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Abstract	The article focuses on the troubled birth of Malaysia. The Federation of Malaysia is scheduled to come into existence on August 31 of this year by the merger of the existing Federation of Malaya with Singapore, the British colonies of Sarawak and North Borneo and the British-protected Sultanate of Brunei, thus forming a crescent well over a thousand miles long from the borders of Thailand almost to within eyesight of the southernmost Philippine islands. Although many difficulties stand in the way, the British and Malayan Governments say categorically that they will not be deterred from pushing the plan through. Some of the difficulties are historical and local, for the new Federation will be a rather arbitrary assemblage of widely separated territories with mixed populations at different stages of development. More important are the objections raised by Indonesia and the Philippines. President Sukarno of Indonesia condemns Malaysia as a colonialist project because it will have a British defense guarantee.

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THE TROUBLED BIRTH OF MALAYSIA

By Hamilton Fish Armstrong

THE Federation of Malaysia is scheduled to come into existence on August 31 of this year by the merger of the existing Federation of Malaya with Singapore, the British colonies of Sarawak and North Borneo and the British-protected Sultanate of Brunei, thus forming a crescent well over a thousand miles long from the borders of Thailand almost to within eyesight of the southernmost Philippine islands. Although many difficulties stand in the way, the British and Malayan Governments say categorically that they will not be deterred from pushing the plan through. Some of the difficulties are historical and local, for the new Federation will be a rather arbitrary assemblage of widely separated territories with mixed populations at different stages of development. More important are the objections raised by Indonesia and the Philippines.

President Sukarno of Indonesia condemns Malaysia as a colonialist project because it will have a British defense guarantee; he sees no inconsistency, however, in criticizing it in the same breath as so weak that it will open the way for the southward march of Communist China. The Philippines began by taking the same position; but because its history gives it a different outlook on the relations of independent states with former colonial powers, it decided on second thought not to stress the criticism of Malaysia as a device to prolong colonialism. However, it joins Indonesia in claiming that China will find easier pickings in a Malaysian federation than it would if the component territories remained separate bits of real estate with an uncertain future. What they would like that future to be is not much of a secret. An agitation is being carried on in Indonesia, without official hindrance, for self-determination of the British territories as a halfway house toward their inclusion in Indonesia; and the Philippine Government has put forward a claim to residual sovereignty in a part of North Borneo, based on a complicated chain of inheritances from the last Sultan of Sulu.

This controversy has brought new uncertainties to the tense situation already existing in Southeast Asia and given it a sharp new focus in world politics. The conflict is particularly acute between Indonesia and Malaya. They are the two nations of the

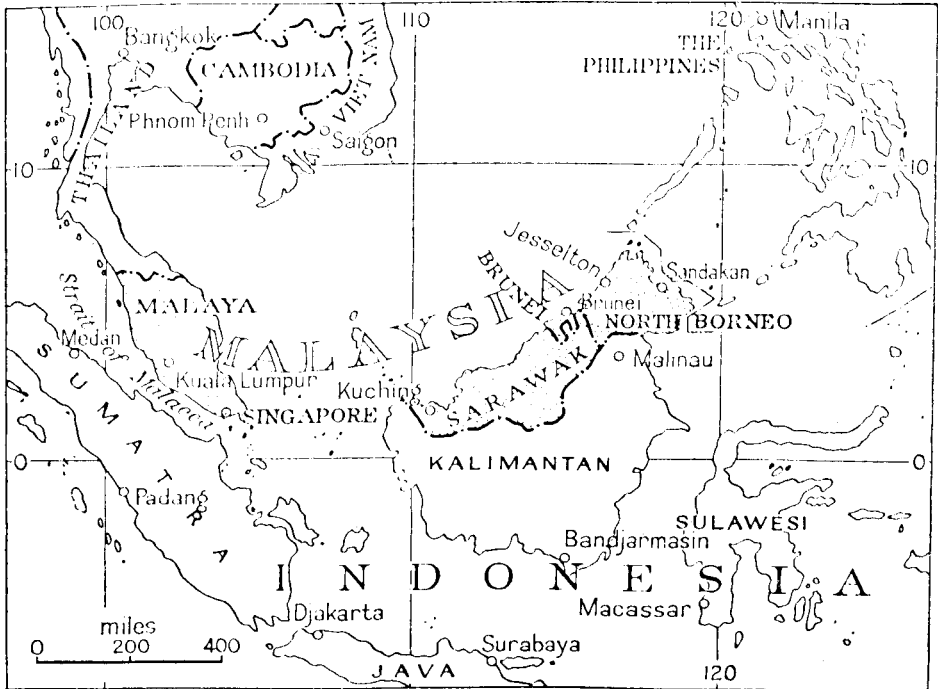
area which are most closely related in race, language, customs and religion. But they have had very different colonial experiences, attained independence in different ways, pursued different political and social goals by radically different methods and are led by statesmen of different training, experience and temperament, looking at the outside world with different eyes and seeking support there in opposing camps.

No such differences exist between the Philippines and Malaya. Both are democratically organized; both secured their independence with the consent of the colonial power; both belong, with Thailand, to the Association of Southeast Asian states (A.S.A.) and have been negotiating for closer cultural and commercial ties. For this reason, the Philippine Government has avoided using the invective and open threats that mark the Indonesian attacks on Malaysia, and recently President Macapagal has tended to serve as mediator between the leaders of the two other countries. Apparently the main reason the Philippines joined Indonesia in opposing Malaysia was to exert pressure on Britain to recognize its claim in North Borneo, or at any rate to ensure that the claim will be considered seriously and settled by a legal procedure, preferably in the International Court of Justice. For when President Macapagal first raised the matter formally in May 1962, Britain brushed it aside as so insubstantial as to be hardly worth discussing. Last November President Sukarno of Indonesia, passing through Manila on his way home from Japan, had a talk with President Macapagal. The two Presidents seem to have reached an understanding that the Philippines would make common cause with Indonesia in opposing Malaysia and that in return Indonesia would support Philippine ambitions in North Borneo. (Interestingly enough, although some of the territory included in the Philippine claim lies within Indonesia, nothing is now heard of that part of it.) They doubtless were encouraged by the disorders in Brunei in early December which revealed that the proposed *Federation* faced internal difficulties. President Sukarno immediately gave the revolt his blessing and proclaimed his "confrontation" policy against Malaya—a word imprecise in the context but obviously intended to be threatening.

Now there are understandable reasons why the Philippines should wish to identify itself with Asia, if only to show that it has a larger role to play than as an American protégé. Membership in A.S.A. was a natural step in that direction. But to jump

into bed with Indonesia, particularly if it means destroying A.S.A., seems going to extremes. For partnership with President Sukarno involves risks that cannot be calculated in advance.

One thing which does seem certain about President Sukarno's plans is that they aim to make Indonesia the dominant power in the area. Half of the 200,000,000 people of Southeast Asia live under his control, compared with a population of about 28,000,000 in the Philippines and about 10,000,000 in what will be Ma-



laysia. To back up his ambitions he has a well-trained army, enlarged to 300,000 for the projected invasion of New Guinea and still maintained at that strength, plus 125,000 Mobile Guards. Until recently, the Indonesian forces had rather miscellaneous arms—Dutch, Japanese, British, Czech and American—but these have been overshadowed by the military aid received from the Soviet Union, which now reaches the value of one billion dollars.

As first steps in his program, President Sukarno hardly disguises his belief that Indonesia should naturally include the territories now under British control in the western and northern parts of Kalimantan (the Indonesian name for Borneo), and he takes it for granted that Portuguese Timor is to be had for the

taking at any convenient moment. It would be out of character if in addition he did not have his eyes on the Australian-administered half of New Guinea (though this is disclaimed, as is common form in such cases). But this is not the whole menu. A propaganda also flourishes in the Indonesian press and from Indonesian territory over the "Voice of the Unitary State of Kalimantan"—without official disapproval and therefore with official consent—favoring the concept of *Indonesia Raya* (Greater Indonesia) as a substitute for Malaysia. In it, Indonesia would absorb not only the Bornean territories but also Malaya and Singapore. Spokesmen for the project are left-wing Malayan refugees in Djakarta and the leader of the revolt in Brunei last December, Sheik Azahari, who directed his forces in Brunei from a safe distance in Manila and later transferred to Djakarta. The government-controlled press in Djakarta now refers to Azahari as Prime Minister of Northern Kalimantan. (Something which President Macapagal seems to have overlooked is that there also is talk in these same circles about the similarity in race and religion between the southern Philippine Islanders and their brothers in the Indonesian part of Kalimantan.)

Establishment of the Federation of Malaysia would frustrate for the time being President Sukarno's hope of extending Indonesian control over the whole of Borneo. But it would not foreclose the possibility of guerrilla action across the jungle-deep frontiers of Sarawak, Brunei and North Borneo, through "volunteers" for which Djakarta would of course disclaim responsibility. Indeed, sporadic raids are already occurring. Even if this action involved the use of modern arms in addition to the poison blowpipes talked about in the Djakarta press, it would cost Indonesia little; but since Britain will extend to Malaysia the defense guarantee it gave Malaya, it would have to reply to this attack, and the operation might be protracted and costly. The possibility of a campaign in the jungles of Borneo is disquieting; the repercussions would spread through all the western Pacific and would soon reach the United Nations.

II

The strongest Indonesian and Philippine argument against Malaysia is based on the need of the two countries to protect themselves against an impending Chinese Communist surge into Southeast Asia, executed not by force of arms but by infiltration

and subversion. The proposed Federation, they assert, will be a soft sponge, ready to suck up Communist influences, and as evidence they cite the fact that Chinese will form the largest single element in the population and that even the Chinese who are not Communists have little feeling of identity with or loyalty to their overseas homes but on the contrary take pride in the new power and prestige of Mainland China. In Malaya the population is 49 percent Malay and 37 percent Chinese. In Malaysia the Chinese will form 42 percent of the population and the Malays 39 percent (the remainder being Bornean tribesmen, Indians, etc.).

Admittedly, a most delicate spot in the new Federation will be Singapore, where the population is 75 percent Chinese. But that great port, the fifth port in the world and as vital to Malaya as Malaya is to it, will be a problem in any event, and the question is how to regulate the problem best. The Communist section of the population has been held in check by what the canny Prime Minister, Lee Kwan Yew, calls a "non-Communist" policy. In December 1961 he was able to win approval in the Legislative Council by close to a two-thirds majority for a proposal to merge Singapore with Malaya independently of the project for a further merger into Malaysia.¹ And in the autumn of 1962 he risked taking the merger proposal to the people of Singapore and gained their approval by a big majority. The financial terms of the merger are still under discussion, and a last-minute hitch might occur as to the division of Singapore's surplus revenue between the city state and the Federation Government. However, agreement has been reached that Singapore is to have autonomy in the critical fields of education and labor (the former of intense importance for the Chinese, the latter for everybody), and in return for this concession Prime Minister Lee Kwan Yew agreed that Singapore shall have only 15 seats in the Federation Parliament, less than it would be entitled to in terms of population. Internal security will be in the hands of the Federation. The British base in Singapore will continue, and this seems to suit everybody but the most extreme Communist elements, since the support services for the base bring in a large revenue and employ more than 40,000 dockers and other workers. As this is written, the extent of British financial help in training Malaysia's enlarged defense forces is still being discussed.

Given the basic facts of the situation, the British and Malayan

¹ See "Singapore: Problem Child," by William P. Maddox, *Foreign Affairs*, April 1962.

Governments feel that the problem of Singapore is being handled as wisely and safely as possible. If it were left a separate unit, the Communist elements among the Chinese majority might one day open the gates to an outside predator. If it were combined just with Malaya, it might play a preponderant role that it cannot play in the larger Malaysia. There remains the possibility that local disorders may occur, but the Federation Government will have authority to deal with them, and if they assumed proportions endangering international security it could call on Britain for help. Some British officials do not hesitate to say that it is not because of prospective weaknesses in Malaysia that President Sukarno fights it but because (aside from making Indonesian expansion in Borneo more difficult) it promises to stabilize a spot where the situation has been fluid and the future uncertain. Singapore will be immunized so far as practicable against a takeover by the Communists and anchored in a political base where it will be less vulnerable to the designs of an envious neighbor; the risk of racial conflict between the Chinese and Malays will continue but it will be minimized in a homogeneous economic and political structure giving scope for the abilities of the Chinese in business and finance and the talents of the Malays in politics.

III

President Sukarno has additional reasons, both foreign and domestic, for doing his best (or worst) to prevent the formation of Malaysia on schedule and, if he fails in that, for continuing efforts to sabotage it. One reason (which can hardly be shared by President Macapagal) is that since he is himself a socialist and claims to have established a socialist régime in Indonesia he must prove its superiority to the free-enterprise régime in Malaya. But this pretense he is finding it exceedingly hard to maintain, for Malaya is prosperous and the Indonesian economy is in chaos. To claim superiority for the Indonesian system would become even more difficult if the Malayan economy, based too heavily at present on two commodities, tin and rubber, were to become more diversified by the addition of the oil of Brunei, the timber, cacao, copra and bauxite of North Borneo, the timber and pepper of Sarawak, and other Bornean products, and if the whole of Malaysia became, as is suggested, a common market with a pan-Malaysia tariff, served by the great free port of Singapore.

What seem to be irreconcilable differences in temperament

between President Sukarno and the Malayan Prime Minister, Tunku Abdul Rahman, are another reason why the dispute between their two countries has become so intense.

President Sukarno is too often described in the American press in unflattering terms only; and his voracious love of pleasure and lack of interest in economy do lay him open to criticism. (Item: The helicopter given him by President Kennedy stands on the palace lawn at Bogor. But it is so noisy, Sukarno told me, that he is ordering another. "Besides, the wind from this machine blows the petals off the water-lilies.") But this is only one side of his character. He is in addition a man with energy to match his ambition, a demagogue of magnetic power and a politician of marvelous skill in manoeuvre. Who without that skill could cavort confidently around the circus ring, not only mounted on two horses anxious to go in different directions but guiding two other pairs of horses also?

His main team is composed of the Eastern horse and the Western horse. They pull hard against each other and it takes great dexterity on the President's part to keep his footing on each and not either land on the tanbark or find himself deserted by one of his steeds and left clinging precariously to the other.

The second team which he must somehow keep under control consists of two most incompatible horses. One, pressing hard to the right, is the Indonesian Army, led by anti-Communist General Nasution, Chief of Staff of the Armed Forces; the other, pressing even harder toward the left, is the Communist Party of Indonesia (the P.K.I.), two million strong, the only effectively organized political grouping in the country.

The third team consists of the Moscow horse and the Peking horse. President Sukarno needs to continue receiving Soviet aid and he must pay increasing deference to Communist China. Mao's aggressive policy is much more popular in the P.K.I. than Khrushchev's more moderate line, and the P.K.I. is a vital element in the political structure on which Sukarno's régime rests.

The pull between Moscow and Peking may still topple him. Southeast Asia is—for the time being, anyway—a battleground between the Soviet Union and Communist China; and a point of special friction is Indonesia. This was underscored this past spring when Marshal Malinovsky and the President of China, Liu Shao-chi, visited Djakarta within a few weeks of each other. The Chinese President urged Sukarno to push his fight against Malay-

sia unremittingly and to avoid any plan for stabilizing the Indonesian economy that would require (and perhaps receive) American aid. Peking and the P.K.I. do not oppose economic and financial reform just because it would require aid from "imperialist" America; they know too it would ameliorate misery in the sprawling suburbs of the crowded cities and the *kampongs* of Java which are breeding-grounds of Communism. *Pravda* has called Malaysia a "cunning invention" of neo-colonialism, but in general Moscow's line is more moderate than Peking's. It deprecates revolutionary activity inside Indonesia at present, is satisfied that representatives of the increasingly pro-Peking P.K.I. should not be taken into Sukarno's cabinet and does not favor even an unofficial Indonesian war in Borneo. It would be to the Soviet Union's advantage if Britain were forced to transfer troops from Europe to Southeast Asia to deal with attacks on the former British colonies there; but Soviet leaders seem to fear that if Indonesia pushed the contest with Malaya and Britain to such extremes it might get out of hand and involve other powers, possibly even the United States.

So far, President Sukarno has been adroit enough to steer his three pairs of antagonistic horses round and round the ring without a fall and to the applause of a bedazzled audience.

By comparison with President Sukarno the Malayan Prime Minister, Tunku Abdul Rahman, is staid and unpicturesque. They are as unlike in externals as they apparently are in inner motivations. Sukarno is always in uniform with half a dozen rows of decorations, his cap set at a jaunty angle, a swagger stick under his arm. The Tunku ordinarily dresses inconspicuously in a sarong or blue cotton tunic and trousers. Where Sukarno is given to hyperbole, quips and taunts, the Tunku is dignified, almost ponderous. Each can and does speak contemptuously about the other, but Sukarno's sarcasm is viperous, the Tunku's blurted out, often at undiplomatic moments, almost by inadvertence. Nobody who works for Sukarno can feel secure except by showing him fidelity verging on sycophancy; the Tunku, as one associate described him, is "sometimes bumbling but always open to reason." Each understands his own people and has a flair for manoeuvre in domestic politics. In international matters Sukarno often resorts to bluff and his bluff often wins; the Tunku is less of a gambler, but once he takes a position, as on Malaysia, he is immovable. Sukarno calls himself "a man of the world's new

emerging forces" and refers to the Tunku as "a man of the old status quo forces." The Tunku considers Sukarno a shallow fellow, an *arrivist* who must be ever staging some spectacle in order to hold his popularity or seeking a new political success to divert attention from his inability to organize and run the daily affairs of a modern state.

IV

Indonesian officials complain that the Malayan Government is chronically unfriendly. They say that anti-Sukarno rebels during 1957 and 1958 found refuge in Malaya and subsequently were permitted to speak over the Malaya radio in an effort to arouse discontent in nearby Sumatra. It is true that rebel bands crossed the narrow Straits of Malacca and hid in swampy islands along the Malayan coast, and that Indonesian and Malayan patrols found it impossible to control them; also that Sumitro and some other rebel leaders escaped to Singapore and eventually, when the rebellion was over, came to live in Malaya, though under strict injunctions against political activity. It is denied categorically in Kuala Lumpur that they have ever been allowed to speak over the Malaya radio. It is admitted that when Foreign Minister Subandrio asked the Malayan Government in January 1961 (some time after the rebellion ended) to sign an extradition treaty the request was not granted; Indonesia specified that the treaty should cover political offenses and Malaya considered this contrary to international practice. A furor was raised in the Indonesian press when in October 1960 the Tunku made efforts to find a compromise for the West Irian question which was unsettling the whole of Southeast Asia. His visits to The Hague, Washington and the United Nations were attacked in Djakarta as preposterous interference. What was not mentioned, perhaps because it was not known, was that the Tunku had corresponded with President Sukarno in advance and had been encouraged in his quest.

A specific grievance emphasized in Djakarta is that the Malayan Government does not consult Indonesia about matters of common concern. As examples of this "bad neighborhood" Dr. Subandrio gave me the failure of Malaya to inform him about the projected Association of Southeast Asia and later about the plans for Malaysia. The chronology of events does not seem to support this indictment.

A.S.A. was first adumbrated in a speech made by the Tunku at a dinner given by President Garcia of the Philippines in Manila on January 3, 1959. His suggestion was then rather vague, merely that as wide as possible a group of nations in Southeast Asia should join together to ensure their independence, stability and progress. In October of that year he wrote to the chiefs of state of all the nations that might be interested in discussing such an association. His invitations went to President Sukarno, President Garcia, Marshal Sarit of Thailand, Prince Sihanouk of Cambodia, President Diem of South Viet Nam, Premier Sananikone of Laos and General Ne Win of Burma. President Sukarno replied in January 1960 that he did not favor multilateral agreements but preferred bilateral ones. Only with the Philippines and Thailand did the negotiations proceed to a satisfactory conclusion.

The first mention of the project which gradually took shape as the Federation of Malaysia was in a speech by the Tunku in Singapore, May 27, 1961. He said:

Malaya today as a nation realizes that she cannot stand alone and in isolation. . . . Sooner or later she should have an understanding with Britain and the peoples of the territories of Singapore, North Borneo, Brunei and Sarawak. It is premature for me to say how this closer understanding can be brought about, but it is inevitable that we should look ahead to this objective and think of a plan whereby these territories can be brought closer together in political and economic coöperation.

Two months later Malaya made the first major move to translate this idea into reality by establishing the Malaysia Solidarity Consultative Committee composed of leading personalities from each of the five territories (the Brunei representatives sitting as observers). They were asked to study the feasibility of the plan, develop a program of action and suggest how local interests and requirements might be reconciled. The committee held four series of meetings in the North Borneo and Sarawak capitals and in Kuala Lumpur and Singapore. By autumn the discussions had progressed so well that the Tunku was encouraged to visit London for a discussion of ways and means with the British Government. On November 23 he reached agreement in principle with Prime Minister Macmillan on the advisability of creating Malaysia and, as a procedural matter, on the appointment of an Anglo-Malayan commission to inquire into the proposal on the spot and make recommendations. Lord Cobbold, former Governor of the Bank

of England, was named head of the Commission, with two experienced members of the British Civil Service and two nominees of the Malayan Government as his associates.

It was at this juncture that Foreign Minister Subandrio of Indonesia intervened in the discussion of the Malaysia proposal. He was then in New York, attending the U.N. General Assembly at which the Indonesian claim to West Irian was being considered. In order to dispose of the idea that the acquisition of West Irian would be only a first step in an Indonesian program of expansion, he wrote a letter to *The New York Times*, dated November 13, 1961, citing "as an example of our honesty and lack of expansionist intent" the fact that Indonesia does "not show any objection" toward the Malayan policy of merger with the British territories in Borneo. And speaking in the General Assembly a week later, November 20, 1961, Dr. Subandrio said further:

We are not only disclaiming the territories outside the former Netherlands East Indies, though they are of the same island (Borneo), but—more than that—when Malaya told us of its intention to merge with the three British Crown Colonies [*sic*] of Sarawak, Brunei, and North Borneo as one Federation, we told them that we had no objections and that we wished them success with this merger so that everyone might live in peace and freedom.

The friendly attitude thus expressed did not long survive.

V

The Cobbold Commission arrived on the scene in February 1962 and in the course of 50 meetings in 35 different centers throughout Sarawak and North Borneo heard the views of over 4,000 persons who appeared before it in groups varying in size from 1 to 50. It also consulted with the Legislative Councils in the two colonies and received 2,000 memoranda and letters from town boards, district councils, political parties, chambers of commerce, religious and trade-union leaders, native chiefs and others. The hearings were private and the memoranda were treated as confidential. The Commission also made use of the report of the Solidarity Consultative Committee as a guide in asking questions and seeking compromises where divergent views were expressed. The question of Brunei's accession to the Federation is separate from that of Sarawak and North Borneo, for it is run by an hereditary ruler whose decision in the matter is final. (Actually, the Sultan's negotiations with the Malayan Government have turned mainly on the division of Brunei's oil reve-

nues.) The Commission nevertheless visited Brunei Town and had discussions with the Sultan and his Ministers. As for Singapore, its amalgamation with Malaya had already been agreed upon. The Commission's report, signed June 21, 1962, summarized the problems involved in setting up the Federation and made a series of unanimous recommendations; it also included separate recommendations by the British and Malayan members.

Prolonged negotiations followed among members of an Inter-Governmental Committee representing Malaya and the two Borneo colonies, this time with Lord Lansdowne as Chairman. Agreement was reached on the necessary safeguards for individual liberties, religious freedom and the special position of native peoples, on the continuance and development of education along accustomed lines, on rural improvement, finance and trade, the control of immigration, representation in the Federation parliament and other matters which had roused apprehension among various elements in the two territories.

For example, both Chinese and Christians in Sarawak and North Borneo had resented the statement in the Constitution that "Islam is the religion of the Federation." It was agreed that religion is a matter about which each state must decide for itself; religious freedom is guaranteed for ten years, and after that it cannot be limited in any way without the consent of the respective state legislatures. Meanwhile if the Federation gives any subvention to Moslem religious or educational bodies it will put equivalent sums at the disposal of the state governments for non-Moslem uses. On education, which particularly concerned the Chinese, who had built and supported their own schools, it was stipulated that present policies should continue. To reassure the Chinese that a flood of Chinese immigrants from Singapore would not impair their economic position, it was provided that federal regulations about immigration into the Bornean states would be subject to approval by those states. In the end, the "package deal" satisfied the main requirements of all but two sets of opponents: the radical Chinese, who took their ideas from the Peking radio (an effective and powerful propaganda instrument throughout Southeast Asia) and from the Mainland Chinese periodicals which circulated in the colonies until after the Brunei revolt; and the tribal leaders who wished to continue in the familiar pattern of benevolent British tutelage.

Both Sarawak and North Borneo are vast in extent and con-

tain rich and varied resources, largely undeveloped; and in both, the populations are just emerging from primeval conditions. Except in the two capitals, Kuching and Jesselton, neither of the two colonies has until recently known much organized political life. Both, however, possess Legislative Councils, partly appointive, partly elected in about as democratic a manner as the current degree of political sophistication warrants. In Sarawak, the elected membership of what is called the Council Negri is chosen by a "three-tier" system, according to which the people elect District Councils, which in turn elect Divisional Councils, which in turn elect members of the Council Negri. On March 8, the Council Negri voted to join the Malaysian Federation with the agreed safeguards of state and individual rights and interests. To give the population more direct representation, it also decided that the next Council Negri will consist of 36 elected members (an increase from 24), three members appointed by the Governor (a decrease from 15), and three ex officio. It will choose Sarawak's representatives in the Federation parliament.

The elections for this new Council will already have begun before these lines are published, but the distribution and collection of ballots in remote long houses and up-river settlements will be a long process and the results cannot be determined promptly. Some opposition to the Malaysian scheme will doubtless be registered. Though the vote in the Council Negri in favor of the Federation was unanimous, four members abstained, and Ong Kie Wie, leader of the Sarawak United People's Party (SUPP), walked out before the vote. SUPP, the oldest and best-organized party in Sarawak, mainly Chinese in membership, had for some time been infiltrated with Communist elements. After the Brunei revolt several of its leading Communist members were jailed and others deported to Mainland China. Though Ong Kie Wie is opposed to the "package deal" agreed upon by the Inter-Governmental Committee, he calls himself a moderate and claims to favor Malaysia in principle (a statement which brought grumbles from the party's Secretary-General, Stephen Yong, when I met with him and other party members in Kuching). If the new elections produce a Council Negri containing a large element opposed to Malaysia, a fresh hurdle will be raised to the smooth formation of the Federation; but the action of the previous Council in March is being taken as final and no action of the new Council will be allowed to block Sarawak's adhesion.

In North Borneo, where political institutions have not evolved at the same pace, the Legislative Council has been composed of 18 "unofficial" members appointed by the Governor from among those recommended by town boards, district councils, the Native Chiefs' Conference and other organizations, plus four ex-officio and three appointed members, with the Governor as Chairman. In the latest local elections, in which over a third of the people voted, Malaysia was the issue. The Sabah Alliance campaigned in favor of joining the Federation, and won. As a result, Donald Stephens, Chairman of the Executive Committee of the Alliance, introduced a motion in the Legislative Council proposing membership in Malaysia, and on March 13 it was unanimously adopted. Mr. Stephens emphasizes that the discussions in the Inter-Governmental Committee were full and free. "I wish those who call us stooges of colonialism could have been there," he told me, "to see how strongly we insisted on every necessary provision for the protection of our Bornean interests. The Malayan Government met us at all essential points. We have had self-determination. Our decision has been made."

British officials would have preferred, of course, that the preparation of the two colonies for taking part in representative government had been longer and more intensive. Even so, as they point out, the political development of the peoples involved—tribal, Malay and Chinese—seems to have gone at least as far as in many member states of the United Nations, and the opportunities they have had and will have to express themselves are certainly greater than those given the citizens of many respected one-party states. The *tu quoque* argument is never a very satisfactory one; but if Indonesia, supported by the Communist bloc, ventures to raise the question of self-determination when Malaysia applies for U.N. membership, President Sukarno can be reminded that he refused a plebiscite in West Irian before annexing it.

VI

Indonesia's attitude toward Malaya and the Malaysia project hardened gradually, but the drastic change came only after the rebellion in Brunei on December 8, 1962. President Sukarno at once announced his policy of "confrontation," and what had been criticism turned into open opposition and threats. Although the Philippine Government expressed its opposition in more con-

ventional terms it permitted the rebel leader Azahari to use Manila as a headquarters even after he had proclaimed himself Prime Minister of the "Unitary State of Northern Kalimantan" and announced that it included not only Brunei but the British colonies of Sarawak and North Borneo also. At first there was suspicion that the Sultan had connived with Azahari to restore the realm of his forefathers, of unlamented memory. And two rebels were actually captured at the gates of the palace, on the outskirts of Brunei Town, with a proclamation to that effect ready for the Sultan's signature. However, he had already taken refuge in the police station in the town, and since this was before the outcome of the rebellion was known it discounts the idea that he was in on the plot.

One reason the rebellion misfired was that it seems to have been scheduled for the spring of 1963 and to have been set off prematurely when the local leaders found that their preparations had become known. Newspapers in Kuala Lumpur, reflecting what was known to the Malayan intelligence, ran stories about the "secret" preparations for a revolt and reported that the Sarawak police had arrested several persons involved (for the revolt spilled over into the border region there). Knowing that surprise was their best weapon, the rebel leaders decided not to delay. Actually, the reports from Brunei and Sarawak do not seem to have been taken in Singapore as portending anything very serious, either by Lord Selkirk, the British Commissioner General for Southeast Asia, or by the intelligence officers on whom he relied. Early on December 8 crowds of three to four thousand rebels, many of them acting in a desultory way but under a hard-core determined leadership, took over a good part of Brunei Town (though they failed to capture the police station or the Sultan who had fled there) and overran the Seria oil fields. British troops were at once flown from Singapore, and in the course of the fighting which ensued lost seven officers and men before the rebels scattered into the jungle and mangrove swamps. In the course of the following weeks most of them were captured or gave themselves up. All but a few of the leaders were eventually returned to their families.

Just why the revolt occurred is not altogether clear. The Sultan's relatives and court hangers-on were regarded as inefficient and corrupt and believed to profit outrageously from the rich oil revenues. But the people of Brunei shared in the oil wealth too.

They have had sickness and old-age insurance, educational and medical facilities and many of the other advantages of a welfare state, besides the pride of being able to pray at the tremendous blue-domed mosque built by the Sultan out of Italian marble. Despite this, Azahari was able to organize the only successful party in Brunei on the basis of resentment against the Sultan's feudal court (not, curiously, against the Sultan) and its favoritism for the urban as against the primitive country population. It is debatable how much the Malaysian issue counted. Some of the disliked court ministers were Malays, lent to the Sultan from Kuala Lumpur, but on the other hand Brunei Malays probably outnumbered the Kadayans and other indigenous people among the rebels. This does not signify as much as would appear because Brunei Malays may well have felt that Malays from Malaya were lording it over them. To the extent that Malaysia was an issue, it probably did awaken some natural apprehension of the unknown; and obviously Azahari's promised alternative—the annexation of spacious Sarawak and North Borneo to tiny Brunei—would have had a strong local appeal.

The suddenness of the revolt took its backers in Indonesian Kalimantan by surprise, and may have prevented them from sending aid which had been scheduled. As it was, a number of the rebel leaders had been trained in a camp at Malinau, a small town in the northern part of Kalimantan, whence they passed in groups up the Semakong River, penetrated into a backward area of North Borneo and eventually reached Brunei by a mountainous route through northern Sarawak. There was no time to reënforce them, for when word reached Malinau the fighting was over. The Indonesian Government disclaimed any foreknowledge of the revolt, but at once gave it its backing. President Sukarno called it an example of the power of the new "emerging forces" and the Ministry of Information instructed the press to give the rebels every support, which of course it enthusiastically did; and on December 15 the Indonesian Parliament passed a resolution making this position official. As Willard A. Hanna has pointed out,² the West Irian issue had been settled, but here was a new one of comparable appeal, and the Indonesian government apparatus mobilized to popularize it, substituting Britain for the Netherlands as the colonialist scapegoat.

² "Malaysia, A Federation in Prospect," Part XV, American Universities Field Staff, Reports Service (Southeast Asia Series, v. XI, no. 3).

The Philippine authorities had gradually become so embarrassed by Azahari's activities in Manila that when Indonesia invited him to Djakarta they saw him depart on January 31 with relief. In Djakarta foreign opinion is divided as to Azahari's present whereabouts and future role—whether he has been persuaded to go into Kalimantan to organize new “volunteer” forces to make raids into British Borneo or whether he prefers to remain as before outside the zone of operations. There also is divided opinion as to whether President Sukarno is likely to authorize any substantial operations this summer against the British, or later against Malaysia. Some fear that the temptation to embarrass Britain and take revenge on the Tunku will be too strong to be resisted. He must know, of course, that for Indonesia to start hostilities in Borneo, directly or under a disguise, would end any prospect of American aid. But it must be set down as at least an open question whether he is of a temperament to put an economic goal ahead of a dramatic political one.

VII

Complicating the situation as the August 31 date approaches is the claim put forward by the Philippines to residual sovereign rights in a part of British North Borneo. The claim is too complicated historically and legally to be more than touched on in the broadest outlines. It turns, essentially, on whether the Sultan of Sulu in 1878 ceded or leased in perpetuity a section of the coast of North Borneo lying mainly in what is now the British crown colony but partly in the Indonesian territory of Northern Kalimantan, with undefined limits inland, to two private individuals representing a British company; and on whether after a number of confusing transactions by various persons and companies and negotiations and treaties by various governments, including those which transformed the Spanish Philippine Islands first into an American dependency, and afterward into the independent Philippine Republic, that Republic inherited or otherwise possesses any sovereign rights in the territory in question. The original deed was written in the Malay language and in Arabic characters. The British Governor of Labuan, who witnessed the negotiations, translated the vital part of it to the effect that the Sultan did “hereby grant, concede and cede of our own free will and in perpetuity to Baron de Overbeck of Hong Kong and Alfred Dent of London as representatives of a British company co-jointly, their

heirs, successors and assigns forever and in perpetuity all the rights and powers belonging to me over all the territories and lands being tributary to us on the island of Borneo." There followed a rather loose description of those lands and the stipulation that the Sultan and his heirs should be paid \$5,000 annually as compensation. (This sum has been paid regularly whenever the proper heirs could be identified among many claimants.)^a

Several years ago, when President Macapagal was a member of the Philippine Foreign Office, he became interested in a dormant claim which the Philippines had to the Turtle Islands, lying to the north of Borneo; and the British Government, which considered the islands inconsequential, agreed without difficulty to transfer them to Philippine control. Later he studied the claim to a part of North Borneo, and when he became President advanced it vigorously. In retrospect, it is plain that Britain would have done well either to work out a compromise at the start or agree that if the Philippine Government considered the claim good enough to subject it to judicial determination the dispute could be taken jointly to the World Court. Even if the latter course were adopted now it would not delay the formation of Malaysia; it simply would mean that the Federation would come into being subject to clearing the title to a small part of its territory. The Government of Malaya would of course have to commit the future Federation to follow through the policy inaugurated by the British Government.

Various advantages might be offered the Philippines to compromise their claim to territorial sovereignty rather than face a long judicial process and an outcome that is at best dubious. One inducement of great value to the Philippines would be an arrangement to deal jointly with the piracy and smuggling that go on in the Sulu Sea. At the wharves in Jesselton one sees fast Philippine boats lined up, waiting to load cargoes of cigarettes which are then smuggled into the Philippines at great fiscal loss to the Philippine Government. The traffic goes on quite openly, the North Borneo Government claiming that it cannot prevent the free sale of cigarettes and that the responsibility for policing Philippine waters belongs to the Philippines. The situation seems one in which the two sides could agree to coöperate to

^a For a careful exposition of the Philippine case see "Legal Aspects of the North Borneo Question," by Pacifico Aortiz, in *Philippine Studies: A Quarterly*, Manila, January 1963. A brief account from the British viewpoint is "The Claim for North Borneo by the Philippines," a pamphlet by K. G. Tregonning, Professor of History at the University of Malaya, Singapore.

end both piracy and smuggling; North Borneo could offer Philippine patrols the right to come into Borneo harbors to fuel and to spot and follow boats engaged in smuggling; and North Borneo could be given reciprocal rights to follow pirates into Philippine waters. Other advantages that the Philippines might receive could be a preferred position for Philippine capital in developing industrial projects in North Borneo and landing rights for Philippine airlines throughout Malaysia, so that businessmen and tourists could go freely back and forth (something already discussed, incidentally, in A.S.A. meetings).

VIII

The United States has favored steps toward the consolidation of Southeast Asia. SEATO in its original concept included the hope that if outside protection were provided the nations of the area which are ethnically and culturally related might in time draw together on a basis of individual independence and mutual self-help. A.S.A. seemed a step in that direction. When the Malaysian project was broached, Washington considered it a logical way for Britain to divest itself of its colonial possessions in Borneo and provide them with opportunities for political and economic development within a congenial democratic framework. And it was satisfactory, too, that a federation was in prospect instead of the fragmentation into fragile national states which has often followed the end of an era of colonial rule. President Kennedy therefore gave the project his blessing. In a press conference on February 14 he was asked whether Britain's plan to relinquish its colonial possessions in Southeast Asia and merge them in a Malaysian Federation threatened to create new dangers in the area. He replied that the United States has supported the Federation proposal, although he recognized that it is under pressure from several directions. "But I am hopeful it will sustain itself, because it is the best hope of security for that very vital part of the world."

Thus the United States not only seems to feel that Malaysia is the best solution for developing the backward Bornean territories, with proper assurances for the protection of their individual rights and interests, but agrees that it will be a stronger barrier to southward Communist Chinese pressure than would a series of disjointed and weak territories without a common policy and without a British defense guarantee. Washington has made this plain in Manila, though with care to avoid anything that might

seem improper pressure, and undoubtedly President Sukarno has been given the same advice, though it is recognized that in his case advice from the West is always weighed against advice from the East, and the latter has usually prevailed. Until recently one might have hoped that Moscow would tend to discourage President Sukarno from risky enterprises abroad; but Soviet influence seems to have become less effective in Indonesia, as in Laos and North Viet Nam, and unless Moscow and Peking can resolve their general and extensive conflict of interests, their tendency to pull in opposite directions in Indonesia will continue, with the likelihood that Peking's pull will be increasingly effective inside the Indonesian Communist Party and therefore increasingly influential on Indonesian policy.

Continued trouble in Borneo cannot be ruled out. If President Sukarno keeps his propaganda against Malaysia boiling even after the Federation actually comes into being, and if he decides that this agitation can profitably be worked up into a guerrilla war along the jungle frontiers of Borneo, we must be prepared for a new time of tension and danger—not just in a limited area but in the whole region where there is a conflict of ambitions between Malaysia and an Indonesia backed by Communist China for its own revolutionary and expansionist purposes. We have seen in Viet Nam how far this sort of conflict can lead. In Sarawak many members of SUPP, the best-organized party, still have Communist leanings; and in North Borneo there is a colony of 30,000 Indonesian immigrants, a potential fifth column. Sukarno can use either of the two propaganda approaches that are available to him to enlist one or other of these groups, or both. The fact that General Nasution recently threw his weight against the formation of Malaysia is a bad augury for peace. In a provocative speech on May 8, at a town in Kalimantan, he said that Malaysia “economically and militarily will be dominated eventually by a non-Malay power” and thus will become a source of subversion against Indonesia. He called on the youth of Kalimantan to intensify their training and support their brothers to the north with all their might, which in plain language means either to join the rebel groups or help them in their raids into Malaysian territory.

There are two ways of meeting these threats. The British already have considerable garrisons at strategic points in Borneo; and word came in early May that they were being increased both by land forces and by naval vessels, including the commando car-

rier *Albion* and transport aircraft and helicopters. It was also announced that Australia will, contrary to expectations, continue to maintain the Australian air squadrons in Penang as an indication that it is more than theoretically interested in the security of Malaysia. The second method will be gradually to spread a screen of special police forces along the jungle frontiers. The British and the Malaysians have had valuable experience in dealing with the Communist guerrillas in Malaya. But as that experience showed, the process can be gruelling and protracted.

The situation, then, is at best potentially explosive. Whether it does or does not explode rests primarily at this time with President Sukarno. Although outside pressure can sometimes have a reverse effect from that intended, it would seem that in dealing with a pragmatist like the Indonesian President we would be wrong not to state unequivocally where our national interests lie—namely that we are deeply concerned to see that a flanking movement shall not develop around our present delicate and indeed dangerous position in South Viet Nam, and that we consider the best way of forestalling this is for Malaysia to be a success.

Senator Mike Mansfield, after visiting parts of Southeast Asia before the controversy over Malaysia became intense, called for an American attitude of "cordial non-involvement." Given the enormous U.S. military and economic investment in the security of neighboring countries, the President's blessing for Malaysia and Senator Mansfield's attitude of cordiality toward it may not provide effective protection for American interests in the region as a whole. The territories which will join to form Malaysia have been primarily a British interest and the protection of them remains primarily a British responsibility. But if any of them are attacked, American relations with the attacking nation, however camouflaged its participation in the aggression might be, would be drastically affected; at a minimum, the United States would cease any and all help to that nation and might well break diplomatic relations with it. If the hostilities spread, and if the American position in Viet Nam became endangered by a creeping flanking movement by Communist China in support of Indonesia, no one can be sure that a policy of non-involvement would be adequate. The position assigned the Seventh Fleet would become of paramount importance.

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