

economic benefits for Malaysia. For instance, through cultivating closer relations with the Arab world, the administration of the second Premier, Tun Abdul Razak, got a M\$300 million loan to finance various developmental projects in the country, and was indeed instrumental in the success of its New Economic Policy (NEP).<sup>22</sup> Tun Razak's era was very much known for its domestic economic restructuring (NEP) to address the economic imbalance among the Malaysian communities that was one of the prime reasons for the communal crisis in 1969. Consequently, Tun Razak continued to enhance Malaysia's active and closer participation with the Muslim world especially 'the oil-powers', that could benefit Malaysia economically. Indeed, the policies he formulated locally and globally were depicted in terms of national objectives. Malaysia's closest cooperation and active support for the Arab world during Tun Razak's administration had clearly been of great benefit to the country both politically and economically.

In the economic field, Malaysia gained many trade opportunities offered by the Gulf States like Qatar, Oman, UEA and Bahrain, mainly through importing its rubber, wood, and food, including canned ones.<sup>23</sup> In a speech in the House of Representatives in March 1975, Tun Razak maintained that his tour of the Gulf States and Saudi Arabia was very successful. He proudly said that a capital of \$300 million from the Arab countries would be utilized for the Medical Faculty of the National University of Malaysia (UKM), the National

<sup>22</sup> *Utusan Malaysia*, 1 April 1975

<sup>23</sup> *Utusan Malaysia*, 1 April 1975

Technological Institute, the construction of a port in Kuantan and the funding of an electrical power project in Terengganu River.<sup>24</sup> Another \$100 million from the UAE would also be used to finance projects of mutual interest. With regard to the political aspect, Tun Razak stressed that Malaysia managed to strengthen unity with the Arab countries through its firm stand against Israeli occupation of Arab lands.<sup>25</sup> Malaysia's pro-Arab attitude on the Palestinian issue during Tun Razak's premiership was clearly manifested in its unreserved support for the Arab cause in the West Asian conflict. All the joint-communicues, signed between Malaysia and the Arab States during the Premier's visit of January 1975, reiterated the conviction that the liberation of occupied Arab lands and the restoration of the rights of the Palestinian people were prerequisites for a lasting peace in the Middle East.<sup>26</sup> They also reaffirmed their recognition of the PLO as the sole representative of the Palestinian people.<sup>27</sup>

Indeed, the government's active association with the Islamic world, like the successful hosting of the Fifth Islamic Conference in Kuala Lumpur, had really enhanced its image abroad, but particularly at home among the Malay-Muslims. This is indeed a crucial part of the government's drive of image rebuilding especially in the post-1969 riot. Malaysia's involvement with the Islamic nations is not only confined to the political and

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> See, *The Straits Times*, 23 January 1975, *New Straits Times*, 27 January 1975 and *Foreign Affairs Malaysia*, March 1975, pp.7-22

<sup>27</sup> *Ibid.*