

# Sharp tensions between Malaysia and Singapore

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Tensions between neighbouring Singapore and Malaysia have flared following Singapore's decision to shift its immigration border post from Tanjong Pagar railway station in the city centre to new facilities at Woodlands station, closer to the border on August 1.

Malaysia refused to move its immigration officials from Tanjong Pagar station which, by a quirk of history, it owns along with the railway itself. Malaysian politicians and newspapers have accused Singapore of using the opening of the new immigration post as a ploy to gain control over the old station.

The standoff raised an obvious difficulty--because of the positioning of the two separate immigration posts, people were deemed to have entered Malaysia before they had officially left Singapore. To provide a makeshift solution, Malaysian officials decided not to stamp the passports of departees from Singapore. Each day more than 200,000 Malaysians cross over to Singapore to work.

The dispute quickly escalated to involve a series of other longstanding issues that can be traced back to the expulsion of Singapore from Malaysia in 1965.

On August 2, Malaysian Information Minister Mohamed Rahmat condemned 'relentless daily attacks' on Malaysia by Singapore newspapers, radio and television. 'I wouldn't want to see Malaysians hating Singapore, but there'll be major consequences if that happens and will not benefit Singapore,' he warned.

Only two days later, Malaysian Prime Minister Mahathir Mohammad, speaking to a 5,000-strong crowd of politicians, public servants and supporters at Johor Baru, near the border with Singapore, made further thinly veiled threats.

Mahathir declared: 'Our officers are asked to leave Singapore even while we supply them with water.' The small island state of Singapore depends on Malaysia for

the most of its water supplies and is trying to renegotiate contracts due to run out in 2011 and 2061. Mahathir's reference to Singapore's water supply was not lost on the crowd who began chanting in unison, 'cut, cut, cut'.

In his televised speech, Mahathir issued another oblique, but nevertheless unmistakeable warning: 'We like to be friendly with everyone. We don't beef up our military to attack others. But don't take Malaysia's goodness for granted.'

Other sources of conflict include Singapore's refusal to allow Malaysians who work in the country to withdraw their compulsory savings in Singapore until age 55. Singapore has also threatened to take Malaysia to the World Trade Organisation if the Mahathir government proceeds with plans to compel exporters to use ports in Malaysia rather than Singapore.

The list goes on--high Singapore interest rates drawing off Malaysian capital, the media coverage in Singapore of problems at the new Kuala Lumpur airport, access for Singapore workers to a lighthouse on the Malaysian island of Pulau Pisang...

The obvious question, however, is why all these disputes have come to a head all at once. Beneath the diplomatic tension lies the deepening economic crisis throughout Asia. It is fueling social and political tensions within both countries. Mahathir and his counterparts in Singapore do not hesitate to play the nationalist and racist card to divert attention away from the record of their own governments.

Economic turmoil in Asia has brought Malaysia's hothouse development in the 1980s and 1990s to an abrupt end. The country's economy is expected to contract by more than 5 percent this year. The industrial index fell by 3.7 percent in June with a huge 49 percent fall in the transport and equipment sector and a 43

percent decline in footwear. Malaysia's index for long-term capital inflow plunged by 75 percent in the first quarter of the year.

Mahathir has already hinted that national elections, not due until 2000, are likely to be held early, before the full impact of the economic contraction is felt. Unemployment is certain to rise sharply leading to social tensions and divisions in the ruling coalition.

Open divisions exist within the United Malays National Organisation (UMNO), the main party in Malaysia's ruling coalition, between Mahathir and his deputy and Finance Minister Anwar Ibrahim. Anwar has pushed for the implementation of IMF austerity measures that cut across the close relations between government and business built up under Mahathir.

As the economic crisis has deepened in Malaysia, so Mahathir has increasingly sought to stir up Malay nationalism and chauvinism. He has attacked the country's estimated two million immigrant workers and, following the expiry of a August 15 deadline, is threatening to deport all foreign workers found without work permits. He has declared that Malaysia faces 'a second struggle for independence,' pointing to the impact of international speculators on the country's economy.

Mahathir's attacks on Singapore, which is predominantly Chinese, have a definite domestic political purpose--to stir up prejudices against Malaysia's sizeable Chinese population. The country's ethnic divisions were formalised in the New Economic Policy, put in place after racial rioting in 1969. The NEP gives preferential treatment to indigenous Malays in business, government posts and education.

Responding to Malaysian allegations, a Singapore Ministry for Home Affairs spokesman recently stated: 'Unsubstantiated allegations from Malaysia, blaming everything on Singapore, are nothing new. We have lived with this for many years.'

Singapore has its own political and economic woes. Prime Minister Goh Chok Tong warned last month that economic growth rate would decline to between 0.5 and 1.5 percent this year, and would probably slide into recession next year.

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