

MEMORANDUM

(Re-do)
7146

NATIONAL SECURITY COUNCIL

~~SECRET~~

ACTION

November 5, 1975

MEMORANDUM FOR: GENERAL ~~SCOWCROFT~~

FROM: THOMAS J. BARNES

SUBJECT: Request for NIE on "Prospects for Stability in Malaysia"

Singapore's desire for significant quantities of blitzkrieg military equipment highlights Singapore's worries about the future of Malaysia, and raises questions about Singapore's contingency planning. I am thus recommending an NIE, by the beginning of 1976, on "Prospects for Stability in Malaysia."

We recently approved, with both modifications and misgivings, a State cable (Tab A) on sale for cash of military equipment to Singapore. The cable was part of a duo paired with another to Kuala Lumpur (Tab B) dealing with military sales to Malaysia on FMS credit. Among the salient comparative statistics were equal numbers of UH1H helicopters for both countries, but 85 armored personnel and mini-armored troop carriers to Singapore versus 32 armored cars to Malaysia. Singapore will also be getting sixty 105 millimeter howitzers versus twelve for Malaysia.

In adding 85 APC's to Singapore's current stock of 200, one wonders what Lee Kuan Yew is up to in his 226 square miles. Sixty 105's would also pretty well saturate his city-state. It is difficult to avoid the impression that Singapore is planning an intervention strategy elsewhere, and that that strategy envisions going beyond the simple protection of water supplies in Johore.

Admiral Crowe, during his July trip [REDACTED] to Singapore and Malaysia, reported that Singapore officials talked frankly about the contingencies of a broad intervention in Malaysia, with or without GOM approval, in order to deal with the Communist threat. Lee also referred to the need for Singapore to "lance the cancer" in Malaysia in his conversations with the President and you last May (Tab E). He later alerted Secretary Kissinger to the dangers he sees Malaysia facing in the next three to five years and the threat this development poses to regional security (Tab F).

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February 27, 2009

Ambassador Underhill, in a recent cable (Tab C), strongly objected to our providing Singapore with a heightened ability to intervene in Malaysia. He suggests that the large number of howitzers and APC's indicates that Singapore may be planning something other than just defending its own borders. Underhill, in fact, believes that Singapore plans to use this capability to intercede on the side of the ethnic Chinese in any future racial conflict in Malaysia. Such an intervention, in Underhill's estimation, would run the risk of forcing Indonesia to intercede on behalf of the Malays, and further escalating the conflict. He questions whether it is in our national interest to become involved in such a situation, and increase Singapore's capability for aggression.

Ambassador Holdridge, in commenting (Tab D) on Underhill's cable, believes Singapore does not plan such an intervention but rather expects the Malaysian insurgency to worsen in the near future. Singapore would thus merely be preparing for a worst case situation in which forces from within Malaysia would directly threaten Singapore. Moreover, he points out that Singapore's armed forces are of such limited size and structure as to preclude any meaningful military probe into Malaysia, aside from protecting the Singapore water supply in Johore.

There are increasing indications that Malaysia will become less stable in the near future. Lee has made this contention repeatedly, and Indonesian President Suharto recently conveyed the same message to Ambassador Newsom. Moreover, terrorist acts in Kuala Lumpur have pushed the Razak government into adopting severe restrictions on civil liberties. While the insurgency remains small, there are signs it is growing.

We believe that an upheaval in Malaysia in the next three years is much more likely to be on communal grounds than insurgent-inspired. Some 36 percent of the Malaysian population is Chinese. One can foresee a situation, as in Cyprus, where intervention, whatever the justification, would lead to a communal geographic division.

From the above it is clear that as the situation in Malaysia becomes less stable, our sale of arms to Singapore will become more and more sensitive. We, therefore, recommend that you approve our tasking CIA for an NIE on "Prospects for Stability in Malaysia." The NIE would assess the chances for maintaining internal cohesion over the next three years, investigate the communal problem and the insurgency, and indicate the probable reaction of Singapore, the other ASEAN states, and other countries in the region to upheaval in Malaysia.

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RECOMMENDATION:

That you sign the memo to the Director of Central Intelligence at Tab I tasking him with preparation of an NIE on "Prospects for Stability in Malaysia."

APPROVE _____

DISAPPROVE _____

Done verbally 


Dick Ober concurs.

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