Description of document:	**US Department of State Self Study Guide for Malaysia, October 2002**
Requested date:	11-March-2007
Released date:	25-Mar-2010
Posted date:	19-April-2010
Source of document:	Freedom of Information Act Office of Information Programs and Services A/GIS/IPS/RL U. S. Department of State Washington, D. C. 20522-8100 Fax: 202-261-8579
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United States Department of State

Washington, D.C. 20520

Case No.: 200701753

MAR 25 2010

I refer to your letter dated March 11, 2007 regarding the release of certain Department of State material under the Freedom of Information Act (Title 5 USC Section 552).

We searched for and reviewed the self study guides that you requested and have determined that all except one of them may be released. They are on the enclosed disc. One of the guides is being released with excisions.

An enclosure provides information on Freedom of Information Act exemptions and other grounds for withholding material. Where we have made excisions, the applicable exemptions are marked on each document. With respect to material withheld by the Department of State, you have the right to appeal our determination within 60 days. A copy of the appeals procedures is enclosed.

We have now completed the processing of your case. If you have any questions, you may write to the Office of Information Programs and Services, SA-2, Department of State, Washington, DC 20522-8100, or telephone us at (202) 261-8484. Please be sure to refer to the case number shown above in all correspondence about this case.

We hope that the Department has been of service to you in this matter.

Sincerely,

for Margaret P. Grafeld, Director
Office of Information Programs and Services

Enclosures:
As stated.

Subpart F – Appeal Procedures

§171.52 Appeal of denial of access to, declassification of, amendment of, accounting of disclosures of, or challenge to classification of records.

(a) *Right of administrative appeal.* Except for records that have been reviewed and withheld within the past two years or are the subject of litigation, any requester whose request for access to records, declassification of records, amendment of records, accounting of disclosure of records, or any authorized holder of classified information whose classification challenge has been denied, has a right to appeal the denial to the Department's Appeals Review Panel. This appeal right includes the right to appeal the determination by the Department that no records responsive to an access request exist in Department files. Privacy Act appeals may be made only by the individual to whom the records pertain.

(b) *Form of appeal.* There is no required form for an appeal. However, it is essential that the appeal contain a clear statement of the decision or determination by the Department being appealed. When possible, the appeal should include argumentation and documentation to support the appeal and to contest the bases for denial cited by the Department. The appeal should be sent to: Chairman, Appeals Review Panel, c/o Appeals Officer, A/GIS/IPS/PP/LC, U.S. Department of State, SA-2, Room 8100, Washington, DC 20522-8100.

(c) *Time limits.* The appeal should be received within 60 days of the date of receipt by the requester of the Department's denial. The time limit for response to an appeal begins to run on the day that the appeal is received. The time limit (excluding Saturdays, Sundays, and legal public holidays) for agency decision on an administrative appeal is 20 days under the FOIA (which may be extended for up to an additional 10 days in unusual circumstances) and 30 days under the Privacy Act (which the Panel may extend an additional 30 days for good cause shown). The Panel shall decide mandatory declassification review appeals as promptly as possible.

(d) *Notification to appellant.* The Chairman of the Appeals Review Panel shall notify the appellant in writing of the Panel's decision on the appeal. When the decision is to uphold the denial, the Chairman shall include in his notification the reasons therefore. The appellant shall be advised that the decision of the Panel represents the final decision of the Department and of the right to seek judicial review of the Panel's decision, when applicable. In mandatory declassification review appeals, the Panel shall advise the requester of the right to appeal the decision to the Interagency Security Classification Appeals Panel under §3.5(d) of E.O. 12958.

The Freedom of Information Act (5 USC 552)

FOIA Exemptions

(b)(1) Withholding specifically authorized under an Executive Order in the interest of national defense or foreign policy, and properly classified. E.O. 12958, as amended, includes the following classification categories:

- 1.4(a) Military plans, systems, or operations
- 1.4(b) Foreign government information
- 1.4(c) Intelligence activities, sources or methods, or cryptology
- 1.4(d) Foreign relations or foreign activities of the US, including confidential sources
- 1.4(e) Scientific, technological, or economic matters relating to national security, including defense against transnational terrorism
- 1.4(f) U.S. Government programs for safeguarding nuclear materials or facilities
- 1.4(g) Vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to US national security, including defense against transnational terrorism
- 1.4(h) Information on weapons of mass destruction

(b)(2) Related solely to the internal personnel rules and practices of an agency

(b)(3) Specifically exempted from disclosure by statute (other than 5 USC 552), for example:

ARMEX	Arms Export Control Act, 22 USC 2778(e)
CIA	Central Intelligence Agency Act of 1949, 50 USC 403(g)
EXPORT	Export Administration Act of 1979, 50 App. USC 2411(c)(1)
FSA	Foreign Service Act of 1980, 22 USC 4003 & 4004
INA	Immigration and Nationality Act, 8 USC 1202(f)
IRAN	Iran Claims Settlement Act, Sec 505, 50 USC 1701, note

(b)(4) Privileged/confidential trade secrets, commercial or financial information from a person

(b)(5) Interagency or intra-agency communications forming part of the deliberative process, attorney-client privilege, or attorney work product

(b)(6) Information that would constitute a clearly unwarranted invasion of personal privacy

(b)(7) Information compiled for law enforcement purposes that would:
- (A) interfere with enforcement proceedings
- (B) deprive a person of a fair trial
- (C) constitute an unwarranted invasion of personal privacy
- (D) disclose confidential sources
- (E) disclose investigation techniques
- (F) endanger life or physical safety of an individual

(b)(8) Prepared by or for a government agency regulating or supervising financial institutions

(b)(9) Geological and geophysical information and data, including maps, concerning wells

Other Grounds for Withholding

NR Material not responsive to a FOIA request, excised with the agreement of the requester

MALAYSIA
SELF-STUDY GUIDE

GEORGE P. SHULTZ NATIONAL FOREIGN AFFAIRS TRAINING CENTER
School of Professional and Area Studies
Foreign Service Institute
U.S. Department of State

The Self-Study Guide: Malaysia is intended to provide U.S. government personnel in the foreign affairs community with an overview of important issues related to Malaysian history, geography, politics, economics, culture, religion, media, and international relations. The guide should serve as an introductory self-study resource. The topic is far too complex to be covered in depth using only the text in this guide.

The reader is encouraged to explore the questions and issues introduced using the Internet and bibliographic sources provided in the text and in the resource sections. Most of the referenced material can be found on the Internet or in the Foreign Service Institute or Main State Libraries.

The first edition of this guide was prepared by Dr. Pamela Sodhy, an adjunct professor at Georgetown University and a former Associate Professor of History at the National University of Malaysia. The views expressed in this guide are those of the author and attributable sources and do not necessary reflect official policy or positions of the Department of State or the National Foreign Affairs Training Center (NFATC). Staff members of the NFATC made final but minor edits to the draft study submitted by Dr. Sodhy. All sources used for graphics and extended quotes are public domain, from sites that explicitly say “can be used for non-profit or educational use”, or are from the author’s own materials.

First Edition
October 2002

Cover credit: The map of Malaysia is from the CIA website at
http://www.odci.gov/cia/publications/factbook/geos/my.html

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INTRODUCTION

The purpose of this self-study guide is to provide basic background information on Malaysia for persons being assigned there. The guide tries to present the information in a way that individuals can obtain a better understanding of the country and, as a result, have a more productive and pleasant tour of duty. You are encouraged to think about the questions raised at the end of each section and pursue those that interest you, drawing on resource materials cited in the paper. Various websites that contain current information relevant to many of the questions raised below follow at the end of the paper.

GEOGRAPHY AND CLIMATE

THE TERM MALAYSIA

The term Malaysia has been in common usage from September 16, 1963 when the eleven states of

Peninsular Malaya -- Johor, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Perak, Perlis, Pulau Penang, Selangor, and Terengganu -- federated with Singapore and the two North Borneo states of Sabah and Sarawak to form the Federation of Malaysia. The Federation, however, no longer includes Singapore as it withdrew in August 1965 to become an independent republic. Malaysia now encompasses the present thirteen states in the Federation and the Federal Territories of Kuala Lumpur and Labuan. The term Malaysia was first coined in the 1830s to describe a geographical region comprising the Malay peninsular, Singapore, Borneo, Sumatra, and Java. In the twentieth century, the term was also used in reference to the Malays, the main indigenous group in the region. For example, in 1937 the American scholar, Rupert Emerson, when writing on both Malaya and Indonesia, chose Malaysia as the title for his book

LOCATION AND SIZE

Malaysia lies near the equator between latitudes 1° and 7° North and longtitudes 100° and 119° East. Throughout its history, the nation has occupied a very central and strategic location in Southeast Asia as it is situated not only between India and China but also across the shortest sea routes from Europe and the Middle East to China and the rest of East Asia. In early times, for travel and trade between China and India, travelers and traders had to go either across the Malay Peninsula or around it through the Strait of Malacca. This strait borders the entire west coast of Peninsula Malaysia. From ancient times to the present, the Strait of Malacca has served as the main sea route for travel from Europe to China. For instance, when Malaysia was a part of the early Indianized states of Srivijaya and Majapahit, these maritime empires based their power and wealth on their control of the Strait of Malacca, in ways that included the exaction of tolls and duties from passing ships. During the early period of Western colonialism in Southeast Asia, Malaysia also featured in the lucrative spice trade as cargoes of spices bound for sale in the Middle East and Europe were shipped through the Strait of Malacca. When the British colonized the Malaysian area, they too used the Strait of Malacca as a vital waterway for their exports of primary commodities, like rubber and tin, to Britain and Europe. Moreover, for strategic and economic reasons, the British made the then Malayan island of Singapore, at the southernmost point of the Strait of Malacca, as their chief naval base and main port in Southeast Asia. At present, the oil that is shipped from the Middle East to Japan also goes through the Strait of Malacca to reach its destination.

Regarding the size of Malaysia, together the two sections -- Peninsular Malaysia and the North Borneo states of Sabah and Sarawak -- occupy an area of about 130,000 square miles. This area is ten times the size of Taiwan and larger than the two Koreas combined. In length, Peninsular Malaya is roughly 500 miles long, while Sabah and Sarawak extend over a distance of 750 miles. At their closest point, the two sections are separated by about 400 miles of the South China Sea. Despite this physical separation, however, they share much geographical unity as both sections are on the Sunda Shelf, a shallow ocean platform that is only 120 feet deep and very rich in marine resources. In addition, they share many similarities in flora and fauna.

As for borders, to its north Malaysia shares a short mountainous common border of about 250 miles with Thailand at the Kra Isthmus while to the south it is linked by causeway to Singapore To its west, across the Strait of Malacca, Malaysia faces the Indonesian island of Sumatra for about 500 miles. To its east, in

Sabah and Sarawak, Malaysia shares a long rugged common border of 900 miles with the Indonesian territory of Kalimantan. Malaysia also has a sea border of about 375 miles with the Philippines at Sabah. As for the distance between Malaysia and some of its neighbors, Vietnam is 225 miles northeast of Kota Bharu while Burma and Cambodia are within 300 miles to the north and Australia is 1,200 miles to the south.

IMPORTANT PHYSICAL FEATURES

The landform of Malaysia, in both the peninsula and the North Borneo states, is characterized by coastal plains giving way to a rugged mountainous interior. Over half the nation is covered by mountainous terrain. In the center of Peninsular Malaysia is a long, narrow, steep mountain chain, the Central Range, which extends 300 miles from the Thai border to Tampin, near Malacca. Another mountainous range, covering most of upper Kelantan, inland Terengganu, and Pahang, includes Gunung Tahan, the peninsula's highest peak at 7,186 feet above sea-level. In the interior of Borneo is the Western Cordillera and Border Range, which extends for 500 miles into Indonesia's Kalimantan region. In Sabah, this range is known as the Crocker Range, and it includes Malaysia's highest mountain, Mount Kinabalu, which stands at 13, 455 feet. Mount Kinabalu is also the highest point in Southeast Asia. In Sarawak, with its lower mountain ranges, the highest point is Gunung Murud at 7, 950 feet.

Along the west coast of Peninsular Malaysia from Perlis to Johor is a continuous coastal alluvial plain. The peninsula's east coast also has a lowland plain, but it is narrower, due to the Terengganu highlands. In Sabah and Sarawak, as in the peninsula, low-lying alluvial plains form a belt along the coast. Because the interior mountains have acted as a barrier to population movement, the coastal lowlands have served as the main sites of settlement in Malaysia.

The first political centers were formed on the rivers, which have their headwaters in the inland ranges. Most of the peninsula states derive their names from the main rivers. Pahang, for instance, derives its name from the Pahang River. In Sabah and Sarawak, the main rivers flow down to the sea from the highlands of the interior. The largest rivers are the Rejang in Sarawak and the Kinabatangan in Sabah. Peninsular Malaysia has a dense network of rivers and streams, but there is no single river dominating the drainage pattern. Its longest river, the Pahang River, is only 270 miles long, while the Perak River, which drains most of the northwestern area, is 170 miles long. Peninsular Malaysia's rivers and streams all flow into the surrounding seas as there are no internal areas of drainage. The peninsula has only one large natural lake, Lake Chini, which is located 50 miles from the mouth of the Pahang River. Tasek Bera is an elongated swamp whose boundaries are extended during the rainy northeastern monsoon, while Chendorah Lake is the result of the damming of the upper course of the Perak River for the generation of hydroelectric power.

NATURAL RESOURCES AND LAND

Malaysia has extensive natural resources. In early times, its most important natural resources were its forest products – the aromatic woods, the resins, gums, rattans, and camphor. Later, the rain forests also became valuable for their production of high quality timber, useful palms, edible plants, and fruits.

Although the land was not generally fertile, it yielded important metals, such as gold, iron, and tin. Malaysia was well known in ancient times for its gold deposits, earning the name of the “Golden Khersonese” from Greek geographers. The tradition of yellow as a royal color can be traced to the popular use of gold for decoration and ornament in the early Malay courts. Tin was mined in Malaysia as early as the fifth century when it was exported to India. The tin was then mainly panned from the rivers. In Sarawak, iron and gold were mined as early as the seventh century. Malaysia is also rich in marine resources. The Strait of Malacca remains one of the best fishing grounds in the world. The Strait and the seas around Malaysia have plentiful supplies of fish, sharks, shrimp, sea cucumbers, edible seaweed, lobsters, and other shellfish. Some of Malaysia’s limestone caves also provide a Chinese culinary delicacy called bird’s nests, which is derived from the coagulated bird saliva found in the nests in the caves.

Under British colonialism, Malaysia became the world’s largest producer and exporter of rubber, tin, and palm oil. Other important exports included cocoa, pepper, timber and wood products. Malaysia remains the world’s largest producer and exporter of palm oil, but its rubber and tin exports have declined. After independence and with the production of oil, petroleum has become Malaysia’s largest earner of foreign exchange. Timber is now the nation’s second largest export. Other crops of significance include coconut, pineapples, sago, coffee, tea, and groundnuts. In recent years, the export of local fruits has also increased.

CLIMATE

Malaysia is subject to maritime influences and the interplay of wind systems originating in the Indian Ocean and the South China Sea. These wind systems are known as the southwest and the northeast monsoons, and they give Malaysia its two seasons. The southwest monsoon prevails from May to September and brings heavy rainfall to the mountainous regions. For example, the mountains of northern Perak, such as Maxwell Hill, get over 200 inches a year, while the average annual rainfall for the nation is 100 inches. For the remaining areas of the country, however, this season marks a relatively dry period, with July usually as the driest month. The northeast monsoon lasts from October to April and brings the most rain. It begins by hitting the north and east coasts of Malaysia, bringing more than 120 inches of rain to the east coast of Malaysia, to all of Sarawak, and to most of Sabah. Floods are common throughout these months of the northeast monsoon. In Sarawak, this season is called *Landas*, meaning one of floods.

On the whole, Malaysia has no marked dry season, although some regional variation exists. The temperature stays mostly constant, except at cooler high altitudes, at around 80 ° F, rarely going above 90° in the day or below 70° at night. The almost daily rains keep the temperature down. The humidity, however, is high, averaging about 85%. The climate can be summed up as being uniformly warm, humid, and wet.

VEGETATION

About 70% of Malaysia is covered with tropical rain forest, the natural vegetation in a region with an equatorial climate. The high temperatures and relatively evenly distributed rainfall provide ideal conditions for uninterrupted plant growth. The rain forest shows some variety according to locality. The main types of vegetation under the tropical rain forest can be classified as follows: mangrove forest; beach forest; freshwater swamp forest; lowland rainforest; sub-montane forest; and montane forest. Of these, lowland tropical rainforest covers the largest area. Some modifications in vegetation do take place due to the nature of the soil, depending on whether it is sandy or lateritic, dry and well-drained, or swampy and prone to flooding. For instance, the rain forest found in the steep limestone hills of Perak and the Kinta Valley varies from that in the ordinary lowland forest in that the plant species adapt themselves to the soil as well as to the dry conditions. Likewise, in the swampy areas prone to flooding, mangrove swamp forests and peat swamp forests can be found. The mangrove trees thrive in the tidal mudflats of the deltas.

NATIONAL PARKS

Regarding national parks, near Kuala Lumpur is Templer Park, which is primarily a tropical rain forest. Another much larger national park is Taman Negara, a game reserve which extends into three states: Pahang, Kelantan, and Terengganu. The wildlife there includes the following animals: elephants, tigers, tapirs, wild pigs, bearded pigs, mouse-deers, and leopards. The park also has numerous types of reptiles, birds, and insects. Within Taman Negara is Gunung Tahan, Peninsular Malaysia’s highest peak. In Sarawak, Malaysia’s largest state, is Bako National Park, a primary forest near Kuching famous for its wide variety of flora and wildlife unique to the region. Sarawak also has the Gunung Mulu National Park, with its many caves and limestone pinnacles, and the Lambir Hills National Park with its waterfalls, bathing pools, and rich tropical rain forest. Yet another park in Sarawak is the Niah National Park, famous for its edible bird’s nests, which are harvested from the ceiling of the caves by men climbing up bamboo poles. Getting to this park requires the use of air, land, and sea travel. In Sabah, Malaysia’s second largest state, can be found Kinabalu Park, a reserve with a very diverse range of flora and fauna, including the pitcher plant and the largest flower in the world, the Rafflesia. Moreover, Sabah has the Tunku Abdul Rahman Park, made up of five islands with white, sandy beaches, coral reefs, and rich marine life. Sabah and Sarawak are also the home of the manlike ape known as the orang utan (“person of the jungle” in Malay). Both states have facilities to care for orang utans that have strayed into logging camps or been rescued from captivity. These include the Orang Utan Sanctuary at Sipilok Forest Reserve near Sandakan in Sabah and the Semenggoh Rehabilitation Center near Kuching in Sarawak.

Self-Study Questions for Further Exploration

- **What is strategic about Malaysia’s geographical location in Southeast Asia?**

- In pre-colonial and colonial times, besides strategic location, what other factors accounted for the interest in Malaya by India, China, and Western colonial powers like Portugal, Holland, and Britain?

- How might the tropical rain forest have aided the Communists during the Emergency, the fight against Communist insurgency from 1948 to 1960?

- Why do nations have national parks? What purpose do these parks serve in Malaysia?

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HISTORY

EARLY HISTORY

Little is known with certainty about Malaysia's early history before the 15th century due to the paucity of written records or physical remains. Stories exist, however, of the Malay peninsula as a land of gold, as part of the Golden Khersonese. Some scholars believe that the earliest organized states first emerged in the northern part of the country, with indigenous traditions that included animism, ancestral worship, the belief in cosmic rules governing the composition of the court, kingship based on custom or *adat,* and the use of certain customs at court, such as special music. Other indigenous traditions include: the use of pole houses or houses on stilts; the wearing of the *sarong* (cotton sheath); the chewing of betel-nut; the growing of *padi* (rice) and fruit crops; navigation skills; weaving; top-making; kite-making; crafting items from iron, tin, bronze, silver, and gold; and the use of cock-fighting as a form of entertainment.

Then came Indianization, a process of Indian cultural infiltration that impacted Southeast Asia from the 2nd century C.E. until around the 14th century. Indianization saw the spread of the Hindu and Buddhist religions and Indian influence on architecture, sculpture, languages, scripts, literary works, and dance styles. Indian administrative laws and the concept of divine kingship were also adopted. The Malayan area, at different periods of Indianization, comprised part of the maritime empires of Funan (based in Indochina), Srivijaya (based in Sumatra), and Majaphit (based in Java). Chinese and Arab records also indicate that Malaysia was part of the Indianized states of Langkasuka, Tambralinga, and Chih-T'u. By the 13th century, some northern Malay states fell under the control of Siam before Indianization eventually gave way to the coming of Islam by the 14th century.

THE COMING OF ISLAM

After originating in Arabia in the 7th century, the Islamic religion made little impact initially in Southeast Asia even though Arab traders dominated the region's carrying trade by the 9th century. Early Islam was unappealing because its tenets and practices went against indigenous traditions. For example, it demanded allegiance to one god and stressed self-reliance, whereas Southeast Asians believed in a multitude of gods and in the propitiation of spirits through rituals and ceremonies. Moreover, Islam had no religious hierarchy, placed women in an inferior position to men, and stressed harsh punishments like mutilation and death, whereas Southeast Asian society included a ceremonial or religious hierarchy to bolster the king's power, allowed women positions of influence, and settled conflict through arbitration or the payment of compensation for injuries.

Islam was spread to Java and Champa by the 11th century, but made little progress in Southeast Asia until the late 13th century. The earliest evidence of Islam in Malaysia is an inscription dating from 1303, found at Kuala Barang, Terengganu. By the 16th century, however, Islam had become the main religion in insular Southeast Asia, as a result of developments in the Islamic world and changes in Southeast Asia, which included the fall of the Baghdad Caliphate to the Mongols in 1258, the important role of the Sufis as mystic religious leaders in the regeneration of Islam, and the rise of strong, self-reliant Southeast Asian rulers at ease with male dominance. The Sufis made Islam more acceptable by synthesizing it with animist and Indic beliefs and by combining Islamic teachings with magic and healing. They made many new coverts in their travels to India and Southeast Asia.

Islam's spread in Southeast Asia reached a turning point in the 14th century when the Indian state of Gujerat fell under Islamic rule. Gujerati merchants then helped in spreading Islam to Southeast Asia. The Islamic religion spread calmly and quickly throughout insular Southeast Asia through missionary work, trade, and marriage alliances. Besides blending in with local customs, Islam's teachings were simple, its five tenets being the profession of faith, prayer five times a day, fasting during the month of Ramadan, performing the haj, and giving alms to the poor. Moreover, conversion was easy, the religion was egalitarian in nature, the promise of salvation was not dependent on caste or class, and Islam offered the shared concept of brotherhood and ties with a higher civilization. Factors accelerating the spread of Islam included the development of Malacca as a center for the spread of Islam and the threat posed by Christianity.

THE MALACCA SULTANATE

Malaysian history may be said to date from the period of the Malacca Sultanate, founded around 1400. The Malacca Sultanate also represents the Golden Age of Malayan history, when Malacca was the seat of empire, an important Islamic religious center, and a rich and powerful entrepot. For Malays, this indigenous maritime empire evokes pride in race, religion, and culture.

Records reveal that Malacca was founded by Parameswara, a Srivijayan prince who fled Palembang, Sumatra, to escape attacks from the Majapahit empire based in Java. He first sought refuge on the island of Temasik, now Singapore, by driving out its ruler, a vassal of Siam, but he was himself driven out by the Siamese. He then sought refuge at an *orang laut* (sea people) village at Malacca. According to legend, he named it Malacca either after the *Malaka* tree, under which he rested, or after the Arab word, *malakat*, for mart. Although Malacca's land was infertile, he chose to settle there because it was on the trade winds system, its harbor was sheltered from monsoons, and it had a good command over shipping, being situated on the narrowest point in the Malacca Straits. With support from the orang laut, he established control and made Malacca safer for trade by fighting piracy in the area. The town grew further after Parameswara sought Siamese protection and allied himself with China. The Chinese navy sent several trade missions to Malacca, and the Chinese emperor bestowed titles and honors, including acknowledgment of Parameswara as a vassal king in 1409. In 1411, Parameswara accompanied Admiral Cheng Ho to China with an entourage of 500 to pay obeisance to the emperor. The Chinese connection gave Malacca protection against Siam and led to its becoming a port favored by the Chinese.

Further growth resulted when Malacca's ruler and inhabitants converted to Islam under Iskandar Shah, believed to be either Parameswara or his son. This conversion took place with Parameswara's marriage to the daughter of the newly converted Muslim Sultan of Pasai, in Sumatra, who demanded conversion from the Malacca ruler. According to Malay historical records known as the *Malay Annals*, this acceptance of Islam marks a watershed in Malacca's history. With more conversions taking place in Malacca among the elite, soldiers, and slaves, the city soon became a seat of Muslim learning, attracting Muslim scholars from around the area. With Islam came the practice of polygamy, a more patriarchal society, and a lower status for women.

Malacca reached the height of its power in the latter half of the 15th century when it enjoyed political, economic, cultural, and religious importance. Politically, Malacca was the seat of an empire that stretched over peninsular Malaya, the islands to the south, and parts of Sumatra. With its strong army and a fleet that controlled the strategic Straits of Malacca, it followed an expansionist policy. This was especially so during the time of Tun Perak, a great Malay warrior and statesman, whom the *Malay Annals* describe as the "brains of Malacca's imperialistic policy for three reigns". Under him, the Sultanate seized Pahang, then a vassal of Siam, and expanded the empire to include Kelantan, Kedah, the Riau and Lingga archipelagos, the island of Singapore, and states along the northern Sumatran coast, such as Rokan, Siak, Kampar, and Indragiri. By the reign of Malacca's last ruler, Sultan Mahmud Shah (1488–1511), the empire comprised all of peninsular Malaysia and the state of Patani, now part of Thailand. As tributaries of Malacca, all these areas embraced Islam, giving cohesion to the Sultanate. Sultan Mahmud Shah rejected the overlordship of both Ayudhya in Siam and Majapahit in Java while continuing to acknowledge the suzerainty of China.

Malacca was also well administered. At the apex of power was the Sultan, who had a social covenant with his subjects, whereby he was not to shame them while they were not to be disloyal to him. The Sultan was assisted by four main officials. In order of importance, they were: the *Bendahara* or Chief Minister; the *Bendahari* or Treasurer in charge of all financial matters; the *Temenggong*, in charge of law and order; and the *Laksamana*, in charge of the military and the navy. Among Malacca's greatest Bendaharas was Tun Perak. There were also lesser officials, such as the *Shahbanda*r or harbor master, who managed the marketplace and warehouses; checked the weights, measures, and coinage; and settled disputes between merchants and ship captains or between trading communities. Together, these top administrators reached decisions through consensus or *muafakat*, a practice continued to this day by the leaders of the Association of Southeast Asian Nations (ASEAN).

Economically, Malacca became the best port and emporium in Southeast Asia within fifty years of its founding. Rich and prosperous, it became the successor of Srivijaya and outdid it in trade. It had goods from the East and West and traders from the Middle East, India, and the Far East. These goods included spices, such as pepper, cloves, nutmeg, and mace; cotton piece goods; gold; tin; silk; birds' nests; medicines; sandalwood; pearls; porcelain; and musk. Malacca became the main collecting center, redistributing center, and purchasing point for goods. By 1512, its population had climbed to 100,000. Other reasons for Malacca's economic success included: its excellent underground warehouses safe from fire; its ability to assure the safety of traders within the Straits, due to protection provided by its loyal orang laut supporters; its codified laws and efficient legal and administrative system; and its just rulers. It also had four harbor masters or shahbandars who represented the main groups of traders from Gujerat, Java, Bengal, and China. According to Tome Pires, a young Portuguese official in Malacca: "Whoever controls Malacca has his hand at the throat of Venice" and "Malacca is a city made for merchandize".

Culturally, Malacca was also a leading state with pomp and ceremony at court. Court life and culture were a mixture of indigenous traditions, Hindu and Buddhist beliefs, and Islamic elements. For example, certain colors like yellow could only be used by the royalty, court etiquette and coronation ceremonies reflected Indianized beliefs, and all members of the royal family were of the Islamic faith. The language used at court was Malay, the *lingua franca* in insular Southeast Asia.

As for religious importance, Malacca became a seat of Muslim learning and was also a religious center from which Islam was spread to other areas, such as to Brunei, through close trade and political relations, and to Java, through Malacca merchants who bought rice from Java. From Malacca, Islam also spread to other parts of Malaysia: for instance to Pahang, where its first ruler was a son of the Sultan of Malacca, and to Trengganu, which accepted Islam on becoming a vassal state. The Malacca rulers saw in Islam a political instrument of much value: it could be used as a cohesive force, or to form an alliance or community with other Islamic states, or as a political weapon against Buddhist Siam.

By the early 16th century, however, Malacca faced internal decay in various forms: - - weak leadership; corrupt practices among the ruling elite; rivals to the throne; murders of leaders; and factional disputes between Muslim Tamils and Malay nobility. In addition to the internal threats, there was a major external threat -- in the form of the Portuguese.

PORTUGUESE RULE

The Portuguese conquered Malacca on August 10, 1511, after a siege of about a month. It was their third attempt since 1509. Despite brave resistance from Sultan Mahmud, the Portuguese finally succeeded with superior firepower, greater naval strength, and help from some of Malacca's Chinese and Indian inhabitants. Sultan Mahmud was forced to flee to Pahang and from there to Bentan in the Riau Archipelago, where he tried unsuccessfully on numerous occasions to recapture Malacca. He then fled to Sumatra, where he died in 1528. While he failed to restore the Malacca Sultanate, certain features of the Sultanate were retained in other parts of the country, as in the states of Perak and Johore, where two of his sons became the Sultans, and in Pahang, through marriage connections. Of these states, Johore became the main successor to the Malacca empire and challenged Portuguese power.

Portuguese aims in Southeast Asia can be summarized as "Gold, God, and Glory". They wanted to make fortunes, spread the Catholic faith, and bring glory to their King, who sponsored their overseas voyages. Their religious goals were partly aimed against the Muslims, as they had experienced centuries of Moorish rule in Iberia. On the economic front, rather than remain as middlemen in the spice trade, they wished to control the spice trade at its source and thus make huge profits. To do so, it was vital that they control the strategic Strait of Malacca sea lane and capture Malacca, then Southeast Asia's most important port and the collecting point for the spice trade. Portugal's role in the Far East had been sanctioned by the Papal Edict of 1493, which divided the world between Spain and Portugal along the line west of the island of Azores in the North Atlantic Ocean; Portugal was allowed exclusive rights in Asia and Africa east of the line, while Spain had rights west of the line, which restricted it to the Americas.

During Portuguese rule in Malacca, their main interest was trade, and their power was confined mainly to the town area. They built their *A Formosa* fort at Malacca and several churches, the remains of which still exist. Their use of force, when trying to convert the local people, caused resentment and united the Muslims. Some intermarriage took place, and the descendants from these unions form a small but distinct community that retains not only the Catholic religion, but also Portuguese customs, dances, language, attire, and cuisine. The Portuguese failed to establish a monopoly of the spice trade. Throughout their rule, they met with much opposition -- from Sultan Mahmud Shah and his followers, from the Muslim inhabitants and traders, and from states like Johore, Aceh and Java, their rivals in trade. With their shortage of manpower and lack of welfare facilities, the Portuguese eventually lost control of Malacca to their Dutch rivals by 1641, after 130 years of rule.

DUTCH RULE

The Dutch conquest of Malacca began in August 1640 and ended in January 1641. Thereafter, the Dutch controlled the Straits of Malacca and ruled Malacca to the late 18th century, when they were replaced by the British. In capturing Malacca from the Portuguese, the Dutch received help from Johore, which viewed the Dutch as a useful ally against their main enemies, the Portuguese and the Acehnese. Johore assisted the Dutch by providing transportation facilities, defenses against Portuguese attacks, and moral support. Not only did this support eliminate the Portuguese threat, but Johore also received special trading privileges at Malacca, protection against Aceh, and Dutch mediation in a peace treaty between Johore and Aceh in 1641.

In going to Southeast Asia, the Dutch were motivated mainly by economic factors. Like the Portuguese, they wanted to control the spice trade at its source. Unlike the Portuguese, however, the Dutch sponsored their colonial venture through their United East India Company, a corporate enterprise founded in 1602 with very wide powers, including the right to conclude treaties, make war, and dispense justice. The Dutch soon made Batavia their center of power, neglecting the port of Malacca which fell into decline under Dutch rule. Many Dutch residents then moved to Batavia, while those remaining established a Protestant church. There were few conversions to the Protestant faith, and Dutch impact on Malacca was less than that of the Portuguese. Dutch remains in Malacca include some administrative buildings and a church. The Dutch showed some interest in the tin trade and set up a trading post for tin in Pahang.

Meanwhile, Johore's power was revived under Dutch rule as the Dutch focused their attentions on the Indonesian islands. When Johore superceded Malacca in trade, Dutch officials in Malacca urged that Johore be destroyed, but their superiors in Batavia refused as they wanted Batavia as the center for Dutch trade in Asia. Hence, Johore sent missions directly to Batavia, and Dutch officials at Batavia often sided with Johore against Dutch officials at Malacca. Johore's fortunes rose until its Laksamana became more powerful than the Bendahara and began to rival the Sultan for power. Conditions then worsened for Johore: its Laksamana lost power, while its Bendahara regained power and became regent to the young ruler, Sultan Mahmud Shah. This king turned out to be a weak and cruel ruler whose reign saw a rise in piracy, a decline in trade, and problems with his nobles. Sultan Mahmud Shah's cruel actions eventually prompted some nobles to kill him in 1699, an act of regicide that further reduced Johore's power.

As Johore's power declined, the Dutch faced increasing opposition from two growing communities -- the Minangkabaus from Sumatra and the Bugis from the Celebes. While the Minangkabaus resented Western intrusion, the Bugis were angry with having been displaced by the Dutch from the region's carrying trade. Dutch rule weakened and eventually came to an end with the coming of the British to the Malayan area by the late 18th century. Before the British replaced the Dutch, however, there was some cooperation between them, as in 1795 when France overran the Netherlands and planned to use Dutch ports in the East. To prevent French control, the British made an arrangement with the exiled Dutch government to take temporary control of strategic Dutch possessions. Hence, the British East India Company (EIC), founded in 1600, occupied Malacca in 1795, the Moluccas in 1796, and Java in 1811, but returned them to the Dutch by 1818. By then, the Dutch EIC had ended in bankruptcy, its possessions had been taken over by the Dutch government, and the British era in the Malayan area had begun.

BRITISH RULE TO THE START OF WORLD WAR II

The British came to the Malayan area mainly for political and economic reasons. They wanted to obtain coaling and naval stations, to gain advantages over rivals like the Dutch and the French, and to spread British power and influence. They also wanted access to raw materials and markets for their goods. Social considerations, such as the “white man’s burden”, and religious reasons, were less important. Like the Dutch, the British had a corporate enterprise in the form of the EIC, which was based in India. With the help of Francis Light, a British merchant captain, in 1786 the EIC secured the island of Penang from the Sultan of Kedah for use as a British naval base. In return, the Sultan received British help against the state of Selangor. In 1800, he also allowed the EIC the use of Province Wellesley, the territory on the mainland opposite Penang. By 1819, however, the British were more keen on the island of Singapore as their naval base as it enjoyed a more central and strategic position than Penang. That year, an EIC official, Thomas Stamford Raffles, obtained Singapore for the British after signing an agreement with Johore that gave annual allowances to its Temenggong and its Sultan. From the start, the British made Singapore a free port, attracting the Chinese and other traders. The Chinese flocked to Singapore, soon outnumbering the Malay population. The British then signed another treaty with Johore, which ceded Singapore to them in perpetuity.

The Dutch, however, were angry with Raffles’acquisition of Singapore as it infringed on their treaty rights in the Riau-Johore region. In 1824, to settle their rivalry in the East and to consolidate their friendship in Europe, the two nations signed the Anglo-Dutch Treaty, which demarcated their respective spheres of influence. Accordingly, the Dutch withdrew their objections to the British occupation of Singapore, ceded Malacca to the EIC, and agreed not to interfere in the Malayan area. In return, the British ceded Bencoolen in Sumatra to the Dutch and agreed not to establish treaties with rulers south of Singapore. In 1826, with their power firmly established in the Malayan area, the British united Singapore, Penang, and Malacca as the Straits Settlements and administered them from India, an arrangement that continued until 1867. Henceforth, they were administered from Colonial Office in London until 1874, when the British government took over the functions of the EIC.

In Malaya, Britain followed a policy of non-intervention until 1874, when it changed its policy to intervention. The following reasons prompted the change: fear of other European intervention in the Malay states; the need to deal with piracy, secret societies, and succession disputes; the petitions of British merchants in Singapore for British intervention; and the 1873 petition of Chinese merchants urging greater British involvement in the country. Britain’s new policy was reflected in the Pangkor Treaty of January 1874 between the Perak chiefs and the Governor of the Straits Settlements, Sir Andrew Clarke, which established the British Residential System in Malaya. The Sultan of Perak agreed to accept a British Resident “whose advice must be asked and acted upon in all questions other than those touching Malay religion and custom”. In return, Britain agreed to protect Perak against its internal and external enemies.

In February 1874, Governor Clarke extended the Residential System to Selangor, on the grounds that piracy had to be curbed. In April the same year, Sungei Ujong, a part of Negri Sembilan, accepted a British Resident. By 1889, the whole state of Negri Sembilan had accepted the Residential System. In 1888, Pahang also accepted a British Resident. In the meantime, in November 1875 the first Resident of Perak, J.W.W. Birch, was hacked to death while bathing, leading the British to rush in troops from India and Hong Kong to fight the “Perak War”. He was killed by several Malay chiefs for having ignored their prerogatives and their means of livelihood when he instituted new proposals for revenue collection and judicial administration. His reforms caused loss of prestige to the Sultan and the chiefs, plus reductions in their feudal dues. Three Malay chiefs involved in the killing were captured and executed, while the Sultan was exiled to Seychelles. A new Sultan was appointed, but the Resident thereafter held the real power, although that power was not clearly defined.

Other British Residents fared better than Birch as they were less arrogant, more knowledgeable about local customs and traditions, and could speak the Malay language. A popular Resident was Frank Swettenham, who wrote a memorandum in 1893 advocating unity of administration and centralization of power for the four Malay states, Perak, Selangor, Pahang, and Negri Sembilan, which had accepted the Residential System. He recommended uniformity in the judicial system, fiscal policy, and land legislation. Based on his memorandum, the British established the Federated Malay States (FMS) in 1895, with him as the first Resident-General. In 1897, the Sultans of the four states in the FMS held their first Rulers’ Conference (Durbar) in the royal town of Kuala Kangsar in Perak. Their power, however, was more in theory than in practice, and they resented this.

In 1909, several important developments took place in British Malaya. For example, Siam transferred back to Malaya the four northern Malay states of Kedah, Perlis, Kelantan, and Trengganu in return for a British loan for a railway line and the giving up of British extraterritorial claims in Siam. These states then became the Unfederated Malay States (UFMS), and a British High Commissioner was appointed to oversee them. Unlike the FMS, the UFMS had less Western influence, kept to more traditional ways, and experienced less economic development. In 1909, the British also changed the post of Resident-General to that of Chief Secretary and created the Federal Legislative Council, which caused the Sultans to lose more power.

In exploiting the country’s natural resources, the British tried to enlist Malay help, but they met with resistance for reasons that included Malay resentment of British rule, their preferring to retain their traditional lifestyles as farmers and fishermen, and their wanting to follow the Koran’s instructions to lead simple, non-materialistic lives. To get the labor they needed, the British brought in laborers from China and India, using their clout in both countries. The Chinese worked mainly in the tin mines and the Indians in the rubber estates, although some Indians also served in administrative positions. The Chinese came mainly from the two southern Chinese provinces of Kwangtung and Fukien, where dismal economic conditions motivated poor workers to seek better opportunities in Malaya. The main wave of Chinese laborers came after the founding of Singapore in 1819. The major wave of Indian laborers began in the last decade of the 19th century and continued until the 1930s. Until 1910, Indian laborers came as indentured workers, after which they came through a quasi-indentured system called the *kangany* system, whereby the *kangany* got a commission for each recruited laborer.

With the immigrant labor, the British were able to export large quantities of tin and rubber. Tin was the major revenue earner for the British until the end of the 19th century when rubber, introduced from Brazil, became more important due to the demand for rubber in the electrical and motor car industries. Rubber also supplanted earlier commercial crops like coffee, pepper, and sugar. The Chinese and Indians came as transient workers, but many chose to remain in the country. As a result, British colonialism led to a plural society and to ethnic tensions, especially between the Malays and the Chinese. The Indians posed less of a threat as their numbers were smaller. Malay-Chinese tensions had their roots in the economic imbalance from British colonialism. Some Chinese rose from very humble beginning to become extremely wealthy, amassing fortunes from the import and export trade and from property deals. The Chinese had few political rights, but many economic opportunities. On the other hand, the Malays, particularly those in the rural areas, found themselves being left behind economically.

In dealing with a plural society, the British resorted to a policy of “divide and rule”, with political power to the Malays, economic power to the Chinese, and administrative power to the Indians. British colonial rule included some “special rights” for the Malays, such as support for Malay land rights and Malay education and favorable quotas for their recruitment into the civil service and for certain business licenses. Educational facilities, however, were poor for Malays until the 20th century, and not enough training or safeguards were provided to them on the economic level, increasing the economic disparity between them and the Chinese. As more Chinese workers flowed in, security concerns also increased as they came with their secret societies and their problems with crime and opium addiction.

The Malays became increasingly concerned about the racial composition of the country when the 1921 Census revealed that Malaya was made up of 49 percent Malays, 36 percent Chinese, and 14 percent Indians. These concerns turned to alarm when the 1931 Census disclosed that Malay figures had dropped to 35 percent, while that of the Chinese and Indians had risen to 42 percent and 22 percent, respectively. In Singapore, the Chinese already made up 75 percent of the population, with the Malays at 15 percent and the Indians at around 10 percent. Not surprisingly, the Malays called for a “Malaya for the Malays” and urged the British to restrict Chinese and Indian immigration.

Hence, in the 1930s, the British carried out decentralization measures to recognize Malaya as a Malay country, despite opposition from British and Chinese business interests. Accordingly, Chinese immigration was restricted under new quotas, power was transferred from the federal government to the state government, the post of Chief Secretary was abolished in 1935 in favor of the more junior post of Federal Secretary, and the Sultans were given a more active role. Nationalism in Malaya was confined mainly to the Malays as the Chinese had loyalties to China and the Indians to India. Malay nationalism was influenced by the Islamic Reform Movement in the Middle East and by events in Indonesia. In the early 1900s, the reformist *Kaum Muda* (Young Community) Movement was formed, and in 1926 the Singapore Malay Union was established with branches in Penang and Malacca. In 1939, the Pan-Malayan Malay Associations held its first annual conference in Kuala Lumpur, a meeting noted for its anti-British and anti-Chinese themes. By 1941, more Malays wanted self-rule but Malaya, then comprising the FMS, UFMS, and the Straits Settlements, was still firmly under British control.

In the case of Sarawak and Sabah, their experience under British colonial rule was different. Sarawak was ruled by the Brooke family from 1841 to 1945, while Sabah, then known as North Borneo, was ruled by the British North Borneo Company from 1881 to 1945. James Brooke, an English adventurer, obtained the 1st Division of Sarawak from the Sultan of Brunei in 1839 after helping the Sultan in a rebellion by the Land Dyaks. In 1841, the Sultan appointed Brooke as the Rajah and Governor of Sarawak. This appointment pleased British merchants in Singapore as it opened up trade opportunities. In 1847, the Sultan of Brunei was forced to confirm Brooke's status as Rajah in perpetuity, to cede the island of Labuan to the British, and to sign another treaty undertaking not to cede any territory without British approval. When Brooke visited England, he was knighted, appointed Governor of Labuan Crown Colony, and Consul General for Brunei.

Brooke became known as the "White Rajah" and used his own funds to administer Sarawak. He received official backing from the British authorities and was allowed to use the British Navy to fight piracy. His rule was paternalistic and informal, based on consultations with the local chiefs. He made use of local laws and customs and tried to protect the natives from undesirable outside influences, Western and Chinese. When his agent in London, Henry Wise, formed a company to exploit Sarawak and Sabah, Brooke severed ties. He expected devotion from his subjects and from his nephews, Brooke Johnson and Charles Johnson. But Brooke was not a good financier, and his fortune soon ran out, leaving Sarawak in debt.

Brooke expanded his kingdom in 1852 when he obtained the 2nd Division of Sarawak from the Sultan of Brunei. In 1854, he was cleared of wrongdoing by an official Commission of Inquiry after his former agent, Wise, accused him of having used the Royal Navy to slaughter harmless natives. In the mid-1850s, he also faced problems from Singapore merchants, who wished to exploit the area, and from the Chinese, who resented his opposition to the opium trade, his suppression of secret societies, and his restrictions on their entry into Sarawak. He expanded his territory further when he obtained the 3rd Division of Sarawak from the Sultan of Brunei in 1861. By then, however, his health had deteriorated. His original heir was his nephew, Brooke Johnson, but after a fight he made another nephew, Charles Johnson, his new heir. In 1862, Charles changed his surname to Brooke and in 1868 became the new "White Rajah" upon his uncle's death.

That year, Charles tried to purchase the Baram district from Brunei, but was prevented from doing so by British authorities who invoked the 1847 treaty. In 1874, when Charles proposed that the British should either take Brunei or put it under Sarawak's protection, the British also rejected this out of concern for Brunei. Meanwhile, his frugality enabled him to pay off Sarawak's debts. Under him, each of Sarawak's three divisions was administered by a British Resident who was assisted by an Assistant Resident and by district chiefs, British or Malay. The Residents also held councils: the Supreme Council and the State Council. In 1880, to meet the labor shortage, Charles provided funds for Chinese emigration, but prevented their control of the economy. After establishing primary schools in 1883, he added secondary schools and mission schools. In 1882, the British allowed him to buy the Baram district from Brunei, due to fears of foreign threats at a time when the Sultan of Brunei was very old. Hence, under Charles, the Baram district became the 4th Division of Sarawak.

In 1888, the British also made Sarawak a British protectorate, along with Sabah and Brunei, in order to prevent Brunei from being swallowed up by either Sarawak or Sabah. In 1890, when the local chiefs of the Limbang district of Brunei asked Charles to rescue them from Brunei's misrule, he readily obliged and ended up making Limbang the 5th Division of Sarawak. The Sultan of Brunei, however, did not acknowledge the cession and also did not take up the offer of compensation by London. Brunei continues to claim Limbang, and this territory remains a contentious issue in Brunei-Malaysia relations. Britain nevertheless recognized Limbang as a part of Sarawak in 1916. Meanwhile, in 1905, due to financial problems, the British North Borneo Company sold a part of its territory to Sarawak.

Sarawak's next ruler was Charles' son, Vyner Brooke, who succeeded his father in 1916 and ruled until the outbreak of war in 1941. He became the last White Rajah of Sarawak. Unlike his father, he was extravagant, lacked strength of character, and delegated most of his responsibilities to his more dependable younger brother, Bertram. Under Vyner, Sarawak continued to experience little economic growth due to the Brooke family's reluctance to open up the country to capitalist exploitation. He appointed a Chief Secretary for Sarawak in 1923, a Secretary for Chinese Affairs in 1929, and a Chief Justice in 1930. In 1941, Vyner also commissioned the drafting of a Constitution to mark the centennial of Brooke rule and to pave the way for eventual representative government. Major opposition to the constitution, however, came from Bertram and from Bertram's son, Anthony, who saw the measure as an attempt to exclude them from ruling Sarawak. Anthony hoped to become the next White Rajah as he had held several important government positions and as his uncle had no male heirs. They had a falling out, however, over Vyner's appointment of a new Chief Secretary for Sarawak.

As for Sabah, in 1865, as a counterweight to British influence, the Sultan of Brunei had granted this territory to an American, Charles Lee Moses, who arrived in Brunei in 1864 as the U.S. Consul. Moses got a ten-year lease to Sabah and established a U.S. Consulate in 1865. He obtained support from American and Chinese businessmen in Hong Kong who formed the American Trading Company. This venture, however, was unsuccessful and was abandoned in 1866, while the American Consulate was closed in 1868. In 1875, the Austrian Consul, Baron von Overbeck, bought over the American Trading Company, with the help of his English partner, John Dent.

Through a treaty in 1877, the Sultan of Brunei gave the American Trading Company sovereignty over Sabah in return for an annual payment. Since the Sultan of Sulu, a former vassal of the Sultan of Brunei, also claimed Sabah, Overbeck, Dent made another agreement with him in 1878, giving him a smaller annual payment to ensure their title. In 1881, Dent bought over Overbeck's share in the American Trading Company. The British Government then gave him a royal charter to form the British North Borneo Company, in part because of the threat of growing German and French interest in the area. Under the charter, the Company could administer Sabah so long as it gave facilities to the British navy, did not interfere in local customs and religion, and did not transfer its rights without the British Government's approval. The Company did not have a monopoly on trade.

In 1888, the British declared Brunei, Sabah, and Sarawak as British Protectorates, to prevent any takeover of Brunei, and made the Governor of the Straits Settlements also the High Commissioner for Brunei and the Agent for Sabah and Sarawak In 1894, because Sabah faced financial problems, negotiations were held to transfer Sabah to Rajah Brooke, but these plans fell through. The Company's directors then rushed through a hastily conceived program for economic development that resulted in the removal of many experienced colonial officials. In 1895, the Company appointed a new Governor, Leicester Beaufort, a London lawyer, but his five years in office further drained financial resources. His term was marked by extravagance, including his ambitious railroad project which required new and unpopular taxes. The year 1895 also saw the appointment in London of W.C. Cowie as the Managing Director of the British North Borneo Company, a position that he held until his death in 1910.

In 1900, the Company reverted to appointing an official from the Malayan Civil Service as Governor, but the Directors of the Company, especially Cowie, continued to interfere. For example, the Directors removed Governor Ernest Birch when he suggested that the Colonial Office should convert Sabah into a Crown Colony to save it from their meddling. Cowie's death led to less interference and to mainly Colonial Office supervision. In 1905, for financial reasons, the Company was forced to sell land to Sarawak. In the 1920s, some provision was made for vernacular education for the indigenous Malays, Dyaks, and Kadazans. The years from 1934 to 1937 saw the enlightened rule of Governor Douglas Jardine; he created a Native Chiefs' Advisory Council and also made advances in health and educational services. As for local reaction to Company rule, the Kadazans (Dusuns), the largest and most settled group, gave little resistance. The semi-nomadic Muruts staged a local revolt in 1915, but they soon accepted Company rule. Trouble came from the restless and aggressive Muslims on the coast, such as the Bajaus, the Sulus, and the Illanuns from the Philippines. In 1895, Mat Salleh, a part Sulu and part Bajau chief, led a rebellion which lasted until 1900 when he was killed.

Regarding economic development, this was initially concentrated in the Northeast with tobacco plantations from the 1880s. Then the West coast became more important when rubber was introduced in the early years of the 20th century. The West coast also had better transportation facilities. When Sabah experienced a labor shortage, the Company tried to recruit Chinese labor through Hong Kong, but was unsuccessful as most immigrants wanted to be traders, not agricultural laborers. Those who came returned to China. Only after 1903 did the Chinese settle in larger numbers. In 1937, however, the Company restricted Chinese emigration to Sabah, in part because of local resentment towards them. There was little profit from Sabah for the Company -- it paid no dividends in its first 20 years and produced a return of 5 percent in 1909. By 1941, due to poor communications, the labor shortage, and problems with Company policy, profits had fallen to 2 percent.

THE JAPANESE OCCUPATION

With the outbreak of World War II, the Japanese began implementing their plan for a "Greater East Asia Co-Prosperity Sphere" to rule East and Southeast Asia. To conquer the Malayan area, they attacked from the north through Thailand, surprising the British, who were waiting to fight them at sea off Singapore. This attack on Malaya, on the night of December 7-8, 1941, coincided with their attacks on Pearl Harbor, the Philippines, and Hong Kong. A Japanese subsidiary force landed at Kota Bharu and put the airfield out of action, while the main army landed in southern Thailand for the invasion of Kedah. Thereafter, they seized the northern Malayan airfields and sank the *Prince of Wales* and the *Repulse*. Singapore fell on February 15, 1942, despite attempts to rally the local population for defense. The Japanese also took over the Borneo territories with little resistance.

The Japanese interned all British officials, but treated the Malays as potential allies who could be useful to them, releasing Malay leaders whom the British had imprisoned and promoting several Malay officials to higher bureaucratic positions under Japanese state governors. With the Malay royalty, at first the Japanese wanted to substitute loyalty to the Malay rulers with loyalty to the Japanese emperor, so they cut the royal pensions, lessened the Sultans' powers, and suspended the state councils. But when they realized that the Sultans could be helpful allies, they restored their pensions and enhanced their authority on Malay religion and customs. The Japanese had mixed attitudes towards the Chinese; some were treated very harshly, while others were considered important business partners. In Singapore, the Japanese killed thousands of Chinese males and demanded a "donation" of Straits $50 million from the Chinese community. The Indians were treated less harshly as the Japanese planned to use them for ending British colonial rule in India. Strong resistance to Japanese rule came from the Chinese, who formed the bulk of the Malayan People's Anti-Japanese Army (MPAJA). The core of the MPAJA was the Communist Party of Malaya (CPM).

As in other areas in Southeast Asia, the Japanese harnessed the economy to their war effort, causing food shortages that led to runaway inflation, ill health, and starvation. Victims of the Japanese included local women who were forced to become "comfort women" or sexual slaves. In the closing months of the war, the Japanese ordered Malay police and auxiliary units against the MPAJA in retaliation for executions of Malays as pro-Japanese collaborators. The Japanese Occupation ended in August 1945 with the defeat of Japan by the Allied Powers. Since President Franklin D. Roosevelt's Trusteeship Plan to de-colonize Southeast Asia after the war did not materialize, due to opposition from Britain and France and the need for Allied cooperation in Europe for the war effort, the British returned to Malaya after the war.

BRITISH RULE AFTER WORLD WAR II TO INDEPENDENCE

The British Military Administration (BMA) was established in 1945, and it lasted until April 1946, when civilian rule was restored. The BMA was marked by the return of the four northern Malay states by Thailand and by communal clashes between the Malays and Chinese in several parts of Malaya over their different loyalties during the war.

In 1946, since the British wished to create a more unified Malayan state, they proposed the Malayan Union Plan for administrative efficiency and national cohesion. Singapore was excluded, however, because of its large Chinese population and its status as the main British naval base in Southeast Asia. The Malayan Union Plan was officially implemented on April 1, 1946, and two major provisions were the ceremonial role for the Sultans and equal citizenship for all based on birth and naturalization. Both provisions angered the Malays as they reflected a drastic change from Britain's pro-Malay policy during the pre-war years. This policy change by the British was prompted in part by the Malay-Japanese wartime collaboration and by the help the Chinese had rendered in fighting the Japanese.

Malay protests against the Malayan Union Plan led to the formation of the United Malays National Organization (UMNO) in March 1946, with Dato' Onn bin Ja'afar as president. The Malays also made appeals to former colonial officials in Britain to scrap the Malayan Union proposal. These measures worked for the British replaced the Malayan Union Plan with the Federation of Malaya Agreement on February 1, 1948, which restored the Sultans to their former position and made citizenship more stringent for the non-Malays.

Meanwhile, the post-war years saw growing anti-communist sentiment in Malaya. The MCP went underground in 1948 and began an all-out war to replace the British in Malaya. Its Malayan Races Liberation Army tried to subvert the economy by disrupting the rubber plantations and the tin mines, the sources of Malaya's wealth. After the MCP had changed its policy from labor agitation to armed revolt, the British officially proclaimed a State of Emergency on June 18, 1948, a fight that was to last twelve years. To fight the communists who operated mainly from the jungle and who relied on the support of Chinese villagers for supplies of food, information, and recruits, the British implemented the "Briggs Plan", drawn up by General Harold Briggs the commander of the counterinsurgency forces. Under this plan, Chinese villagers were resettled in New Villages and closely monitored by an effective police force to prevent them from aiding the communists.

The plan was so successful that it was copied in South Vietnam as the strategic hamlets plan. The analogy, however, was flawed, and it failed in Vietnam as those resettled there were indigenous Vietnamese with roots to the soil and not vulnerable, immigrant Chinese as in Malaya. For the British, the first three years of the Emergency were difficult, with setbacks that included the October 1951 assassination of the British High Commissioner, Sir Henry Gurney. The second phase from 1952 to 1954, under General Sir Gerald Templer, who served as both High Commissioner and Director of Operations, was more successful as more communist guerrillas surrendered than remained in the jungle. This phase ended with the abortive peace talks at Baling in 1955 between Tunku Abdul Rahman, the Malayan Chief Minister, and Chin Peng, the Communist leader.

The early years of the Emergency also saw agitation for self-rule. Although the British had promised eventual self-rule in the 1948 Federation of Malaya Agreement, they said they could not grant it until two obstacles had been overcome -- the communal strife, especially between the Malays and the Chinese, and the communist problem, which threatened security. In 1949, to foster inter-ethnic harmony, the British established the Communities Liaison Committee, which stressed liberal citizenship laws for the Chinese in return for Chinese economic assistance to the Malays. The British also encouraged the establishment of a political party for the Chinese as the Malays already had UMNO and the Indians their Malayan Indian Congress (MIC) since 1945. As a result, the Malayan Chinese Association (MCA) was formed in 1949, comprising mainly wealthy English-speaking Chinese with strong ties to the British.

Meanwhile, a new leader arose among the Malays – Tunku Abdul Rahman, a prince from Kedah and a law graduate from Cambridge University. He became the leader of UMNO when Dato' Onn Ja'afar resigned in 1951 to form his new inter-racial Independence of Malaya Party, after failing to convert UMNO into a multi-ethnic political party. In 1952, the Tunku suggested that UMNO and the MCA team up in the Municipal elections in Kuala Lumpur, by running Malay candidates in Malay wards and Chinese candidates in Chinese wards. Calling themselves the Alliance, they won the elections, defeating the IMP. In October 1954, the MIC joined the Alliance, and together they contested the 1955 elections for a federal legislature, winning 51 of the 52 seats contested. This show of inter-racial solidarity helped pave the way for independence. In January 1956, the Tunku led an Alliance delegation to London, and independence was scheduled for August 31, 1957. In preparation for independence, a Constitutional Commission, made up of Commonwealth judges, drafted a new constitution for the nation that embodied many compromises to resolve contentious issues, like citizenship, the state religion, the national language, the status of the rulers, and the special rights for the Malays.

In Sarawak and Sabah, after the war the British resumed control of the Borneo territories with the help of Australian forces. A brief period of British Military Administration was followed by political reorganization. In Sarawak, Raja Vyner Brooke ceded his state to the British Crown, as he was unable to undertake the immense task of post-war rehabilitation and recovery. His brother and nephew, however, opposed this move, as did many of the Malay chiefs who feared a loss of status with the change in government. Britain then sent a Parliamentary Commission to Sarawak, and it reported that the majority of the people favored the transfer to the British Crown. Hence, Sarawak became a British Crown Colony in July 1946, administered by a Governor, who was assisted by an executive council, known as the Supreme Council, and by a legislature, called the Council Negri. But the Sarawak Malay Association continued to campaign against the cession and was behind the fatal stabbing of the second British Governor, Duncan Stewart, in December 1949. Other developments to 1957 included the 1951 relinquishment of claims to Sarawak by Anthony Brooke and the new Constitution of 1957 that Britain granted to Sarawak.

In the case of Sabah, the British Government bought over the British North Borneo Company after the war in order to undertake recovery and rehabilitation work. Sabah thus became a British Crown colony in July 1946 and was administered by a Governor assisted by an advisory council. The island of Labuan was included in Sabah, and Sabah's capital was transferred from Sandakan to Jesselton, now Kota Kinabalu. Political development was a slow and uncertain process in Sabah, due to British policy and to disunity among the various indigenous groups. Only in 1950 was a Legislative Council established, while local authorities were introduced in 1952. In the mid-1950s, Sabah's most important political leaders were Mustapha Harun, a Muslim Sulu chief, and Donald Stephens, a Christian Kadazan.

THE PREMIERSHIP OF TUNKU ABDUL RAHMAN

As the nation's first premier, Tunku Abdul Rahman was praised for having obtained independence without any bloodshed. His early years witnessed the following developments: "Malayanization", when British officials were replaced by local counterparts; the signing of an Anglo-Malayan Defence Treaty; the holding of the 1959 general elections, which the Alliance Party won; the end of the Emergency in August 1960; and Malaya's membership in the Association of Southeast Asia (ASA) in 1961 with Thailand and the Philippines for economic cooperation. The Tunku's premiership coincided with the third and final phase of the Emergency, the mopping-up operations to deal with remaining communist terrorists. By 1960, around 500 terrorists remained, seeking refuge at the Thai-Malaysian border which became their base of operations. The Tunku also handed over to the South Vietnamese army some of the military equipment used during the Emergency, such as armored vehicles. During this period, roads were renamed, and English was used less, while the Malay language and Islam were promoted by the government.

By 1961, there was also talk between the Tunku and the British about federating with Singapore, which had gained its independence from Britain in 1959, and with the British territories of Brunei, Sabah, and Sarawak to form a larger political entity. The British saw federation as a de-colonization measure for the Borneo territories, that would relieve it of further colonial responsibility in Southeast Asia and provide a way to deal with the communist problem in Singapore. Moreover, federation was also a way to balance Singapore's large Chinese population with Malaya's multi-racial society, as the inclusion of Sabah, Sarawak, and Brunei would add more Malay and indigenous peoples and thus ensure that Malays would remain in the majority.

When the Tunku announced the merger plan on May 27, 1961, he faced opposition from anti-merger groups in Singapore, Sabah, and Sarawak. In Singapore, a referendum was held in September 1962, and it was won by Lee Kuan Yew's pro-merger party, despite strong socialist opposition. The arrangements for federation included Singapore's acceptance of special rights for the Malays and under-representation in the House of Representatives, in exchange for keeping most of its revenue and autonomy in education and labor matters. In the case of Sabah and Sarawak, British and Malayan officials agreed to set up a British-Malayan Commission to assess the views of the peoples of both states. Therefore, from February to mid-April, 1962, a five-man Commission of Inquiry, known as the Cobbold Commission, assessed views in Sabah and Sarawak, interviewing 4,000 people and considering 2,200 written submissions. Its August 1962 report concluded that the people of Sabah and Sarawak favored federation. These two states, however, asked for special concessions. These compromises became known as the "20 Points" and included the following: control over immigration, English as the medium of instruction, freedom of religion, special privileges for indigenous peoples, and certain financial arrangements. Meanwhile, elections were introduced in Sarawak in 1959 and in Sabah in 1962 on the eve of the formation of Malaysia.

As for Brunei, at first its Sultan favored federation, but he changed his mind after the December 1962 revolt, led by A.M. Azahari, showed anti-merger sentiment. Two other reasons contributed to the Sultan's change of mind -- his misgivings about sharing his state's resources with less well-to-do neighbors and his increasing concern that he might not be chosen as Malaysia's first paramount ruler. The Azahari revolt was backed by the Philippines, because of its claim that Sabah was leased and not ceded to the British by the Sultan of Sulu and therefore still belonged to the Philippines. The revolt was also backed by Indonesia, as President Sukarno claimed that merger was a neo-colonialist plot by Britain to maintain its power in the region.

Meanwhile, in June 1963 it appeared that the representatives of Malaya, Indonesia, and the Philippines might reach some agreement on the merger plan when they agreed on two matters. One was the creation of a consultative arrangement for collective defense within the framework of a new regional organization for Muslim brotherhood, called MAPHILINDO. The second matter was agreement on submitting the Borneo problem to the UN for an assessment of the wishes of the people of the two Borneo states. However, MAPHILINDO soon fell apart when the Tunku signed a final agreement with Britain on July 9, 1963, setting August 31 as the date for Malaysia's formation before the UN commission had completed its report. Because Sukarno was furious, a summit meeting was held in late July in Manila at which the Tunku agreed to postpone federation for two weeks to allow completion of the UN report.

Although the UN report disclosed that two-thirds of the population of Sabah and Sarawak favored federation, both Indonesia and the Philippines rejected these findings and broke off diplomatic relations. Malaysia went ahead and celebrated the proclamation of Malaysia Day on September 16, 1963. In Sabah that day, Tun Dato Mustapha bin Datu Harun was installed as the first Yang di-Pertua Negri, with Datuk Donald Stephens as Chief Minister. Indonesia soon launched a Confrontation policy that lasted from 1963 to 1966, during which there were incidents on the borders of both countries and acts of sabotage and terrorism.

In the midst of the Confrontation crisis, the Tunku was forced to deal with another crisis --- an internal one with Singapore, revolving around special rights for the Malays. As leader of the People's Action Party (PAP), Singapore's premier Lee Kuan Yew called for a "Malaysian Malaysia", where "the state is not identified with the supremacy, well-being and interests of any one community or race". This led the Tunku to ask for Singapore's withdrawal from Malaysia, which took place on August 9, 1965 when Singapore became an independent nation. Meanwhile, Britain, with the aid of Australia and New Zealand, defended Malaysia during Indonesia's Confrontation. Confrontation finally ended with the coming to power of General Suharto, who replaced Sukarno as president soon after the September 1965 coup. Under Suharto, a peace treaty between the two countries was signed on August 11, 1966. Earlier, in June 1966, the Philippines had resumed diplomatic relations with Malaysia.

These peaceful developments paved the way for the formation of the Association of Southeast Asian Nations (ASEAN) in August 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand. This historic event occurred under the Tunku's watch, as did the tragic race riots of May 1969, after the general elections which witnessed the Democratic Action Party (DAP), an offshoot of the PAP, calling for the abolition of special rights for the Malays. Although the Alliance Party won those elections, it lost more votes to the opposition than expected. When the opposition party supporters, mainly Chinese, held rallies and parades in Kuala Lumpur to celebrate their gains, violence broke out between the Malays and Chinese. Each side later claimed that the other side had started the riots. The race riots continued for nearly two weeks, claiming hundreds of lives, mainly Chinese and Indian. The government quickly declared a state of emergency, suspended the Constitution and Parliament, postponed elections in Sabah and Sarawak indefinitely, and established a National Operations Council (NOC), with the deputy premier, Tun Abdul Razak, as director.

The race riots led to the Tunku's fall from power. Many Malays, including the present premier, Dr. Mahathir Mohamad, called on him to resign as premier and as President of UMNO. Criticisms against the Tunku included allegations that he had given in too much to Chinese demands. The Tunku then expelled Mahathir from UMNO in 1969 for breach of party discipline. Mahathir used this time out of active politics to write his controversial book, *The Malay Dilemma,* which criticized the Tunku's leadership and called for affirmative action to help the Malays. His book was published in 1970, but banned the same year by the Tunku. In September 1970, the Tunku himself was forced to resign as premier and was succeeded by his deputy.

THE PREMIERSHIP OF TUN ABDUL RAZAK.

Like the Tunku, Tun Razak was trained as a lawyer in England. He was also of aristocratic background, as his father had been one of four major chiefs in Pahang. Much younger than the Tunku, he was in part groomed for political power by the Tunku. They had a falling out, however, after the race riots. Under Razak, the government became more assertive of Malay rights, especially after a study of the causes of the May 1969 riots concluded that Malay grievances and resentments had to be addressed and resolved. Accordingly, the NOC amended the Sedition Act of 1948 to prohibit public questioning of sensitive issues, such of the special status of the Malays, the powers of the Malay rulers, the status of Malay as the national language, and the citizenship laws, especially with regard to the non-Malays. Other amendments declared that persons violating these provisions could be barred from public office for five years and that associations challenging Malay rights could be dissolved. Under Razak, the *Rukun Negara,* or National Ideology, was also drafted, stressing five principles: belief in God; loyalty to the king and country; upholding the Constitution; the rule of law; and good behavior and morality. Proclaimed on August 31, 1970 by the Paramount Ruler, the *Yang di-Pertuan Agong*, it was aimed at restraining the demands of ethnic chauvinists.

Emergency rule lasted until February 20, 1971, when the NOC was dissolved and parliamentary government was reestablished. Parliament then amended the Malaysian Constitution to incorporate the prohibition, even in Parliament, against public discussion of sensitive issues. To address ethnic and social inequalities, another constitutional amendment gave the Yang di-Pertuan Agong the power to reserve academic places for Malays in institutions of higher learning in courses where the number of Malays was disproportionately low. Razak's new government possessed enlarged powers as the Rukunegara ideology, the Sedition Ordinance, and the "sensitive issues" amendments were added to earlier powers, such as that to issue emergency decrees, to use the Internal Security Act (ISA) to detain persons who might be security threats, to suspend state constitutions, to allocate federal revenues to states, and to allocate patronage in return for political support. Another change under Razak was the enhanced role of UMNO as the base for the nation's political system, with the other parties in the Alliance coalition providing peripheral support. UMNO and the Malays held pre-eminent positions under his administration. His key cabinet posts were held by Malays from UMNO, except for Tan Siew Sin, President of the MCA, who served as Minister of Finance. Loyal Malay supporters of the Tunku were missing, however, as Razak had eased them out of power. On the other hand, opponents of the Tunku, like Dr. Mahathir and Musa Hitam who were both expelled from UMNO in 1970, were readmitted and given high office.

In 1971, Razak implemented the New Economic Policy (NEP), which became the foundation for the nation's economic and social policy for twenty years. The NEP's two-pronged objectives and goals were stated in the Second Malaysia Plan presented to Parliament Congress in July 1971: -- to reduce and eradicate poverty by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race, and to restructure Malaysian society in order to reduce and eventually eliminate the identification of race with economic function. The second aim, which became more urgent for helping the Malays, involved the modernization of the rural areas, more urban activities, and the creation of a Malay industrial and commercial community. The government aimed by 1990 to achieve 30% Malay ownership and participation in all commercial and industrial activities. Many quasi-public bodies were formed to provide special assistance programs for the Malays, who received the most help in the public services, in education, in private sector employment, ownership of share capital, and corporate management.

Besides serving as premier, Razak was Minister of Defense, Minister of Foreign Affairs, and President of UMNO. His deputy, Dr. Ismail bin Abdul Rahman, served as Deputy President of UMNO, Minister of Home Affairs, and Minister of Trade and Industry. Another very powerful member of the Razak administration was Ghazali Shafie, the Minister with Special Functions and the Minister of Information. When Dr. Ismail died suddenly of a heart attack in August 1973, Razak appointed Hussein Onn, the then Minister of Education, as his new deputy. Hussein Onn was not only the son of Dato Onn Ja'afar, the founder of UMNO, but also Razak's brother-in-law, as their wives were sisters. With Hussein Onn's promotion, Razak appointed Dr. Mahathir, by then an UMNO Supreme Council member since 1972, as the new Minister of Education.

Under Razak, the Alliance Party built a wider and more stable base of political support and became the *Barisan National*, or National Front, in 1974. This was done to reduce ethnic conflict and to help realize the goals of the NEP. Over a number of years, he made efforts to incorporate the more accommodating of the opposition parties on the state and federal levels. In Sabah, which was under Chief Minister Mustafa Harun, he succeeded in getting the United Sabah National Organization and the Sabah Chinese Association into the Sabah Alliance, which went on to win the June 1970 state elections. In Sarawak, Razak worked out a coalition government under Abdul Rahman Ya'akub that included Party Bumiputra (Malay-based), Sarawak United People's Party (Chinese-based), and Party Pesaka (Iban-based). This federally backed coalition won the June 1970 elections in Sarawak, and Abdul Rahman Ya'akub became Chief Minister. On Peninsular Malaysia, Razak incorporated two mainly non-Malay parties -- the Gerakan Party and the People's Progressive Party (PPP) -- and the Malay-based Partai Islam (PAS) into the National Front.

Under Razak, legislation was also introduced to make Kuala Lumpur a federal territory, to be governed directly by the federal government. This legislation went into effect on February 1, 1974, allowing for greater administrative efficiency, but also working against the DAP in that it isolated the non-Malay voters in the country's largest urban area. The broader based National Front then won the 1974 general elections. However, there were also student disturbances that year from radical university students unhappy with the failure of the NEP to eradicate poverty, as in the rural area near Johore Bahru, where squatters were evicted to make way for a land development scheme, and in the Baling area of Kedah, where peasants were alleged to be starving. Among the student leaders arrested under the ISA was Anwar Ibrahim, the President and founder of the Islamic Youth Movement, known by its Malay acronym, ABIM.

Also under Razak, Malaysia proposed the neutralization of Southeast Asia to avoid great power conflicts in the region. This proposal was endorsed by ASEAN in 1971 as the concept of "Southeast Asia as a Zone of Peace, Freedom, and Neutrality" (ZOPFAN). This Malaysian contribution, ASEAN's first foreign policy initiative, was used yearly in UN resolutions by ASEAN during its diplomatic offensive against Vietnam's invasion and occupation of Cambodia from 1979 to 1989. Malaysia also became the first ASEAN nation to establish diplomatic relations with China in 1974. This was a departure from the Tunku's strongly pro-West and anti-communist stand. Meanwhile, the ties with Islamic countries, begun by the Tunku, were further strengthened, with Malaysia sponsoring the Fifth Islamic Conference of Foreign Ministers in 1974. On the domestic front, Malaysia also followed a policy of Islamization under Razak, to foster Muslim brotherhood and to fight communism.

By 1975, however, Razak had become very ill. He had leukemia, but his illness was kept a secret until his death on January 14, 1976. He was succeeded by his deputy, Tun Hussein Onn.

THE PREMIERSHIP OF TUN HUSSEIN ONN

Like both his predecessors in office, Tun Hussein Onn came from an aristocratic background and was trained as a lawyer in England. Unlike them, however, he did not have as strong a political base, as he had left UMNO in 1951 with his father, Dato Onn bin Ja'afar, and only rejoined in 1969. He also began in poorer health, as he had suffered a prior heart attack. Upon assuming office as Malaysia's third Prime Minister, he faced rising apprehension in Southeast Asia about the spread of communism, as the whole of Indochina had fallen to Communism in 1975. In Indochina the "domino theory" had materialized. The ASEAN states were galvanized into action and held their first summit at Bali in 1976 where three important documents were signed: The Treaty of Amity and Cooperation, the ASEAN Concord, and the agreement to form an ASEAN Secretariat. To strengthen themselves, the ASEAN leaders also focused on improving their trade, both intra-ASEAN and extra-ASEAN. Thus, under Hussein Onn, more cooperation took place between Malaysia and its ASEAN partners. It was also under his administration that Malaysia hosted ASEAN's second summit in Kuala Lumpur in 1977.

Hussein Onn continued Tun Razak's ASEAN policy and strengthened it. He did the same with Razak's other main policies, such as the NEP, which was geared to improving the economic position of the Malays. Hence, more educational opportunities were extended to the Malays, including government scholarships to educational institutions abroad. Because of rising costs at British universities and quotas on foreign students, Malaysia began sending more students to American universities. As with Razak, emphasis was also placed on economic growth as the cornerstone for other government policies. The Third Malaysia Plan, 1976-80, under Hussein Onn's administration, achieved a growth rate of 8.6 percent. Under him, the transfer of corporate ownership to bumiputras was also speeded up. Another policy from the Razak period that Hussein Onn continued was the stress on Islamization to unite the Malays and to fight communism. This policy led to a closer identification with the Middle East, to larger numbers of students being sent there, and to more missionary activity by Muslim groups. Consequences from this policy included the rise of Islamic revival movements, greater polarization of the races, more conservative dress styles among Muslim women, and more conversions to Islam among the non-Malays. Among the Islamic revival movements, some were deemed as "deviationist" and banned, for example the Ahmadiyah movement, based in Pakistan, and some sufi and mystical sects claiming mystical powers and practising black magic, such as the Qadiani Sect, Muhammadiyyah Tariqah, and Tarikat Mufaridiyah.

As his deputy, Hussein Onn chose Dr. Mahathir Mohamad, who had been elected as one of three UMNO Vice-Presidents in 1975. In June 1979, Mahathir attracted worldwide attention when he was quoted as saying that Malaysia would shoot on sight Vietnamese refugees attempting to land in the country. He later claimed that he had been misquoted, but his statement nevertheless led to a quick reduction in refugee arrivals. That year, Malaysia had over 70,000 Vietnamese refugees cramped at Pulau Bidong, an small island refugee camp off Terengganu. With other ASEAN states, Malaysia called for Vietnam to stop the flow of refugees, for the resettlement process to be speeded up, and for the establishment of more refugee processing centers.

Besides the Vietnamese refugee problem, Hussein Onn had to deal with factional rivalries within UMNO. His critics included the Tunku, who wrote weekly critical commentaries of Malaysian political affairs, and Harun Idris, the President of UMNO Youth, who was convicted of corruption and sentenced to a two-year prison term. He also had to deal with the MCA proposal to set up a privately funded university, “Merdeka University”, to preserve Chinese education and to provide university education for Chinese students unable to gain entry into Malaysian universities because of the bumiputra quota system. In 1978, this proposal was rejected by the UMNO General Assembly and by Hussein Onn. In addition, there was the Kelantan crisis where, despite the coalition between PAS and UMNO in the 1974 elections, rivalries existed over power and public policy. This crisis began as a land problem between PAS members regarding lucrative timber and mineral concessions. When it escalated into violence, Hussein Onn declared an emergency and sent Dr. Mahathir to offer a peace formula. The peace formula, however, was rejected, as was a second peace formula. Hussein Onn then imposed emergency rule over Kelantan for three months to stabilize the political situation before calling for new elections in March 1978. The elections then ended as a victory for UMNO and its new Berjasa partner.

Hussein Onn also had to contend with politics in Sabah and Sarawak. In Sarawak, the National Front relied on the skillful leadership of Abdul Rahman Ya’akub, who headed the minority Partai Pesaka Bumiputra Bersatu, which was mainly Malay-Muslim. Abdul Rahman Ya’akub had become Chief Minister of Sarawak in 1970 with federal support. He soon controlled a wide Malay-native-Chinese coalition and created a stable government by playing off the coalition partners against each other. In 1974, he brought into the Sarawak National Front the state’s largest party, the Sarawak National Party (SNAP), which represented the interests of most of the interior native peoples. In the 1978 general elections, he kept the coalition together, in spite of internal strains along native-Chinese and native-Malay/Muslim lines and despite the withdrawal from his party of a Malay faction. This breakaway faction revealed old conflicts between urban and rural Malays in Sarawak and became one of four opposition parties in the 1978 elections.

In 1976, the political scene in Sabah was more contentious because of strong rivalry for power between the former Chief Minister Mustapha Harun, who had “resigned” in 1976 after 9 years in power, and the new Chief Minister Faud Stephens, leader of Berjaya government. Faud Stephens was the new name for Donald Stephens, who had converted to the Islamic faith. The threat of civil violence loomed large as Mustapha planned to regain power. Earlier, he had allowed the illegal immigration of Filipinos and Indonesians to Sabah to increase the Malay-Muslim element espoused by his USNO party. His supporters also carried out bombing incidents in 1976 in attempts to get the federal government to declare emergency rule that could lead to his return to power. Instead, the government arrested thousands of his supporters. Meanwhile, Faud Stephens was killed in a plane crash on June 6, 1976 and was succeeded by

Harris Salleh, the Deputy Chief Minister and a founding leader of Berjaya. Harris was able to establish control, to implement development programs, and to provide political stability. Ethnic tensions still persisted, however, as did resentments on the part of USNO members, even after the National Front readmitted USNO prior to the 1978 general elections.

Hussein Onn then led the National Front to victory in the 1978 general elections, defeating PAS and the DAP, its main opponents. By December 1980, however, he was ill with heart trouble and had to have a coronary bypass operation in England in February 1981. He retired officially on July 16, 1981 and was succeeded by his deputy, Dr. Mahathir Mohamad.

THE PREMIERSHIP OF DR. MAHATHIR MOHAMAD

The present premier differs from his predecessors in several ways. While they came from an elitist background and studied abroad in England, he is from a middle class background and was educated locally, at the University of Malaya in Singapore. While they pursued studies in law, he studied medicine. Whereas his predecessors maintained cordial relations with the former colonial power, to the point of being labeled as “Anglophiles”, he has at times spoken out bluntly and critically against Britain and other Western nations, to the point of being called “anti-West”. He has also stirred more controversy, at home and abroad. Moreover, he has served as premier far longer than any of them.

Perhaps the most distinguishing difference, however, is that he has proved himself to be Malaysia’s most visionary leader. He has devised bold visions for his country, formulated plans for their realization, and brought them to fruition. He has persisted with these plans despite criticism, opposition, and delays. His most prominent idea is probably his “Vision 2020” plan, introduced in 1991, which aims at Malaysia becoming a fully industrialized country by that date. Meanwhile, as a result of his vision and drive, Malaysia has already achieved significant economic growth and prosperity at the start of the 21st century and is regarded as a vibrant, modern, and progressive nation. It is also seen as a moderate Islamic country.

Mahathir’s two decades in power have not always gone smoothly, however. There have, for example, been several changes with his deputy premier. His first deputy was Musa Hitam, a former Minister of Education, who served from 1981 until 1986, when he resigned due to differences with the premier. Mahathir then chose a veteran Malay politician, Ghafar Baba, as his deputy, but replaced him in 1993 with the more dynamic Anwar Ibrahim, who by then was already Minister of Finance. But in 1998, the premier sacked Anwar on charges of corruption and sexual misconduct, an action that shocked and divided the Malays. As Anwar’s replacement, he appointed Abdullah Ahmad Badawi, the former Foreign Minister.

Dr. Mahathir has also faced other clashes. In his first decade in power, he clashed with the Malay rulers when he tried to limit their powers. In 1983, to continue Hussein Onn’s policy of concentrating power at the center, he introduced legislation to amend the Malaysian Constitution by limiting to 15 days the right of the *Yang di-Pertuan Agong* to delay assent to new legislation and transferring the power to declare a state of emergency from the King to the premier. After much bitter controversy, a compromise bill was passed in 1984 whereby the King could delay new federal legislation for up to 60 days and could only declare an emergency on the advice of the cabinet. This was a victory for Mahathir, as it strengthened his position vis-à-vis the Malay rulers. His first years were also marked by disputes with Britain over fee increases in universities and the ending of British preferential trade benefits for Malaysia. This led him to launch a “Buy British Last” policy in 1981, and it lasted until March 1983.

Mahathir’s first decade as premier was also marked by other important developments, He began his premiership with measures to improve government productivity and efficiency, using the slogan “Clean, Efficient, and Trustworthy”, to achieve the NEP aims in a shorter time and with less waste. He also lifted the ban on his controversial book, T*he Malay Dilemma*, and released many detainees from prison. To strengthen UMNO against PAS, he invited Anwar Ibrahim to join UMNO just before the elections in April 1982. His National Front then won a landslide victory in those elections, after which he put Anwar Ibrahim in charge of Islamic Affairs to promote the religion. To ensure that the racial restructuring objectives of the NEP would be achieved by the 1990 timetable, he focused on foreign investments and foreign trade and decided that the government needed to secure a controlling interest in several main British corporations operating in the major resource sectors of the Malaysian economy. Using stock market purchases, the Malaysian Government began to control some of the established British corporations in Malaysia, such as the Guthrie Corporation, Sime Darby, Dunlop, and Harrisons & Crosfield. Ownership of these corporations was then transferred to Bumiputra trust agencies and managed by the main parties in the National Front, especially UMNO. In addition, he called for business-government cooperation with his “Malaysia Incorporated” idea and for privatization, whereby government services and enterprises were transferred to the private sector to make it the main engine of growth.

Dr. Mahathir then led the National Front to a victory in the 1986 general elections. However, he faced problems on the economic front in the mid-1980s with a recession, due in part to the fall in commodity prices. He also faced problems in Sabah and Sarawak, because of the economic recession and because of resentment of Malay domination in politics. In Sabah, with the fall in timber prices, there was growing criticism against the authoritarian government of Chief Minister Harris. The Kadazans and Chinese criticized the Islamization policy of Harris, his pro-Muslim policy in government appointments, and his transferring Labuan island to the federal government without compensation. In the state elections of April 1985, to Mahathir’s embarrassment, Parti Bersatu Sabah (PBS) defeated the Berjaya government of Harris, with the result that the PBS Kadazan leader, Joseph Pairin Kitingan, replaced Harris as Chief Minister. Although Pairin refused at first to share power with a coalition government, he eventually joined the National Front.

In Sarawak, where the Malays dominated political life and the economy even though they made up one-third of the population, Abdul Rahman Yakub led a coalition government for twelve years, until he handed over authority to his protégé and nephew, Taib Mahmud, in 1981. Meanwhile, the Malays, Melanaus, and Chinese profited from the timber boom, while the Ibans went further below the poverty line due to their lack of political power, their fragmentation, and traditional rivalries. When the timber boomed ended, problems appeared in the main Malay-Melanau, Parti Pesaka Bumiputra Bersatu, while the Ibans began to unite to fight for a fairer deal for themselves. In 1983, a split within the Sarawak

National Party led to the formation of the first exclusively Dyak party, Parti Bangsa Dyak Sarawak, which joined the National Front. While the National Front won the 1983 Sarawak state elections, a bitter feud developed between Taib Mahmud and his uncle. Taib was accused of nepotism and of favoring Chinese businessmen. By 1987, a group had formed around Abdul Rahman Yakub and they wanted Taib's resignation. Taib appealed to the central government for help but Dr. Mahatir said it was a state and not federal matter. Taib then called for elections, which he won narrowly.

Meanwhile, within the MCA, there were leadership problems and discontent over Chinese education, due to the decline in the number of Mandarin-medium secondary schools. There were also problems within UMNO over Dr. Mahathir's authoritarian style of leadership. After Musa Hitam resigned as deputy premier in 1986, he supported Tengku Razaleigh Hamzah in challenging Mahathir as leader of UMNO. For security reasons, in 1987 the government arrested over a hundred people, including some members of the National Front. More problems arose in 1988, when the Malaysian high court declared that UMNO was an illegal society and Mahathir was forced to form a new party, UMNO Baru or New UMNO. May 1988 also saw Mahathir's controversial dismissal of the outspoken Chief Justice.

Dr. Mahathir's second decade as premier witnessed more important developments. It began with his controversial EAEC proposal in 1990 to counter economic blocs in the West. The same year saw Mahathir defeating his opponents in the 1990 General Elections -- PAS and Razaleigh's Semangat '46 lost to the National Front, which retained its two-thirds majority in Parliament. The next year saw the end of the NEP after 20 years and its replacement with the New Development Policy (NDP), which placed less emphasis on quotas and race. In 1993, the premier picked Anwar Ibrahim to be his new deputy premier, by-passing his then deputy. In 1994, the Constitutional Amendment Act was passed, reducing the King's powers as he was only to act on the advice of the government. The amendment removed the King's power to block legislation by withholding assent. Critics of the amendment claimed it was a setback for democracy as it strengthened executive power, while the government argued that the King is a constitutional monarch and must act on the advice of the government. This amendment followed revelations in 1992 that there had been abuse of power by the monarch. In 1995, general elections were held again, and the National Front scored another victory, although the PAS-Semangat coalition retained power in Kelantan. Meanwhile, there were problems with federal-state relations, especially with Sabah and Kelantan. Tensions arose too with Australia over negative depictions of Malaysia in films and television programs.

On the whole, however, Malaysia did well, enjoying a high annual economic growth rate of around 9 percent before the 1997 Asian Financial Crisis. It had companies around the world in Africa, China, Central Asia, Latin America, and Southeast Asia and had big projects at home, including the Multi-Media Super Corridor project and a plan to develop Malaysia as a regional educational center. Dr. Mahathir also served as chair of the Group of 15 for South-South cooperation while a Malaysian served as President of the 51st Session of the UN General Assembly. Moreover, Malaysia was to chair the 30th anniversary meeting of ASEAN.

The ASEAN Meeting, however, was a let-down as it coincided with the fall in the Thai and Indonesian currencies. Dr. Mahathir then stirred controversy when he blamed George Soros and other currency speculators for causing the 1997 financial crisis. Meanwhile, the Malaysian ringgit fell by about 40%, the stock market and property values also dropped, while the prices of food items went up. Growth rate forecasts were adjusted from plus 9 percent to minus 1 percent. With the layoff of more workers, foreign and domestic, there was a rise in unemployment. Malaysia went on an austerity drive, cutting salaries and allowances, scaling back on projects except for the Multi-Media Super Corridor, embarking on a “Buy Malaysia” campaign, and sending less government-sponsored students for studies overseas. It also repatriated foreign workers and took steps against illegal immigrants.

Other problems in 1997 included low rubber prices; the drought which led to water rationing; the haze from forest fires in Indonesia, which adversely affected the environment and tourism and raised health concerns; and a scare about a virus which caused the deaths of some humans and horses but mainly pigs. There was fear too of social and political unrest and thus great concern when, in March 1998, fighting broke out in Penang between Hindus and Muslims over a Hindu shrine situated near a mosque. Tensions had arisen over the proximity of the two sites of worship and over plans to move the Hindu shrine. Police used tear gas to break up the fights, and the matter was resolved when the Hindus agreed to move the shrine to a different site. There was also talk of a rift between Dr. Mahathir and Anwar Ibrahim, and a book was circulated containing reasons why Anwar should not become the next premier. The rift, however, was denied by both parties until the announcement in September 1998 that the deputy premier had been sacked from his position due to corruption and sexual misconduct. Anwar had been sacked after refusing to resign.

This shocking development polarized the Malaysian population, especially the Malays, into two camps. With his supporters, Anwar held anti-government demonstrations that led to his arrest in September and eventually to his two court trials. In 1999, a controversial political satire on the Mahathir-Anwar clash was published, written by Shannon Ahmad, a literary figure of national prominence. Dr. Mahathir continued to face criticism from within the country and abroad for his harsh treatment of Anwar. General elections were then held with very short notice in November 1999 and won by the National Front, despite a strong showing by the opposition forces which banded together in a coalition party made up of Anwar’s party, the National Justice Party led by his wife, PAS, and the DAP. The Chinese vote for Mahathir helped to decide the results in his favor.

Since then, Malaysia has made a quick recovery from the financial crisis, the Anwar problem has abated, and Dr. Mahathir is enjoying support within the country and abroad. There have, however, been several security concerns. One was the hostage crisis at Sipadan in April 2000 when 21 tourists, including Malaysians, were kidnapped by members of the Abu Sayyaf, one of two Moro groups in the Philippines fighting for an independent Muslim homeland. The Abu Sayyaf brought the hostages to Jolo in the Philippines and demanded a ransom of US$1 million for the release of each hostage. Another security concern revolved around the Al-Ma’unah cult in Malaysia which carried out a gun heist in 2001. This group has connections with the Kumpulan Mujahideen Malaysia (KMN), which in turn is believed to have connections with the Al Queda terrorists. Since the September 11 terrorist attacks in the United States, attention has focused on connections between the terrorists and their possible links with Malaysia.

Yet another security concern was the March 2001 clash between some Malays and Indians in Kampong

Medan near Kuala Lumpur in which six people lost their lives. This clash had racial, social, and economic overtones. It began with a fight between two households – one Malay, celebrating a wedding, and the other Indian, preparing for the burial of a family member. The fight escalated when a drunken motorcyclist kicked some chairs in the temporary shed erected for the wedding party and when the windscreen of an Indian businessman's car was shattered by a catapult. Armed gangs then roamed the neighborhood, slashing people, and killing five Indians and an Indonesian construction worker mistaken as an Indian. That month, other incidents against Indians followed the earlier clashes. Complicating race relations since then has been rising Chinese and Indian dissatisfaction within the National Front, as they want equal rights for all the races. The non-Malays are also concerned about the calls by PAS for an Islamic state.

In the early years of the 21st century, Dr. Mahathir is placing more emphasis on information technology (IT). Instead of manually skilled workers, he now wants knowledge workers. His MSC project encompasses Kuala Lumpur, the new administrative capital of Putrajaya, the new Cybercity called Cberjaya, and the new Kuala Lumpur International Airport. Within the MSC, there are new cyber laws, policies, and practices and a state of the art communication infrastructure. He has provided special incentives for world class international companies involved in IT and multimedia to locate their R&D operations, content production, field experiments, and high tech manufacturing in the MSC. These efforts have resulted in more investments in Malaysia. Local IT companies are also located in the MSC, enhancing Malaysia's industrial capacity in IT. In addition, a Multimedia University has been established to train the knowledge workers required by the IT firms operating in the area. The Malaysian educational system has also been revamped to have "Smart Schools", which stress "knowledge education" for IT. There is also the Vision Development Policy to replace the NEP and its successor, the NDP, to continue affirmative action for the Malays in a ten-year long program.

In June 2002, Dr. Mahathir surprised the nation with his announcement that he would step down as premier in October 2003. His designated successor is his present deputy premier, Abdullah Ahmad Bawadi.

Self -Study Questions for Further Exploration

- What are some indigenous traditions of Peninsular Malaysia? How did Indianization impact the country?

- When, why, and how did Islam spread to Southeast Asia?

- How was Malacca founded? What is the importance of the Malacca Sultanate in

Malaysia's history on the political, economic, and religious levels?

- Why did the Portuguese conquer Malacca in 1511? What were some features of Portuguese rule?

- Why and how did the Dutch defeat the Portuguese at Malacca in 1641? What were some developments during the Dutch rule in Peninsular Malaysia?

- What were British motives in colonizing Peninsular Malaysia in the late 18th century? How did they acquire Penang and Singapore?

- What is the significance of the Pangkor Treaty of 1874?

- How did the British extend their rule throughout Peninsular Malaysia and to Sarawak and Sabah until the outbreak of WWII?

- How did the British create a plural society in Peninsular Malaysia? Until 1945, what were some consequences from having created a plural society?

- How did the Japanese Occupation impact the Malaysian area?

- Trace the important post-war developments in Malaysia until independence in 1957?

- What major challenges did Tunku Abdul Rahman face during his premiership from 1957 to 1960?

- What major themes characterize the administrations of Tun Abdul Razak and Tun Hussein Onn?

- Discuss major developments in Malaysian history during the administration of Dr. Mahathir Mohamad.

- What do you consider to be the main achievements of Dr. Mahathir's administration?

How does he differ from the earlier premiers?

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POPULATION AND CULTURE

POPULATION

As of mid-2002, Malaysia had a population of around 24.3 million people, with 57 percent living in the urban areas. As noted in the Europa World Year Book 2002, the majority of the people are found on Peninsular Malaysia, as Sabah and Sarawak each have a population of under 3 million. According to the World Almanac and Book of Facts2002, the population density is 175 per square mile, and life expectancy is 68.48 for males and 73.92 for females. The World Factbook, prepared by the U.S. Central Intelligence Agency (CIA), lists the population growth rate as 1.96 percent for 2001.

ETHNIC GROUPS

As a multiracial society, Malaysia has many ethnic groups. On the peninsula, the country's ethnic balance is roughly 62 percent Malay, 28 percent Chinese, and 8 percent Indian. The remaining 2 percent include Eurasians, Thais, Indonesians, Filipinos, Bangladeshis and other small nationality groups. Within the Malay category are the aborigines ("*orang asli*"), of which the largest groups are the Semai and Temiars while smaller groups include the Jakun, the Semelai, and the Negrito. In Sabah and Sarawak, there is even more ethnic diversity. In Sabah, the indigenous (*pribumi*) category is made up of the Kadazan-Dusuns (the largest at 33 percent), the Muruts, the Bajaus, and the Malays. In Sarawak, the main indigenous groups are as follows: Iban (29.6 percent); Malay (20.7 percent); Bidayuh or Land Dyaks (6.4 percent); Melanau (5.8 percent); and Orang Ulu (5.4 percent). The non-indigenous population in Sabah includes the Chinese, who form around 29 percent of the population.

According to the Malaysian Constitution, to be identified as a Malay one must profess Islam, follow Malay custom, habitually speak Malay, and follow certain conditions of birth. To be a Malay is also to be a "*bumiputra*", a term which literally means "son of the soil". This "*bumiputra*" term is now used to denote the Malays, the *orang asli*, and the indigenous peoples of Sabah and Sarawak.

If the Malays and the other indigenous groups are heterogeneous, so are the Chinese and Indians. With regard to the Chinese in Peninsular Malaysia, the main groups are the Hokkien, Cantonese, Hakka (Khek), and the Teochius. In Sabah, they are the Hakka, Cantonese, and Hokkien, while in Sarawak they are the Foochow and the Hakka. As for the Indians, the following are their main groups: Tamils, Telegus, Malayalams, Punjabis, Sikhs, Hindus, and Gujeratis.

LANGUAGES

Because of the multi-ethnic composition of the population, many languages are used in Malaysia. The four main languages, however, are Malay (*Bahasa Malaysia*), Chinese, Tamil, and English, of which the most important is Malay, the mother tongue of the Malays. Malay serves as the National Language and is the medium of instruction in schools and institutions of higher learning. In 1967, Malay also became Malaysia's official language, following the passing of the National Language Act by Parliament. Although Malay is the official language in government administration, English is widely used in commerce and industry and among members of the urban middle class. English is presently making a comeback in Malaysian schools since the government declared in mid-2002 that math and science subjects will soon be taught in English, in line with Malaysia's "2020 Vision" policy of becoming a fully developed nation by that date.

The Malay language has different dialects, with variations in the use of words and in the intonation. For example, the Malay spoken in Kelantan is somewhat different from that spoken in Johore. There are also differences with court Malay, the Malay that is spoken to members of the royal family. Out of deference, commoners must use special words and terms with members of royalty. For example, a commoner speaking to a ruler (Sultan) would refer to himself as a "*hamba*", which literally translates as "slave", but is really meant to signify a person of lesser rank. As for the Malay script, an Arabic script, called *Jawi*, is taught in schools, while a romanized Malay script, known as *Rumi*,has become the official form.

Among the orang asli, the various groups have their own mother tongue, sometimes with several dialects. Likewise, the various indigenous communities in Sabah and Sarawak have their own languages. As a result, Malay often serves as the inter-ethnic medium of communication among the indigenous peoples of Malaysia. In Sabah, the languages of the indigenous peoples include the following: Rungus, Kadazan, Murut, Bisayah, Paitan, Bajau, Suluh, Illanun, and Lun Dayah. In Sarawak, the following are the main languages of the indigenous groups: Melanau, Bidayah, Penan, Kayan, Kenyah, Nawai, Iban, Kelabit, and Lun Bawang.

With the Malaysian Chinese, Mandarin is the language of instruction in all Chinese schools, and it also serves as the form of written Chinese used by speakers of all Chinese dialects. The most important Chinese dialects used in Malaysia are Cantonese, Hokkien, Hakka, Foochow, Teochiew, and Hainanese. Many Chinese are fluent in several dialects. While Cantonese is the most common dialect in Kuala Lumpur, it is Hokkien in Penang, Hakka in Sabah, and Foochow and Hakka in Sarawak. With the Malaysian Indians, Tamil is the mother tongue for the majority of them. Other common Indian dialects used in Malaysia include Telegu, Malayalam, Punjabi, Hindi, Gujerati, and Urdu.

RELIGION

As stated in the Malaysian Constitution, Islam is the official religion, but freedom of worship is allowed. The Malay Sultan is the religious head in all the states except Penang and Malacca, where the religious head is the *Yang di-Pertuan Agong*. Each state has a council of religion to advise the state government on religious matters. However, there is also a National Council for Islamic Affairs to decide on Islamic ceremonies and observances for the whole nation.

With the Malays, religion correlates closely with ethnicity in that the Malays adhere to Islam and there are very few cases of apostasy. State laws also forbid the propagation of any other religion to Muslims. In marriages between Malays and non-Malays, it is customary for the non-Malay partner to convert to the Islamic faith and for the children from these unions to be raised as Muslims.

Among the *orang asli* groups in Peninsular Malaysia and the indigenous communities groups in Sabah and Sarawak, there are many animists, although in recent years many have converted to the Muslim faith. There are also Christians among the *orang asli* and indigenous peoples of Sabah and Sarawak, the result of the work of early Western missionaries in the area. Some of these Christians are able to trace the conversion of their families over several generations.

In the case of the Chinese, most of them are Buddhists or Taoists although there are also Muslims and Christians among them. As for the Indians, most are of the Hindu faith while others are Buddhist, Sikh, Muslim, or Christian. The small Eurasian population is mostly Christian, made up of both Catholics and Protestants. Catholic churches date back to the time of Portuguese rule and can be found in Malacca, Kuala Lumpur, Penang, Kuching, Kota Kinabalu and other big towns. Protestant influence came with Dutch rule and increased under British colonialism. Protestant churches can also be found in the main towns throughout Malaysia. The main Protestant denominations are Anglican, Methodist, and Baptist.

On the whole, Muslims account for 60 percent of the population of Peninsular Malaysia, 50 percent of that of Sabah and only one-third of that of Sarawak. On the other hand, while Christians make up only 2 percent of the population of Peninsular Malaysia, they account for 27 percent in Sabah and 29 percent in Sarawak.

ART, MUSIC, LITERATURE, AND FOOD

With its multi-ethnic population, Malaysia enjoys a diversity of art forms. These include: wood carvings by the *orang asli*, the Malays, and the indigenous groups in Sabah and Sarawak; handwoven cloth, inlaid with gold or silver *(kain songket*), by the Malays; fabric-weaving by the Ibans; beadworks in Sabah and Sarawak; sleeping mats by the Penans; and *batik* production by several indigenous groups. There is also pottery with indigenous motifs from Sarawak; basket-making, using bamboo and rattan, throughout the country; and the making of tops, kites, the *kris* (Malay ceremonial dagger), ornaments, and jewellery by skilled Malay craftsmen. In addition, one can find batik and oil paintings; Malay and Chinese works of calligraphy; tribal artifacts and jewelry; and antique furniture, especially in the historic town of Malacca.

In the case of Malaysian music, the dominant music is that by the Malays, although there is also Chinese opera, Indian classical music, and other non-Malay music. Traditional music forms among the Malays include religious songs and chants and the singing of songs set in a certain verse-style known as "*pantun*". Among traditional musical instruments, the basic one is the drum, of which there over a dozen types. There are also the percussion instruments, the wind and string instruments, and the ensembles, made up of the *nobat* and *gamelan* orchestras. Several of the Malay states have the *nobat* orchestra, a special royal orchestra for state ceremonial occasions, with four or five members who use drums, a flute, a trumpet, and a gong.

With regard to Malaysian literature, a developing field, the main bulk is in the Malay language. The Language and Literary Agency (*Dewan Bahasa dan Pustaka*)oversees the development and promotion of Malay literature and is the nation's largest publisher. Early Malay literature contains Sanskrit and Arabic literary traditions, as court poetry used these scripts. Some Malay poets and short story writers also used the Arabic script as late as the 1950s. One traditional form of Malay literature is the *pantun*, with its highly structured rhyming quatrain containing internal rhymes and nuances and with its message in the final two lines. The *pantun* is still used in contemporary songs and poetry. Another traditional form is the *syair*, also tightly structured, but longer, and used in connection with history or a story. Yet another traditional form is the *hikaya*t, which is a court-based prose form that relates historical and legendary events. Both the *syair* and *hikayat* are meant to be recited rather than read silently. All three traditional forms rely on oral traditions.

With British colonialism came new forms of literature, as seen in the works of Munshi Abdullah or Abdullah bin Abdul-Kadir, who had British employers. His *Tales of Abdullah's Voyage* (*Kisah Pelayaran Abdullah*), about his travels, and his *The Hikayat Abdullah (1848)*, his autobiography, use Western literary forms and show his personal viewpoint when discussing Malay society and politics. His autobiography is regarded as marking the beginnings of contemporary Malay literature. By the 1920s and 1930s, the Malay press regularly published poetry and serialized short stories and novels, but it was only after WWII that the Malay literary movement begin with the gathering of nationalist writers in Singapore. These young Malay writers, who wrote works dealing with social idealism and political commitment, became known as the Generation of '50s Writers (*ASAS '50*). The most well known among them include Usman Awang, A. Samad Said, and Keris Mas. Usman Awang is noted for his poetry, short stories, and plays, most of which deal with the struggles of the oppressed. A. Samad Said's novels, poems, short stories, and essays include his famous novel *Salina* (1961), which examines Malay social values and behavior in postwar Singapore through the eyes of a prostitute. Shannon Ahmad is best known for his short stories and novels, which deal with the life of rural Malays in the north, who have to deal with both a difficult agricultural landscape and an unequal society. More recently, he gained attention as the writer of a very controversial political satire on the Mahathir-Anwar split.

As for food, Malaysia is a gourmet's paradise. The main types of food are Malay, Chinese, and Indian, but one can also find other cuisine, including Western, Filipino, and Japanese. Malay food is spicy and fragrant, with many dishes using coconut milk. With Chinese food, there is a great deal of choice as the styles of cooking range from Hokkien, Szechuan, Teochew, to Cantonese. Indian food also offers considerable variety as one can choose South Indian, North Indian, or vegetarian cuisine. At public functions involving meals, chicken and lamb are usually served as meat dishes because of Islamic dietary restrictions on pork and Hindu dietary restrictions on beef. Most hotels, restaurants, and dining establishments in Malaysia also have signs stating that the food served is "*halal*", which means with meats from animals slaughtered the Muslim way.

NATIONAL HOLIDAYS

Malaysia celebrates many national holidays to mark mainly national events and the religious festivals of its major ethnic groups. The national events are Independence Day or National Day, which is celebrated on August 31, and the official birthday of the Yang di-Pertuan Agung or Paramount Ruler, celebrated on the first Saturday of June.

National holidays connected with the Islamic faith include the following: the Muslim New Year (*Ma'al Hijrah*); *Hari Raya Puasa* (*Aidil Fitri*), which concludes a month of daily fasting; *Hari Raya Haji* (*Idil Adha*), which is celebrated on the twelfth day of the third moon of the Muslim calendar when Muslims perform the last phase of the holy pilgrimage in Mecca; and the birthday of the Prophet Mohamad, which falls on the twelfth day of the third moon of the Muslim calendar.

Hari Raya Puasa is a two-day national holiday, as is Chinese New Year, which is celebrated on the first day of the first moon on the Chinese lunar calendar around January or February. For the Buddhists in the population, there is the Wesak Day holiday in May to celebrate Buddha's birthday, the most important day in the Buddhist calendar. For Hindus, there is Deepavali, the festival of lights, which is celebrated in November to mark the victory of good over evil when Lord Krishna triumphed over a demon king. In early January or February, Hindus also celebrate the religious festival of Thaipusam, which commemorates the birthday of Lord Subramaniam, when some devotees undergo rites of penance. As for Malaysian Christians, they celebrate Christmas Day, another national holiday. For the people of Sarawak, there is also Gawai Day or Dayak Festival Day, which is celebrated on June 1. Other national holidays are Labor Day, on May 1, and New Year's Day, on January 1. Each Malaysian state also observes the birthday of its Ruler as a public holiday. Moreover, Federal Territory Day on February 1 is a holiday in the Federal Territories of Kuala Lumpur and Labuan.

Self-Study Questions for Further Exploration

- How did British colonialism transform Peninsula Malaysia from being a land of the Malays into a multi-ethnic and multi-religious country?

- Name the main ethnic groups in Peninsular Malaysia, Sarawak, and Sabah.

- What are the main religions in Malaysia? What ethnic groups are followers of these religions?

- What are some strengths of a multi-racial society such as Malaysia?

- What are some inherent challenges within a multi-ethnic and multi-religious nation like Malaysia?

- What factors foster national unity in a nation? How can national unity be strengthened in a nation such as Malaysia?

- Discuss the richness of Malaysian arts, music, and literature.

- In what ways is Malaysia a gourmet's paradise?

- How do Malaysia's national holidays reflect the nation's multi-racial and multi-religious population?

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SOCIAL ISSUES

CLASS STRUCTURE

During pre-colonial times, a feudalistic system existed among the Malays, with the Sultan at the apex of the power structure and the peasants at the bottom. Power depended on lineage, land holdings, material wealth, and supporters or followers. During British colonialism, part of this class structure remained as the British preserved the sultanate, even though they instituted the residential system, which gave the British Resident power in all administrative matters, except those touching upon Malay customs and religion. These two areas of Malay life continued to be under the control of the Malay ruler throughout British rule. After independence in 1957, when the country became a constitutional monarchy, the vestiges of class structure became less prominent. At present, they have mostly disappeared, except at court where royalty, rank, and protocol remain very important. At present, one's social standing in Malaysia is based more on economic means and occupation than on birth.

Among the non-Malays, class structure is less rigid, although some view the special rights in the Constitution as a form of class structure. Among the Indians in Malaysia, most have not adhered to the Hindu caste system. In general, one can argue that there is an upper class, a middle class, and a lower class in Malaysia, but this classification is based more on economic standing than on lineage. In any case, the middle class is the largest grouping, and the Malaysian Government has been working on creating a more equitable society through the NEP and its successors, the New Development Policy (NDP) and the Vision Development Policy (2001-2010).

FAMILY LIFE

Family life in Malaysia depends on several variables, such as ethnicity, religion, rural or urban setting, and economic means. It is therefore difficult to generalize about family life. On the whole, however, it can be safely surmised that extended families played a very important role in pre-independent Malaysia but a smaller role since independence due to numerous changes, including the migration of people from rural to urban areas for better job opportunities. At present, nuclear families are the dominant unit, especially in urban centers, while in rural areas extended families continue to play a significant role. In nuclear families, both husband and wife usually work and depend on maids, babysitters, or childcare centers to help them take care of their young children. In urban areas, family life is often more complex, with the many opportunities for extracurricular activities for children after school and for adults after work.

Family dwellings in Malaysia also vary a great deal, from simple houses on stilts in the rural areas to apartments, condominiums, linkhouses, single family homes, and palatial abodes in the towns and cities. In Sabah, dwellings called “longhouses” are still found in the northern and interior parts. Each longhouse is divided into apartments for individual families, but they share common areas.

Despite the rise in nuclear families, most Malaysian families tend to take care of their aged parents rather than send them to old folk homes. They usually do so by sharing this responsibility between family members, with siblings taking turns to house them. With Chinese families, the usual custom is for the eldest son to play the main role in taking care of the old parent or surviving parent. Most Malaysian families also help relatives who are in need. In most Malaysian families, the young people live with their parents before marriage, although at present a growing number, especially in the cities, prefer to live on their own or to share housing with friends once they begin working.

As for marriage in Malaysia, there are now less cases of arranged marriages than in previous years. Couples are also marrying at a later age. The marriage ceremony is usually an elaborate affair and the wedding feast can drain a family financially. Among the rural Malays, a whole village often helps in preparing the wedding feast. Certain wedding traditions and customs are observed by each race. In the towns and cities, the wedding receptions are usually catered events in the form of dinners at homes, or public halls, or restaurants. It is a custom among traditional Chinese families to provide a nine-course or ten-course dinner as a wedding feast for friends, relatives, and other guests. Inter-racial marriages are increasing, and the non-Malay partner in Malay-non-Malay unions converts to the Islamic faith. Divorce is a relatively easy process among the Malays. While divorce occurs among all the races, it is especially frowned upon by the Chinese because of the importance placed on the family unit.

GENDER

The Malaysian Government pays equal wages to men and women for their work. In recent years, the government has also established a Ministry for Women’s Affairs to cater to women’s issues and to mainstream women’s concerns into national development. Women now head about 17 percent of all households in Malaysia. Many Malaysian women do hold high office in the government. However, in the private sector, advancement for women has met with more obstacles, and wages for women tend to be lower than that for men. Regional differences also exist in the status of women, especially between those in Peninsular Malaysia and those in Sabah and Sarawak, due to ethnic, historic, and economic reasons. As the 7th Malaysia Plan shows, the government is working on improving the position of women in the family, community, and workplace. There is growing concern, for example, about their under-representation at higher levels of employment and about the lack of sufficient child care facilities to support the female labor force. There is also concern that since women make up the bulk of the workforce in the textile and electronics industries they are more vulnerable to retrenchment. In both these industries, two-thirds of the workers retrenched have been women. To survive, some of these women have been forced to become petty traders or to enter the food catering business.

Gender issues crop up in Malaysian families in various ways. For example, among the Chinese there is a preference for male children since they carry the family name. Among traditional Indian families, boys are also often preferred to girls as these families still use the dowry system for girls. Yet, among some Malays, like the Minangkabaus in Negri Sembilan, a matrilineal system called *adat perpateh* is followed. Negri Sembilan is the only state in Malaysia having the matrilineal system.

HEALTH AND WELFARE

One consequence of British colonialism was the introduction of modern medical care, aimed primarily at helping the European population but with some indirect benefits for the local population. Diseases, which were largely controlled under British rule, included malaria, beri-beri, cholera, and tuberculosis. By the 1930s, more attention was paid to health issues, due to rising concern about the moral responsibility that should accompany colonialism.

More progress in health services occurred after independence with the stress on rural development and with improvements in medical, dental, and other health services. To meet the staff demands of the country's expanding health services, the government established more training schools for nurses, hospital assistants, radiographers, dispensers, inspectors, and laboratory technologists. It also established medicals schools to train doctors, for example at the University of Malaya, the National University of Malaysia, and the Science University. The teaching hospitals attached to these universities are now capable of performing complicated heart and other surgeries. Presently, Malaysia has become a provider of medical services to Third World nations, such as Cambodia.

By 1991, Malaysia's Ministry of Health was pushing a Healthy Lifestyle Campaign and working to support preventive and curative health programs. Throughout the country, medical treatment is provided by hospitals, dispensaries, and clinics, using modern equipment, medicines, and techniques. Disease control extends to both communicable and non-communicable diseases. One of the latest diseases to be added to the list of notifiable diseases is Acquired Immune Deficiency Syndrome (AIDS). In addition, the government runs programs on maternal and child health, nutrition, school health, environmental sanitation, industrial health, hygiene, and water fluoridation. Dental services are also provided, as are counseling and psychiatric facilities. In the rural areas, there are mobile health teams to provide health services. Malaysia also has a National Pharmaceutical Control Laboratory to keep a check on imported and locally manufactured drugs.

On the private level, Malaysia also has several top-rate hospitals, such as Pantai Medical Center and Subang Medical Center in the Kuala Lumpur vicinity. Moreover, there are numerous private clinics, nursing care facilities, dental clinics, and other medical establishments. In addition, there are the various shops for Chinese, Indian, and traditional medicines. Malaysians thus have a very wide choice in medical care.

As for social welfare, this is the joint responsibility of the federal and state governments. The welfare services provide care for the following groups in the population: the handicapped, the aged, the chronically ill, beggars and vagrants, women and children, juvenile delinquents, and drug addicts. The state governments are responsible for general welfare and relief services. Most state governments are also in charge of the reform programs for juvenile delinquents, but in Sabah and Sarawak these services come under the jurisdiction of the federal government. Voluntary agencies in the country help the state and federal governments to run some of the welfare programs, with grants-in-aid from the federal government through the Ministry of National Unity and Social Development. Many of these voluntary agencies are church or religious groups or non-governmental organizations (NGOs).

Social security measures in Malaysia include an Employment Injury Insurance Scheme, which provides medical and cash benefits to injured workers, and an Invalidity Pension Scheme, which provides protection to employees against invalidity due to disease or injury from any cause. The government plans to eventually extend social security benefits to the self-employed, especially fishermen and farmers. Other supplementary social security provisions are the Employees' Provident Fund, a pension scheme for government employees, free medical benefits for those unable to pay, and medical benefits for workers under the Labor Code.

On the whole, the country has had a good record on poverty reduction. According to the Asian Development Bank's December 1999 "Country Assistance Plan (2000-2002)" for Malaysia, the incidence of poverty in Peninsular Malaysia fell from 49.3 percent in 1970 to 9.6 percent in 1995 and 6.8 percent in 1997. Poverty is also mainly a rural phenomenon with the poorest states in the nation being Kelantan, Trengganu, Sabah, Kedah, and Perlis.

EDUCATION

Under British colonialism, there were the Islamic schools, the mission schools run by Western missionaries, the private schools managed by the different races, and the government schools. There were thus religious schools, Malay schools, Indian schools, Chinese schools, and English schools. In 1956, a year before independence, the task of developing a national system of education fell on the then designated Minister of Education, Tun Razak, who drafted a report bearing his name. The Razak Report, implemented in 1957, declared education as the key to unity and economic progress and stressed that resources had to be channeled into its various aspects, such as teacher training, new school buildings, and the teaching of subjects in science and technology for modernization and progress. The Report also stated that although cultural differences among the races could be preserved by allowing the continuation of Malay, Chinese, Tamil, and English schools, a national language had to be taught in all the schools.

The 1957 Constitution had declared Malay as the national language, with the provision that English could be used for official purposes for a period of ten years, after which Malay would be the sole official language. In 1960, the Rahman Talib Report was passed, calling for the abolition of Chinese-medium secondary education in national-type schools. The Education Act of 1961 implemented this report. In 1967, a National Language Bill was passed recognizing Malay as the national language, but allowing English to be used in an official capacity. Meanwhile, the government started substituting Malay for English as the main medium of instruction in all lower and mid-level secondary schools. The language issue thus became a contentious one, especially in Peninsular Malaysia in the 1960s and 1970s. In Sabah and Sarawak, this issue was less contentious as the retention of English and the slower introduction of Malay had been conditions of entry into the Federation. Sabah made the national language the only official medium of communication in September 1973, while Sarawak decided to retain English until 1980.

Throughout this period, Razak's advice about the importance of education was followed as Malaysia continues to give high priority to education. Education receives 5.8 percent of the Gross Domestic Budget (GDP) or 17 percent of the national budget, the highest financial allocation after defense. The Malaysian Government continues to view education as a priority investment for the country's future.

Formal school education in Malaysia is now made up of six years of primary school, three years of lower secondary school, two years of upper secondary school, and two years of pre-university education. This education is provided without charge, and Malay, the national language, is the medium of instruction, while English is a compulsory subject. Upon completion of primary school, students are automatically promoted to a secondary school, where Malay is the medium of instruction. At the end of the third year, students take the Lower Secondary Assessment for entrance into the upper secondary school. Students then follow a general education syllabus where courses with an arts, science, or technical orientation are offered, after which they take the Malaysian Certificate of Education Examination. The roughly seven percent who attend technical schools sit for the Malaysian Certificate of Education (Vocational) Examination. About 15 percent of secondary school graduates enter the two-year pre-university program, which prepares them for the Higher School Certificate Examination for entry into university.

Tertiary education at the many colleges, polytechnics, and universities takes another two to five years, depending on the course. This tertiary education at government-funded institutions of higher learning is provided at a nominal fee, and the medium of instruction is Malay. There are also many privately funded colleges where English is the medium of instruction. Some of these colleges have "twinning programs" with overseas universities, whereby a Malaysian student can study locally for two years to earn an Associate Degree before transferring overseas to the twinning institution to complete the program and earn a foreign degree. Many non-Malay students, unable to gain admission into the local universities, attend such colleges.

Latest developments in Malaysian education include Dr. Mahathir's emphasis on having "smart schools" to foster computer literacy among school children. He also wants to encourage creativity among school children and to help them have a better command of the English language. To reach the second goal, Dr.

Mahathir announced in mid-2002 a comeback for English in schools, to begin with the teaching of math and science subjects in English. Meanwhile, he is also building up Malaysia as a center of academic excellence. With the rapid growth of private schools and private and government colleges and universities, Malaysia has already become a provider of educational services for the whole region. In recognition of Malaysia's new role, ASEAN recently chose Malaysia as the site for its proposed ASEAN University.

LABOR FORCE

In the first decade after independence, the majority of the labor force was engaged in agriculture, but this has since changed with the emphasis by the Malaysian Government on industrialization. At present, most of the labor force is engaged in manufacturing industries, with manufactured goods making up over 80 percent of Malaysia's exports. Since these industries are labor-intensive, Malaysia has had to rely on foreign workers. The shortage of labor is especially marked in the plantation, construction, manufacturing, and the services sectors of the Malaysian economy. The foreign workers, male and female, come mainly from Indonesia, the Philippines, and Bangladesh, where wages are much lower. Many foreign female workers work in textile and electronic plants or as maids in homes. Although most foreign workers enter the country legally, some do so illegally. By 2002, Malaysia had over two million foreign workers, legal and illegal. In mid-2002, the Malaysian Government took action against illegal workers, forcing their deportation. Some of these illegal immigrants later complained of ill treatment, leading their governments to file official complaints.

In certain industries, such as the construction and plantation industries, there are more male than female workers. On the other hand, in the electronics and textile industries there are more women than men workers. Wages in the private sector are not equal for men and women workers, unlike the government sector which gives equal pay for equal work

The Ministry of Human Resources is responsible for coordinating manpower planning for the private sector, to ensure that the nation has a supply of multi-skilled, disciplined, and productive workers and that the Vision 2020 plan will be achieved. A Human Resources Development Fund was established in November 1992 to promote training for advanced skills to meet the new technological changes and industrial requirements. Besides the Workmen's Compensation Act (1952), there is the Children and Young Persons (Employment) Act (1966) to regulate the employment of young people, and the Workers' Minimum Standards of Housing and Amenities Act (1990) to stipulate all the conditions that must be met, such as nurseries for children under the age of three, if the workers collectively have more than ten children. In addition, the Ministry of Human Resources carries out both industrial safety inspections to check machinery and industrial hygiene inspections to detect and assess stress and health hazards at work. The Ministry also has a Department of Trade Union Affairs to promote the development of a democratic and responsible trade union movement.

Self- Study Questions for Further Exploration

- What are some similarities and differences in family life among the major ethnic groups in Malaysia?

- How can gender equality be improved in Malaysia?

- What are some interesting aspects of Malaysia's health care system?

- What strides have been made in the educational field since independence in 1957?

- In Malaysia, in what ways can education be regarded as an investment for the future?

- What are some main welfare services that the Malaysian Government provides to its peoples? What more should be done to help the poor?

- Why has Malaysia turned to foreign labor? What are some issues that can arise with regard to reliance on foreign labor?

- What are some protective measures for workers in Malaysia?

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ECONOMY

THE FIVE-YEAR PLANS

So far, there have been ten five-year plans -- two Malaya Plans from 1955 to 1965 and eight Malaysia Plans from 1966 to the present. Both the Malaya Plans had the following aims: economic growth; the reduction of economic disparity among the ethnic groups; and the creation of more employment opportunities. The First Malaya Plan (1955-60) stressed the replanting of rubber trees; industrialization through a Pioneer Industries policy; improvement of transportation; and the introduction of universal primary education. It helped the country record an economic growth rate of 4.5 percent from World War II to 1960 and was considered a success. The Second Malaya Plan (1960-65) dealt with remaining problems, such as the high population growth rate, the undeveloped rural areas, and the need for diversification of the economy to reduce dependence on rubber and tin exports. Its focus on rural development was helped by the Federal Land Development Authority (FLDA), which gave land to the landless, and the Rural and Industrial Development Authority (RIDA), known in Malay as the Majlis Amanah Ra'ayat (MARA), which encouraged business enterprise among the rural Malays. This plan helped record a higher growth rate of 6.5 percent.

Despite impressive economic growth, however, poverty and unemployment persisted in the rural areas. Hence, the First Malaysia Plan (1966-70) continued to stress rural development. The Plan also focused on economic growth and on the diversification of the economy to include palm oil, timber, and manufacturing. The Plan called for manufacturing to be aided by import substitution and for poverty to be reduced by better paying jobs for the Malays. The Economic Planning Unit (EPU) of the Prime Minister's Department played a major role in formulating this and subsequent Malaysia Plans. In 1970, 78.4 percent of Malaysia's exports came from rubber, tin, timber, palm oil and petroleum, while only 11.9 percent came from manufacturing. Import-substitution industrialization had a limited effect, because of Malaysia's very small domestic market.

With poverty among rural Malays remaining a serious problem and with the outbreak of race riots in 1969, the Second Malaysia Plan (1971-75) incorporated the aims of the 1971 NEP: -- to reduce and eradicate poverty by increasing income levels and employment opportunities for all irrespective of race and to accelerate the process of restructuring Malaysian society to correct economic and geographical imbalances. One imbalance then was the concentration of Malays and other indigenous groups in the subsistence agricultural sector of the economy and the concentration of the non-Malays, especially the Chinese, in the modern rural and urban sectors. The Second Malaysia Plan also called for an expanded secondary industry base, with the west coast Peninsular states focusing on manufacturing; the Borneo states, Pahang, Kelantan, Johore, Terengganu, and Perak on foresty; and the states of Pahang, Johore, Terengganu, Kelantan, Kedah, Perak, and Negeri Sembilan on agriculture and land development.

In 1973, the mid-term review of the Second Malaysia Plan included the Outline Perspective Plan (OPP), 1971-1990, within which the objectives of the NEP were to be realized. By 1975, Malaysia had a growth rate of 7.4 percent per annum.

The Third Malaysia Plan (1976-80) continued these aims, emphasizing manufacturing and an urban-industrial strategy in the belief that urban growth would hasten industrial activity. This strategy spread urban development more evenly throughout Malaysia. The Fourth Malaysia Plan (1981-85) sought to further develop the east coast and the infrastructure linking the rural areas to the towns. This plan also mirrored a shift in industrial policy, from labor-intensive industries to capital and technology-based industries. Accordingly, the states were assigned economic functions, such as high technology to Penang; mining and manufacturing to Perak; agriculture, mining, and manufacturing to Perlis and Kedah; industrialization to Selangor, the Federal Territory of Kuala Lumpur, Negri Sembilan, and Malacca; agriculture and industrialization to Johor; forestry, agriculture, and some manufacturing to Pahang; and petroleum, gas, and heavy industry to Terengganu.

With the economic recession in the mid-1980s, the Fifth Malaysia Plan (1986-90) made further changes. Rather than an emphasis on states, it focused on regions and created six -- four in Peninsular Malaysia and two in Sabah and Sarawak. The Plan fostered the growth of joint industrial development within the regions and the creation of secondary growth centers through private sector collaboration. The Industrial Master Plan (IMP) of 1986-89 also sought to further develop the manufacturing sector, to maximize the exploitation of natural resources, and to establish the foundations for *bumiputra* participation in an advanced industrial society. Meanwhile, agriculture's share of the Gross Domestic Product (GDP) dropped from 31 percent in 1970 to 19 percent by 1990, while manufacturing's share rose from 13 percent in 1970 to 44 percent by 1990.

By 1990, with the end of the NEP, the EPU drafted the Second OPP that became the basis for the New Development Policy (NDP), which replaced the NEP. The NDP continued the NEP's stress on stable growth, balanced development, ethnic harmony, and the removal of social and economic imbalances in society. The Sixth Malaysia Plan (1991-95), in line with the Second OPP and the NDP, was geared towards these common goals. Like the NDP, it placed greater attention on quality, requiring stricter standards for bumiputra candidates in business positions and for their products and services. By then, however, a problem was "crony capitalism", arising from personal links between the private sector and government leaders. This led, in turn, to a widening gap between the lower and middle classes and the very wealthy upper class.

Under the Seventh Malaysia Plan (1996-2000), the average annual GDP growth rate was targetted at 8.6 percent. The plan's major aim was to upgrade the economy and to make a strategic shift from low-skill, low value-added output to high-skill, high value-added output. Accordingly, improved vocational training was emphasized, to be further developed through the Human Resources Development Council and through more opportunities within tertiary education. The university system was also to be commercialized and partly privatized. The 1997 Asian Financial Crisis, however, put a spanner in the works; the Malaysian economy declined by 7.5 percent in 1998. Then it rebounded by mid-1999, posting a growth rate of 5.4 percent that year. Since then, the economy has continued to improve. Meanwhile, manufacturing has continued to dominate the export sector, with electrical and electronic products accounting for 57.1 percent of total export earnings in 1999.

The Government announced the Eighth Malaysia Plan (2002-2005) in April 2001. Its aims are: to shift the growth strategy from input-driven to knowledge-driven; to hasten structural transformation within the manufacturing and services sectors; and to strengthen socio-economic stability through the equitable distribution of income and wealth. This plans envisions a yearly growth rate of 7.5 percent, with the main engines of growth being the manufacturing and services sectors. The same year, the government introduced the Third Outline Perspective Plan (OPP3) for 2001-10, a ten-year development program aimed at creating a resilient and competitive economy.

THE NEW ECONOMIC POLICY

The New Economic Policy (NEP) was introduced in 1971 in the aftermath of the 1969 racial riots. Its aims were twofold: "eradicating poverty irrespective of race" and "restructuring society to eliminate the identification of race with economic function". These aims were to be achieved by 1990, when Malays and other indigenous groups were to "own and manage at least 30 percent of the total commercial and industrial activities of the country in all categories and scales of operation and become full partners in the economic life of the nation". The objectives of the NEP were to be achieved within the First Outline Perspective Plan (OPP1) drawn up by the government for the 1971-1990 period.

The implementation of the NEP saw more emphasis being placed on the restructuring of society than on poverty eradication. The NEP has been both praised and criticized. It has been praised for raising the living standards of the rural population, but criticized for insufficient help to the very poor and for not always awarding scholarships to the neediest students. Some also believe it spoiled the Malays. There are conflicting views too about the extent to which the 30 percent bumiputra equity ownership was achieved. There are also allegations that the transfer of state assets to bumiputra ownership created a wealthy elite within the Malay community, causing greater income disparity within that community than in other ethnic groups.

THE NEW DEVELOPMENT POLICY

The New Development Policy (NDP) replaced the NEP in 1991 and formed the basis of Dr. Mahathir's Vision 2020 plan for Malaysia to become an industrialized society. Its macroeconomic and social targets were listed in the Second Outline Perspective Plan (OPP2) for the 1991-2000 period. While the NDP continued the NEP's goals of eradicating poverty and restructuring society, it had a slightly different focus in that it placed less stress on racially-based economic and social engineering and more emphasis on national unity. It kept the 30 percent target for *bumiputra* corporate ownership, but set no deadline for its achievement. Instead, it emphasized the development of skills to promote the consolidation of *bumiputra* wealth. It aimed at attaining balanced development so as to create a more united and just society.

THE VISION 20/20 PLAN

This plan is perhaps the most visionary of Dr. Mahathir's ideas. Introduced in 1991, it has been adopted in principle by other countries and organizations, including ASEAN. According to Mahathir, the year 2020 represents the deadline for Malaysia to become a fully developed and industrialized nation. To him, by then it "must be a nation that is fully developed along all the dimensions: economically, politically, socially, spiritually, psychologically, and culturally". The nine strategic objectives or challenges set out by Vision 2020 are as follows: establishing a united Malaysian nation with a sense of common and shared destiny; creating a liberated, secure, and developed Malaysian society; fostering and developing a mature democratic society; establishing a fully moral and ethical society; establishing a mature, liberal, and tolerant society; establishing a scientific and progressive society; establishing a fully caring society and a caring culture; ensuring an economically just society in which there is a fair and equitable distribution of the wealth of the nation; and establishing a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient.

AGRICULTURE

Agriculture's share of total export earnings has declined in recent years. Whereas rubber used to be the principal export since colonial times, making up half of the country's exports in 1961, it no longer commands this position. In 1989, palm oil replaced rubber as the second largest export earner after petroleum. The rubber industry has been adversely affected by depressed prices, labor shortages, and the reduction in cultivated area. Much of the rubber land has been replanted with other crops, especially oil palm. Despite the continued decline in production, Malaysia is presently the world's third largest producer and net exporter of rubber, after Thailand and Indonesia.

In the case of palm oil, introduced in the 1960s to diversify the economy, Malaysia has become the world's largest producer and exporter of this commodity, accounting for half of the world's production in 1998 and nearly two-thirds of international trade in palm oil. As with rubber, the bulk of crude palm oil comes from Peninsular Malaysia. In 1975, the government changed from just planting and exporting crude palm oil to also producing, refining, manufacturing, and selling oil-based products, thus leading to more palm oil mills, more palm oil refineries, and an expanding oleochemical industry in the country. The government also promoted the use of palm oil in food production in various parts of the world. When labor shortages became a serious problem, estates had to turn to migrant foreign labor, which sometimes made up 70 percent of the work-force.

Meanwhile, timber has become one of Malaysia's main exports, with Sarawak accounting for 49 percent of total production, Sabah for 23 percent, and Peninsular Malaysia for 24 percent. Another main export is cocoa, which is Malaysia's fourth most important agricultural export after palm oil, timber, and rubber. Other agricultural exports include pepper and fruits. Malaysia is now the world's fifth largest producer of pepper, which is mainly grown in Sarawak. As for rice, Malaysia is about 75 percent self-sufficient, while in fisheries it is about 91 percent self-sufficient.

INDUSTRY

Upon independence in 1957, Malaysia had only a rudimentary manufacturing sector. However, its five-year development plans soon built up the nation's industrial base, enabling the manufacturing sector to eventually supercede agriculture as the largest contributor to GDP. In the 1960s, Malaysia's industrial policy operated through an import substitution strategy which concentrated on increasing domestic processing of natural products and on producing basic consumer goods for home consumption. In the 1970s, the government changed the focus to export-oriented labor intensive industries like electronics and textiles, which were mainly financed by foreign investment. In the early 1980s, the government introduced a second phase of import substitution, this time focusing on the car and steel industries, but led by the public sector. It set up the Heavy Industries Corporation of Malaysia (HICOM) and launched the *Proton* car project. Progress though was thwarted by the mid-1980s recession, which led to a fall in global demand for electronics and other manufactured goods. The economy recovered in 1986 nonetheless, stimulated by the renewed global demand for electronic goods.

In 1986, the government also completed the Industrial Master Plan (IMP), with recommendations for improving Malaysia's manufacturing sector for the period 1986-1995. The IMP stressed that Malaysia should target 12 key industries, all high value-added and high-skilled. Its recommendations also covered how linkages and diversification of the manufacturing base could be carried out. The government then completed a second IMP in 1996, with strategies to develop a more competitive manufacturing sector for the period until 2005. The second IMP stressed the development of dynamic industry groups and industrial clusters, the expansion of value-added activities, and the strengthening of industrial linkages. It identified the following industrial clusters or groups for further development: the electrical and electronics group; the transport industry group; the chemical industry group; the textiles and apparel industry group; the resource-based industry group; the materials and advanced materials industry group; and the agro-based and food products group. This cluster group approach also pays attention to “downstream” activities, like distribution, packaging, and marketing, including indigenous design and branding. Malaysia is thus working towards its Vision 2020 plan of becoming a fully industrialized country by that date. Meanwhile, the manufacturing sector’s share of the GDP has grown from 8.6 percent in 1960 to 33.1 percent in 2000, while the contribution of manufactured exports to overall export earnings has jumped from 13 percent in 1970 to 86 percent by 2000.

TRANSPORTATION AND TELECOMMUNICATIONS

Road, rail, and port facilities are generally well developed on Peninsular Malaysia, but less developed in East Malaysia. Malaysia’s total network of main roads is around 100,000 km, of which about three-quarters are paved. The nation’s emphasis on improving its transportation system is reflected in its five-year Malaysia Plans. In line with road development goals, Malaysia opened its 848-km North-South Highway in 1994. To alleviate traffic congestion in Kuala Lumpur, the government has also embarked on the construction of an integrated public transport system, including a Light Rail Transit (LRT) system, which began operations in 1998. Plans are presently underway to improve commuter train services.

Malaysia’s most important seaport is Port Klang, which handles almost half of the nation’s total cargo. This port is now ranked as one of the world’s leading container terminals. In 2000, a new port in the south, the Port of Tanjung Pelepas, commenced operations.

The main airline is Malaysia Airlines, formerly Malaysian Airline Systems or MAS, which provides extensive domestic and international service. In 1994, a second national carrier, Air Asia, was formed to operate both domestic and international flights. In 1998, Malaysia opened the first phase of its new and very modern Kuala Lumpur International Airport at Sepang.

The telecommunications sector has been developing rapidly in recent years. Although telecommunications was partially liberalized in mid-1994, the dominant share is still held by Telekom Malaysia, which is partly owned by the government. Greater competition exists in the more liberalized and rapidly expanding mobile telephone market. Cellular phone subscribers increased from 2.9 million in 1999 to 5.1 million in 2000. Meanwhile, more Malaysians are also subscribing to internet services.

FOREIGN TRADE

Malaysia’s major exports are made up of manufactured goods, minerals, and agricultural commodities. Manufactured goods, the bulk of the exports, include electronics; electrical machinery and appliances; chemicals and chemical products; textiles, clothing and footwear; manufactures of metal; and optical and scientific equipment. The minerals exported are crude oil and liquefied natural gas while the main agricultural commodities are palm oil, sawn timber, and rubber.

The main imports are capital goods, intermediate goods, and consumption goods. The first group consists of industrial machinery and equipment, office equipment, telecommunication equipment, and transport equipment. The second group includes industrial supplies, fuels and lubricants, and parts and accessories of capital goods. The consumption goods consist of food and beverages and other durable, semi-durable, and non-durable items.

Trade has expanded greatly in recent years under Dr. Mahathir. On official visits abroad, he is accompanied by Malaysian businessmen looking for trade opportunities. As a result, Malaysia has expanded its trading links to various parts of the world, including Africa, Europe, Latin America, Central Asia, Russia, China, Myanmar, and Indochina. With its concept of Malaysia Incorporated, the nation is very business friendly. The United States is currently Malaysia's largest trading partner.

THE 1997 FINANCIAL CRISIS

The Asian Financial Crisis began with the fall in the Thai baht in May 1997 and Malaysia soon felt the contagion -- the Malaysian dollar (*ringgit)* and stock market experienced downward movement from weak investor confidence and massive outflow of short-term capital. The ringgit fell from RM 2.5 to one US dollar in July 1997 to RM 4.88 against the US dollar by January 1998. The Malaysian economy contracted 7.5 percent in 1998.

To address imbalances in the economy, the Central Bank (Bank Negara) introduced a series of macroeconomic policy measures, such as the consolidation of commercial banks and financial companies to create institutions better able to survive adverse conditions. The government also instituted several fiscal measures to contain the current account deficit, for example, an immediate 2 percent reduction in government spending and the deferment of mega-projects. In addition, currency controls were instituted in September 1998 as follows: -- the ringgit was fixed at US$1 = RM 3.80; ringgit circulating outside Malaysia had to be repatriated within one month or it would lose its value; and foreign portfolio investment had to remain in the country for at least one year. Although widely criticized in 1998, these currency controls seem to have worked for Malaysia, and some former critics of the controls are now revising earlier views. In any case, Malaysia relaxed some of the currency controls as early as February 1999 when it allowed the repatriation of principal foreign investments in Malaysian securities.

THE MALAYSIAN ECONOMY SINCE 1997

Economic recovery was slow until mid-1999 when positive growth was recorded once more, driven by the manufacturing sector. By the end of 1999, the economy had grown by 5.4 percent, and all sectors were showing positive growth. By 2000, Malaysia's growth rate had risen to 8.3 percent, and both public and private sector investments reflected the return of investor confidence.

The country's growth rate was adversely affected again with the 2001 global downturn for electrical and electronic goods, which make up 60 percent of Malaysia's total exports. Currently, according to mid-2002 figures by the Malaysian Industrial Development Authority (MIDA), Malaysia's growth rate is between

3.5 percent to 5 percent, while the per capita income is US$3,392 and the net international reserves stand at US$30.8 billion, which is equivalent to 5.1 months of retained imports. The GDP is US$55.3 billion, with a breakdown as follows: services -- US$30.8 billion; manufacturing -- US$17.4 billion; agriculture -- US$4.8 billion; mining and quarrying -- US$3.8 billion; and construction -- US$1.9 billion.

Unemployment continues to be low, at roughly 3 percent, and the ringgit is still pegged to the US dollar at the rate of US$1 = RM3.80. The banking system is made up of 25 commercial banks, including Islamic banks; 12 finance companies; and 10 merchant banks. The Kuala Lumpur Stock Exchange (KLSE), established in 1973, is now ranked as one of the largest bourses in Asia. Since 1989, the KLSE has had a fully electronic trading system called SCORE, which enables script-less trade settlement. Both the banking system and the KLSE have undergone reforms since the 1997 Asian Financial Crisis. In 2001, Malaysia announced its Third Outline Perspective Plan (OPP3), aimed at continuing the goals of the NEP and the NDP and fostering an information technology-savvy society.

Self-Study Questions for Further Exploration

- What have been the major aims of the two Malayan Plans and the eight Malaysia Plans?

- When and why was the New Economic Policy (NEP) implemented in Malaysia? What is the significance of the NEP in Malaysian history?

- What are some similarities and differences between the NEP and the New Development Policy (NDP)?

- What are some important features of Dr. Mahathir’s 20/20 Vision Plan for Malaysia?

Why do you think some nations and organizations have followed Malaysia’s example in adopting a 20/20 vision plan?

- Why has agriculture’s role in the Malaysian economy been diminishing in importance?

- Why has the role of industry in Malaysia’s economy been gaining in importance?

- What have been some strides in Malaysia’s transportation and telecommunications systems in recent years?

- What are Malaysia’s main exports and imports? What conclusions can be drawn about Malaysia’s economy from its exports and imports?

- How did Malaysia deal with the Asian Financial Crisis? How has the Malaysian economy fared since 1997?

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POLITICS AND GOVERNMENT

THE 1957 CONSTITUTION FOR MALAYA

The actual drafting of the Malayan Constitution was entrusted to a Constitutional Commission appointed by the British monarch and the Malay rulers. The composition and terms of reference of the Commission were agreed upon in discussions held in 1956 between the British authorities, the Malay rulers, and the Alliance leaders. The Commission, known as the Reid Commission after its Chairman, Lord Reid, was made up of two members from the United Kingdom and one member each from Australia, India, and Pakistan. The Commission was instructed "to make recommendations for a federal form of Constitution for the whole country as a single, self-governing unit with the Commonwealth based on Parliamentary democracy with a bicameral legislature". The Constitution had to make provision for: (1) the establishment of a strong central government with some state autonomy; (2) the safeguarding of the position and prestige of the Rulers; (3) the provision for a constitutional Head of State; (4) the creation of a common nationality; and (5) the safeguarding of the special position of the Malays and the legitimate interests of other communities.

The Commission met in Malaya from June to October 1956. It invited written memoranda from organizations and individuals, visited each state and Settlement, and met with British and Malay officials, members of the Legislature, State and Settlement Councils, representatives of organizations, and private persons. It held 181 meetings of the full Commission before going to Rome to prepare its report. The Commission's draft Constitution was then reviewed and revised by a Working Committee, comprising representatives from Britain, the rulers, and the Alliance Party. Both sides agreed on many provisions, such as that for a constitutional monarch to be elected for a five-year term from among the nine Malay rulers on the basis of seniority. They also agreed on a bicameral legislature, made up of an elected House of Representatives (*Dewan Rakyat*) and a Senate (*Dewan Negara*), with two members from each of the eleven states and sixteen members appointed by the government.

Controversy arose, however, over the issues of citizenship, language, religion, and Malay rights, and compromises had to be made. On citizenship, the compromise agreed upon allowed for strict citizenship laws that favored the Malays. On language, it was agreed that Malay would be the official national language and that English would serve as an official language for at least ten years. On religion, Islam was to be the official religion, but the freedom to worship and proselytize, except among Malays, was also guaranteed. On Malay rights, these special privileges were to be retained, but the rights of non-Malays were not be hindered by prejudicial privileges or government intervention. The Malay rights include priority in the civil service, scholarships, educational facilities and training, land, permits for trade or business, and entry to university. The Reid Commission proposed a 15-year time limit for these special rights, after which they were to be reviewed, but the Working Committee rejected the idea of a time limit.

Although the revisions by the Working Committee evoked protests from some Chinese and Indian groups, the Federal Legislative Council ratified the draft Constitution on August 15, 1957, just in time for the transfer of power on August 31, 1957, the country's Independence Day.

THE 1963 CONSTITUTION FOR THE FEDERATION OF MALAYSIA

On September 16, 1963, the Federation of Malaysia was established when Malaya federated with Singapore, Sabah, and Sarawak to form a larger political entity. Whereas the Federation of Malaya had been made up of 11 member states, the new Federation of Malaysia had 14 members. Accordingly, the 1957 Constitution was amended in 1963 to become the new Federal Constitution of Malaysia. The

Constitution may be amended by a two-thirds majority in Parliament.

Besides including Singapore, Sabah, and Sarawak as member states, the new Constitution incorporated the substantial compromises that had been made with their entry. Singapore, for example, was allowed to keep most of its revenue and its autonomy in education and labor affairs in return for accepting under-representation in the House of Representatives. Moreover, although its citizens were Malaysian citizens, they could not participate as full citizens in Peninsular Malaysia without fulfilling strict naturalization requirements. In the case of Sabah and Sarawak, unlike other states in the new federation, they were given control over immigration, including that from the Malay Peninsular. Both states also received special funds for their economic development and the right to use English as a medium of instruction, even though Malay was the national language. Furthermore, their indigenous peoples were entitled to special rights like the Malays.

THE 1965 CONSTITUTION AFTER THE WITHDRAWAL OF SINGAPORE

Singapore withdrew from the Federation of Malaysia on August 9, 1965, after its then premier, Lee Kuan Yew, had proposed a " Malaysian Malaysia". Since this withdrawal meant that the membership in the Federation had changed from 14 to 13 states, the Federal Constitution of Malaysia was amended in 1965 to reflect this change.

THE 1971 AMENDMENTS TO THE CONSTITUTION AFTER THE 1969 RACIAL RIOTS

After the May 13, 1969 racial riots, the Malaysian Government under Tun Abdul Razak decided that for security reasons there should be prohibitions against public discussion of sensitive issues. These sensitive issues include Malay rights, the monarchy, and the national language. Hence, when parliamentary government was established on February 20, 1971, after nearly two years of emergency rule, the Constitution was amended to prevent public discussion of sensitive issues. With this amendment, it has become seditious for anyone, even in Parliament, to touch on these issues.

Another amendment, aimed at addressing ethnic and social inequalities, gave the Yang di-Pertuan Agong the power to reserve academic places for Malays in institutions of higher learning in courses where their number was disproportionately low.

THE MALAYSIAN MONARCH

Unlike other constitutional monarchs around the world, the Malaysian king, or *Yang di-Pertuan Agong*, is elected by a Conference of Rulers for a term of five years. This Conference of Rulers is made up of Malaysia's nine Sultans and its four state governors, but only the Sultans attend when electing a King. The Sultans also elect another ruler as Deputy King to stand in for the King in case of illness or other absences. When the King's term expires or he dies in office, another election is held to choose his successor, since the Deputy does not automatically ascend to the throne. At the end of a King's reign, he returns to his home state and resumes his previous position as ruler there.

As monarch, the Malaysian King acts on the advice of the Prime Minister and his Cabinet. He also appoints the Prime Minister, the other ministers and deputy ministers, the state governors, the ambassadors, and the judges. In addition, he serves as the Head of the religion of Islam in Penang, Malacca, Sabah, Sarawak, and the Federal Territories of Kuala Lumpur and Labuan. In the other states, the Sultan or the heredity ruler is the Head of the religion of Islam. As Head of Islam in Penang and Malacca, the King has the power to grant pardons in both these states for offenses under Muslim law. As the Supreme Commander of the Malaysian Armed Forces, he can also grant pardons for all offenses tried by court-martial or committed in the Federal Territories of Kuala Lumpur and Labuan. Moreover, he is responsible for safeguarding the special rights of the Malays and indigenous groups and the legitimate interests of the other communities.

THE UNITED MALAYS NATIONAL ORGANIZATION (UMNO)

UMNO was formed in May 1946 in opposition to the Malayan Union Plan by the British. Its first president was Datuk Onn bin Jaafar, who in March 1946 helped convene an All-Malaya Congress in Kuala Lumpur which was attended by 200 delegates from 41 Malay associations. The meeting passed a resolution to form a new organization to galvanize nationwide Malay opposition to the Malayan Union. UMNO was the result, and its members included aristocrats, civil servants, Islamic leaders and radicals.

When Dato Onn resigned from UMNO in 1951, its new leader was Tunku Abdul Rahman, a Cambridge-educated lawyer. UMNO forged a political alliance with the MCA in 1952 and with the MIC in 1954. UMNO was the main party in the Alliance coaltion and is presently the dominant party in the National Front, or *Barisan Nasional*. Dr. Mahathir has served as president of UMNO since becoming premier in 1981.

THE MALAYSIAN CHINESE ASSOCIATION (MCA)

MCA began as the Malayan Chinese Association and was formed in February 1949 by Dato Tan Cheng Lock to serve as an anti-Communist Party for Malayan-domiciled Chinese. The British encouraged its founding as the Chinese had no prior political organization to represent their interests. Because its early members were wealthy, Western-educated Chinese, the MCA was considered an elite grouping. Its constitution called for the promotion and maintenance of inter-racial harmony in the country.

The MCA teamed up with UMNO in 1952 to contest the municipal elections in Kuala Lumpur. Together, they defeated the Independence of Malaya Party (IMP) in those elections, winning all but two seats. The success of this alliance led them to form the Alliance Party in August 1953.

Tan Cheng Lock served as president of the MCA until 1961 when he was succeeded by his son, Tan Siew Sin, the then Finance Minister, who served as president until 1974. When the Federation of Malaysia was established in 1963, the MCA became the Malaysian Chinese Association. At present, Dr. Ling Liong

Sik, the Minister of Transport, holds the post of MCA president.

THE MALAYSIAN INDIAN CONGRESS (MIC)

The Malayan Indian Congress (MIC) was formed in 1945. Its leaders, like those of UMNO and the MCA, were mainly English-educated and of the middle or upper class.

The MIC joined the Alliance Party in late 1954, in preparation for elections the following year. In the general elections of 1955, the Alliance won a sweeping victory, gaining 51 out of the 52 seats in the Federal Legislature. In 1963, with the formation of Malaysia, the MIC became the Malaysian Indian Congress. The present President of the MIC is S. Samy Velu, the Minister of Works.

THE INDEPENDENCE OF MALAYA PARTY (IMP)

The IMP was formed in 1951 by Dato Onn Jafaar upon his resignation from UMNO, after failing to get support from UMNO members to open the organization to non-Malay members. The IMP was thus a non-communal party to achieve racial harmony. With the IMP, Dato Onn hoped to achieve independence within seven years. It was defeated, however, by the Alliance Party in the Kuala Lumpur municipal elections of 1952 when the IMP gained only two out of the twelve seats. The IMP had a short existence, as Dato Onn went on to found a more pro-Malay party, Party Negara, in 1954. The IMP represents the country's first formal attempt at establishing a multi-racial party.

THE ALLIANCE PARTY

The Alliance Party was formed in the early 1950s when UMNO, the MCA, and the MIC joined forces to contest the elections. At first, UMNO and the MCA joined forces as the Alliance to win the municipal elections of Kuala Lumpur in 1952. In October 1954, the MIC also joined the Alliance. By then, the coalition had become known as the Alliance Party, and together they won the 1955 federal elections.

They then formed the new government upon independence in 1957. After independence, the Alliance Party won the 1959, 1964, and 1969 general elections under Tunku Abdul Rahman's leadership. The Alliance Party represented a multi-racial coalition party of three communal parties, with UMNO in the dominant position.

THE NATIONAL FRONT

The National Front, or *Barisan Nasional,* was the new name in 1974 for the expanded Alliance Party. The Tunku's successor, Tun Abdul Razak, called for a new name for the coalition as it had been enlarged to include many of the opposition political parties. When Malaysia held its fourth general elections on August 24, 1974, the National Front won with a landslide victory, capturing 135 out of 154 seats in Parliament. Since then, the National Front has gone on to win the 1978, 1982, 1986, 1990, 1995, and 1999 general elections, the last five under the leadership of Dr. Mahathir Mohamad.

In the 1999 general elections, the National Front comprised the following 14 political parties: UMNO; MCA; MIC; Gerakan (Malaysian People's Movement Party); PPP (People's Progressive Party); LDP (Liberal Democratic Party); AKAR (People's Justice Party); SUPP (Sarawak United People's Party); SNAP (Sarawak National Party); PBRS (Parti Bersatu Rakyat Sabah); PDS (Sabah Democratic Party); SAPP (Sabah Progressive Party); PBB (Parti Pesaka Bumiputra Bersatu Sarawak); and PBDS (Sarawak Dyak Party). UMNO continues to be the dominant party within the National Front.

MAIN POLITICAL PARTIES IN SABAH AND SARAWAK

In Sabah, the main political parties include the following: PBRS, or *Parti Bersatu Rakyat Sabah*; PBS, or *Parti Bersatu Sabah*; PDS, or *Parti Democratik Sabah*; SAPP, or *Parti Maju Sabah*; and LPD, or *Parti Democratik Sabah*.

In Sarawak, the main parties are AKAR, or *Parti Angkatan Keadilan Rakyat*; SNAP, or *Parti Kebangsaan Sarawak*; PBDS, or *Parti Bangsa Dayak Sarawak*; SUPP, or Sarawak United People's Party; STAR, or State Reform Party Sarawak; and PBB, or *Parti Pesaka Bumiputra Bersatu Sarawak*.

OPPOSITION POLITICAL PARTIES

In 1999, the main opposition parties holding parliamentary seats were the following: PAS (Pan-Malaysian Islamic Party); DAP (Democratic Action Party); PBS (*Parti Bersatu Sabah);* STAR (State Reform Party Sarawak); BEBAS (Independent Party); and PRM (Malaysian People's Party). Since then, however, the main opposition parties in Sabah and Sarawak have joined the National Front. In Peninsular Malaysia in 2002, the main opposition party is PAS.

PARLIAMENT

Malaysia's Parliament comprises the *Yang di-Pertuan Agong* and the two Houses, the Senate (*Dewan Negara*) and the House of Representatives (*Dewan Rakyat).*

The Senate has 69 members, of which 43 are appointed by the Yang di-Pertuan Agong and 26 are elected by the legislative assemblies of the 13 states of Malaysia, with each state having two Senators. Appointed senators are those who have rendered "distinguished public service or have achieved distinction in the professions, commerce, industry, agriculture, cultural activities, or social services or are representatives of racial minorities or are capable of representing the interests of aborigines". They include two senators from the Federal Territory of Kuala Lumpur and one from the Federal Territory of Labuan. A Senator's term is for three years, with a maximum of two terms being allowed. To qualify as a senator, one must be a citizen resident in the country and not less than 30 years old.

The House of Representatives has 193 members, all elected to office. Of this number, 145 are from Peninsular Malaysia, including 10 from the Federal Territory of Kuala Lumpur and 1 from the Federal

Territory of Labuan; 27 from Sarawak; and 20 from Sabah. Each member serves for a maximum of five years. To qualify for election, one must be a citizen resident in the country and not less than 21 years old. The House of Representatives serves as the legislative branch of the government.

JUDICIAL SYSTEM

Judicial power in Malaysia is vested in the Federal Court, the Court of Appeal, the High Court Malaya, the High Court Sabah and Sarawak, and the subordinate courts as provided by federal law.

In Peninsular Malaysia, the subordinate courts include the sessions courts, the magistrate courts, the *Penghulu* (village headmen) courts, and the juvenile courts. The Islamic courts come under state jurisdiction, and appeals from them are submitted to the Sultan of the state concerned, as he is the ultimate authority in Islamic affairs.

In Sabah and Sarawak, there is a separate system of native courts under state jurisdiction. These courts settle cases dealing with native law and custom, including Islamic law and custom, involving only natives.

The head of the judiciary is the Chief Justice of the Federal Court. The Federal Court has jurisdiction to determine the validity of any law made by Parliament or by a state legislature. It can also settle disputes between states or between the Federation and any states. Moreover, the Federal Court has jurisdiction to hear and determine appeals from the High Courts.

GENERAL ELECTIONS SINCE INDEPENDENCE

Since independence in 1957, Malaysia has held 10 general elections: in 1959; 1964; 1969; 1974; 1978; 1982; 1986; 1990; 1995; and 1999.

The first three elections were won by the Alliance Party and the remainder by its successor, the National Front. Although the next election is not due until 2004, it could be held as early as 2003 because of Dr. Mahathir’s plans to retire in October 2003.

THE ANWAR IBRAHIM CRISIS SINCE 1998

Anwar Ibrahim rose to fame in Malaysia in 1974 when, as a student activist at the University of Malaya in Kuala Lumpur, he was jailed for 22 months under the Internal Security Act for anti-government demonstrations supporting the plight of poor farmers in Baling, Kedah. As the founder and President of the Islamic Malaysian Youth Movement (ABIM) in 1971, he attracted the attention of Dr. Mahathir, then Minister of Education. In 1982, when Anwar became the leader of UMNO Youth, Dr. Mahathir, then premier, co-opted him into the government, in part to prevent his collaboration with PAS. Anwar then rose rapidly, becoming Minister of Culture, Youth, and Sports in 1983, Minister of Agriculture in 1984, Minister of Finance in 1991, and Deputy Prime Minister in 1993. In April 1998, Mahathir also made him

Acting Prime Minister when he went abroad for a vacation.

So what made them clash? There are several reasons. According to press reports, they differed on fiscal policy after the Asian financial crisis occurred in mid-1997. There is some truth to this as Anwar favored policies, such as fiscal restraint, suggested by the International Monetary Fund (IMF) and World Bank, while Dr. Mahathir was wary of these international financial institutions and favored priming the pump to jumpstart the sluggish economy. Mahathir also believed in currency controls, and he implemented them, such as preventing the outflow of capital from Malaysia and pegging the Malaysian dollar to the US dollar.

Another reason for the rift was Dr. Mahathir's suspicions that Anwar was plotting to unseat him. For example, at a Congress of the ruling UMNO in June 1998, Anwar's supporters hit at Mahathir by criticizing cronyism and corruption but Mahathir retaliated by showing a list of all who had benefited from government contracts, including Anwar's relatives. That year also saw the publication of a book citing Anwar's misdeeds and arguing that he should not be premier. Dr. Mahathir then moved against some Anwar supporters in the press and in the Central Bank, and there were sudden resignations. By this time, they had become rivals. Other reasons include the generation gap between them (Mahathir was then 73 while Anwar was 51), and the differences in their personalities. According to Anwar in an article for the New York Times in April 1999, Dr. Mahathir had become envious of his popularity abroad. Anwar claimed that a 19-gun salute accorded to him in Washington D.C. had led to his being called a CIA mole and a US agent. According to Mahathir, however, he removed Anwar because he was unfit for office. Meanwhile, their supporters added fuel to the fire.

Dr. Mahathir then undercut Anwar's powers in June 1998 when he appointed former Finance Minister Daim Zainuddin as Special Economic Advisor in charge of economic policy. When Anwar was asked to resign but refused, Mahathir dismissed him from the cabinet, charged him with treason and sexual crimes, and expelled him from UMNO. Anwar reacted by leading anti-government demonstrations in the capital, resulting in Mahathir accusing him of trying to launch Indonesian-style protests to topple him. After a demonstration of around 30,000 to 40, 000 people, the government arrested Anwar on September 20, 1998 and placed him under police custody.

While in police custody, he received serious injuries – a black eye and bruises on his neck and hands. When he appeared in court with his injuries, this led to an outcry, in Malaysia and abroad. His supporters demanded an inquiry into the injuries. The police then set up their own inquiry but when their report did not reveal who were responsible this led to further outcry, forcing Dr. Mahathir to appoint an Independent Commission of Inquiry chaired by a former Attorney General. This Commission revealed that the Police Chief had inflicted the injuries. The Police Chief was forced to resign and later faced trial and punishment.

Anwar was charged in court with 5 counts each of sodomy and corruption, with each charge carrying the maximum penalty of 14 years in jail and a M$20, 000 fine. The sexual charges included whipping as punishment. He pleaded not guilty to all charges and claimed he was the victim of a political conspiracy. His first trial began in November 1998 and lasted five months. It examined 4 corruption charges accusing him of misusing his power in 1997 by interfering with a police investigation into allegations of sexual misconduct. In January 1999, the prosecution rewrote the 4 corruption charges, eliminating the need for government lawyers to prove the allegations about Anwar's sex crimes. Judge Augustine Paul then ruled that all evidence relating to sex was irrelevant and that testimony about a political conspiracy was also irrelevant. On April 14, 1999, the judge announced his verdict -- he found Anwar guilty of corruption as charged and sentenced him to 6 years imprisonment.

This verdict was more harsh than expected and led to larger than usual anti-government demonstrations in Kuala Lumpur. The demonstrators, mainly Malay youth, called on Dr. Mahathir to resign. To deal with the demonstrators, the police used tear gas and water cannons while the government threatened students with expulsion from university, and workers with the loss of their jobs. The remainder of 1999 and the following year saw a spate of arrests and charges against many associated with Anwar.

Meanwhile, Anwar's supporters rallied around his wife, Dr. Wan Azizah, an eye surgeon. They formed a new political party, the National Justice Party, calling for reform and justice, with Dr. Wan Azizah as President and Dr. Chandra Muzzaffar, a social activist, as Deputy President. In the November 1999 general elections, this party joined with the DAP and PAS to form the *Barisan Alternatif* (BA), or Alternative Front, to challenge the National Front, but it was an abortive attempt. However, although the National Front won, it lost significant support from the Malays, around half of whom voted for the opposition. It gained 148 seats compared to 42 for the BA. Of the 42 opposition seats, PAS got 27, DAP 10, and Keadilan 5. PAS consolidated its hold in Kelantan and also gained control of Trengganu. The National Front won in large part because of the Chinese vote.

Anwar then faced a second trial, this time on sodomy charges which carry 20 years jail time and whipping. On August 8, 2000, he was found guilty of "unnatural sex acts" and sentenced to 9 years in prison. The whipping was set aside because of his age. With the earlier 6-year sentence, he will spend 15 years in prison. He is also barred from seeking office for five years from his release. When Anwar appealed against his 1999 conviction, the appeal was postponed indefinitely. In December 2000, Anwar's appeal against the High Court's rejection of his M$100 million defamation suit against the premier was also dismissed. That month, the High Court also upheld a two-month jail term and a fine of M$2000 against the Police Chief who had assaulted Anwar. During these development, Anwar faced health challenges -- he was hospitalized for spinal cord trouble and continues to be in poor health. Support for him has lessened while support for Dr. Mahathir has grown.

Self-Study Questions for Further Exploration

- During the drafting of the Malayan Constitution in 1957, what were some contentious issues that required compromises from the drafters of the Constitution?

- Why did the 1957 Constitution have to be amended in 1963 when the Federation of Malaysia was established?

- What is the significance of the 1969 racial riots in Malaysia? What, in your opinion, causes racial riots? How can they be prevented?

- What is unique about the position of the Malaysian monarch? What are some of the King's duties?

- Why was the United Malays National Organization (UMNO) formed in 1946?

- When and why did the MCA (Malayan Chinese Association) and the Malayan Indian Congress (MIC) team up with UMNO in elections?

- What are some interesting facts about the Independence of Malaya Party (IMP)?

- Why did the Alliance Party become the National Front in 1974?

- How many elections has Malaysia held since independence in 1957? What are some reasons that account for the success of the Alliance Party and its successor, the National Front, in the general elections?

- What led to the Anwar Ibrahim crisis of 1998? What were some repercussions of that crisis?

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NATIONAL SECURITY AND FOREIGN POLICY

NATIONAL SECURITY

The Malaysian Government has identified communal tension as a national security concern, because of the country's delicate racial balance. The 1969 racial riots alerted the government to the potential for ethnic violence and led to remedial actions, such as poverty eradication and the restructuring of society. Since then, the few small incidents of racial violence have been quickly put down. These include the March 1998 fighting between Malays and Indians in Penang over a Muslim mosque and a Hindu shrine and the March 2001 Malay-Indian clashes in Kampong Medan, near Kuala Lumpur, over a Malay wedding celebration and an Indian funeral. In the latter case, economic and social reasons were as much to blame as ethnic tensions.

Another threat is religious extremism. In 1986, the police fought with Islamic religious extremists in Memali, Kedah, while in July 2000 the government had to deal with an arms heist in the state of Perak by another extremist Islamic group. From 2000 to 2001, the government also faced trouble from Islamic extremists in the Philippines -- these Abu Sayyaf rebels kidnapped tourists from the Malaysian island of Sipadan, off Sabah, and held them as hostages at Jolo in the Philippines until ransom was paid. Because of the September 11, 2001 bombing incidents in the United States, Malaysia now views Islamic extremism as a terrorist threat. Malaysia considers Islamic terrorism as a very serious security threat, since there appears to be some ties between the terrorists linked with the Al Qaeda network and certain local Islamic extremists. Two of the September 11 hijackers were spotted in Malaysia before the terrorist attacks in America.

Among Malaysian measures to handle security threats is the Internal Security Act (ISA), which provides for the detention of individuals and groups for an indefinite period without the process of law. This act was used by the Malaysian Government against the Memali villagers in 1985 and against Anwar Ibrahim in 1974 and 1998. Other security laws include the Essential (Security Cases) Regulations (ESCAR), enacted in 1975, which deal with arrest and pretrial procedures for those detained for undefined offenses decided only by the public prosecutor

The Malaysian Government also considers drug abuse and trafficking as national security problems and devotes considerable resources to combating them. Yet another security threat is the Spratly Islands dispute -- Malaysia claims a few islands in this grouping. Malaysia raised its claims in 1980 after establishing a 200-nautical-mile Exclusive Economic Zone (EEZ), which showed several Spratly islands within its EEZ.

For Malaysia, former security threats have included its long fight from 1948 to 1960 against communist insurgency and its handling of the Vietnamese refugee problem from 1975 to 1996. Since 1979, Malaysia has been building up and modernizing its defense forces and capabilities. The Five-Power Defense Arrangement that Malaysia made with Britain, Australia, New Zealand, and Singapore in 1971 is still in force. Malaysia is presently cooperating very closely with its ASEAN partners and with the United States to deal with the Islamic terrorist problem. In late 2002, terrorism is Malaysia's most urgent security threat.

PARTNERS IN THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)

In 1967, Malaysia became a founding member of ASEAN, along with Indonesia, Singapore, Thailand, and the Philippines. Since then, ASEAN has doubled in size to ten members, as Brunei joined in 1984, Vietnam in 1995, Laos and Burma (Myanmar) in 1997, and Cambodia in 1999.

Of Malaysia's ASEAN partners, Indonesia is one of the closest as their historical ties go way back to the time of the Srivijaya and Majapahit maritime empires when Indonesia ruled the Malaysian area. There are also ethnic, religious, linguistic, and cultural ties as their people are of the Malay stock and mainly Muslim, share common words and terms, and have similar cultural traits. Moreover, in dealing with British colonialism, Malay nationalists looked to how Indonesian dealt with the Dutch. The Malay nationalist movement was thus influenced by developments in Indonesia.

For the most part, the Indonesia-Malaysia relationship is cordial. At times, however, tensions have arisen, as when President Sukarno launched his "Confrontation" policy against Malaysia from 1963-66, claiming that the Federation was a British imperialist plot. Under President Suharto, however, full diplomatic relations were re-established, paving the way for ASEAN's formation. Since then, other tensions have been caused by the following problems: piracy at sea; smuggling activities, especially of timber, along the Sabah-Kalimantan border; the haze problem caused by forest fires in Indonesia; President Habibe's support for Anwar Ibrahim in 1998; and their claims to the islands of Sipidan and Ligitan, which are presently occupied by Malaysia. These islands are located off the coast of Sabah and near Indonesia's province of Semporna in East Kalimantan. Bilateral discussions on the islands began in 1991, and both sides agreed in 1996 to refer the dispute to the International Court of Justice (ICJ).

The Philippines, like Indonesia and Malaysia, forms part of the Malay world in Southeast Asia, sharing ethnic, linguistic, and cultural ties. With the Southern Filipinos or Moros, Malaysia also shares strong religious ties as the Moros were converted to Islam before Spanish influence in the Philippines. In 1961, Malaysia, the Philippines, and Thailand formed the Association of Southeast Asia (ASA) for economic cooperation, while in 1963 the Philippines, Malaysia, and Indonesia formed MAPHILINDO for Malay brotherhood. Both plans for regional cooperation soon became derailed in 1963, due to Indonesia's Confrontation policy and the Philippine claim to Sabah. According to the Philippines, Sabah could not become part of Malaysia because it still belonged to the Sultan of Sulu, who had leased, not ceded, Sabah to the British North Borneo Company in 1881. When British and Malayan authorities disputed this claim, the Philippines broke off diplomatic relations. Under President President Ferdinand Marcos, however, relations were restored in 1966. The Sabah claim, however, has not been resolved, only shelved.

Since then, relations with the Philippines have been cordial for the most part. Some tensions have arisen at times over Malaysia's support for the Moros -- in 1969 the Moro National Liberation Front (MNLF) was founded in Malaysia. During the administration of President Joseph Estrada, there were also some tensions over his support for Anwar. Under President Gloria Macapagal Arroyo, on the other hand, there has been increased cooperation over Malaysia's help in brokering talks between the Philippine Government and the Moro Islamic National Liberation Front (MINLF) and over their joint fight against terrorism. Nonetheless, Philippine concern rose in mid-2002 over Malaysia's deportation of Filipino illegal immigrants in the country. In earlier years, there was also concern over the treatment of Filipino maids working in Malaysia.

As for Singapore, its relationship with Malaysia is extremely close as well as sensitive. They are like Siamese twins in that they share a common history and were one country until they separated in 1965. They also share a common legacy as part of British Malaya. Singapore began as a part of Malaya and was a small Malay fishing village rife with piracy when the British founded it in 1819. Under British rule, it was soon transformed into "a Chinatown in a Malay lake". After independence in 1959, Singapore was keen to join the Federation of Malaysia and did so in 1963, after arrangements had been made to include the British North Borneo territories to balance the racial mix in the population. When Singapore withdrew from Malaysia in 1965, it kept trade and defense ties with Malaysia. These areas show cooperation in the relationship as does their agreement over water, whereby Singapore buys untreated water from Malaysia and then sells some back after it has been treated in Singapore-owned plants in Johore. However, in recent years, the agreement over water has also become a point of discord. Since Malaysia is mainly Malay and Singapore is mainly Chinese, their ethnic composition remains a built-in problem. Other tensions revolve around immigration and railway checkpoints, Singapore's land reclamation, disputed ownership of certain islands, and disparaging remarks on Malaysia by Singapore's former Premier, Lee Kuan Yew. For a time, tensions also existed over the so-called "Clob" issue, regarding Singapore-owned shares frozen by Malaysia since 1998. This issue was resolved in 2000.

Thailand, Malaysia's neighbor to the north, is both admired and feared. For example, it is admired for its past military prowess, its strong kings, and its ability to escape Western colonialism, but feared for its rule over the Northern Malay states during earlier periods of Malaya's history, its exaction of tribute from the Malay states, and its ruthlessness in war. Thailand's collaboration with the Japan during WWII also evoked both admiration and fear. Fear was dominant when Japan handed to Thailand the four Northern Malay States as reward for Thailand's wartime collaboration. Relations with Thailand improved after the war when Thailand returned the Northern Malay States to Malaya. This return was carried out at British urging after the Allied Powers defeated Japan. Bilateral relations became stronger after Malaya's independence. In 1960, when the Emergency ended in Malaya, there was security cooperation at their borders to deal with communist terrorists from Malaya who had sought refuge at the Thai border. They then became partners in ASA in 1961 and partners in ASEAN in 1967. From time to time, friction has occurred over some Malay support for Thai-Muslim separatist groups in Southern Thailand, over the demarcation of their common borders, and over overlapping claims on the continental shelf area near both countries. On the whole, however, the bilateral relationship is very cordial.

Relations with Brunei are close because Brunei is also part of the Malay world and shares many common characteristics with Malaysia. Although it did not join the Federation of Malaysia, the bilateral relationship is mainly amicable. There is, however, a problem with Brunei's Limbang claim against Malaysia. Limbang was ruled by the Sultan of Brunei until 1890 when the then White Raja of Sarawak, Charles Brooke, seized the territory, prompted by his desire to increase Sarawak's size and by requests from the local chiefs of the Limbang district to end Brunei's harsh rule. Athough the Sultan did not recognize this seizure of territory, Brooke went ahead and united Limbang with the Trusan valley to form the Fifth Division of Sarawak. The British Government then offered to pay compensation to the Sultan, but the offer was not taken up. As a result, the British Government regarded the seizure as a cession by default and formally recognized Limbang as part of Sarawak. Brunei still has not formally recognized Sarawak's rights over Limbang. There is also a bilateral dispute over Brunei's 1993 declaration of its EEZ. According to Malaysia, based on the equi-distance principle of international maritime delimitation, Brunei has a smaller maritime area claim. Brunei is now amenable to giving up Limbang if Malaysia is agreeable to recognition of Brunei's claimed maritime area. Malaysia has suggested a sharing formula that divides their sea corridor, but this is unacceptable to Brunei. The dispute over Limbang thus continues.

In the case of Burma (Myanmar), both countries share a common heritage as former British colonies. While there are similarities in their experiences, there are also differences. For example, the British brought in mainly Indian immigrant workers rather than Chinese workers. During British colonialism and after, Burma thus faced an Indian problem rather than a Chinese one. Also, nationalist fervor in Burma was inspired by Buddhism, not Islam. Few bilateral ties existed after Burma's independence in 1948 until the late 1980s. During this period, civilian rule in Burma was replaced by military rule in 1962, and the country followed a one-party, socialist, and isolationist path. Malaysia's ties with Burma only became closer in the early 1990s when the military leaders opened the country to trade. At first, there were irritations over Burma's mistreatment of Muslim citizens, many of whom fled to Malaysia and Indonesia for refuge, and over the slow pace of democratic reform, even after the 1990 election victory by Aung San Suu Kyi. Then Malaysia supported ASEAN's policy of "constructive engagement" with Burma to help bring about change in the country. By the mid-1990s, Malaysia was championing Burma's admission into ASEAN, despite opposition to Burma's entry by the EU. Since this took place in 1997, trade ties have increased as has Malaysia's standing in Burma. This is partly due to the successful intermediary role played by a Malaysian UN envoy, Razali Ismail, in holding talks between the military junta and Aung San Suu Kyi. These talks led to her release from house arrest in May 2002.

With regard to Vietnam, Malaysia supported non-communist South Vietnam during the Vietnam War. It showed this support by handing over military equipment when the Emergency ended, by training South Vietnamese policemen in police administration, and by providing facilities for jungle warfare training. North Vietnam, on the other hand, was considered an enemy because it was a communist state. Yet, when the Vietnam War ended in 1975 and Vietnam was reunified, Malaysia along with ASEAN put out peace feelers, only to be rebuffed. As Vietnamese boat people began flooding the shores of Malaysia and other Southeast Asian nations, relations soured further. Malaysia was called upon to provide temporary asylum for the boat people, and did so, thinking the problem would be of short duration. But the refugees kept coming year after year, becoming a security concern as the Malaysian Government feared a "residual problem" that would upset the delicate racial balance in the country. With other ASEAN countries, Malaysia called for Vietnam to stop the flow of refugees at its source.

In December 1978, relations worsened when Vietnam invaded and occupied Cambodia and began the Third Indochina War. Throughout the duration of this war from 1979 to 1989, Malaysia joined ASEAN in its diplomatic offensive against Vietnam. This offensive followed a carrot-and-stick approach – if Vietnam agreed to withdraw its troops from Cambodia, to stop the flow of Vietnamese refugees, and to allow repatriation of its refugees, ASEAN would offer economic and technical aid plus entry into the regional organization. With the Vietnamese economy in dire straits and with Russian aid more difficult to obtain, the diplomatic offensive worked. Vietnam also needed new friends and trading partners, especially with its new "doi moi" policy for economic recovery and renovation in 1986. Vietnam withdrew its military troops from Cambodia in September 1989, agreed to the repatriation of refugees, and was admitted into ASEAN in 1995. For Malaysia, the saga of the Vietnamese boat people finally ended in 1996 when the last remaining refugees were repatriated. By then, Malaysia was already extending economic and technical aid to Vietnam, and trade ties had grown. Malaysia has become one of the top foreign investors in Vietnam. In 2002, in view of Malaysia's labor shortage, it is now considering allowing Vietnamese workers into the country.

In the case of Laos, Malaysia's relationship with it has also been distant until recent years, because Laos was so closely identified with communist North Vietnam as a result of colonial, family, and ideological ties and geographical proximity. Since the end of the Vietnam War, however, Laos has improved its ties with Thailand and the other ASEAN states, including Malaysia. Malaysia's ties with Laos have become stronger since Laos became a member of ASEAN in 1997. Besides trade ties, Malaysia also extends economic and technical assistance to Laos.

Malaysia's relationship with Cambodia is closer than that with either Vietnam or Laos. Trade ties between them have existed since ancient times, with some records indicating that the Malayan area was once part of the maritime empire of Funan. There are also the religious ties in that Cambodia has a Muslim minority population made up of Chams, who fled there when Vietnam conquered and absorbed Champa in the 15^{th} century. These Chams are of Malay stock and speak Malay. Because of the religious bond with the Chams, Malaysia became very concerned about them during the genocidal Pol Pot period from 1975 to 1978 when Chams were killed, tortured, or forced to eat pork. Malaysia's concern led to its allowing Cham refugees to settle in Malaysia. Thus, while Malaysia did not offer permanent asylum to Vietnamese refugees, it quietly did so to Cambodian refugees of Cham descent. During the Third Indochina War, Malaysia was also concerned about Cambodia and joined ASEAN in its efforts to end Vietnam's occupation of the country. When the war ended, Malaysians served in the UN peacekeeping operations in Cambodia. Since then, Malaysia has extended economic, technical, and medical aid to Cambodia and has become the top foreign investor in the country. In many ways, Malaysia acts like a mentor to Cambodia.

Malaysia's contributions as an ASEAN member include the following: its concept of "Southeast Asia as a Zone of Peace, Freedom, and Neutrality" (ZOPFAN) in 1971; its EAEC proposal in 1990; its chairing the 30^{th} anniversary meeting of ASEAN in 1997; and its serving as the site for the proposed ASEAN

University. It is the leading ASEAN nation with regard to educational services. One of Malaysia's diplomats, Ajit Singh, also served as ASEAN's first elected Secretary-General, while another diplomat, Razali Ismail, now serves as the UN Special Representative to Myanmar. In addition, Malaysia chairs ASEAN's Mekong Basin Project and provides technical and economic aid to newer ASEAN members like the three Indochinese nations and Myanmar under the Malaysian Technical Cooperation Program (MTCP).

EAST ASIA AND SOUTH ASIA

With regard to China, historical records note that the rulers of the Malacca Sultanate paid homage to the Chinese emperor and that their countries enjoyed trade ties. During British colonialism, the ties centered on the Chinese immigrant labor that helped the British to exploit the county. In the 1930s, emigration from China was restricted because of Malay protests. By then, the Chinese civil war was raging, and both sides in that war drew support from the Chinese in Malaya. These remittances to China, for both the Kuomintang and the communists, continued after the war, but the British now took an anti-communist line as the Cold War had begun. When China fell to the communists in 1949, relations between Malaya and the People's Republic of China (PRC) declined further. Throughout Malaya's fight with communist insurgency from 1948 to 1960, relations between the two nations were difficult because of support that local Communists received from the PRC. Only with the premiership of Tun Abdul Razak did a change take place; he recognized the PRC in 1974, the first ASEAN state to do so. Since then, the trade relationship has grown. Presently, Malaysia enjoys strong trade ties with China, which is also supportive of the EAEC proposal. Moreover, China is a member of the ASEAN Regional Forum. While Malaysia looks upon China as an important trading partner, apprehension also exists over China's claims to the Spratly Islands.

In the case of Japan, the period of the Japanese Occupation during World War II saw an adversarial relationship between Britain and Japan. For the Malays, however, it was a nationalistic period as the Japanese treated them with deference and gave them important administrative positions while they treated the Chinese and the Indians more harshly. After independence, the relationship with Japan grew stronger after Dr. Mahathir implemented his "Look East Policy" in 1982 in admiration of the work ethic of the Japanese and South Koreans. He wanted to promote this work ethnic in Malaysia, especially among the Malays, as his book *The Malay Dilemma* had complained that the lack of this ethic among Malays had hindered both their advancement and national development. With this policy, he hoped that the Japanese and South Koreans would be good role models as well as sources of business skills and technological transfers. He also admired the close cooperation between the Japanese government and large Japanese corporations in promoting trade through trading houses known as the *sogo shosha* concept.

His "Look East" policy led to Japanese and South Korean scholarships for Malaysian students, mainly Malay, for technical training; the introduction at university level of Japanese and Korean language courses; and the promotion of Japanese business techniques among Malay businessmen. Japanese and Korean business firms were also given special consideration in the awarding of contracts for major projects. For example, the Japanese won the contract to build the new UMNO Headquarters and Dayabumi complex in Kuala Lumpur, while the South Koreans won the contract for the bridge connecting the island of Penang to the mainland. Later, the Mitsubishi Corporation in Japan was invited to engage in a joint project to produce the Proton Saga, Malaysia's national car project. The policy also led to more trade and investment links with both East Asian nations and allowed Malaysia more options regarding main trading partners. To some, the policy reflected anti-British and anti-Western bias by the government. The policy has been maintained over the years, although at times there have been complaints by Malaysia over inadequate technological transfers. There have also been some tensions with Japan over its weak response to Dr. Mahathir's EAEC proposal in that Japan has been hesitant in showing overt support because of security ties to the United States.

In the case of South Korea, Dr. Mahathir has admired the work ethic of its people and the Korean success in industrialization. When Malaysia's Industrial Master Plan was drawn, it was done with the objective of following the Korean pattern of industrial development. Under Mahathir's administration, many contracts have been awarded to Korean firms for construction projects, such as the Penang Bridge and many highway projects. With Malaysia's "Look East" policy, South Korea, like Japan, extended study and training programs to Malaysian students. Like Japan too, South Korea has been reluctant to show much support for the EAEC proposal. This reluctance, however, seems to have been overcome by the ASEAN + 3 meetings held recently between ASEAN and China, Japan, and South Korea.

In East Asia, Malaysia also has growing trade ties with the Republic of China (ROC) or Taiwan. The ROC is one of the top investors in Malaysia. Moreover, many Malaysian Chinese have gone there to work. There are also some educational ties between the two nations.

With regard to South Asia, Malaysia has bilateral relations with Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Of these nations, the strongest ties are with India and Pakistan, since most members of the Indian community in Malaysia can trace their backgrounds to both these nations. Many Malaysian students have also studied in schools and institutions of higher learning in India and Pakistan. Both nations continue to reserve quotas for Malaysian Government sponsored students in medicine and veterinary science courses in their universities. Besides government sponsored students from Malaysia, there are also privately sponsored students.

In recent years, relations in trade and commerce with the South Asian nations have grown, especially with the members of the South Asia Association for Regional Cooperation (SAARC), i.e., Bangladesh, India, Pakistan, and Sri Lanka. These SAARC members have liberalized their economies and have become important markets for Malaysia's trade in commodities. In particular, Malaysia views trade with Pakistan as being a gateway to the untapped markets in the Central Asian Republics. Several of the South Asian nations also supply workers for Malaysia's labor needs in the industrial and plantation sectors of the economy. This recruitment of labor has become an important area of joint cooperation with South Asia. At times, however, problems have also arisen with the foreign workers over work conditions and criminal activity. The bilateral ties with the South Asian nations include security cooperation. In this connection, Malaysia has Joint Commission Meetings at Ministerial level with India, Pakistan, and Bangladesh. These meetings have helped to enhance relations in the economic fields.

AUSTRALIA AND NEW ZEALAND

For the most part, relations with Australia and New Zealand have been cordial until recent years. Both nations have helped with the training of Malaysian students under the Colombo Plan and with defense arrangements for Malaysia under the Five-Power Defense Arrangement that includes Britain and Singapore. This help was given during Indonesia's Confrontation against Malaysia. Australia also stationed a battalion in Malaysia for the country's defense.

Tensions with Australia arose in 1981, however, when Dr. Mahathir did not attend a Commonwealth Heads of Government Meeting in Australia. More recently, in 1991, Mahathir considered, but did not implement, a "Buy Australia Last" policy after bilateral relations had soured over what many Malaysians believed were misrepresentations of the country in Australians films and television programs. For example, the Australian film, *Turtle Beach*, on Vietnamese refugees in Malaysia, showed the killing of Vietnamese boatpeople by Malay villagers, exaggerating the actual facts of the situation. Some skirmishes had taken place, but not to the extent portrayed by the film. A television series called *Embassy* also portrayed negatively an imaginary country that many suspected to be Malaysia.

In response, Malaysia's TV3 showed a television series, *The Ugly Face of Australia*, on the ill treatment of Australian aborigines and Asians. The government also cancelled some official visits to Malaysia by Australian dignitaries and suspended all non-essential Australian projects in Malaysia. The "Buy Australia Last" policy was averted when the Australian Government offered an apology, and both countries signed an agreement against involvement in news reports about the other side. In 1993, however, problems rose again over Dr. Mahathir's non-attendance at the APEC meeting in Seattle. This time, Malaysia reacted by banning temporarily Australian-made television shows and commercials.

MIDDLE EAST AND CENTRAL ASIA

From early times, Malaysia has had close relations with Muslim nations in the Middle East. Malays recognize that the Middle East is the home of the Islamic religion and the home of the Sufis or missionaries who helped to spread the religion to Southeast Asia. The Middle East has also played, and continues to play, an important role in educating Muslim scholars from Malaysia. Many of these scholars were influenced by the teachings and reform movements in the Middle East. Malaysia places special importance on its relationship with Islamic countries and on its role in the Organization of Islamic conference (OIC). As a co-founder of the OIC, Malaysia aims at promoting the solidarity, progress, and well-being of the Islamic Umrah on the political, economic, social, and cultural levels.

On the political level, Malaysia remains deeply concerned about the situation in the Middle East and believes that a solution to the problem has to take into consideration the inalienable rights of the Palestinian people to self-determination, their right to an independent and sovereign state, and the return of occupied Arab land by Israel. On the economic level, Malaysia has emphasized the need for the Muslim countries to use the opportunities available to them in trade and commerce to strengthen their economic cooperation for their mutual benefit. Malaysia has followed this suggestion by making promotional trips to the countries to identify possible areas of cooperation in trade, investment, and tourism. On the social and cultural levels, Malaysia has called on the Muslim countries to deepen their understanding of each other for more effective cooperation. It has also stressed that Muslims can only achieve better political and economic standing through achievements in economic development, science, and technology. Within the OIC, Malaysia is well regarded as a pragmatic, moderate, and progressive nation.

In the early 1990s when the OIC focused on the plight of the Muslims in Bosnia-Herzegovina, Malaysia participated actively in two Extraordinary Sessions of the OIC Foreign Ministers held in Istanbul and Jeddah and made significant contributions towards diplomatic and humanitarian efforts to help the Bosnian Muslims. Malaysia strongly condemned Serbian atrocities and injustice against the Bosnian Muslims and, with other OIC countries, called on Western countries to stop the Serbian aggression. To promote unity among the Muslim countries, Dr. Mahathir and Malaysia hosted in June 2002 the 27th Conference of Islamic Foreign Ministers, which focused on the problem of terrorism.

Malaysia's relations with Central Asia are more recent. These ties improved after the end of the Cold War with the decline in Russian influence. For example, in 1995 and 1996, business delegations from Mongolia visited Malaysia, while in 1997 Dr. Mahathir paid a formal visit to Mongolia. These visits led to joint-venture projects in construction and hydro-electricity and to other business dealings between the two countries. Under South-South cooperation, Malaysia also extends educational training to Mongolian officials. During the 1997 visit, Mahathir received an honorary doctorate of humanity from the National University of Mongolia at Ulaanbataar.

Dr. Mahathir also visited the Kyrgyz Republic in 1996 and agreed to help it prepare an economic report. He visited the country again in 1997 to present the completed report, a joint effort by Malaysia's Economic Planning Unit and Kyrgyz's Ministry of Finance. The report was translated into the Russian language to make it more accessible to all levels of the Kyrgyz Government. Both sides agreed to establish linkages in areas related to tourism, mining, and infrastructure development. The Malaysian premier also agreed to help train Kyrgyz officials in Malaysia. In November 2000, during the state visit of the Prime Minister of the Kyrgyz Republic to Malaysia, both countries signed an agreement covering cooperation on tourism, taxation, and air transport.

WESTERN EUROPE

Links with Western Europe are also growing and are mainly educational and trading ties. For example, some Malaysian students have been sent to Germany and France for further studies and training, while some students from Europe have also come to Malaysia for further studies. Malaysia has also tried to sell its national car, the Proton Saga, to the European nations. These ties with Western Europe have increased in recent years with the Asia-Europe Meetings (ASEM) between ASEAN and the EU. In March 1998, Malaysia and the EU held a Malaysian-European Union Joint Seminar on "Europe and the Islamic World" in Kuala Lumpur.

RUSSIA AND EASTERN EUROPE

Malaysia sent a trade delegation to Moscow in 1966 to sell rubber to the Russians, and in 1968 it allowed the opening of a Soviet Embassy in Kuala Lumpur. In 1969, it also promoted diplomatic and trade relations with the Eastern European communist states. In 1975, however, Malaysia became more wary of the Soviet Union and Eastern Europe after the whole of Indochina became communist states following Saigon's fall. These fears increased when Russia invaded and occupied Afghanistan in 1979.

With the end of the Cold War, however, the relationship has become closer. Trade ties have increased, and Malaysia now buys military equipment from Russia, including airplanes. On the Chechnya issue, Malaysia regards Chechnya as part of the Russian Federation and has called on the Russian Government to stop the bombings and to find a negotiated political settlement to the problem. Malaysia has expressed concern over the plight of the Chechens and has agreed to contribute US$100,000 for humanitarian relief through the UNHCR.

In the case of Bosnia, in the early 1990s Malaysia extended aid in several ways: through participation in UN peacekeeping activities; through the giving of temporary asylum to Bosnian refugees; and through monetary contributions for reconstruction efforts and building up its armed forces. With regard to Kosovo, Malaysia sent army and police personnel as UN peacekeepers and gave medical and financial aid through relief agencies. Malaysia also spoke out strongly against Serbian aggression towards Muslims. In 1998, Malaysia made gifts of Proton cars to the Government of Bosnia and Herzegovina. Malaysia has also strengthened trade and diplomatic ties with Albania, with Dr. Mahathir paying a state visit to the country in 1995.

AFRICA

Until South Africa's apartheid policy was dismantled, Malaysia spoke out strongly against it at the UN and other public forums. When Nelson Mandela became the President of the Republic of South Africa, Malaysia invited him to a five-day state visit in March 1997. This visit boosted trade and investment ties between the two countries, and Malaysia soon became involved in a big housing project in South Africa. By the time Mandela visited Malaysia again in August 2000, the trading ties had grown further to their mutual benefit.

Since the 1950s and 1960s, Malaysia has also made contact with other African nations through their membership in the Non-Aligned Movement (NAM). Trade ties were on a limited scale with these countries until Dr. Mahathir expanded trade and other links in the 1990s. Other ties with African countries have been forged through UN peace-keeping activities. Beginning with a UN peace-keeping mission to the Congo in 1961, Malaysia went on to other peacekeeping operations in Angola, Chad, Sierra Leone, Liberia, Mozambique, Namibia, and Somalia. Trade agreements have also been signed with many African nations, including Ghana, Tanzania, Uganda, and Zimbabwe. The Organization of African Unity chose Kuala Lumpur as the venue for its 35th Anniversary Meeting in May 1998. That year, Mahathir made official visits to Namibia and Mozambique while his Foreign Minister represented Malaysia at NAM's summit meeting in South Africa. More African students are now studying at Malaysian universities, while several African nations receive help under Malaysia's technical aid program.

GREAT BRITAIN

The relationship with Britain is a close and sensitive one. British colonialism transformed the country from a Malay land into a multi-racial nation with its attending ethnic and religious problems and its economic disparities. In the 1930s, when the census revealed that the total non-Malay population outnumbered that of the Malays, Malay protests led the British to place restrictions on the entry of Chinese and Indian workers into the country. While the British had attempted to protect Malay political rights with special rights for the Malays, they failed to control emigration and to fend for the Malays on the economic level. A pro-Malay policy thus emerged in the 1930s to make Malaya a Malay land, but it was abandoned in the Malayan Union Proposal after the war, because of the need for greater administrative efficiency and because Malay leaders had collaborated with the Japanese while the Chinese had fought against the Japanese. Hence the British tried to make the Sultan a ceremonial ruler and offered equal citizenship rights for all. Malay protests, however, led to the withdrawal of this plan and to the 1948 Federation of Malaya Agreement, which restored the Sultan's former role and instituted more restrictive citizenship provisions for non-Malays. On the other hand, there was much cooperation between the British and the multiracial population to fight communist insurgency during the Emergency from 1948 to 1960 and over scholarship and training offers by the British Government under the Colombo Plan and other agencies.

There was also much cooperation on plans for Malaya's independence, which was achieved in 1957 through negotiations. There was further amicable cooperation for the realization of the Federation of Malaysia Plan in 1963 and when Britain defended Malaysia during Indonesia's Confrontation from 1963 to 1966. Britain's efforts on Malaysia's behalf during Confrontation drained its resources and contributed to the decision to withdraw its forces east of Suez by the 1970s.

While the relations with Britain were cordial during the Tunku and the Razak administrations, there were some tensions over rising university fees and quotas on foreign students during the Hussein Onn period. During the Mahathir period, there have been several instances of friction. For example, in 1981, Dr. Mahathir rejected an invitation to attend the Commonwealth Heads of Government Meeting in Australia and this was seen as a slight to Britain and Australia. The same year, there were also frictions over landing rights for the Malaysian Airlines Systems (MAS), over the ending of British preferential trade benefits for Malaysia, and over the high increase in student fees for foreign students, leading to Mahathir's announcement of a "Buy British Last " policy and the boycott of British goods. This boycott was formally ended in March 1983 after various concessions by the British Government, including the creation of a fund of M$161 million to help Malaysian students studying in Britain and the transfer to the Malaysian Government of Carcosa, the residence of the British High Commissioner to Malaysia. Since then, relations have been cordial for the most part.

UNITED STATES AND CANADA

The US-Malaysia relationship in earlier years was mainly economic in nature as America needed rubber and tin for its industrial growth and war efforts. After World War II, the relationship took on geo-political dimensions because the United States viewed the country as needing protection from communism. America extended economic and technical aid to Britain and also sided with the new Federation during Indonesia's Confrontation policy from 1963-1966. During the Vietnam War, Malaysia showed its appreciation of the US war effort by handing over military equipment from the Emergency to the South Vietnamese Government and by providing training in jungle warfare and police administration to South Vietnamese personnel.

Meanwhile, with Britain's waning influence after independence in 1957, US social and cultural ties were forged with Malaysia through the Peace Corps volunteers posted throughout the nation and through educational exchanges under the Fulbright Program. With quotas and rising fees at British universities in the 1980s, Malaysia began sending more students to American universities. By the early 1990s, over 100,000 Malaysians had studied at US universities while several Malaysian colleges had begun twinning programs whereby Malaysian students can study locally for two years before transferring to a US college to complete the degree program.

At times, tensions did occur in the US-Malaysian relationship over America's tin and rubber disposal plans, due to their adverse effects on the price of Malaysia's two most important exports. By the mid-1970s, these tensions had abated, but trouble arose over Malaysia's oil palm exports. The US soybean lobby called for a duty on palm oil because of fear of competition and because of the then glut in US soybean production, but Malaysia protested the duty, viewing it as increased protectionism on the part of certain groups in America. In the mid-1970s, tensions also arose over the refugees from Vietnam; thousands of the boat people landed on Malaysian shores after Saigon's fall in 1975. The United States called on Malaysia to provide temporary asylum, and Malaysia obliged, thinking that the humanitarian assistance would be on a short-term basis. The problem, however, continued for two decades, ending only in 1996 when the last Vietnamese refugees were finally repatriated to Vietnam.

In the 1980s, other tensions in the US-Malaysia relationship revolved around US protectionist measures, such as countervailing duties on cotton textiles and apparel. There were also tensions over the General System of Preferences (GSP), until they were gradually phased out, and over Dr. Mahathir's proposal for an East Asian Economic Caucus, which the United States viewed as a trading bloc. With the outbreak of the 1997 Asian Financial Crisis, Mahathir's remarks about Jewish currency speculators, like George Soros, and his imposition of controversial capital controls caused further irritations in the bilateral relationship. On the other hand, Malaysia has been critical of the United States over its alleged negative views of Muslims and over US attacks on Iraq. More tensions resulted from the Anwar crisis, due to the Malaysian Government's treatment of Anwar, the arrests of his close associates, and the pro-Anwar statement by Al Gore during the 1998 APEC meeting in Kuala Lumpur. In addition, the United States has on occasion expressed concern over alleged human rights abuses in Malaysia, for example in connection with harsh laws, like the Internal Security Act.

In the early years of the 21st century, the tensions in the relationship are overshadowed by close cooperation in combatting terrorism. Since the September 11 attacks, the United States has sought Malaysia's assistance in tracking down the Muslim terrorists responsible for the attacks, and President George W. Bush has invited Dr. Mahathir to the White House to discuss this and other collaboration between the two countries. Besides cooperation over counter terrorism, there is much cooperation over narcotics control, educational exchanges, and defense matters. The United States provides Malaysia with limited military assistance in the form of training programs and military sales credits, while Malaysia extends docking and repair facilities to US ships and aircraft. Bilateral trade ties have also grown. The United States is now Malaysia's largest trading partner, accounting for US$30 billion or about one-fifth of Malaysia's total trade in 2001. About 20 percent of Malaysia's exports go to the United States, while about 16 percent of Malaysia's imports come from the United States. Around three-quarters of Malaysia's total exports to the United States consist of electrical and electronic goods. Presently, Malaysia is America's 11th largest, two-way trading partner. The United States is also the leading investor in Malaysia, with half of its investments in oil, gas, and petroleum and the other half in manufacturing, mainly semi-conductors and electronics.

In the case of Canada, the bilateral relationship is close and cordial. They have regular consultations and cooperate in the areas of trade, education, investment, defense, and technical assistance. As a member of the Commonwealth, Canada extends scholarships and training programs to Malaysia, such as Colombo Plan awards to its students and professionals in a variety of fields. In 1992, both countries also signed a Memorandum of Understanding, which allows Malaysian graduates of accountancy to undertake their articleship in Canada. In addition, Malaysia receives assistance through the Canadian Investment Development Assistance (CIDA) Program for developing industrial and business linkages between their private sectors. Their bilateral trade ties have increased, and Canada is one of ASEAN's dialogue partners. Both countries cooperate in international and trade flora like APEC, and Canada is also a member of the ASEAN Regional Forum for security cooperation in the region.

LATIN AMERICA

Malaysia's ties with Latin America have developed in recent years mainly under the Non-Aligned Movement and South-South cooperation in the Group of 15 to ensure that the interests of developing countries are not marginalized. In 1997, two Cuban delegations visited Malaysia and identified possible joint ventures in construction, tourism, mining, power generation, petroleum exploration and refining, food processing, and trading in consumer items. That year, Dr. Mahathir paid a state visit to Cuba and also received the Jose Marti Award, named after a Cuban nationalist, from President Fidel Castro. He came with a delegation of Malaysian businessmen and addressed prominent members of the Cuban and Malaysian business community.

After the visit to Cuba, Dr. Mahathir also visited Chile to attend the 12th General Meeting of the Pacific Economic Cooperation Council Meeting (PECC) in Santiago. Since his first visit in 1991, trade ties with Chile had increased. Malaysian exports to Chile include the national car, natural rubber, radio broadcast receivers, and automatic date processing machines, while exports from Chile to Malaysia include copper, iron ore, fish meal, and fresh fruits. By 1997, seven agreements had been concluded with Chile on trade, investments, air links, and cooperation on economic, scientific, and technical levels. Official visits to Uruguay and Argentina were also made by Mahathir on that trip to Latin America, and several trade agreements were signed.

Self-Study Questions for Further Exploration

- At present, what are Malaysia's major security concerns?
- Why is Malaysia's relationship with its ASEAN partners so close and complex?
- What are some interesting features about the Malaysia-Indonesia relationship?
- What are some benchmarks in the Malaysia-Vietnam and the Malaysia-Cambodia relationships?
- How has the Malaysia-Africa relationship evolved since 1957?
- What are some distinguishing features about Malaysia's relationship with Britain, its former colonial master?
- What is the nature of Malaysia's relationship with Australia and New Zealand?
- What are some areas of cooperation and tension between Malaysia and the United States?

Resource Materials for Further Exploration.

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Sopiee, Mohamed Noordin. From Malayan Union to Singapore Separation. Kuala Lumpur: University of Malaya Press, 1974.

USEFUL WEB SITES

MALAYSIA SPECIFIC

- www.geocities.com/Paris/Lights/7995 (a photographic tribute to Malaysia's past created by Binder Kaur and entitled "Binder's Classic Malaya").

- www.alang.ukm.my/kamal/ (provides links to local journals and archaelogical associations in Malaysia and Southeast Asia and to recent archaeological research in the country. Maintained by Kamal Rahman of the National University of Malaysia).

- www.kln.gov.my (web site of the Ministry of Foreign Affairs, Malaysia, with information about Malaysian foreign policy).

- www.tourism.gov.my (web site of the Malaysian Ministry of Culture, Arts, and Tourism with useful information on many aspects of tourism in the nation).

- www.smpke.jpm.my (web site of the Prime Minister's Department)

- www.stpi.com.my (web site of the *News Straits Times*, the main Malaysian daily newspaper in

English).

- www.utusan.com.my (web site of the *Utusan Malaysia*, a dailynewspaper in Malay. For the English version of this newspaper, go to the main page and click on *Utusan Express*).

- www.bernama.com. (web site of the Malaysian National News Agency with daily news of the nation).

- www.thestar.com.my/ (web site of the popular English newspaper with daily news on Malaysia).

- www.malaysiakini.com/index.php3 (on-line Malaysian political daily with a subscription based site).

- www.eBridgeMalaysia.com (on-line weekly roundup of Malaysian and Malaysian-North American news. This site is subscription based).

SOUTHEAST ASIA

- www.iseas.edu.sg/ (web site of the Institute of Southeast Asian Studies (ISEAS), Singapore).

- www.iseas.edu.sg/pub.html (Books and Journals Catalogue of ISEAS, Singapore).

- www.aseansec.org (web site of the ASEAN Secretariat in Jakarta, Indonesia).

- www.library.wisc.edu/etext/seait/ (multimedia database on Southeast Asia created at the University of Wisconsin-Madison by the Center for Southeast Asian Studies, the University of Wisconsin General Library System, and the Division of Information Technology).

- www.library.wisc.edu/guides/SEAsia/ (Vast collection by the University of Wisconsin-Madison of links to the countries of Southeast Asia).

ASIA

- www.aasianist.org (web site of the Association for Asian Studies (AAS) based in Ann Arbor, Michigan).

- www.coombs.anu.edu.au/CoombsHome.html (contains Asian and Pacific sites and has links to universities, research institutes, and libraries around the world).

- www.coombs.anu.edu.au/WWWVL-AsianStudies.html (the Asian-Studies - WWW Virtual Library at the Australian National University).

GENERAL

- www.amnesty.org. (Includes human rights issues in Malaysia).

- www.cia.gov. (includes background information on Malaysia).

- www.cnn.com. (includes news on Malaysia).

- www. imf.org (includes International Monetary Fund information on Malaysia).

- www.state.gov. (includes US State Department background information and policy on Malaysia).

- www.un.org (includes United Nations information on Malaysia).

- www.unhcr.ch (includes information by the Office of the UN High Commissioner for Refugees on refugee issues involving Malaysia).>

- www.usaid.gov (includes US Agency for International Development material on Malaysia).

- www.worldbank.org (includes World Bank related material on Malaysia