uncertain. She avoided relations with

33. *Malaysian Digest*, Vol. 2 No. 5, March 14, 1970, pp. 6 and 8. The Malaysia-Bulgaria agreement was signed on 11.3.70.
East Germany, as this would complicate Malaysia's relations with West Germany. 34

Singapore and the Soviet Union

At the time of Separation, it was imperative for Singapore's international prestige to obtain recognition from as many states as possible, particularly from the Afro-Asian and non-aligned states. It was important for Singapore to establish her non-aligned status; this meant that she would have to establish diplomatic relations with the communist states of Eastern Europe. The leaders of Singapore perceived the forces operating in the area, particularly of the Great Powers' struggle and the aspiration of the Great Powers to exert influence in the area. Singapore's realisation was that a small nation's survival would be dependent on the neutralisation of the influences of

34. A foreign ministry statement stated that "There have been no contacts, direct or indirect between the Malaysian Government and any representative of the East German government". *The Straits Times*, 4.8.67.
the Great Powers. As Rajaratnam said in May, 1970,

... small countries should learn ... that they should expose themselves to influences of as many big powers as possible. It would be foolish to come under the influence of a big power which openly declares the intentions of destroying the country concerned. But most big powers would be reasonable about how they should exert their influence if the small country concerned maintain a reasonable impartiality between them. There would be big power pressure from time to time to further the ends of power politics, but if the small country has a tight hold in the domestic situation and does not get deeply involved in big power politics, big power pressures can be resisted.35

This meant that small states should not seek to exclude or limit relations with the Great Powers or other states, but that real efforts should be made to have as comprehensible as possible relations with others. This, however, excluded any form of military alliances. This version of non-alignment which could be termed a policy of multiple involvement, meant an attitude not of restraint but forwardness in encouraging foreign powers to have

political and economic interests in the survival of the state. At the same time, it seeks to avoid the preponderance of any power in the state.

The recognition that small nations should expose themselves to Great Power influence had been advocated by Singapore ever since Separation and as she moved towards economic and diplomatic relations with the Soviet Union. Singapore's first diplomatic mission led by Deputy Prime Minister, Dr. Toh Chin Chye visited Moscow and capitals of Eastern Europe in late 1965. Then he extended

36. Even before Separation, Singapore had attempted to establish trade relations with the Soviet Union. In September, 1962, Lee Kuan Yew while on a visit to Moscow, had invited a trade mission from Russia to come to Singapore, but the British Government, which was then in control of Singapore's external relations, rejected the proposal in order to protect its own interests. Malaysia, as a member of the Joint Security Council, also had a hand in the decision. In Peter Boyce's view, after Separation, the establishment of diplomatic relations between the Soviet Union and Singapore was 'almost automatic'. Peter Boyce, op. cit., p. 250.
invitations to Russia and the East European countries including Yugoslavia, Bulgaria, Poland and Rumania to send trade missions to Singapore. The interests of the Soviet Union in Malaysia and Singapore had increased because of the communist setback in Indonesia, and thus the invitation came at an opportune moment for Russia. Thus, it could be argued that Singapore’s initiative provided the key to Russia’s economic and diplomatic penetration of the Malaysia-Singapore area after 1965.

Singapore’s need for markets and assistance was a priority in her relationship with the Soviet Union and thus the initial negotiations related to economic matters. A wide range of agreements were reached between Singapore and Russia between early 1966 and 1969. A trade agreement was signed between Singapore and the Soviet Union, the first trade agreement that Singapore had signed with any foreign country.37 By the agreement, trade representatives with diplomatic privileges were to be exchanged, the right to

37. In early March, 1966, the Russian trade mission arrived in Singapore, it being led by a senior official of the Soviet Ministry of Foreign Trade, V.R. Spandarian. The Straits Times, 3.4.66.
use cipher was accorded to each state and lists of export items were laid down. Besides the agreement on the exchange of goods, the agreement was also a basis for economic and technical assistance. In this connection, assistance by Russia to the private sector would be treated on a state-to-state basis. Ship repairs were also included in the agreement.

Two months after the agreement was signed, the Russian trade representative set up office in Singapore. Singapore did not reciprocate until early 1970 when an INTRACO representative was sent to Moscow. Further to the economic agreement, Singapore and Russia in February, 1967, agreed on a

38. Other points of the agreement fixed the volume of trade between the two countries at a level of M$30 million a year for each country during the first year, and an agreement on the participation in trade fairs. INTRACO, for International Trading Company, is a quasi-governmental agency which was established specifically to trade with the socialist and foreign countries. The Sunday Times, 3.4.66.
cultural co-operation programme. An Air Services Agreement, was signed between Singapore and Russia. The agreement paved the way for the operation of commercial air services between the two countries. This allowed the Soviet Aeroflot to operate in Singapore, but the Malaysia-Singapore Airlines could not yet reciprocate.

The Soviet Union was anxious to establish diplomatic relations with Singapore, but the latter delayed a decision on this until she was satisfied that Russia

39. Under the cultural programme, Russia would send groups of artistes to perform in Singapore, hold exhibitions of descriptive and applied arts of the Central Asian Republics of the Soviet Union, show Soviet films and exchange of radio and TV programmes and send journalists and students to Singapore. The Straits Times, 3.2.67.

was genuine about implementing the trade agreements. For a time, trade between the two countries declined, and Russia's imports from Singapore fell during 1966-1968 to below the 1965 figure. By mid-1968, however, with the balance of trade in Singapore's favour, Singapore could not withhold diplomatic exchanges any longer and thus, she agreed to the exchange of diplomatic relations at ambassadorial level. 41

Singapore and Eastern Europe

Singapore's emphasis on trade relations before diplomatic exchanges was evident in her relations with the other Eastern European states. She sought recognition and support for her independence and sovereignty and to dispel any false image of Singapore as an anti-communist bastion or as the armed strong-hold of British imperialism. More important, trade missions from, Bulgaria, Poland and Rumania came to Singapore and concluded trade agreements between 1966 and 1968. The trade agree-

---

41. See the figures of Singapore's trade with Russia, Appendix I. The Soviet Ambassador took up his post in January, 1969. The Straits Times, 28.1.69.
ment between Singapore and Bulgaria stated that the latter would participate in Singapore's industrialization programme by establishing complete plants and that she would purchase the finished goods of these enterprises. Bulgaria would further undertake to increase the purchase of traditional goods like rubber and manufactured products, for example, tyres and timber and steel pipes. In return, Singapore would import Bulgarian machinery, heavy equipment and fertilisers. In the agreement between Singapore and Poland, the agreed amount of trade was M$16 million annually, including M$10 million worth of rubber and the import of traditional and consumer goods. Singapore would import light machinery, foodstuffs and consumer goods. Besides, Poland agreed to provide assistance for the construction of industrial projects and enterprises on production-sharing terms, technical assistance in designing and research work and the training of Singapore technical personnel. The agreement provided for the exchange of trade missions. Singapore
and Rumania agreed to grant each other the most favoured nation treatment on all matters relating to trade. Each country would establish trade representation in each other's capital 'to promote the development of trade and economic relations and to represent the interests of the countries in matters relating to foreign trade.' For the purpose of the expansion of trade, both agreed to encourage and assist in trade fairs and in the organisation of exhibitions.  

Diplomatic relations between Singapore and East Europe followed the trade agreements. The Rumanian Foreign Minister visited Singapore, and an agreement on the establishment of diplomatic relations at ambassadorial level was reached. According to the communique issued at the end of the talks between S. Rajaratnam and C. Manescu, it was again emphasised

that relations between states should be built on the principles of respect for the independence and sovereignty of each other; non-interference in the internal affairs of others and the equality of rights of nations, regardless of size, political systems or other factors. In November, 1967, full diplomatic relations were established between Singapore and Bulgaria.

Against aggression and containment

Malaysia and Singapore had expressed their non-aligned policy by their establishment of diplomatic relations with Russia and the Eastern European states. At the same time, they maintained their independence by their uncommitted attitude towards the Russian policy of aggression on Czechoslovakia in 1968 and her proposal for a regional security pact for the Asian region. In the former issue, both made their declarations of belief in certain principles involved in international relations, viz. peaceful co-existence, non-interference in the

43. The Straits Times, 18.5.67.
internal affairs of other states and peaceful settlement of disputes between states.

The Czech crisis was significant in that the territorial integrity of a small state was at issue and it was an example of a Great Power domination in what was regarded as the latter's sphere of influence. Both Malaysia and Singapore reacted to the Russian intervention in Czechoslovakia. In a message to the permanent representative of Czechoslovakia in the United Nations, S. Rajaratnam stated, inter alia,

Our sympathies are with the people and Government of Czechoslovakia in their hours of trial. Even at this cynical stage, we are shocked and dismayed by policies where right is no more than a display of might. If this is the basis of co-existence, then friendship between big and small nations remains always a hazardous enterprise. My Government will support any practical and collective measure in the United Nations to restore the right of the peoples of Czechoslovakia to determine their own affair. 44

At the time of the establishment of relations with the Soviet Union, the Tengku had indicated that Malaysia would oppose the Soviet Union in the

event of Russian aggression. Malaysia called for a peaceful settlement of the Soviet-Czech differences and for the withdrawal of Russian and Warsaw Pact allies. She added,

Malaysia deeply regrets the action taken by the Soviet Union and other Warsaw Pact countries in Czechoslovakia and views with deep concern the intervention of their troops in that country. Malaysia believes in the principles of peaceful co-existence, non-interference in the internal affairs of States and the inviolability of the territorial integrity and political independence of States as enshrined in the United Nations Charter.\textsuperscript{45}

The other issue was the Russian proposal for a new security pact for Asia. According to a Russian academic, the proposed Asian regional organisation would be a pan-Asian collective security alliance with members comprising the United States, the Soviet Union and all Asian countries, including Taiwan, South Vietnam, South Korea, Australia, New Zealand, Iran, Iraq and Turkey.\textsuperscript{46} The organisation

\textsuperscript{45}. *Foreign Affairs, Malaysia*, Vol. 1, No. 9 and 10, 1968, p. 84.

\textsuperscript{46}. Professor Gueorgui Petrovich Zadorojhnyi was Professor of Law at the Institute of International Relations in Moscow. *The Mirror*, Vol. 6, No. 4, January 26, 1970, pp. 7-8.
would be a NATO-type military pact with all member countries going to the assistance of the victim of aggression. Once this new security pact had been set up, all other existing security organisations, both communist and anti-communist would be abolished. The new treaty would help the external security of each member-country, and develop friendly relations among all the nations of the continent. The structure of the new organisation would parallel that of the United Nations; that is, there would be a Security Council, with permanent membership for the Soviet Union, the United States, Japan and India, and there would be standing members of two to three years duration; a General Assembly and political, economic and cultural organisations. What the Brezhev proposal amounted to was a United Nations albeit without China for Asia.

Both Malaysia and Singapore were cold to the Brezhev proposal. It could be that they realised that it was related to the Great Power conflict and specifically the Sino-Soviet rivalry. However, both seemed to have no objection to the Russian advent into the Indian Ocean. As the Malaysian Prime
Minister said,

Whoever wants to patrol this area should be allowed to, provided they do not disturb our peace and security. After all, the more protection we have, the better as long as our rights and freedom are not infringed.47

Problems of diplomatic relations with China

There were several reasons why diplomatic relations between Malaysia-Singapore and China were impossible during this period. Firstly, China did not recognise the governments of Malaysia and Singapore as the legitimate governments of the respective countries. Secondly, China gave support to the illegal groups which were opposed to and sought to overthrow the present governments; these included the Malayan Communist Party, the clandestine communist organisations in Sarawak and the Malayan National Liberation League, which was based in Peking. Thirdly, there was the declared policy of China, which aimed at spreading the communist ideology through revolution in Southeast Asia. Fourthly, Malaysia-

Singapore feared the influence that China might have on their citizens of Chinese descent. Fifthly, China had given support to the extreme left-wing opposition parties, including the Labour Party of Malaysia and the Barisan Sosialis of Singapore. In general, the above characterised Chinese intransigence in refusing to recognise the existence of the states of Malaysia and Singapore and in seeking to interfere in the internal affairs of these countries. For Malaysia and Singapore, China symbolised an indirect threat to their security and stability.

China had consistently not recognised the two sovereign states of Malaysia and Singapore. For a time in 1957, in the mood prevailing after the Bandung Conference, there was apparently an attempt by China to recognise Malaysia but this was not pursued, and hence did not materialise. This could be due either to China’s change of mind or

48. Peter Boyce quoting the Embassy Courier, Washington, October 1958, revealed that ‘apparently she (China) sought diplomatic relations with Malaya soon after Merdeka.’ Peter Boyce, op.cit., p. 146.
the Malaysian government's anti-communism, and fear that relations with China could encourage the communist insurgents who were then fighting the government. In the early '60s, against the background of the Sino-Soviet split. China advocated support for national liberation movements and strengthened her backing for the local communist parties in the Straits of Malacca area. When Malaysia was formed in 1963, China, in line with the Indonesian Communist Party, condemned the new federation as part of an imperialist plot to undermine the new revolutionary movements of Southeast Asia. For example, articles in the Peking People's Daily referred to Malaysia as a product of neo-colonialism and charged that with the blessings of United States' imperialism, the British imperialist had stepped up armed suppression in North Kalimantan (North Borneo) and resorted to military blackmail to threaten Indonesia. The target of China's attack was the continued presence of the British
military bases in Malaysia and Singapore.\textsuperscript{49}

China's support for Indonesia's confrontation policy against Malaysia was confined to the field of propaganda, although there was the allegation that she provided financial aid to Indonesia. There was little evidence of material aid being sent to the Indonesians, the rebel forces in Sarawak and the communists.\textsuperscript{50} In mid-1965, however, it was reported that China had bought about M$150 million worth of currency in order to finance Indonesia's subversive operations in Malaysia and indirectly undermine the Malaysian economy. It was at this time that a pro-Indonesian group of Malay leaders were preparing to set up a government in exile, which was to be financed by the Indonesians.\textsuperscript{51}

\textsuperscript{49}Congressional Quarterly Review, op. cit., pp. 137 and 146.

\textsuperscript{50}Peter Boyce, op. cit., p. 145.

After Confrontation, China's attitude towards Malaysia and Singapore remained unchanged. Initially after Separation, Peking maintained a close watch on Singapore's foreign policy. The anti-American posture which the Singapore Prime Minister took on the first day of independence could have had an effect on Peking's response. In the opinion of one commentator, China's initial attitude towards Singapore had been friendly and there was no attempt to label the island-state as a bulwark of the imperialists. Regarding Malaysia, however, Peking attempted to exploit the language crisis by advocating Chinese and English, in addition to Malay, as the national languages of Malaysia. In any case, Peking continued to maintain a policy of non-recognition of both countries. Malaysia and Singapore were considered an integral state under the former name of 'Malaya'. This implied the illegitimacy of the governments over their respective countries. On the

other hand, Malaysia and Singapore had not recognised the territorial integrity of China which would include Taiwan. Until both sides accepted the legitimacy of the governments and the territorial integrity of each other's state, the prospect of recognition would remain dim.

China's inflexibility towards Malaysia and Singapore was due in part to her relations with the MCP and the CCO. Her connection with the MCP dated back to the colonial period; the Malaysian Government believed that members of the Chinese Communist Party were responsible for the formation of the MCP, that China provided material aid to the Communist Party and that this was all part of China's long-term strategy to overrun Southeast Asia. According to the government, the MCP gave its sole loyalty to China and, encouraged by it, the MCP was trying to win over the Chinese population in the country. As for the Sarawak Communist Party, a White Paper tabled in Parliament in 1966 stated,

It should be studied in conjunction with events elsewhere in South-East Asia. Militant communism in Sarawak is very much part of Peking's strategy and is closely tied in with Communist guerilla warfare in South Vietnam, Laos, Thailand, Indonesia and in West Malaysia.54

Aside from the MCP and CCO, China was seen to interfere in the internal affairs of Malaysia by supporting the Malayan National Liberation League (MNLL). Before the abortive communist coup in Indonesia, the MNLL operated in Jakarta but after the new Order government came in, it moved its base to Hanoi and then to Peking.55 From there the MNLL was given


55. The establishment of the MNLL in April, 1965 followed the emergence of the Thailand Patriotic Front three months earlier. The MNLL had its headquarters in Jakarta. After the failure of the Gestapu, the members of the MNLL were granted political asylum by Hanoi. It reappeared in Peking in January, 1966 under the leadership of P.V. Sharma, a communist of Indian descent, expelled from Singapore in 1952. Refer to Arnold C. Brackman, The Communist Collapse in Indonesia, Donald Moore for Asia Pacific Press, Singapore, 1970, p. 199 and Peter Boyce, op.cit., p. 145.
broadcasting facilities to attack the governments of Malaysia and Singapore. Radio Peking had also reported statements by the MCP and other extreme left-wing organisations in the country. Such radio propaganda was considered by the Malaysian Government as a serious infringement on normal relations between states and an indication of the hostility of China to Malaysia. There was little evidence for the accusation that China had given military aid to the MCP; and in fact, the Malaysian Government had admitted that there was no proof that China was giving assistance to the MCP remnants along the Malaysia-Thailand border.

The allegation of China's hostile policy and her link with the MCP was partly due to the personal views of the Malaysian Prime Minister in these matters. The Tengku's meeting with the MCP leader,

56. The Straits Times, 10.10.70.

57. Tan Sri General Abdul Hamid Bidin, formerly Chief of Armed Forces, Staff, and Malaysian Ambassador to Thailand. Ibid. 8.5.70.
Chin Peng, in 1956 had convinced him of the doctrinaire attitude of the MCP in wanting to create a communist republic in Malaysia and he felt that a policy of co-existence with the communists was impossible. If the MCP was legalised, it might lead to a strong opposition to the Alliance government of the Tengku. For a decade, Malaysia's attitude towards communist countries was to some extent conditioned by the experiences during the Emergency and the Tengku's strong anti-communist attitude.

In Malaysia's view, China was behind the communist movements in the country as part of an overall strategy to eventually control Southeast Asia, and to pursue this objective, China was prepared to advocate violence and revolution. At the Commonwealth Prime Ministers' conference in 1966, the Tengku explained that China's objective of dominating Southeast Asia was compelled by ideological, political and economic factors:

58. See the Tengku's farewell speech to the nation. The Straits Times, 1.9.70.
The brand of communism which she (China) is now
upholding and the population explosion which
continually embarrasses her domestic programmes
dictate a policy of adventurism and expansionism
aimed at fulfilling her ideological crusade and
in order to find fertile ground in potentially
rich Asian cities so as to make China the most
powerful nation in Asia. 59

Malaysia viewed China as an expansionist power. So
long as China confined herself to her borders,
Malaysia could not oppose the communist system in
mainland China. China should not interfere in the
affairs of Southeast Asian countries but instead
adopt the policy of co-existence towards other
Asians. Further, it was felt that the policy of
China was motivated by the desire to fill the sup­
posed vacuum caused by de-colonialisation and Western
withdrawal. To achieve her long range programme
of expanding her power and influence, China was
believed to have proxies in Southeast Asia and to
threateen other countries like Malaysia and Singa­
pore with people's war launched by the local
communist movements. 60 It was noted, however, that


60. Tun (Dr) Ismail speaking before the Foreign
Correspondents' Association. Ibid., Vol. 1, Nos.
1 and 2, 1966, pg. 63.
China had never embarked on direct invasion of foreign countries and that it was subversion, particularly from the local communists with the support of China, which was defined as the actual physical threat.

Besides the ideological ties between China and the local communists, there were the ethnic-cultural ties between China and the population of Chinese descent in Malaysia-Singapore, that to a large extent deterred consideration of any form of diplomatic relations between them and China. The Chinese population in Malaysia and Singapore comprised 37% and 75% of the total population respectively.

In general, Singapore by virtue of her large Chinese population would have inhibitions in making anti-China statements; this was not necessarily a disadvantage: on the contrary, Singapore did appear to be less committed to the anti-communist bloc, and thus it reinforced her non-aligned foreign policy. Malaysia could be more forthright in her anti-communism because of the experiences of the Emergency and the Islamic predominance in the
country.

The overseas Chinese have been referred to as the 'third China' with the centre in the Malaysia-Singapore area. In the sense that there were large Chinese populations of diverse dialect origins, educational background and political affiliations in the area, the term could be used. Within the Malaysia-Singapore area, the Chinese population could be divided broadly into the nationalists, the pro-Taiwan group and the pro-Peking or Maoist group. The first category would include the political parties in Malaysia and Singapore, which were mainly supported by the Chinese population. Such parties were the Democratic Action Party and the Gerakan Rakyat Malaysia (the Malaysian People's Movement) in Malaysia and the People's Action Party and the Singapore People's Alliance in Singapore: they differed within each country in their manner and method of developing a united nationalist democratic nation. There were differences in foreign policy, for example, the MCA would be opposed to establishing relations
with China because of its Kuomintang connections, whereas, the DAP and the GRM would advocate establishing a dialogue with China with the eventual objective of diplomatic relations. The pro-Taiwan MCA, as a member of the Government, had succeeded in influencing the Tengku to establish consular relations with Taiwan, and this could be an obstacle to future developments of relations between Malaysia and China.

The influence of China had been manifested in the extreme left wing or Maoist political parties in Malaysia and Singapore, namely, the Labour Party of Malaya and the Barisan Sosialis. The boycott of parliamentary elections, the militancy of the members and the demonstration against government policies

61. The DAP called for Malaysia's withdrawal from the World Anti-communist League, and urged the government to allow the Bank of China to operate, as positive steps towards better relations with China. The GRM called for an all-party mission to contact Peking to establish the dialogue between Malaysia and China. The Straits Times, 14.10.70 and 15.10.70.
by the Labour Party and the Barisan Sosialis were regarded as signs of Chinese influence over them. Though the Governments of Malaysia and Singapore had frequently indicated that the Labour Party and Barisan Sosialis were the front organisations of the communists, yet the parties had been allowed to exist because they provided an open organisation through which the activities of the pro-communists could be checked and curbed. This was a better alternative than to drive the pro-communists underground. Moreover, the leaders of these parties were for a time prepared to work within the democratic constitutional process, and it was not until 1968 that they adopted extra-parliamentary methods to oppose the governments. In the Malaysian government's view, these Maoist groups were subversive elements who were out to undermine the stability of the state. The Tengku in Parliament stated,

We cannot be friendly with a country which directly or indirectly has agents here before and after Merdeka, plotting to overthrow our democratic government. Communist China uses
her hammer to break our heads by having agents in our midst whose ideology is to instigate the people to rise and cause us trouble.  

It was a tendency on the part of the Tengku to blame the Maoist agents and by implication, China, for some of the political disturbances in the country. Such was the case with regard to the May 13 incident when racial riots broke out in Malaysia immediately after the General Elections in 1969. 

During the racial riots of May 13, it was speculated that the MCP and China were involved in the disturbances. According to the Tengku, the communists were partly responsible for causing the bloody clashes in the Federal capital. However, it was evident that the MCP was caught unawares as were indeed all parties as to the intensity of the racial antagonism between the Malays and Chinese in Malaysia. It could be that the MCP was hardly involved for

the following reasons: first, they had been espousing a multi-racial policy for Malaysia since its pro-Chinese image had been a major factor for the failure of the Emergency, and they were active in recruiting Malays in the Malaysia-Thailand area; secondly, the racial clashes occurred almost exclusively in the capital, Kuala Lumpur, where the MCP was weakest and which was far from their sanctuary along the Malaysia-Thailand border; thirdly, immediately on the outbreak of the racial conflict, the government anticipated any response from the MCP by despatching security forces to cordon off Northern Malaysia in order to prevent any moves of the MCP towards the south. With regard to the possibility of China's involvement, the Malaysian government itself in a statement denied that China was involved and even admitted that there had been 'no evidence' that arms and ammunitions from China were reaching the MCP since the May disturbances.  

It was doubtful that even if Peking adopted a

64. Malaysian Digest, Vol. 1 No. 5, September 1, 1969, p. 4.
less militant policy and accepted co-existence in the future, Malaysia-Singapore would contemplate establishing diplomatic relations with China in the near future. Any representation would mainly have advantages for Peking; this was recognised by a Malay official when he stated that China 'could make things much more difficult for us (the Malays) were she to adopt a revisionist Khruschev-like approach'.

The impact of the presence of a Chinese diplomatic mission on the Chinese community would have significant splinter effects which could hinder the Government's implementation of their policy of national unity. The examples of Southeast Asian countries which had diplomatic relations with China and the difficulties that these countries had with the latter over domestic policies affecting the Chinese population, were lessons which Malaysia would regard seriously.

Malaysia-Singapore policies towards China had been determined by internal factors related to the

local communists, extreme leftist groups and the Chinese population. Coupled with the fear of China as an expansionist power in the region, it would be difficult to see any immediate establishment of direct relations between them and China. However, Malaysia and Singapore had indicated a moderate attitude towards China in the broader international field, particularly on the issue of the admission of China into the United Nations.

Admission of China into the United Nations

Both Malaysia and Singapore advocated the admission of China into the United Nations on the following grounds: that the principle of universality in the United Nations demanded the admission of China, that China's presence in the United Nations could be a positive factor towards resolving some of the problems affecting the world, and that China's participation was imperative for regional stability. However, there were differences between Malaysian and Singapore with regard to the question of Taiwan.

Singapore's policy was that the issue of China
in the United Nations should be separate from and should not be considered concurrently with the question of Taiwan's seat in the United Nations. Only when the sole issue of China's place in the United Nations had been resolved could Singapore consider the status of Taiwan. 66 Malaysia, on the other hand, advocated the 'One China, One Taiwan' concept; this meant that she would support the admission of China into the United Nations, presumably as a new member, while Taiwan could retain her seat. 67 Thus, in 1970 for different reasons both Malaysia and Singapore abstained in the voting on the Albania-sponsored resolution and both voted against the America-sponsored resolution: the former would allow for China's admission and Taiwan's expulsion, and the latter would require a two-third majority before China could be given the right of

---


representation in the United Nations. 68

Malaysia's support for Taiwan was based on the principle of the right of the Taiwanese to self-determination and membership of the United Nations, and was also based on the growing relations between Malaysia and Taiwan. These had developed ever since the formation of Malaysia, when Taiwan supported the new federation in the face of Indonesia's Confrontation and of the hostility of the communist powers, including China. As Malaysia needed allies during the Confrontation period, Taiwan took the opportunity to build up and strengthen her relations with Malaysia and gain support to keep China out of the United Nations.

Since 1957, Taiwan had developed her relations with Malaysia by extending technical assistance and advisers to aid in Malaysian economic development, particularly in the field of agriculture. Taiwanese civil engineers were sent to Malaysia to help in construction projects and technical teams were there to assist in sugar cultivation. Malaysian agricultural officers and technicians went to Taiwan to study farmers associations, irrigation and agricultural extension schemes. Between 1958-1966, it was estimated that more than 300 Malaysians had attended such study tours.  

Moves towards consular relations between Malaysia and Taiwan were made from September, 1964. The Taiwanese Foreign Minister visited Malaysia and had discussions on this subject with the Malaysian Prime Minister and other officials. Discussions on the extension of economic assistance, particularly in the agricultural field, also took place.

69. Foreign Affairs, Malaysia, Vol. 1 No. 1-2, p. 22. An economic agreement was signed between Tun Razak and the Taiwanese Minister of Economic Affairs in Kuala Lumpur in April, 1966.
The Taiwanese Foreign Minister expressed support for Malaysia's stand against Confrontation and the local communists, and called on all 'free nations' to support Malaysia. Subsequently, the Malaysian Ministers of Commerce and Industry and Agriculture and Co-operatives continued discussions in Taiwan. In November, 1964, the Taiwanese Consulate in Kuala Lumpur was established. Taiwan said that the purpose of the mission was only to strengthen existing trade relations. Malaysia declared that the decision to allow the establishment of the Consulate did not change the Malaysian policy of not recognising either China or Taiwan.\(^7^0\)

According to a report, the decision to allow Taiwan to set up the Consulate was a decision taken by the Tengku alone. He had the strong support of the pro-Kuomintang group, including influential elements within the MCA. However, the Malaysian Prime Minister took note of the objection to the establishment of the Consulate which had been voiced

---

\(^7^0\) *Asian Almanac*, Vol. 2, No. 24, 6 December, 1964, p. 908.
by opposition political parties and some members of the Ministry of Foreign Affairs. For this reason, Malaysia did not reciprocate the Taiwanese move until January, 1967, when a Malaysian Consulate was established in Taipeh. Even then, Malaysia reiterated that this did not constitute a change of policy; it was emphasised that Malaysia did not recognise either China or Taiwan, and stated that the Consulate was there to look after trade and travel activities. Other functions of the Consulate would involve student welfare and encouraging Taiwan businessman to participate in joint ventures with their Malaysian counterparts.

Singapore had no official relations with Taiwan, either at diplomatic or consular level, though Taiwan maintained a trade office in Singapore. The Singapore Foreign Minister pointed out that the question

71. The decision to establish a Consulate in Taipeh was made in November, 1966. See Foreign Affairs, Malaysia, Vol. 1, No. 4 and 5, April, 1967, p. 36.

72. The Straits Times, 1.1.67.
of recognition of Taiwan did not arise even though there were trade relations between them. There were visits by Taiwanese Ministers and officials but it was noted that they had no discussions with Singapore Ministers nor did they visit the Ministries. For example, during his visits in September, 1970, the Taiwanese Minister of Interior had meetings with officials of statutory bodies, including the Housing and Development Board and the Jurong Town Corporation.

The establishment of the Taiwanese Trade Office in Singapore was consistent with the Government's attitude in allowing the Bank of China to operate in the country. However, in the case of the latter, there was a political significance attached to the presence of the Bank of China in Singapore, in view of the opposition of Malaysia to it. Their policies towards the Bank of China reflected basic differences in their views as to the purpose and intent of the

74. The Straits Times, 18.9.70.
Bank of China, and the divergence of the economic and political interests of the two countries vis-a-vis China.

The Bank of China in Singapore was mainly owned and controlled by the Government of China, for according to the Bank's prospectus, two-thirds of the shares were in the hands of the Chinese government. This meant that it would not be able to carry on in Malaysia under the Malayan Banking Ordinance of 1958, which stated inter alia that no bank should be granted a licence or a licensed bank continue business in fifty percent or more of its capital issued and paid up was owned by or on behalf of a foreign government. The Malaysian Government had closed the Bank of China branches in Penang and Kuala Lumpur soon after independence in 1957, and just prior to Separation, the Government decided to close the Singapore branch as well.75

75. According to a commentator, there were many banks owned and controlled from abroad by private capitalists, and, the Ordinance was aimed at the Bank of China. P.A.M. Jones, "Bank in Eclipse" in FEER, Vol. 49 No. 7, August 12, 1965, pp. 281-282.
In mid-1965, the Malaysian Government served notice to the Bank of China in Singapore that it had to wind up its business. This move was opposed by the Singapore Government and the business community; their argument was that the Bank of China played a useful role in the Malaysian economy. The credits from the Bank were granted at below commercial rates of interests and these were used to finance imports of Chinese goods which were low-priced, and thus helped to keep the cost of living down. The Bank served as the agency through which China purchased her rubber from Malaysia, and it was maintained that the operation of the Bank was a guarantee that China would continue to buy Malaysian rubber. This was important particularly at a time when American demand for rubber declined, while orders from the Soviet Union and China were increasing.

The Malaysian decision could have been based on economic and political considerations. The trade with China was overwhelmingly in China's favour, and the effort could be an attempt to induce the
Chinese to buy more from Malaysia. Moreover, it was known that local interests wanted to take over the Bank assets. The political consideration was related to the local situation, that is, the fear that the Bank of China would directly help or act as intermediary between China and the local left-wing movements, including the Malayan Communist Party. However, the move to close down the Bank of China was initiated almost immediately after the Government had caught the pro-Indonesian conspirators who had planned to set up a Malaysian-government in exile. 76

In mid-February, 1965, the Bank of China branch in Singapore was given a six months' licence and was required to operate certain credit operations only with the permission of the Central Bank in Kuala Lumpur. Later, the Malaysian Government indicated that the licence would not be renewed.

76. In late January and early 1965, the leaders of the abortive government-in-exile were captured. Refer to Malaysia, A Plot Exposed, Cmnd. 12, 1965, Malaysia, p. 23.
and that the bank had to wind up its programme by the last week of May. In the face of the Bank's refusal to abide by the Malaysian request, Kuala Lumpur countered by seizing its assets. This was accomplished when the branch manager signed documents for the sale of the bank and for paying off its staff.77

The Bank of China had requested a permanent licence and rejected the directives from Kuala Lumpur. When the branch manager signed over the assets to Malaysia, the Chairman of the Bank in Peking, Nan Han-chen, accused the Malaysian Government of conspiring with the branch manager to defy the instructions from Peking. The Chairman then dismissed the branch manager and deputy managers from their positions on 4 August, and declared all agreements signed by the branch manager with the Malaysian Government as illegal. The next day, however, Malaysia took control of the branch on the ground that this was to 'avoid any possible

disruption of banking business'. But the Central Bank of Malaysia had control of the Bank of China for only four days.

On 9 August, 1965, Singapore became independent and one of the first acts of the government was to declare that the Bank of China would be allowed to continue its operations. Unlike Malaysia, Singapore felt that the Bank of China was not necessarily a security threat. There was the possibility that the Bank of China might supply finance to subversive groups, but the operation of the Bank of China was so governed by local legislation that there was a tight surveillance both of personnel and financial operations. Consequently, there was very little chance of it becoming a security risk. What little risk there was would be outweighed by the advantage of its continued general operations as a commercial bank. The official position was that the Bank of China was strictly a commercial link between Singapore and Peking.

In response to the Singapore action, the Chairman of the Bank, declared that the decision to re-
open the Bank 'would not only be beneficial to the development of the Singapore economy but also be beneficial to the development of friendly relations'. His statement that the Singapore branch intended to promote friendly relations between Singapore and China through its business policy, in particular, the instruction to the Singapore branch to develop banking work in co-operation with industrial circles in Singapore, was welcomed by the Singapore Government. This pledge to work closely with local industrial and commercial circles was the first of its kind made by the Bank of China in Singapore.  

While Singapore allowed the Bank of China to continue its operations, this was on the understanding that it would participate in purely commercial matters. Singapore was not prepared to allow the Bank of China to exercise any extra-territorial rights. Thus, for example, Singapore would not tolerate violations of the local banking laws, and asserted her right as a sovereign state when such as infringement

---

occurred in May, 1969.

According to a Singapore regulation, a bank must maintain a minimum of twenty percent of total deposits in liquid assets. In May, 1969, a court judgment was delivered which found the Bank of China guilty of failing to maintain the legal minimum and imposed a fine of about M$128,000. The Bank refused to pay the fine and the Government suspended the Bank of China from the clearing house. This meant that no other bank in Singapore could honour cheques drawn on the Bank of China, but they could only be drawn at the bank itself. Further, the Bank's account with the clearing house was debited with the amount of the fine imposed on it.

The reaction of the Bank was to declare the action illegal but it could do nothing to prevent the Government collecting the fine as the latter had access to the Bank's funds. The Bank attempted to retaliate by putting pressure on local merchants and announcing that only its branch in Singapore could issue letters of credit for the import of
goods from China. The Government felt, however, that this was a blatant attempt to monopolise the financing of trade, and counteracted by limiting the Bank's activities in financing Chinese imports. A promulgation made it mandatory for importers to obtain a special licence before they could import goods from communist countries. Presumably, the bank accounts of the importers would be checked to see that there has been no large scale drift of deposits to the Bank of China.

The issue was not purely a question of financing the China trade. When the Bank violated the regulation, this was regarded by the government as an attempt to claim what it termed, 'extra-territorial rights which foreign businesses enjoyed before World War II in certain treaty ports in China'. 79 Singapore clearly showed that she would not allow the Bank of China to interfere in its domestic affairs and that it would adhere to strict

legality in its relations with the Bank. Thus, when the period of suspension of the Bank's activities was over, it was allowed to resume normal operations.\textsuperscript{80}

Economic relations with China

Trade between Malaysia-Singapore and China fluctuated with the political developments in the area during the '60s. Before 1965, China's close ties with Indonesia and opposition to Malaysia was reflected in the trade figures; for example, her purchases from Singapore declined drastically from M$86.9 million in 1960 to M$12 million in 1961 and M$1 million in 1964. A major reason for the declining trade was China's shift for her supplies of rubber from Malaysia-Singapore to Indonesia and Ceylon. After the failure of the Gestapu in Indonesia, China immediately stopped buying from

\textsuperscript{80} It was speculated that the Chinese Chamber of Commerce in Singapore paid up the fines imposed by the Bank.

\textsuperscript{81} See Appendix I.
349.

Jakarta and returned to Malaysia and Singapore. 82

A major problem in Malaysia-Singapore economic relations with China was the balance of trade in favour of the latter. A vast range of goods entered Malaysia-Singapore; they included rice, sugar and honey, woven cotton, fabrics, clothing, vegetable materials, steel bar shapes and miscellaneous manufactured articles. These commodities were not only cheap, but apparently their quality was comparable to Japanese goods at a similar stage of industrialisation. Malaysia and Singapore exported to China mainly crude rubber and spices. In an attempt to

82. C. McDougall, "China's Foreign Trade" in FEER, Vol. 51 No. 4, January 27, 1966, p. 124. China re-entered the Malaysian rubber market in 1967, and bought an increasingly large volume of rubber as indicated by the figures below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>16,121</td>
</tr>
<tr>
<td>1968</td>
<td>67,751</td>
</tr>
<tr>
<td>1969</td>
<td>89,085</td>
</tr>
</tbody>
</table>

In January, 1970 Communist China purchased 15,025 tons which was the highest in any one month since 1963. Malaysian Digest, Vol. 2 No. 6, March 31, 1970, p. 6.
achieve a better trade balance, Malaysia banned the imports of Chinese textiles, iron and steel products and paper goods in October, 1965 but this action was later reviewed as a result of higher purchases of Malaysia rubber. Singapore, in order not to allow China 'an economic lever' on her policy, had imposed a regulation that would restrict the import of Chinese rice to a maximum of twenty-five percent of her total supply.

From 1966, the trade relations between Malaysia-Singapore and China had improved considerably; this had been assisted by the removal of Commonwealth preferences on a number of items. But the trade still favoured China and this would be likely to continue unless trade agreements could be concluded to the advantage of Malaysia-Singapore. There were speculations that Malaysia and Singapore would send trade missions to China but there were no final confirmation of this. 83

Indirect contacts between various national trading bodies like the Malaysian Rubber Exchange and Singapore's INTRACO and China were made through Hong Kong. However, any formal trade relations between Malaysia-Singapore and China would have to await developments in the international relations of the countries concerned.

Conclusion

The 1965-1970 period witnessed a shift in Malaysia's foreign policy and the active implementation of Singapore's non-aligned foreign policy with respect to the communist countries. Malaysia and Singapore, regarded as Western-oriented states, adopted a pragmatic approach based on a number of considerations. Their past experiences had shown that a country isolated or aligned in the international arena could find itself in difficulties during times of crisis; Malaysia's position in Afro-Asia and the non-aligned bloc during Confrontation was a case in point. Non-alignment in foreign relations seemed the best attitude to adopt;
it allowed for independence of action or non-involvement in Great Power politics, flexibility in relations with other countries, and prestige of the countries as independent and sovereign states. Relations with the Soviet Union and China could help to expand their markets and provide sources of foreign assistance, though this was limiting at this stage. This in turn could be used to counteract Western influence and encouraged economic assistance from the Great Powers.

Both Malaysia and Singapore had established full diplomatic relations with the Soviet Union and ties in the economic, cultural and social fields were expanded. This had great significance for the region in that their presence in Malaysia-Singapore provided the Russians with a foothold in Southeast Asia, whereas, they had only a tenuous grip in Indonesia.

In the case of China, Malaysia-Singapore could not conceive of any formal relations with her unless China re-entered the international community and accepted the fundamental, though essentially Western, basis of international relations. Until then,
Malaysia-Singapore were content to limit their relations to trade. Moreover, Singapore had made tentative steps to establish relations with the other East Asian communist states by receiving a trade mission from North Korea in April, 1967, and a goodwill delegation led by the Vice-President, Kang Ryang Wook. Malaysia, on the other hand, had expressed her willingness to recognise China, if the latter were to adopt a policy of peaceful co-existence and non-interference in Malaysia's internal affairs. It should be noted, however, that Malaysia's and Singapore's moves towards China would be governed to some extent by the clause in the Separation Agreement relating to ties with 'hostile powers', the reaction of Indonesia and the implications on the domestic political situation.

Any change in Malaysia-Singapore policies toward China would develop gradually and correspond to the shift in the balance of power in Southeast

84. Singapore and North Korea established consular relations in December, 1969. An Acting Consul-General was in Singapore in 1970. The Straits Times, 3.12.70.
Asia. The reduction of the Western commitment, the interest of the Soviet Union and the inevitability of China's involvement in the affairs of the region might make it necessary that the Great Powers consult in any matter affecting regional security. Malaysia and Singapore had advocated that some form of Great Power guarantees could be an alternative way to achieve some peace and stability in the region.
Introduction

Malaysia and Singapore during the years 1965 to 1970 have demonstrated their differences in their foreign policies in Southeast Asia, particularly in their relationship, which had been characterised by an intensity of conflict and a low degree of collaboration. In the area of their crucial interests or objectives, as on such issues as independence, security, social and economic developments, there was clearly conflict, while there was collaboration on peripheral matters, such as health and shipping. The implication for the region as a result of the relationship of hostility between Malaysia and Singapore could be the creation of a potential crisis area in Southeast Asia, which could involve the regional powers and the Great Powers.

Malaysia's security interests in foreign policy were clear during this period. She pursued the goal of obtaining a strong security arrangement to defend her independence and territorial integrity, which were perceived to be threatened by the local communists and irredentist Philippines. To that end, Malaysia,
strengthened her bilateral military cooperation with Thailand and Indonesia, reached a multi-lateral arrangement with the ANZUK powers, supported the American effort in Vietnam and adhered to a general orientation of non-alignment. Moreover, Malaysia began a programme of rapid expansion of the armed forces, particularly of the Army and Air Force; but self-reliance was supported by bilateral and multi-lateral security arrangements with her allies. It was obvious that so far as her own security was concerned, Malaysia tended towards some sort of regional security arrangement of the ASEAN powers. In this respect, the Malaysia-Indonesia cooperation was marked by not only joint operations along their common border but also an exchange of military personnel and training provided by Indonesia. Together with the mood of euphoria between Malaysia and Indonesia and cooperation in cultural and economic matters, it could be that a security alliance between them would be possible in the near future.

For Singapore, her objective of defending her independence and territorial integrity was pursued partly by a gradual expansion of her armed forces,
which were equipped with sophisticated weaponry, and national service. Such a development led to criticisms from her neighbours, particularly Malaysia and Indonesia, that she tended to take on an aggressive position. Moreover, Singapore relied on the ANZUK presence not only for protection, particularly of her territorial waters, but also as a deterrent against any attack from a hostile neighbour. Though Singapore and Malaysia were members of the Five Defence Arrangement, it was clear that there was limited collaboration between them, and even this was realised to be temporary. The defence split had been a process which began between the two countries since the Joint Defence Council broke up after Separation. Significantly, they were aware of the expedient character of the Five Power Defence Arrangement, as was indicated by the consultative nature of the agreement. Singapore emphasised her policy of non-alignment and pursued an active policy of multi-involvement, by which she took the initiative and actively encouraged as many foreign powers as possible to have an interest, both economic and strategic in Singapore and, hence, to have an interest in the survival of the small state.
There was at no time any possibility of a physical conflict between Malaysia and Singapore. Malaysia faced the active threat from the Malayan Communist Party, but this could be contained by her adequate forces. The Philippine annexation of Sabah was more an exercise of Philippine's politics rather than an actual threat. Singapore did not face any real physical threat. However, Malaysia and Singapore seemed to take on antagonistic positions vis-a-vis each other, which were perceived by the leaders as attempts to establish a dominant-dependent relationship and to strengthen each other's position for any future negotiations between the two states. The mutual fear was based on the efforts to undermine the political and economic systems of each other. Singapore feared that by self-extension through her example and deliberate belittling of Malaysia's political system, posed a threat to the latter's policy of nation-building and consolidation of power. On the other hand, Singapore felt that Malaysia aimed at subjugating her by economic pressures and diplomacy. There were exchanges of protests of interference in internal affairs, use of economic measures, diplomatic pressure and threats in their relationships. Each
attempted to loosen the ties between them and become less dependent of the other.

In terms of their economic objectives, it was obvious that Malaysia and Singapore took opposite sides. As indicated, Malaysia attempted to restrict her exports to Singapore, develop her ports to compete against Singapore, establish direct relations with her consumers, and cooperated in economic matters with Indonesia, for example, in obtaining better prices for their raw materials. However, Malaysia and Singapore did cooperate in issues relating to the FEFC, where there was no demand made upon each other. Singapore, on the other hand, attempted to look for an alternative hinterland and initially looked to Indonesia and Cambodia, explored markets in new areas and invited foreign investors, including socialist states, to establish their factories in Singapore. During this period, Singapore and Malaysia became increasing an attractive investment area for the United States and Japan, besides their main traditional trading partners and investors such as the United Kingdom.
Thus, in the three main areas of their interests, security, political and economic developments, Malaysia and Singapore perceived each other, as pursuing conflicting policies, which seemed to make demands on the other. On these core values, there was conflict, and coupled with the hostile attitudes of their leaders, there seemed to be an undercurrent of hostility, which could create a crisis area of Malaysia and Singapore. Singapore and Malaysian leaders were motivated by fear of each other. Malaysia feared the impact that the political, social and economic development would have on Malaysian society, and Singapore feared that Malaysia would subjugate her due to her former dependence on Malaysia as the vital hinterland for her economic survival. This relationship of hostility between Malaysia and Singapore in their pursuit of objectives, often blurred the lines between motive and consequence: policies.

1. Boyce summed up the combination of other factors which had created the tensions between Malaysian and Singapore leaders, viz. ideology, economic competition, racial suspicions and clashes of personalities. Peter Boyce, Malaysia and Singapore in International Diplomacy, Documents and Commentaries, Sydney University Press, Sydney, 1968, p. 25.
aimed at defending the national interests could be interpreted as deliberate attempts to undermine the other's position, and the reverse explanation could be used in defence of an aggressive policy. This was especially so when in their relations toward each other, they had ignored treaty agreements, set up separate institutions, where before there were joint bodies, and pursued different policies which were interpreted as antagonistic to each other.

Non-alignment in the international community

In the international community, Malaysia and Singapore behaved like small and weak states faced with the power conflict among the Great Powers. Both opted for non-alignment as an orientation which would give them moral influence over world affairs, independent judgement on international issues, non-involvement in the Great Power crisis, economic and other assistance from the Great Powers and the members of the rival blocs. Thus, both advocated the peaceful settlement of disputes, non-interference in the internal affairs, respect for independence and territorial integrity. This was evident in their relations with the United States, the Soviet Union
and other eastern European countries. Both condemned the use of force, as evident in their opposition to the Russian aggression in Czechoslovakia and the American initial policy of a military solution in Vietnam. Singapore showed that she would not tolerate any interference in her internal affairs by the United States and China, as seen in the incidents affecting the CIA and Bank of China. Both made independent decisions on the issue of the admission of China, on colonialism and on the question of the economic gap between the developing and developed countries. Both stayed out of the security arrangement of the Great Powers, such as SEATO, and rejected any proposal for such an arrangement, such as the Brezhnev proposal for an Asian security pact, as this would mean involvement in cold war issues, such as the containment of China. Both developed economic relations with the United States and Russia and continued trade relations with China.

There was a slight difference in Malaysia-Singapore policies toward China, which was dictated by their internal determinants, namely, the composition of their population, internal stability and the economic necessity. Malaysia appeared to be more
anti-China, because of her problems with the local communists in West and East Malaysia. This was manifested in her policy of 'One China, one Taiwan', the maintenance of a consulate in Taipeh and her membership in the anti-Communist League and the Asian and Pacific Council. Singapore, because of her Chinese population and the need for the China trade, maintained the Bank of China, which had been threatened with closure by Malaysia before Separation, and her policy of support of China in the United Nations. Singapore also maintained contacts with the Asian communist countries like North Vietnam and North Korea. It should be noted, however, that both the governments of Malaysia and Singapore were not recognised as legitimate by Peking and that the Malayan National Liberation League based in Peking still maintained that West Malaysia and Singapore were one territorial entity called Malaya.

In terms of the general security interests of the Great Powers in Southeast Asia, however, Malaysia and Singapore tended to support the United States' position in Southeast Asia. Both supported the American policy in Vietnam as they believed that an
American military presence in the area was necessary to maintain the balance of power in the region. Malaysia emphasised her position by explicit support, such as the training of the South Vietnamese and membership of ASPAC, whereas, Singapore was a supply and repair facility for the American effort in South Vietnam. Both proposed a negotiated settlement on the basis of the Geneva Conference of 1954, in order to have a general peace in the whole of the region rather than just in mainland Southeast Asia. Both wanted a Great Power guarantee for the security of the region or the neutrality of the whole of Southeast Asia.

The policies of Malaysia and Singapore vis-à-vis the Great Powers were successful in that neither was drawn into any great power bloc, while on the other hand, both were provided with economic assistance, markets and investments from the Great Powers.  

2. The relative ease with which Malaysia and Singapore achieved success in their relations with the Great Powers by adopting non-alignment was possible in the absence of any direct Great Power interests in the area. In a situation of conflict among the Great Powers, small states would have to practice a keener tight rope version of non-alignment, though basically the actions of the small powers in both non-conflicting and conflicting situations would be similar. The main difference seemed to be that
However, the United States was not prepared to provide military assistance to Malaysia for fear of starting an arms race. Singapore did not receive military assistance nor did she want the Americans to give military arms to her neighbours in the Straits of Malacca. The Russians established diplomatic and trade relations with the two states, while China kept out of any official recognition of the two governments. In the Great Power rivalry, Malaysia and Singapore showed restraint in their relations with the Soviet Union because of the latters' attempt to recruit the two states to support her policy of the containment of China. With regards to their diplomatic relations with China, this would have to await the developing relationship among the Great Powers, particularly relating to the settlement of the Vietnam War and the overall arrangement relating to Southeast Asia.

In the Malaysia-Singapore area, there was no

cont'd

in the latter situation, the small states would have to obtain formal guarantees from the Great Powers to ensure their independence and territorial integrity. See Roger M. Smith, Cambodia's Foreign Policy, Cornell University Press, Ithaca, New York, 1968, p. 219-225 and A. Fox, The Power of Small States Diplomacy in World War II, University of Chicago Press, 1959, pp. 180-188.
real and direct interests of either of the Great Powers in conflict in this region, nevertheless, it could be that the Great Powers would agree to a guarantee of security of the region and maintain their multiple presence in the area. On the other hand, the presence of the Great Powers could enhance the small states' survival as independent states in the international community. Great Power politics in the area would seem to require that their presence be allowed in the area, such as the access to the raw materials and facilities, and unhampered passage through the Straits of Malacca; and so long as these are fulfilled, there seemed to be little likelihood of any direct Great Power involvement in the region. Malaysia and particularly Singapore would want to maintain close ties with the Great Powers, which would ensure their continued political independence, security and economic development.

Power politics in the Straits of Malacca

While non-alignment could be an option for small states in the international community, within the region, power politics prevailed. In striking contrast
to their global stance was the totally different behaviour within their own region, where they acted much like the older nations oriented to power politics. During this period, Malaysia and Singapore, though never in actual confrontation, nevertheless, assumed positions which displayed the attempt to establish a dominant-dependent relationship, strengthening each other's position, attempts at influence and subjugation, retaliation and hostility. These were manifested by their policies in the region of the Straits of Malacca as well as in their direct relations towards each other.

In matters of regional security, Malaysia was clearly on the opposite pole to Singapore. Malaysia with Indonesia and Thailand were in bilateral cooperation against the communists and supported the idea of a regional security arrangement based on ASEAN. This idea of a regional security organisation, which could be an extension among the Malay powers of

---

3. This was also the observation of Werner Levi, see his *The Challenge of World Politics in South and Southeast Asia*, Prentice-Hall, Inc., Englewood Cliffs, New Jersey, 1968, p. 84.
Maphilindo, could be regarded as a 'second front' against communist aggression from mainland Southeast Asia. Such an arrangement would obviously be detrimental to Singapore's interests, particularly in the light of the Malay powers' perceptions of her as a Third China and a base for China's penetration of the area. Malaysia not only had bilateral military cooperation with Indonesia, but also supported the latter's staunch anti-communist position as seen in the Djakarta Conference in Cambodia and their cooperation relating to the Straits of Malacca. The idea of a regional security arrangement based on ASEAN was in line with the thrust of the Guam Doctrine of the United States, that is, that America would provide assistance for the build up of indigenous collective security arrangement. In the meantime, however, there was the Five Power Defence

---

arrangement, which had not met with opposition from Indonesia because of its temporary and consultative nature. The Five Power Defence agreement would have to be replaced in time with some other security arrangement, non-aggression pact or a Great Power guarantee under the neutralisation of Southeast Asia.

The relationship of hostility between Malaysia and Singapore could have retarded cooperation between them in ASEAN. Though both recognised the need for economic development and cooperation in the region, yet ASEAN had not developed any set of viable economic projects. This could be attributed to the organisation's youth and lack of a tradition of cooperation among the members, but it was also due to the conflict among the members viz. Malaysia with Singapore and Malaysia with the Philippines. Moreover, Malaysia and Indonesia had competing economies, and both resented the rapid pace of industrialisation and growth of foreign investment in the island state of Singapore. ASEAN was thus limited in its scope for development as a viable regional organisation for Southeast Asia if the power conflicts among the states persisted over the need for cooperation in
Malaysia and Singapore disagreed on the need for non-regional powers to assist in the security and economic development of the region. Both opposed foreign dominance but Malaysia and Singapore took opposite views on foreign assistance to build up the military potential of Indonesia. The difference of views on regional security was also seen in Malaysia's participation in ASPAC, whereas, Singapore stayed out of the organisation, on the ground that this was an ideological grouping and, hence, could provoke unnecessary reaction from the Asian communist powers. Singapore continued to emphasise that non-regional powers' aid in economic cooperation was necessary. Thus, while both wanted non-regional economic assistance, they did not want a foreign domination of the region; this was shown by their policies toward SEAMCED.

5. Bernard Gordon, however, felt that ASEAN should take on a security role as it was 'the one group with the greatest degree of high-level political support among the indigenous leaders themselves'. See his paper, The American Interest in Asia Regionalism, SEADAG Papers on Problems of Development in Southeast Asia, The Asia Society, New York, December, 1968, p. 7.
Within the region, then, Malaysia and Singapore showed initiative by their independent decisions on various issues. Malaysia clearly took an active role in the formation of regional organisations and in proposing such ideas as the regional security arrangement for Southeast Asia. Singapore played down her role in the region beyond emphasising the need for economic cooperation and foreign assistance in the development of Southeast Asia.

Potential area of conflict

Without the Great Power guarantee of neutralisation and the absence of non-aggression pacts within the region, it would seem that Malaysia and Singapore should have considered a joint effort to ensure their own independence and security. In view of these factors: their close proximity, the common threat of the communists, the need for security in their adjacent territory, and their common experience of Confrontation. However, both seemed to develop a separate defence strategy which could only be interpreted as a failure to realise their concept of defence indivisibility. As indicated, Malaysia and Singapore
showed different emphasis in their defence build-up; there was no coordination in defence procurement, and there was no joint councils for consultations. Further, within the Five Power Defence Arrangement, it would seem that Malaysia and Singapore were linked separately to the ANZUK presence without any bilateral cooperation in defence between them. The Five Power Defence Arrangement was merely a deterrent and it would be doubtful if it could be a sustaining arrangement for many more years.

What had prevented any attempt at cooperation was that the conflict of interests between Malaysia and Singapore was real. Malaysia feared that the self-extension of Singapore, namely, her political and economic systems, would undermine the position of the government in power. The Malaysian leaders were faced with the crucial problem of consolidation of their power and maintaining stability in the country, and thus, any cooperation with Singapore would have less priority. Further, this was aggravated for Malaysia by the presence of Singapore which had competing political ideologies and successful political and economic programmes. Further, Malaysian
and Singapore leaders developed an attitude of confrontation vis-a-vis each other. This comprised a variety of behaviour, including the non-adherence to any agreements, whether tacit or written, lack of responsiveness or indifference to the requests of the other, competition or even hostility, and superiority of one over the other. Increasingly, the area of common interests of 1965 in economic and security fields, had become eroded. Owing to this attitude of confrontation, and if the antagonisms over more vital issues did not dissipate, the veneer of collaboration, as in their policies toward the FEFC and the ANRPC, in health and social programmes, could not be maintained.

In the area of foreign policy, Malaysia seemed to have a partial veto on Singapore over certain issues. This had been seen in the Malaysian actions over the issues of the Indonesian recognition of Singapore and the resumption of barter trade between the two countries. This apparent veto seem to apply to Singapore's relations with any foreign power which Malaysia would consider hostile, such as China. It would be doubtful, however, whether Singapore could protest over or influence Malaysia's
relations with Peking. To avoid conflict, however, it could be that Malaysia and Singapore would have to consult each other in view of the changing international situation in the Asian region.

Malaysia-Singapore relations during this period have manifested the peculiarities of inter-state relations between two states, which had common historical and social backgrounds, economic complementarity and common security problems, yet they had been unable to create or promote areas of mutual interests. The policies of each other had created suspicion and apprehension on the part of the other and resulted in a series of crisis and a relationship of hostility or cold war. However, the extent of their conflict could be delineated, viz. that policies undertaken would not affect directly the public on a wide scale. Where it threatened to be a prolonged public controversy, the leaders would meet to resolve the problem at hand; examples of this, were the Operation Swop, Camp Temasek and the controversy over interference in internal affairs. It would seem, however, that such a relationship of hostility would continue until both accept and
practise such principles as the non-interference in internal affairs, respect for independence and sovereignty, non-aggression and recognise equality, and that there could be mutual benefit to be derived from cooperation in security and economic matters. Such a situation could be reached if they learnt that neither would succumb to the pressures of the other, that one or both was incurring losses or prestige, and that third parties were exploiting their differences to their mutual detriment.

During this period, it had been seen that Malaysia and Singapore attempted to lessen the dependence on the other and applied pressure to influence the other in the vital areas of security and economic development. Until the leaders reached a position when they perceived that there would be no point in pursuing their conflict further, then a modus vivendi could be reached. This could arise as a result of several factors: the pressure of the internal problems of consolidation, serious economic problems, and external pressures from both regional and international powers, who were responsible for their economic growth and who would want to defuse the Straits of Malacca as a potential area of conflict.
Then Malaysia and Singapore could begin to work out a practical relationship between themselves. However, if the political competition continued, and the security and economic interdependence ignored, they would so at their own peril, for the outcome could be a catastrophe out of which neither would stand to gain. Realising this, Malaysia and Singapore could begin to return to their original premise that their security and economic development were interdependent, and revive the Separation Agreement as the new treaty of friendship from which to build mutual cooperation for their development and contribution to regional stability.

It was seen that in the Malaysia-Singapore situation, the richness of their historical background, the complementarity of their economic interests and the inherent mutuality of their interests, had little influence in the bilateral relations. It was the mutual fear and distrust among the leaders which generated a relationship of hostility between them and this in turn affected their relationships with their neighbours and the outside world. The veneer of cooperation, the ability of the leaders to meet in time of crisis and practice moderation, the presence
of the ANZUK deterrent and the vague affinity to regionalism sought to restrain the conflict between Malaysia and Singapore. However, in the event of the absence of these factors, the state of Malaysia-Singapore relations maintaining itself at this level of cold war could be jeopardised. Only when Malaysia and Singapore in their policies toward each other learn to accomodate, conciliate and resolve their interests and find common areas of cooperation in the external environment would the area of Malaysia-Singapore diminish as an area of instability in Southeast Asia.

Malaysia-Singapore as an illustration of inter-state relations

The proposition put forward here is that a separated or seceded state, though essentially smaller, weaker and dependent on the bigger state, did not have to pursue a policy of accomodation, alliance or isolation, to achieve its objective of independence, security and economic survival. Instead, it would

6. Singapore perceived her immediate neighbours as real or potential threats to her independence and had to reach outside the region for support. Thus, she adopted the policy of resistance and
pursue a policy of resistance and retaliation. In the circumstances where the two states had similarity of security, economic and political problems, and where one seemed more vulnerable security-wise and economically, such a policy of resistance and retaliation could be successful in circumstances where the bigger state was troubled by problems of internal political consolidation and economic growth. The resultant relationship would be one of mutual hostility or cold war, characterised by a lack of responsiveness, of antagonism towards each other, by distrust and ill-will. The limit of the hostility, however, could be influenced by the fact that there was no actual threat to their vital interests and that there were external restraints such as the presence of foreign powers.

cont'd

retaliation against her stronger neighbours and one of multiple-involvement to obtain the external powers' assistance. This situation of a small power surrounded by aggressive neighbours was different from that perceived by Kautilya. He advocated that a weak state should adopt either a policy of accommodation or alliance for its survival in a situation where there was a checker-board-type conflict situations. See Kautilya's treatise on foreign policies as explained by George Modelski, 'Kautilya: Foreign Policy and International System in the Ancient Hindu World', The American Political Science Review, Vol. 58, No. 3, September, 1964, pp. 549-560.
So long as one believed that the other state would be vulnerable in the long term due to its economic weakness, and the other believed that negotiation from a position of weakness was fatal, then their behaviour would be characterised by the use of economic pressures, threat, resistance and retaliation. Where the relationship threatened to affect directly the public interest, then both sides tended to withdraw and reduced the conflict, only to resume their hostility soon after. The limit of their hostility seemed to be dependent on two other vital factors. Firstly, where one state felt itself internally vulnerable to the self-extension of the other in the economic and political spheres but so long as the internal political situation could be contained and economic growth sustained, the relationship could be tolerable. Secondly, if the smaller state were able to develop politically and economically through alternative sources, while lessening the dependence on the other, then there would be no danger of the situation getting out of hand. In other words, this policy of resistance and retaliation could be possible so long as the bigger state did not feel itself under danger of collapse economically and
and politically, and the smaller state had recourse to alternatives polities.

A situation, however, could be envisaged where the extreme of the present policies could be reached. Given the situation where the leadership in Malaysia were unable to maintain her political integrity due to political and economic pressures from within, or where Singapore had no outlet for her development economically, the resultant inter-state relationship could well be catastrophic and to their mutual disadvantage. Based on this realisation, it would be assumed that the two states would then arrive at a modus vivendi based on the recognition of their mutual benefit through their cooperation in the security, economic or political fields. In the case of Malaysia and Singapore, this would mean returning to the very fundamental agreements which they arrived at the time of Separation, namely the Separation Agreement, where security, political and economic inter-dependence had been recognised. It would thus remain for the two governments to arrive at a common recognition of these alternatives, either continuing the relationship of hostility, threats, resistance and retaliation, or cooperation on vital
problems for their mutual benefit, based on non-interference in internal affairs, legal as well as practical equality, and respect for the independence and sovereignty on one another, or outbreak of hostilities to their mutual catastrophe. Thus, a balance of power and a modus vivendi should be reached in Malaysia-Singapore relations, and reflected in their bilateral relationship and in their foreign policies in Southeast Asia.

The policy of resistance and retaliation by a small power against a bigger neighbour would seem to be workable under the following circumstances.\(^7\) The threatening power would be troubled by internal problems, political and economic, and would be restrained by these problems and external constraints to pursue an aggressive

---

\(^7\) D. Vital noted that despite the material inequality of states, the survival of small, politically isolated states as independent powers was precarious, depending on a multitude of factors over many of which they themselves had little influence. However, the crucial factor in almost every case was the human one and where the society cohered and was strongly led, very great obstacles could often be overcome. D. Vital, *The Inequality of States, A Study of the Small Powers in International Relations*, Oxford Clarendon Press, 1967, pp. 190-191.
policy. The small power would have the advantage of alternative resources, including the bigger neighbour of the threatening state and the developed powers outside the region. In such a circumstance, it would be difficult to predict to what extent the efforts of the threatening power and its development of relations with the bigger neighbour and the external powers, could make her policy of aggression against the small power successful. In this respect, much would depend on the extent of utility the small power would be to the non-regional powers. It would thus seem that the small power for its survival would have to pursue a three-pronged policy: resistance and retaliation while looking for the opportunity for a rapprochement with the bigger neighbour, secondly, the consolidation of ties with the bigger power or regional powers so as to provide some sort of hinterland and provide the counter-vailing force against the threatening power, and lastly, to provide the greatest utility to the non-regional powers, in whose interests the survival of the small power could be crucial for the stability of the region. Consistent throughout these policies, the small power would want
to protect its independence, sovereignty and territorial integrity, political and social development and economic growth, as these are the constant preoccupations of any independent state in international relations.
APPENDIX A

AN AGREEMENT RELATING TO THE SEPARATION OF SINGAPORE FROM MALAYSIA AS AN INDEPENDENT AND SOVEREIGN STATE

An Agreement dated the 7th day of August, 1965, and made between the Government of Malaysia of the one part and the Government of Singapore of the other part.

WHEREAS Malaysia was established on the 16th day of September, 1963, by a federation of the existing states of the Federation of Malaya and the States of Sabah, Sarawak and Singapore into one independent and sovereign nation;

AND WHEREAS it has been agreed by the parties hereto that fresh arrangements should be made for the order and good government of the territories comprised in Malaysia by the separation of Singapore from Malaysia upon which Singapore shall become an independent and sovereign state and nation separate from and independent of Malaysia and so recognised by the Government of Malaysia;

NOW therefore it is agreed and declared as follows:

ARTICLE I

This Agreement may be cited as the Independence of Singapore Agreement, 1965.

ARTICLE II

Singapore shall cease to be a State of Malaysia on the 9th day of August, 1965, (hereinafter referred to as "Singapore Day") and shall become an independent and sovereign state separate from and independent of Malaysia and recognised as such by the Government of Malaysia; and the Government of Malaysia will proclaim and enact the constitutional instruments annexed to this Agreement in the manner hereinafter appearing.
ARTICLE III

The Government of Malaysia will declare by way of proclamation in the form set out in Annex A to this Agreement that Singapore is an independent and sovereign state separate from and independent of Malaysia and recognised as such by the Government of Malaysia.

ARTICLE IV

The Government of Malaysia will take such steps as may be appropriate and available to them to secure the enactment by the Parliament of Malaysia of an Act in the form set out in Annex B to this Agreement and will ensure that it is made operative as from Singapore Day, providing for the relinquishment of sovereignty and jurisdiction of the Government of Malaysia in respect of Singapore so that the said sovereignty and jurisdiction shall on such relinquishment vest in the Government and the constitutional instruments annexed.

ARTICLE V

The parties hereto will enter into a treaty on external defence and mutual assistance providing that:

(1) the parties hereto will establish a joint defence council for purposes of external defence and mutual assistance;

(2) the Government of Malaysia will afford to the Government of Singapore such assistance as may be considered reasonable and adequate for external defence, and in consideration thereof, the Government of Singapore will contribute from its own armed forces such units thereof as may be considered reasonable and adequate for such defence;
(3) the Government of Singapore will afford to the Government of Malaysia the right to continue to maintain the bases and other facilities used by its military forces within Singapore and will permit the Government of Malaysia to make such use of these bases and facilities as the Government of Malaysia may consider necessary for the purpose of external defence;

(4) each party will undertake not to enter into any treaty or agreement with a foreign country which may be detrimental to the independence and defence of the territory of the other party.

ARTICLE VI

The parties hereto will on and after Singapore Day cooperate in economic affairs for their mutual benefit and interest and for this purpose may set up such joint committees or councils as may from time to time be agreed upon.

ARTICLE VII

The provision of Annex J and K of the Agreement relating to Malaysia dated the 9th day of July, 1963 are hereby expressly rescinded as from the date of this Agreement.

ARTICLE VIII

With regard to any agreement entered into between the Government of Singapore and any other country or corporate body which has been guaranteed by the Government of Malaysia, the Government of Singapore hereby undertakes to negotiate with such country or corporate to enter into a fresh agreement releasing the Government of Malaysia of its liabilities and obligations under the said guarantee, and the Government of Singapore hereby undertakes to indemnify the Government of Malaysia fully for any liabilities, obligations or damage which it may suffer as a result of the said guarantee.
In witness whereof, the undersigned, being duly authorised thereto, have signed this Agreement.

Done this 7th day of August, 1965, in two copies of which one shall be deposited with each of the Parties.

For the Government of Malaysia:

Prime Minister (Sgd.) Tunku Abdul Rahman
Deputy Prime Minister (Sgd.) Tun Abdul Razak bin Hussin
Minister of Home Affairs (Sgd.) Dato Dr Ismail bin Abdul Rahman
Minister of Finance (Sgd.) Tan Siew Sin
Minister of Works, Posts (Sgd.) Dato V.T. Sambanthan
& Telecommunications

For the Government of Singapore:

Prime Minister (Sgd.) Lee Kuan Yew
Deputy Prime Minister (Sgd.) Toh Chin Chye
Minister for Finance (Sgd.) Goh Keng Swee
Minister for Law (Sgd.) E.W. Barker
Minister for Culture (Sgd.) S. Rajaratnam
Minister for Social Affairs (Sgd.) Othman Wok
Minister for Education (Sgd.) Ong Pang Boon
Minister for Health (Sgd.) Yong Nyuk Lin
Minister for National Development (Sgd.) Dato Lim Kim San
Minister for Labour (Sgd.) Jek Yuen Thong

Kuala Lumpur,
Annex "A"

PROCLAMATION ON SINGAPORE

In the name of God, the Compassionate, the Merciful. Praise be to God, the Lord of the Universe, and may the benediction and peace of God be upon Our Leader Muhammad and upon all His Relations and Friends.

WHEREAS Malaysia was established on the 16th day of September, 1963, by a federation of the existing states of the Federation of Malaya and the States of Sabah, Sarawak and Singapore into one independent and sovereign nation;

AND WHEREAS by an Agreement made on the 7th day of August in the year one thousand nine hundred and sixty-five between the Government of Malaysia of the one part and the Government of Singapore of the other part it was agreed that Singapore should cease to be a State of Malaysia and should thereupon become an independent and sovereign state and nation separate from and independent of Malaysia;

AND WHEREAS it was also agreed by the parties to the said Agreement that, upon the separation of Singapore from Malaysia, the Government of Malaysia shall relinquish its sovereignty and jurisdiction in respect of Singapore so that the said sovereignty and jurisdiction shall on such relinquishment vest in the Government of Singapore;

NOW in the name of God the Compassionate, the Merciful, I, TUNKU ABDUL RAHMAN PUTRA AL-HAJ IBNI ALMARHUM SULTAN ABDUL HAMID HALIM SHAH, Prime Minister of Malaysia, with the concurrence and approval of His Majesty the Yang di-Pertuan Agong of Malaysia, DO HEREBY DECLARE AND PROCLAIM that, as from the 9th day of August in the year one thousand nine hundred and sixty-five, Singapore shall cease to be a State of Malaysia and shall forever be an independent and sovereign state and nation separate from and independent of Malaysia, and that the Government of Malaysia recognises the present Government of Singapore as an independent and sovereign government of Singapore and will always work in friendship and co-operation with it.

signed Tunku Abdul Rahman.

APPENDIX B

Prime Minister,
Singapore.

PROCLAMATION OF SINGAPORE

WHEREAS it is the inalienable right of a people to be free and independent;

AND WHEREAS Malaysia was established on the 16th day of September, 1963, by a federation of existing states of the Federation of Malaya and the States of Sabah, Sarawak and Singapore into one independent and sovereign nation.

AND WHEREAS by an Agreement made on the seventh day of August in the year one thousand nine hundred and sixty-five between the Government of Malaysia of the one part and the Government of Singapore of the other part it was agreed that Singapore should cease to be a state of Malaysia and should thereupon become an independent and sovereign state and nation separate from and independent of Malaysia;

AND WHEREAS it was also agreed by the parties to the said Agreement that, upon the separation of Singapore from Malaysia, the Government of Malaysia shall relinquish its sovereignty and jurisdiction in respect of Singapore so that the said sovereignty and jurisdiction shall on such relinquishment vest in the Government of Singapore.

AND WHEREAS by a Proclamation dated the ninth day of August in the year one thousand nine hundred and sixty-five the Prime Minister of Malaysia Tunku Abdul Rahman Putra Al-Haj Ibni Almarhum Sultan Abdul Hamid Shah did proclaim and declare that Singapore shall on the ninth day of August in the year one thousand nine hundred and sixty-five cease to be a state of Malaysia and shall become an independent and sovereign state and nation separate from and independent of Malaysia and recognised as such by the Government of Malaysia.
Now I LEE KUAN YEW Prime Minister of Singapore, DO HEREBY PROCLAIM AND DECLARE on behalf of the people and the Government of Singapore that as from today the ninth day of August in the year one thousand nine hundred and sixty-five Singapore shall be forever a sovereign democratic and independent nation, founded upon the principles of liberty and justice and ever seeking the welfare and happiness of her people in a more just and equal society.

Sgd: Lee Kuan Yew
Prime Minister, Singapore.

Dated the 9th day of August, 1965.

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

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

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

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

ARTICLE V

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

ARTICLE VI

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

ARTICLE VII

In the event of an armed attack against any of the territories or forces of the Federation or any of the territories or protectorates of the United Kingdom in the Far East or any of the forces of the United Kingdom within any of those territories or protectorates or within the Federation of Malaya, the Governments of the Federation of Malaya and of the United Kingdom undertake to co-operate with each other and will take such action as each considers necessary for the purpose of meeting the situation effectively.
ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

ARTICLE XI

Define such terms as 'bases', 'force', 'service authorities', etc.

ARTICLE XII

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

APPENDIX D

COMMUNIQUE OF THE FIVE POWER DEFENCE TALKS, APRIL 15, 1971

The Ministers of the Governments of Australia, Malaysia, New Zealand, Singapore and the United Kingdom met in London on 15th and 16th April, 1971, in order to consider matters of common interest to all five Governments relating to the external defence of Malaysia and Singapore.

The Ministers of the five Governments affirmed, as the basic principles of their discussions, their continuing determination to work together for peace and stability, their respect for the sovereignty, political independence and territorial integrity of countries, and their belief in the settlement of all international disputes by peaceful means in accordance with the principles of the United Nation's Charter.

In the context of their Governments' determination to continue to co-operate closely in defence arrangements which are based on the need to regard the defence of Malaysia and Singapore as indivisible, the Ministers noted, with gratification the development of the defence capability of Malaysia and Singapore, to which the other three Governments had given assistance, and the decisions of the Governments of Australia, New Zealand and the United Kingdom, which had been welcomed by the other two Governments, to continue to station forces there after the end of 1971.

In discussion the contribution which each of the five governments would make to defence arrangements in Malaysia and Singapore, the Ministers noted the view of the United Kingdom Government that the nature of its commitment under the Anglo-Malaysian Defence Agreement required review and that the agreement should be replaced by new political arrangements. They declared that their Governments would continue to co-operate, in accordance with their respective policies in the field of defence after the termination of the agreement on 1st November, 1971.
The Ministers also declared, in relation to the external defence of Malaysia and Singapore, that in the event of any form of armed attack externally organised or supported or the threat of such attack against Malaysia and Singapore, their Governments would immediately consult together for the purpose of deciding what measures should be taken jointly or separately in relation to such attack or threat.

The Ministers reviewed the progress made regarding the establishment of the new defence arrangements. In particular:

a. They welcomed the practical steps being taken to establish the integrated Air Defence System for Malaysia and Singapore on 1st September, 1971.

b. They agreed to establish an Air Defence Council, comprising one senior representative of each of the five nations, to be responsible for the functioning of the Integrated Air Defence System, and to provide direction to the Commander of the Integrated Air Defence System on matters affecting the organisation, training and development and operational readiness of the System.

c. They noted the progress made by the Five Power Naval Advisory Working Group.

d. They decided to set up a Joint Consultative Council to provide a forum for regular consultation at the senior official level on matters relating to the Defence Arrangements.

e. The Ministers also noted that further discussion would take place between Governments on the practical arrangements required for the accommodation and facilities for the ANZUK Forces to be stationed in the area. They looked forward to the early and successful conclusion of these discussions as an essential basis for the completion of plans for the new defence arrangements.
The Ministers agreed that from time to time it might be appropriate for them to meet to discuss their common interests. It would also be open to any of the participating Governments to request at any time, with due notice, a meeting to review these defence arrangements.

APPENDIX E

INDONESIAN RECOGNITION OF SINGAPORE

IN keeping with the philosophical basis of the political life of the State of the Republic of Indonesia since the Proclamation of Indonesia's Independence on 17th August 1945, namely, Pantja Sila, we at all times support any struggle for national independence by any nation whatsoever.

WITH a sense of gratitude to Almighty God, we have noted and have given thorough attention to the fact that the Government and People of Singapore under Your Excellency's leadership have, as of 9th August, 1965, proclaimed themselves the free and sovereign Republic of Singapore, and are undertaking and continuing to struggle to perfect that independence and sovereignty of the State and People of Singapore, as neighbours of ours who, from long ago, have conducted relations with Indonesia.

THE fact that, for some eight months past, we have had no opportunity to make our attitude manifest directly to the Government as well as the People of Singapore, has been caused by developments both in our own country and also in the international world, which, throughout this period, have called for the whole attention of our Government.

WE now have a good opportunity to convey to Your Excellency our high regard for your policy and the firm determination of the People of Singapore to remove, step by step, each and every bond which Your Excellency considers no longer beneficial for the growth of a more secure and perfect independence, sovereignty and prosperity for the State and People of Singapore.

IN reality, we in Indonesia too are ceaselessly working, struggling and taking action in order to perfect the independence, prosperity and security of our
state and nation. Although in various matters we have not yet obtained the results to which we aspire, nevertheless we have also witnessed swift advances in many other fields.

WE are convinced that the progress we have made is not merely of significance and benefit only for the State of the Republic of Indonesia alone, but that it certainly has significance and benefits too for the region of Southeast Asia in particular and for the world in general.

VICE-VERSA, we are aware that any turbulence in the states which are our neighbours will likewise have an influence on our country.

IN this connection, it is our policy to place the relations between our State and our free and sovereign neighbour States on sounder basis, in order to make co-operation possible with the objective of ensuring the sound and proper growth of our respective national independence for the sake of the attainment of the goal of that independence itself, that is, justice and prosperity for the People, together with the security and safety of our lives as states henceforth.

WE are convinced that our two States, in gotong-royong with other independent States in Southeast Asia, will eventually be able to bear responsibility for continuation of the life, the security and the safety of our respective Peoples.

IN this way, our two States will be able to make contribution to the building of a new world that is better than the world we know today, that is free from every kind of exploitation and domination of one nation over others.

ON the basis of the above considerations and accompanied by our greetings of friendship and our respect to Your Excellency, and through you to the
Government and People of Singapore, we convey our recognition of the Republic of Singapore on the basis of equal standing and mutual respect for each other's national integrity and sovereignty in order further to establish diplomatic relations and to exchange Diplomatic Representations between our two Republics.

WE hope that this policy decision of ours may be favourably received by Your Excellency and the People of Singapore.

IN conclusion, in the name of the Government and People of the Republic of Indonesia, I convey greetings and highest respects to Your Excellency and the People of Singapore.

Sgd. Adam Malik
Foreign Minister, Indonesia

Dated: April, 1966.

The Republic of Singapore seeks to live in peace and friendship with all her neighbours, in particular her two immediate neighbours, the Republic of Indonesia and the Federation of Malaysia. OUR POLICY is to co-operate with all free and sovereign neighbour states to mutual advantage and to strengthen the economic, social and cultural ties between our neighbours and us. Such co-operation will make more effective our political independence having only recently been able to rid ourselves of the political domination and economic exploitation of the colonial powers of the West.

WE would like to work with all our neighbours towards the removal of the exploitation of man by man either because of ownership of property or of class or status. We would also like to work with the Government of the Republic of Indonesia to eradicate the exploitation of newly independent nations by the established and developed nations because of their ownership of industrial wealth, scientific and technological knowledge, and military strength.

WE are therefore happy to note the declared intention of the Republic of Indonesia to build a world that is free from every kind of exploitation and domination of one nation over others. We welcome the recognition of the Republic of Singapore by the Republic of Indonesia on the basis of equal standing and mutual respect for each other's national integrity and sovereignty.

WE reciprocate your wish to establish diplomatic relations and will be ready to exchange diplomatic representations between our two Republics as soon as this can conveniently be done without disrupting friendly relations and harmony between the Republic of Singapore and her other neighbours.
FINALLY, in the name of the people and of the Government of the Republic of Singapore, I convey my greetings and highest respect to Your Excellency and the people of Indonesia.

Sgd. Dr. Toh Chin Chye
Deputy Prime Minister and Acting Foreign Minister.


APPENDIX F

AGREEMENT TO NORMALISE RELATIONS between THE REPUBLIC OF INDONESIA and MALAYSIA

Recognising the need for close and friendly relations between Indonesia and Malaysia and to create a climate conducive to co-operation between the two countries, in the spirit of the Manila Agreement and of brotherliness between the two peoples bound together by history and culture from time immemorial.

THE REPUBLIC OF INDONESIA and MALAYSIA have decided to conclude an Agreement to normalise relations between the Republic of Indonesia and Malaysia and to this end have appointed as their plenipotentiaries; who, having examined each other's credentials and have found them good and in due form have agreed as follows:

ARTICLE 1

1. The Government of Malaysia, in order to resolve the problems between the two countries arising out of the formation of Malaysia, agrees to afford the people of Sabah and Sarawak who are directly involved, an opportunity to reaffirm, as soon as practicable in a free and democratic manner through General Elections, their previous decision about their status in Malaysia.

ARTICLE 2

2. The Government of the Republic of Indonesia in its desire for close co-operation and friendship between Indonesia and Malaysia, agrees, and the Government of Malaysia concurs, that diplomatic relations between the two countries shall be established immediately and that they shall exchange diplomatic representation as soon as possible.
ARTICLE 3

3. The Government of Malaysia and the Government of the Republic of Indonesia agree that in view of the above, hostile acts between the two countries shall cease forthwith.

ARTICLE 4

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

This in witness whereof the undersigned, being duly authorised thereto by the respective Governments, have signed this Agreement.

Done at Jakarta in duplicate, this day of 11th August, 1966.

For the Government of the Republic of Indonesia
(Seal)

For the Government of Malaysia
(Seal)

APPENDIX G

JOINT COMMUNIQUE ISSUED BY THE FOREIGN MINISTERS OF THAILAND, MALAYSIA, INDONESIA, PHILIPPINES AND SINGAPORE AT THE END OF THE FIVE-NATION TALKS IN BANGKOK ON TUESDAY, 8TH AUGUST, 1967

At the invitation of the Government of Thailand, the Presidium Minister for Political Affairs/Minister for Foreign Affairs of Indonesia, the Deputy Prime Minister of Malaysia, the Secretary for Foreign Affairs of the Philippines, the Minister for Foreign Affairs of Singapore and the Minister of Foreign Affairs of Thailand met in Bangsaen and Bangkok from August 5 to 8, 1967, and after fruitful discussions,

1. Adopted the ASEAN Declaration of August, 1967, announcing the formation of the Association of South East Asian Nations.

2. Agreed to hold the Second ASEAN Ministerial Meeting in Djakarta in the course of 1968, and that pending and during that Meeting the ASEAN Standing Committee will be located in Djakarta.

3. Agreed to refer to the Standing Committee certain proposals for regional co-operation in such fields as tourism, shipping and fisheries, and means of expanding intraregional trade.

Bangkok,
August 8, 1967.

THE ASEAN DECLARATION

The Presidium Minister for Political Affairs/Minister for Foreign Affairs of Indonesia, the Deputy Prime Minister of Malaysia, the Secretary for Foreign Affairs of the Philippines, the Minister for Foreign Affairs of Singapore and the Minister of Foreign Affairs of Thailand:

MINDFUL of the existence of mutual interests and common problems among the countries of South-East Asia and convinced of the need to strengthen further the existing bonds of regional solidarity and cooperation;

DESIRING to establish a firm foundation for common action to promote regional cooperation in South-East Asia in the spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in the region;

CONSCIOUS that an increasingly interdependent world, the cherished ideals of peace, freedom, social justice and economic well-being are best attained by fostering good understanding, good neighbourliness and meaningful cooperation among the countries of the region already bound together by ties of history and culture.

CONSIDERING that the countries of South-East Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development, and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples;

AFFIRMING that all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of States in the area or prejudice the orderly processes of their national development;
DO HEREBY DECLARE:

FIRST, the establishment of an Association for Regional Cooperation among the countries of South-East to be known as Association of South East Asian NATIONS (ASEAN).

SECOND, the aims and purposes of the Association shall be:

1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South-East Asian nations;

2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter.

3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;

4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;

5. To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communication facilities and the raising of the living standards of their peoples;

6. To promote South-East Asian studies;
7. To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.

THIRD, that, to carry out these aims and purposes, the following machinery shall be established:

(a) Annual Meeting of Foreign Ministers, which shall be by rotation and referred to as the ASEAN MINISTERIAL MEETING. Special Meetings of Foreign Ministers may be convened as required.

(b) A Standing Committee, under the chairmanship of the Foreign Minister of the host country or his representative and having as its members the accredited Ambassadors of the other member countries, to carry on the work of the Association in between Meetings of Foreign Ministers.

(c) Ad Hoc Committees and Permanent Committees of specialists and officials on specific subjects.

(d) A National Secretariat in each member country to carry out the work of the Association on behalf of that country and to service the Annual or Special Meetings of Foreign Ministers, the Standing Committee and such other committees as may hereafter be established.

FOURTH, that the Association is open for participation to all States in the South-East Asian Region subscribing to the afore-mentioned aims, principles and purposes.

FIFTH, that the Association represents the collective will of the nations of South-East Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for the peoples and for posterity the blessings of peace, freedom and prosperity.

August 8, 1967.

MINISTERIAL CONFERENCE FOR ASIAN AND PACIFIC COOPERATION

JOINT COMMUNIQUE: Issued by the First Ministerial Meeting for Asian and Pacific Co-operation

Seoul, 16th June, 1966.

1. At the invitation of the Government of the Republic of Korea, the Ministers of the Asian and Pacific countries comprising Australia, the Republic of China, Japan, the Republic of Korea, Malaysia, New Zealand, the Republic of the Philippines, Thailand and the Republic of Vietnam, as well as the Observer from the Kingdom of Laos, met in Seoul, the Republic of Korea, from 14th-16th June, 1966.

2. His Excellency Chung Hee Park, President of the Republic of Korea, in his address, welcomed all the delegates and, underlining the importance and significance of the Meeting, called for greater cooperation and solidarity among the free Asian and Pacific countries in their efforts to safeguard their national independence and integrity against any Communist aggression or infiltration and to develop their national economies.

3. Throughout the entire course of deliberations, there was a free and frank exchange of views on matters of common concern in a spirit of friendship and mutual co-operation.

4. The Ministers reaffirmed the dedication of the peoples of the Asian and Pacific region to the common cause of peace, freedom and prosperity and their determination to preserve their integrity and sovereignty in the face of external threats. They agreed that the free countries of the region should further strengthen their solidarity and co-operation to achieve their common objectives in various fields.

5. The Ministers, noting the threat to peace and the hazards to health and safety caused by nuclear explosions, deplored tests conducted within the Asian and Pacific region.
6. The Ministers expressed their sympathy for the Government and people of the Republic of Vietnam in their firm stand to protect their independence and sovereignty and they upheld the inherent right of the Vietnamese people to self-defence and to choose their own way of life and their own form of government free from external aggression and subversion. They also noted with satisfaction the value of the assistance being given by those nations, both Asian and non-Asian, which have themselves decided to support the Republic of Vietnam in one form or another.

7. They deplored that up to date moves towards bringing about a peaceful solution of the problem have been rejected and expressed the hope that every effort would continue to be made to achieve peace.

8. The Ministers were keenly aware of the urgent need for continuing consultations among participating countries with a view to forging better international understanding, promoting closer and more fruitful regional co-operation and further strengthening Asian and Pacific solidarity. They emphasised that every encouragement should be given to other free countries in the Asian and Pacific region to participate in future consultations.

9. To this end, the Ministers resolved that to implement the desired continuing process of consultations on regular basis, the Second Ministerial Meeting for Asian and Pacific Co-operation would be held in Bangkok in the course of 1967, and that pending and during the Second Ministerial Meeting, the Government of Thailand would act as the clearing house and provide a working secretariat. To permit further consultations pending the Second Ministerial Meeting, it was agreed to set up in Bangkok a standing committee composed of accredited ambassadors from participating countries and with the Foreign Minister of Thailand as Chairman. Future Ministerial Meetings shall be referred to as Ministerial Meetings of the Asian and Pacific council.
10. The Ministers also felt the pressing necessity for more active and fruitful co-operation among participating countries for the mutual benefit of their peoples in the economic, technical, cultural, social and the information fields. They accordingly considered the desirability of setting up an Economic Co-ordination Centre, a Technical Co-ordination Centre, a Social and Cultural Centre and a Mutual Information Service and requested the Standing Committee referred to in the preceding paragraph to undertake detailed studies concerning their establishment for further consideration by the Governments of the participating countries. Other proposals for the setting up of a Commodities and Fertiliser Bank, a Technicians Pool and a Centre for Asian and Pacific Studies shall also be referred to the Standing Committee for study.

11. The Ministers recalled that all countries participating in this Meeting were members of a number of existing international and regional organisations and agreed that they should work for the further enhancement of the value to be derived from them as well as explore all avenues for even greater co-operation among themselves.

12. The Ministers strongly supported the United Nations' objectives in Korea as set out in General Assembly Resolution No.376-V dated October 7, 1950 which had been reaffirmed in subsequent resolutions the latest of which was Resolution No.2132-XX dated December 21, 1965. These objectives are to bring about by peaceful means the establishment of a unified, independent, and democratic Korea under a representative form of government and the full restoration of international peace and security in the area. They reiterated that those objectives be respected and implemented by all parties concerned.

13. The Ministers noted with satisfaction the improvement in the relations between countries in the region, and expressed the hope that the rule of law will be observed in the relationships between countries of the region and that regional disputes shall be settled in the spirit of friendly consultations in keeping with the principles of the United Nations Charter.
The Minister of the Asian and Pacific countries expressed their deep appreciation for the cordial and generous hospitality of the Government and people of the Republic of Korea as well as for the inspiring guidance graciously provided by the President of the Republic of Korea.

Australia

P.M.C. Hasluck, Minister for External Affairs.

Republic of China

Wei Tao-Ming, Minister for Foreign Affairs.

Japan

Etsusaburo Shiina, Minister for Foreign Affairs.

Malaysia

Mohamad Khir Johari, Minister for Education.

New Zealand

Norman Leslie Shelton, Minister of Customs and Associate Minister of Industries and Commerce.

Republic of the Philippines

Narciso Ramos, Secretary of Foreign Affairs.

The Kingdom of Thailand

Thanat Khoman, Minister of Foreign Affairs.

The Republic of Vietnam

Tran Van Do, Minister of Foreign Affairs.

The Republic of Korea

Tong Won Lee, Minister of Foreign Affairs.

## APPENDIX I

### MALAYSIA-SINGAPORE: EXPORTS AND IMPORTS BY COUNTRIES (1961-1968)

### Exports by Country: West Malaysia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value $</td>
<td>Value $</td>
<td>Value $</td>
<td>Value $</td>
<td>Value $</td>
<td>Value $</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>245.7</td>
<td>223.5</td>
<td>263.2</td>
<td>251.5</td>
<td>247.8</td>
<td>217.5</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>15.3</td>
<td>25.3</td>
<td>32.6</td>
<td>23.9</td>
<td>5.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Canada</td>
<td>50.1</td>
<td>65.6</td>
<td>77.2</td>
<td>86.3</td>
<td>81.3</td>
<td>64.8</td>
</tr>
<tr>
<td>Republic of India</td>
<td>75.5</td>
<td>66.2</td>
<td>67.8</td>
<td>64.3</td>
<td>46.8</td>
<td>38.7</td>
</tr>
<tr>
<td>Australia</td>
<td>46.9</td>
<td>47.9</td>
<td>57.8</td>
<td>64.0</td>
<td>42.1</td>
<td>56.2</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1.7</td>
<td>8.0</td>
<td>8.9</td>
<td>3.9</td>
<td>1.3</td>
<td>0.1</td>
</tr>
<tr>
<td>France</td>
<td>98.4</td>
<td>77.3</td>
<td>83.8</td>
<td>82.6</td>
<td>88.8</td>
<td>75.5</td>
</tr>
<tr>
<td>West Germany</td>
<td>110.9</td>
<td>116.7</td>
<td>125.2</td>
<td>106.9</td>
<td>77.7</td>
<td>69.0</td>
</tr>
<tr>
<td>Italy</td>
<td>98.0</td>
<td>111.1</td>
<td>97.9</td>
<td>102.3</td>
<td>112.1</td>
<td>93.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>39.9</td>
<td>36.1</td>
<td>37.7</td>
<td>55.3</td>
<td>62.9</td>
<td>53.6</td>
</tr>
<tr>
<td>Poland</td>
<td>26.1</td>
<td>33.1</td>
<td>35.4</td>
<td>38.1</td>
<td>34.6</td>
<td>29.6</td>
</tr>
<tr>
<td>Spain</td>
<td>30.9</td>
<td>33.5</td>
<td>36.7</td>
<td>35.7</td>
<td>39.7</td>
<td>30.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>15.2</td>
<td>15.8</td>
<td>17.3</td>
<td>16.7</td>
<td>14.2</td>
<td>17.8</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>225.0</td>
<td>209.3</td>
<td>127.2</td>
<td>225.6</td>
<td>248.5</td>
<td>195.9</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>382.5</td>
<td>309.0</td>
<td>407.9</td>
<td>547.9</td>
<td>466.9</td>
<td>505.6</td>
</tr>
<tr>
<td>Argentine Republic</td>
<td>21.7</td>
<td>26.6</td>
<td>39.6</td>
<td>29.7</td>
<td>34.6</td>
<td>20.1</td>
</tr>
<tr>
<td>Burma</td>
<td>4.7</td>
<td>3.3</td>
<td>6.9</td>
<td>2.5</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>China</td>
<td>2.0</td>
<td></td>
<td></td>
<td>2.1</td>
<td>2.5</td>
<td>19.7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>26.5</td>
<td>6.0</td>
<td>2.9</td>
<td>0.1</td>
<td>1.2</td>
<td>11.1</td>
</tr>
<tr>
<td>Japan</td>
<td>363.9</td>
<td>396.6</td>
<td>413.7</td>
<td>394.1</td>
<td>409.8</td>
<td>420.2</td>
</tr>
<tr>
<td>Thailand</td>
<td>25.4</td>
<td>23.5</td>
<td>30.4</td>
<td>34.5</td>
<td>37.6</td>
<td>33.3</td>
</tr>
<tr>
<td>Singapore</td>
<td>521.3</td>
<td>540.6</td>
<td>568.6</td>
<td>650.0</td>
<td>709.9</td>
<td>620.1</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>200.0</td>
<td>241.7</td>
<td>242.2</td>
<td>284.4</td>
<td>353.5</td>
<td>338.3</td>
</tr>
</tbody>
</table>

### Note: Prior to 1967, items less than $100 were included under Singapore.
### Appendix I

**Imports by Country: West Malaysia**

**Million $ (Malayan)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>533.6</td>
<td>522.7</td>
<td>486.9</td>
<td>532.3</td>
<td>511.2</td>
<td>400.9</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Canada</td>
<td>12.4</td>
<td>10.8</td>
<td>11.5</td>
<td>12.2</td>
<td>26.1</td>
<td>26.9</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>84.8</td>
<td>84.6</td>
<td>86.7</td>
<td>75.3</td>
<td>71.2</td>
<td>63.1</td>
</tr>
<tr>
<td>Republic of India</td>
<td>51.0</td>
<td>68.0</td>
<td>58.7</td>
<td>52.6</td>
<td>54.0</td>
<td>45.4</td>
</tr>
<tr>
<td>Bahrein</td>
<td>3.0</td>
<td>4.2</td>
<td>4.9</td>
<td>7.6</td>
<td>8.8</td>
<td>8.4</td>
</tr>
<tr>
<td>Australia</td>
<td>114.7</td>
<td>129.3</td>
<td>148.0</td>
<td>159.5</td>
<td>166.4</td>
<td>197.2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>7.8</td>
<td>12.1</td>
<td>11.5</td>
<td>15.0</td>
<td>24.6</td>
<td>31.0</td>
</tr>
<tr>
<td>Austria</td>
<td>5.9</td>
<td>3.5</td>
<td>2.4</td>
<td>3.1</td>
<td>4.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>29.3</td>
<td>26.8</td>
<td>23.5</td>
<td>27.6</td>
<td>24.2</td>
<td>21.6</td>
</tr>
<tr>
<td>Denmark</td>
<td>10.5</td>
<td>11.5</td>
<td>11.3</td>
<td>11.2</td>
<td>13.6</td>
<td>13.0</td>
</tr>
<tr>
<td>France</td>
<td>28.6</td>
<td>27.4</td>
<td>29.6</td>
<td>34.6</td>
<td>35.8</td>
<td>36.5</td>
</tr>
<tr>
<td>West Germany</td>
<td>84.0</td>
<td>94.5</td>
<td>107.0</td>
<td>129.3</td>
<td>128.7</td>
<td>139.8</td>
</tr>
<tr>
<td>Italy</td>
<td>24.0</td>
<td>26.0</td>
<td>25.6</td>
<td>26.8</td>
<td>36.9</td>
<td>40.6</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Netherlands</td>
<td>65.2</td>
<td>59.4</td>
<td>59.0</td>
<td>56.7</td>
<td>50.0</td>
<td>36.3</td>
</tr>
<tr>
<td>Norway</td>
<td>4.4</td>
<td>3.5</td>
<td>3.1</td>
<td>2.9</td>
<td>3.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>9.3</td>
<td>10.7</td>
<td>11.0</td>
<td>18.0</td>
<td>23.9</td>
<td>23.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>10.9</td>
<td>9.4</td>
<td>7.8</td>
<td>8.9</td>
<td>11.8</td>
<td>10.2</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>144.2</td>
<td>132.6</td>
<td>131.5</td>
<td>139.6</td>
<td>154.6</td>
<td>155.6</td>
</tr>
<tr>
<td>Burma</td>
<td>45.3</td>
<td>53.8</td>
<td>27.7</td>
<td>16.5</td>
<td>14.3</td>
<td>12.7</td>
</tr>
<tr>
<td>China</td>
<td>86.6</td>
<td>132.4</td>
<td>174.1</td>
<td>173.6</td>
<td>173.3</td>
<td>192.7</td>
</tr>
<tr>
<td>Formosa</td>
<td>9.9</td>
<td>21.4</td>
<td>30.9</td>
<td>26.6</td>
<td>18.4</td>
<td>33.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>293.3</td>
<td>212.5</td>
<td>42.8</td>
<td>7.0</td>
<td>12.1</td>
<td>47.1</td>
</tr>
<tr>
<td>Iran</td>
<td>11.7</td>
<td>26.0</td>
<td>22.9</td>
<td>5.0</td>
<td>3.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Japan</td>
<td>214.2</td>
<td>252.3</td>
<td>266.5</td>
<td>300.3</td>
<td>357.2</td>
<td>269.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>240.9</td>
<td>240.1</td>
<td>282.5</td>
<td>274.5</td>
<td>185.0</td>
<td>183.8</td>
</tr>
<tr>
<td>Singapore</td>
<td>242.7</td>
<td>236.0</td>
<td>247.9</td>
<td>274.2</td>
<td>281.0</td>
<td>219.2</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>69.2</td>
<td>105.4</td>
<td>206.1</td>
<td>217.4</td>
<td>237.2</td>
<td>266.5</td>
</tr>
</tbody>
</table>

**Note:** Prior to 1967, items of less than $100 were included under Singapore.
PAN-MALAYAN RUBBER EXPORTS BY COUNTRIES
OF DESTINATION 1957 TO 1967

<table>
<thead>
<tr>
<th>Year</th>
<th>USSR</th>
<th></th>
<th></th>
<th></th>
<th>US</th>
<th></th>
<th></th>
<th></th>
<th>CHINA</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Qty. (ton)</td>
<td>Value $'000</td>
<td>Qty. (ton)</td>
<td>Value $'000</td>
<td>Qty. (ton)</td>
<td>Value $'000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>15,000</td>
<td>29,820</td>
<td>147,800</td>
<td>283,826</td>
<td>31,400</td>
<td>62,432</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>68,400</td>
<td>122,983</td>
<td>135,000</td>
<td>242,730</td>
<td>64,000</td>
<td>115,072</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1959</td>
<td>165,700</td>
<td>376,968</td>
<td>170,000</td>
<td>386,750</td>
<td>49,500</td>
<td>112,613</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>71,500</td>
<td>173,103</td>
<td>119,500</td>
<td>239,310</td>
<td>29,500</td>
<td>71,420</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1961</td>
<td>146,200</td>
<td>273,686</td>
<td>141,300</td>
<td>346,514</td>
<td>2,600</td>
<td>4,867</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>190,200</td>
<td>330,200</td>
<td>192,700</td>
<td>303,610</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>198,700</td>
<td>322,290</td>
<td>151,600</td>
<td>245,895</td>
<td>9,000</td>
<td>14,695</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>105,700</td>
<td>161,300</td>
<td>122,200</td>
<td>186,477</td>
<td>100</td>
<td>153</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>195,500</td>
<td>306,544</td>
<td>123,200</td>
<td>193,178</td>
<td>13,500</td>
<td>21,168</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>185,000</td>
<td>288,592</td>
<td>103,000</td>
<td>150,701</td>
<td>83,000</td>
<td>129,460</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>185,000</td>
<td>233,850</td>
<td>167,500</td>
<td>202,675</td>
<td>88,000</td>
<td>107,085</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Jan-Nov)

| Year | UK | EAST EUR. COUNTRIES | OTHER COUNTRIES | | | | | | | | |
|------|-----|---------------------|-----------------|------|------|------|------|------|------|------|
|      | Qty. (ton) | Value $'000 | Qty. (ton) | Value $'000 | Qty. (ton) | Value $'000 |      |      |      |      |
| 1957 | 205,600 | 408,733 | 44,100 | 87,671 | 558,300 | 1,109,900 | | | | | |
| 1958 | 190,900 | 343,238 | 72,800 | 158,975 | 548,800 | 1,047,659 | | | | | |
| 1959 | 159,300 | 362,408 | 59,000 | 134,225 | 599,200 | 1,363,180 | | | | | |
| 1960 | 164,400 | 398,012 | 87,700 | 212,322 | 604,900 | 1,464,463 | | | | | |
| 1961 | 170,600 | 319,365 | 72,700 | 136,094 | 636,000 | 1,190,592 | | | | | |
| 1962 | 135,800 | 237,922 | 43,100 | 75,511 | 612,100 | 1,072,399 | | | | | |
| 1963 | 125,100 | 202,912 | 57,800 | 93,752 | 631,800 | 1,054,800 | | | | | |
| 1964 | 118,500 | 180,831 | 39,200 | 59,819 | 595,300 | 909,030 | | | | | |
| 1965 | 110,200 | 172,794 | 42,300 | 66,326 | 539,400 | 345,779 | | | | | |
| 1966 | 91,000 | 142,887 | 40,000 | 62,383 | 504,400 | 736,442 | | | | | |
| 1967 | 108,700 | 131,527 | 66,800 | 80,823 | 490,200 | 593,142 | | | | | |
## Appendix I

416.

**Exports by Major Countries of Destination: Singapore**

### $ Million

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>26.2</td>
<td>35.1</td>
<td>22.1</td>
<td>48.5</td>
<td>52.4</td>
<td>55.5</td>
</tr>
<tr>
<td>China</td>
<td>16.3</td>
<td>1.0</td>
<td>22.4</td>
<td>137.2</td>
<td>95.3</td>
<td>81.2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>90.4</td>
<td>156.3</td>
<td>132.8</td>
<td>120.4</td>
<td>116.9</td>
<td>141.2</td>
</tr>
<tr>
<td>India</td>
<td>36.3</td>
<td>23.9</td>
<td>25.2</td>
<td>26.9</td>
<td>19.8</td>
<td>19.4</td>
</tr>
<tr>
<td>Japan</td>
<td>136.7</td>
<td>95.0</td>
<td>112.2</td>
<td>123.3</td>
<td>156.1</td>
<td>274.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Malaysia</td>
<td>1,011.1</td>
<td>925.5</td>
<td>938.6</td>
<td>907.6</td>
<td>824.8</td>
<td>756.0</td>
</tr>
<tr>
<td>East Malaysia</td>
<td>214.3</td>
<td>233.9</td>
<td>281.7</td>
<td>287.5</td>
<td>272.5</td>
<td>267.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>95.8</td>
<td>91.2</td>
<td>68.0</td>
<td>117.6</td>
<td>219.6</td>
<td>171.5</td>
</tr>
<tr>
<td>Vietnam, Republic of</td>
<td>63.4</td>
<td>65.5</td>
<td>112.0</td>
<td>256.4</td>
<td>305.1</td>
<td>350.2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>36.4</td>
<td>36.0</td>
<td>31.2</td>
<td>28.1</td>
<td>29.1</td>
<td>15.0</td>
</tr>
<tr>
<td>France</td>
<td>61.7</td>
<td>48.5</td>
<td>46.0</td>
<td>61.9</td>
<td>55.1</td>
<td>60.5</td>
</tr>
<tr>
<td>Italy</td>
<td>70.9</td>
<td>39.2</td>
<td>43.7</td>
<td>43.1</td>
<td>55.0</td>
<td>45.4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>54.0</td>
<td>24.9</td>
<td>34.9</td>
<td>50.3</td>
<td>62.8</td>
<td>86.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>202.9</td>
<td>183.1</td>
<td>192.4</td>
<td>194.8</td>
<td>211.7</td>
<td>245.5</td>
</tr>
<tr>
<td>Canada</td>
<td>32.7</td>
<td>25.7</td>
<td>26.7</td>
<td>33.9</td>
<td>33.9</td>
<td>33.9</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>231.8</td>
<td>116.5</td>
<td>124.9</td>
<td>161.5</td>
<td>244.0</td>
<td>329.5</td>
</tr>
<tr>
<td>Other Countries</td>
<td>761.1</td>
<td>450.0</td>
<td>469.8</td>
<td>533.2</td>
<td>583.0</td>
<td>634.9</td>
</tr>
</tbody>
</table>

**Total Exports**

3,474.5  2,771.9  3,004.1  3,373.6  3,490.5  3,890.7
## Appendix I

### Imports by Major Countries of Origin: Singapore

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>34.3</td>
<td>38.5</td>
<td>46.4</td>
<td>38.2</td>
<td>30.1</td>
<td>19.0</td>
</tr>
<tr>
<td>China</td>
<td>211.7</td>
<td>196.5</td>
<td>224.5</td>
<td>271.7</td>
<td>385.8</td>
<td>460.0</td>
</tr>
<tr>
<td>Formosa</td>
<td>47.1</td>
<td>40.2</td>
<td>33.8</td>
<td>33.2</td>
<td>48.0</td>
<td>76.8</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>122.4</td>
<td>114.4</td>
<td>109.0</td>
<td>112.9</td>
<td>125.6</td>
<td>144.5</td>
</tr>
<tr>
<td>India</td>
<td>112.5</td>
<td>102.0</td>
<td>57.5</td>
<td>55.6</td>
<td>53.2</td>
<td>53.4</td>
</tr>
<tr>
<td>Iran</td>
<td>58.2</td>
<td>74.4</td>
<td>102.7</td>
<td>114.6</td>
<td>151.2</td>
<td>138.1</td>
</tr>
<tr>
<td>Japan</td>
<td>407.9</td>
<td>364.4</td>
<td>421.2</td>
<td>463.7</td>
<td>548.1</td>
<td>692.3</td>
</tr>
<tr>
<td>Kuwait</td>
<td>156.8</td>
<td>122.8</td>
<td>133.9</td>
<td>154.8</td>
<td>223.1</td>
<td>340.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Malaysia</td>
<td>756.6</td>
<td>791.9</td>
<td>884.9</td>
<td>943.5</td>
<td>839.6</td>
<td>810.1</td>
</tr>
<tr>
<td>East Malaysia</td>
<td>127.3</td>
<td>135.0</td>
<td>224.1</td>
<td>222.9</td>
<td>230.2</td>
<td>239.7</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>17.2</td>
<td>33.0</td>
<td>26.8</td>
<td>48.3</td>
<td>30.8</td>
<td>47.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>122.3</td>
<td>130.1</td>
<td>147.4</td>
<td>161.9</td>
<td>145.4</td>
<td>166.2</td>
</tr>
<tr>
<td>Australia</td>
<td>152.7</td>
<td>160.5</td>
<td>166.0</td>
<td>189.3</td>
<td>197.8</td>
<td>216.5</td>
</tr>
<tr>
<td>France</td>
<td>300.6</td>
<td>31.2</td>
<td>39.1</td>
<td>35.8</td>
<td>42.0</td>
<td>44.8</td>
</tr>
<tr>
<td>West Germany</td>
<td>112.0</td>
<td>91.0</td>
<td>104.4</td>
<td>111.4</td>
<td>128.2</td>
<td>129.7</td>
</tr>
<tr>
<td>Italy</td>
<td>38.6</td>
<td>27.6</td>
<td>35.4</td>
<td>33.4</td>
<td>42.9</td>
<td>55.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>82.5</td>
<td>63.0</td>
<td>49.7</td>
<td>78.2</td>
<td>77.4</td>
<td>79.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>49.5</td>
<td>48.5</td>
<td>47.1</td>
<td>42.7</td>
<td>62.9</td>
<td>54.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>427.2</td>
<td>349.8</td>
<td>413.9</td>
<td>408.1</td>
<td>354.5</td>
<td>396.1</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>225.9</td>
<td>193.2</td>
<td>193.4</td>
<td>210.7</td>
<td>247.6</td>
<td>347.8</td>
</tr>
<tr>
<td>Other Countries</td>
<td>975.8</td>
<td>320.7</td>
<td>346.0</td>
<td>334.8</td>
<td>442.0</td>
<td>572.0</td>
</tr>
<tr>
<td><strong>Total Imports</strong></td>
<td>4,279.1</td>
<td>3,478.7</td>
<td>3,807.2</td>
<td>4,065.7</td>
<td>4,406.4</td>
<td>5,083.8</td>
</tr>
</tbody>
</table>

BIBLIOGRAPHY

GOVERNMENT PUBLICATIONS

Malaysia


A New Era of Regional Co-operation by Tun (Dr) Ismail B. Dato' Abdul Rahman, at Johore Bahru on 23 June 1966, Federal Department of Information, Malaysia, 1966.

Another Successful Tour: The Razak Touch, Department of Information Services, Malaysia, 1968.

Background to Indonesia's Policy towards Malaysia, Territory of the Indonesian State, Discussions in the meeting of Badan Penjelidek Usaha Persiapan Kemerdekaan Indonesia, (Investigating Committee for Preparation of Indonesia's Independence), Department of Information, Malaysia, 1964.


Confrontations A Manifestation of the Indonesian Problem by Dato Muhammad Ghazali Bin Shafie, Permanent Secretary for External Affairs, Federal Department of Information, Malaysia, May 1965.

Foreign Affairs, Malaysia, External Information Division, Ministry of Foreign Affairs, Malaysia, August 1965-June 1970.

Indonesian Intentions Towards Malaysia, Federal Department of Information, Malaysia, 1964.

Malaysia in Afro-Asia by Dato Muhammad Ghazali bin Shafie to the Consular Corps in Singapore on 26 November 1964, Federal Department of Information, Malaysia, 1964.


Malaysia's Stand on Sabah by Tan Sri Mohd Gazali, 15 July 1968, at Bangkok, Department of Information, Malaysia, 1968.

Parliamentary Debates, Malaysia.

Philippine Grab Bill "Unprecedented in International Relations" by Tunku Abdul Rahman Putra on Tuesday, 15 October, 1968, when moving the Motion on the passing of the Philippine Act Annexing Sabah, Department of Information, Malaysia, 1968.


Sabah "Claim: Through some Filipino Eyes by Professor Salvador Roxas Gonzales and others, The Federal Department of Information, Malaysia.

The Pattern of Indonesian Aggression by Dato Muhammad Ghazali bin Shafie, at the University of Malaya, Kuala Lumpur on 8 February 1965, Department of Information, Malaysia, 1965.

The Story of a Master Spy by Anthony Brown, The Canberra Times, Friday, 3 July 1964, reproduced by the Federal Department of Information, Malaysia.


Singapore

Decade of Achievement by Dr Goh Keng Swee, Ministry of Culture, Singapore, 1970.

Malaysia - Age of Revolution by Lee Kuan Yew, March-April 1965, Ministry of Culture, Singapore.

Parliamentary Debates, Singapore.


Separation, Singapore's Independence on 9 August 1965, Ministry of Culture, Singapore.


We Want To Be Ourselves by Lee Kuan Yew on 9 October 1966 at the University of Singapore, Ministry of Culture, Singapore, 1966.


Others


LIST OF INTERVIEWS

28.12.68, S.R. Nathan, Deputy Secretary, Ministry of Foreign Affairs, Singapore

2.1.69 Dr Lee Chiaw Meng, Parliamentary Secretary, Ministry of Education, Singapore.

20.1.69 A. Kajapathy, Counsellor, Singapore High Commission, Kuala Lumpur.

24.1.69 Musa bin Hitam, Executive Secretary, United Malay National Organisation, Malaysia.

31.1.69 Tang See Chim, Parliamentary Secretary, Ministry of Finance, Singapore.

5.2.69 G. Bogaars, Permanent Secretary, Ministry of Interior and Defence, Singapore.

6.2.69 S. Rajaratnam, Minister of Foreign Affairs, Singapore.

8.2.69 G.G. Thomson, Director, Political Study Centre, Singapore.
28.2.69 Zainal Abidin Sulong, Deputy Secretary, Ministry of Foreign Affairs, Malaysia.

3.3.69 Dr Lim Swee Aun, Minister of Commerce and Industry, Malaysia.

4.3.69 Goh Hock Guan, Secretary-General, Democratic Action Party, Malaysia.

21.4.69 S.R. Nathan, Deputy Secretary, Ministry of Foreign Affairs, Singapore.

5.6.70 Toh Hock Ghim, Ministry of Foreign Affairs, Singapore.

18.11.70 Walter Ayaduray, Counsellor, Malaysian High Commission, Canberra, Australia.

2.12.70 P.S. Raman, Singapore's High Commissioner to Australia.


28.1.71 P.S. Raman, Singapore's High Commissioner to Australia.

NEWSPAPER CUTTINGS

The Department of International Relations, Australian National University keeps a good collection of press cuttings obtained from among others the following:

Indonesian Herald (Jakarta)
New York Times (New York)
The Age (Melbourne)
The Australian (Sydney)
The Canberra Times (Canberra)
The Djakarta Times (Jakarta)
The Japan Times (Tokyo)
The Straits Times (Kuala Lumpur and Singapore)
The Times (London)

Other weeklies and newssheets consulted:

Asian Almanac (Johore Bahru)
Malaysian Digest (Kuala Lumpur)
Monitoring Digest (Singapore)
Siaran Akbar (Kuala Lumpur)
The Far Eastern Economic Review (Hong Kong)
The Mirror (Singapore)

BOOKS


Allen, James de Vere: The Malayan Union, Monograph Series No.10, Southeast Asia Studies, Yale University, 1967.


Fletcher, Nancy McHenry The Separation of Singapore from Malaysia, Data Paper 73, Southeast Asia Program, Department of Asian Studies, Cornell University, Ithaca, New York, July 1969.

Freeman, Roger A.

Socialism and Private Enterprise in Equatorial Asia: The Case of Malaysia and Indonesia, The Hoover Institute on War, Revolution and Peace, Stanford University, Stanford, California, 1968.

Gagliano, Felix V.


Gordon, Bernard K.


Hanna, Willard A.


Halpern, A.M. (Ed).


Hughes, Helen and You Poh Seng (Eds).

<table>
<thead>
<tr>
<th>Author/Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hutasoit, M.</td>
</tr>
<tr>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>Jordan, Amos A. Jr.</td>
</tr>
<tr>
<td>Josey, Alex</td>
</tr>
<tr>
<td>Kahin, George McTurnan</td>
</tr>
<tr>
<td>Kennedy, D.E.</td>
</tr>
<tr>
<td>Levi, Werner</td>
</tr>
<tr>
<td>Lowenthal, Richard (Ed)</td>
</tr>
<tr>
<td>McHale, T.R.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Aid and the Defence of Southeast Asia, Frederick A. Praeger, New York, 1962.</td>
</tr>
<tr>
<td>Author</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Millar, T.B. (Ed)</td>
</tr>
<tr>
<td>Modelski, George (Ed)</td>
</tr>
<tr>
<td>Osborne, Milton E.</td>
</tr>
</tbody>
</table>
Pace, Barbara and Kathryn Young, Kathryn Rafferty with Bernard K. Gordon


Pluvier, Jan M.


Purcal, J. (Ed)


Purcell, Victor


Puthucheary, J.J.

Ownership and Control in the Malayan Economy, Published by Donald Moore by Eastern Universities Press Ltd., Singapore, 1960.

Ratnam, K.J.

Communalism and the Political Process in Malaya, published for the University of Singapore by the University of Malaya Press, Kuala Lumpur, 1965.

Ratnam, K.J. and R.S. Milne


Roff, William R.

<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
</tr>
</thead>
</table>
Tunku Abdul Rahman


Vital, David


Wang Gungwu (Ed)


Wijeyewardene, Gehan (Ed)


Williams, Lea E.


Wilson, Dick


ARTICLES


Aziz, Drs Moktar, "Konfrontasi: History and Definition", Information Study Memorandum, 25 April 1965, Department of International Relations, Australian National University (Mimeo).


---------, Malaysian Relations Part I: Singapore and Indonesia - suspicious Neighbours", American Universities Field Staff Reports, Vol. VIII No. 5, 10 May 1960.
"Pan-Malaysian Relations Part II: Malaya and Indonesia - A strange Estrangement," American Universities Field Staff Reports, Vol. VIII No. 6, 11 May 1960.


Modelski, G.A., "South-East Asia and World Politics", Australian National University, 27 May 1965 (Mimeo).


Ravenholt, Albert, "Maphilindo: Dream or Achievable Reality?", American Universities Field Staff Reports, Vol. 12, No. 1, February 1964.


THESIS

