

C220-44760

COMMEMORATIVE HISTORY OF SABAH

1881-1981

EDITED BY:
ANWAR SULLIVAN
CECILIA LEONG

Copyright © 1981 Sabah State Government All Rights Reserved. No part of this publication may be reproduced in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Sabah State Government.

© SABAH STATE GOVT., 1981
First Edition Dec., 1981

11

989 521

Com

849301

4.2.10.1

PUBLISHED BY THE SABAH STATE GOVERNMENT
CENTENARY PUBLICATIONS COMMITTEE.

Typeset and Printed by Percetakan Nan Yang Muda Sdn. Bhd.
78, Jalan Sungei Besi, Kuala Lumpur.

25 OCT. 1996

Percetakan Nan Yang Muda



TUN DATUK HAJI MOHAMMAD ADNAN ROBERT
SMN.,SPDK.,SPMP.,DUPN.,DP.,
YANG DI PERTUA NEGERI SABAH.



ISTANA

Kota Kinabalu, Sabah Malaysia.

Message From T.Y.T. Yang Di Pertua Negeri
For "Commemorative History of Sabah."

1981 has been a most exhilarating year for the people of Sabah.

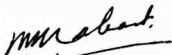
Since the beginning of this Centenary Year Sabahans have been celebrating this momentous occasion with fervour. In all the districts except in Kota Kinabalu Pesta Rakyat (People's Festivals) have been held. These culminated with the opening of the Centenary Expo in Kota Kinabalu.

It is most fortunate that the centenary comes at a time when we are under the capable leadership of the present government. With its diligent and far-sighted leaders I can say we are at the beginning of a journey to an enviable future.

I am sure that when our future generations celebrate the bicentenary of Sabah their records of success will be most impressive because of the solid foundations that are now being laid.

By then I am hopeful that my future counterpart during the bicentenary will refer to Sabah's first 100 years from this book.

This Commemorative History of Sabah, 1881-1981, will form a valuable base for further research to be undertaken on Sabah's history.

A handwritten signature in dark ink, appearing to read 'mm Robert', with a horizontal line drawn underneath it.

Tun Datuk Haji Mohammad Adnan Robert
SMN.,SPDK.,SPMP.,DUPN.,DP.,
Yang Di Pertua Negeri Sabah.



Telegrams: "CHIEFMIN KOTA
KINABALU"

Ref. CMD. JKM/PPD/7

JABATAN KETUA MENTERI
(THE CHIEF MINISTER'S
DEPARTMENT)
KOTA KINABALU
SABAH, MALAYSIA
17th. October 1981

A knowledge of events which have shaped the history of Sabah is crucial to enable our people to avoid the mistakes of the past in their quest for a progressively better life. Therefore the compilation of this history of Sabah as part of our centenary year programme should not be viewed as an academic exercise merely of interest to scholars and researchers but as an undertaking with much wider implications for the present and future well-being of our people.

What is especially important is that all our people should have an understanding of the social, cultural, economic and political history of Sabah which has relevance to our present pace of development. This book should serve among other things as a constant reminder to our people of the harmful consequences of wrong actions or decisions as experienced even in the more recent past. Unhappily our people suffered subjugation not only during the years of foreign domination but regression before the present Berjaya Government first took office and ushered in a new dynamic era in our history in which the State has progressed and prospered.

In our centenary year our people have gained a better appreciation of their common heritage and oneness irrespective of their diverse ethnic origins and a clearer perspective of their future destiny as a State within Malaysia. They now have a deeper insight into how Sabah has been rapidly transformed from a backward State into one of the fastest growth States in Malaysia.

Until now the history of Sabah has not been written in a meticulous manner nor has it been widely studied. This publication edited by the Sabah State Archives with each chapter written by a person knowledgeable in his own field should go a long way towards rectifying the situation. It is my hope that the history of Sabah could be included as part of our school curriculum to complement our efforts towards ensuring lasting racial unity and stable and progressive government.



(HARRIS MOHD SALLEH)
KETUA MENTERI SABAH

ACKNOWLEDGEMENTS

Particular thanks are due to the following authors for spending time on researching and preparing this text: Datuk James P. Ongkili, V. Gabriel William, D.S. Ranjit Singh, Clarence D. Bongkos Malakun, Dr. Sheila Viridi, Dr. Mechiel Chan, Verus Aman Sham, K.M. George, Peter Gudgeon, Haji Johan Padasian, David C.V. Wang, Lawrence Hee Qui Shing, Yee Fong Chun, Anwar Sullivan, and Patricia Regis.

Editing and compiling was done by Anwar Sullivan and Cecilia Leong of the Sabah State Archives.

Organisations from which research materials and photographs were obtained are the Sabah State Archives, the Sabah State Library, the Sabah Museum, The Tun Fuad Research Library and the Information Department.

Lastly, the writers and the editors wish to express their gratitude to typists, individuals and others who have helped in one way or the other towards preparing this publication.

Editors' Note:

All facts quoted are correct at the time of printing.

Before Sabah gained independence and became part of Malaysia, the state was known as North Borneo. The capital of Sabah, Kota Kinabalu, was formerly called Jesselton.

A bill has been passed in the Legislative Assembly to elevate the status of the Labuan, Sandakan and Tawau Town Boards to Municipal Council status as from January 1, 1982.



CONTENTS

MESSAGE FROM T.Y.T. YANG DI PERTUA NEGERI SABAH

MESSAGE FROM THE CHIEF MINISTER OF SABAH

ACKNOWLEDGEMENTS

HISTORICAL BACKGROUND

by Datuk James P. Ongkili

Chapter	Page
1. ADMINISTRATION	
THE GENERAL STATE ADMINISTRATION OF SABAH 1881-1981	
by V. Gabriel William	3
Introduction	3
The Administration under the Chartered Company	6
General Administration	8
Local or District Administration	11
Conclusion	16
The Administration under Colonial Rule 1946-1963	17
General Administration	20
Local or District Administration	21
Local Government	22
Other Government Agencies and Representative Bodies	24
Conclusion	25

The Administration from 1963 Onwards	25
General	25
The Arrangements for the Public Service under the Inter-Governmental Committee Report	28
General Administration	30
State Civil Service	30
State Public Service Commission	33
The Federalised Departments and the Federal Public Service Commission (Sabah Branch)	35
District Administration	40
The Residents	40
District Officers	42
Native Administration	44
Local Government	45
Statutory Authorities and Other State Agencies	48
Summary	65
Appendices	68
THE DEVELOPMENT OF NATIVE ADMINISTRATION IN SABAH 1877-1946 by D.S. Ranjit Singh	81
Preliminary Remarks	81
The Evolution and Development of Indigenous Native Political Institutions and Authorities 1877-1946	84
The Political Background	84
The Indigenous Political System in Sabah before Chartered Company Rule	85
THE TRIBAL POLITICAL SYSTEM	86
The Village Headman (Orang Tua)	88
The Village Council	90
The Religious Group	91
The Descent Group Chief	91

THE EXTENDED SULTANATE SYSTEM	92
The Brunei Political Structure in Sabah	92
The Sulu Political Structure in Sabah	93
THE INDEPENDENT CHIEFDOM	94
The British North Borneo Company and the Native Political Institutions and Authorities	97
Native Affairs – Sectional Development	104
The Native Chiefs' Advisory Council	104
THE DURBAR SYSTEM	104
THE EARLY NATIVE CHIEFS' ADVISORY COUNCIL 1915–1917 (NCAC)	105
THE NCAC REVIVED 1935–1941	108
Concluding Remarks	116
 2. POLITICAL DEVELOPMENT IN SABAH	
1881–1981	
by Clarence D. Bongkos Malakun	119
The Early Settings	121
The Origin of Malaysia	126
The Rationale of Malaysia	130
Promoting Sabah and Sarawak Support for Malaysia	131
Party Formation in Sabah	140
The United National Kadazan Organisation (or UNKO), the United Pasok Momogun Organisation, and the United Pasok Momogun Kadazan Organisation (UPKO)	140
The United Sabah National Organisation (USNO)	142
The Sabah Chinese Association (SCA)	143
Party Politics and the Sabah Alliance	
1961–1975	146
Political Manoeuvre in Sabah, 1975–1981	153

The Birth and the Victory of Bersatu Rakyat Jelata Sabah (BERJAYA)	153
The Opposition	162
Conclusion	167
Appendices	170
 3. ECONOMIC DEVELOPMENT IN SABAH 1881–1981 by Peter Spence Gudgeon	183
Section I: Pre-Chartered Company	183
Section II: The Formative Years: 1881–1918	185
2.1 The Beginnings: administrative centres of development	185
2.2 Growth in Trade: timber and tobacco	186
2.3 Infrastructure: the railway and bridle paths	187
2.4 Agricultural Development: rubber and rice	188
2.5 Mineral Exploration and Exploitation	189
2.6 The Base for Future Growth: timber and tobacco	190
Section III: The Interwar Years: 1919–1942	191
3.1 Introduction	191
3.2 Population and Immigration	192
3.3 Growth in Trade	193
3.4 Other Developments	196
Section IV: The War Years: 1942–1945. Under Japanese Occupation	199
Section V: The Colony of North Borneo: 1946–1963	200

5.1	Post-War Recovery: 1946–1960	200
5.1.1	Immediate Problems	200
5.1.2	Development Administration: the basic foundations	201
5.1.3	1948 Reconstruction and Development Plan	203
5.1.4	Post War Revenue & Expenditure and Finance for Development	209
5.1.5	Growth in the Economy	211
5.1.6	Growth in Trade	213
5.1.7	Timber	216
5.1.8	Agricultural Development	217
5.1.9	Physical Infrastructure Development	222
5.2	The Years before Independence: 1960–1963	227
5.2.1	Introduction	227
5.2.2	The 1959–1964 Development Plan	228
5.2.3	Growth in Trade	231
5.2.4	Growth in Output	232
5.2.5	Sectoral Highlights	233
	Agriculture; Livestock; Fisheries; Forestry; Industry; Transport & Communications (Roads, Civil Aviation, Ports & Harbours; State Railways, Broadcasting, Posts & Telegraphs); Public Utilities (Electricity, Water & Sewerage)	233
Section VI:	The State of Sabah: 1963–1981	245
	Independence within Malaysia	245
6.1	The Period of Adjustment 1964–1970	245
6.1.1	Introduction	245
6.1.2	The 1965–1970 Sabah State Development Plan	245

6.1.3	Basic Goals, Objectives and Constraints	246
6.1.4	Highlights of the 1965–1970 Plan	249
6.1.5	The First Malaysia Plan – Sabah: 1966–1970	253
6.1.6	Economic Progress: 1965–1970	256
6.1.7	Highlights of Achievements in the First Malaysia Plan	258
	Agriculture & Rural Development; Animal Husbandry; Fisheries; Forestry & Logging; Sabah Foundation; Industrial Development; Transport & Communications (Roads, Railways; Civil Aviation, Telecoms, Broadcasting); Public Utilities (Electricity, Water Supply); Social and Community Services (Housing, Urban Sewerage and Drainage).	
6.2	The Second Malaysia Plan – Sabah 1971–1975	275
6.2.1	Basic Goals	275
6.2.2	Major Constraints and Problems	275
6.2.3	Highlights of Original Sectoral Allocations and Programmes	282
6.2.4	Second Malaysia Plan – Achievements	286
6.2.5	Growth in Income & Output	288
6.2.6	Trade	288
6.2.7	State Revenue and Expenditure	290
6.2.8	Inflation	293
6.2.9	Highlights of Sectoral Progress: 1971–1975	293
	Agriculture & Rural Development (Agriculture, Fisheries, Livestock); Industry; Mining (Copper, Oil Exploration and Production); Transport and Communications (Roads, Railways, Civil Aviation, Ports & Harbours, Telecoms Broadcasting, Posts); Public Utilities (Electricity, Water, Sewerage); Housing & Urban Development	293

6.3	The Third Malaysia Plan – Sabah 1976–1980	305
6.3.1	Background	305
6.3.2	Objectives, Policies and Strategies	307
6.3.3	Principal Sectoral Programmes	307
6.3.4	Growth in Income, Output and Trade	314
6.3.5	State Revenue and Expenditure	320
6.3.6	Highlights of Achievements by Sector	320
	Agriculture and Rural Development (Agriculture, Land Development, Smallholders, Institutional Aspects); Fisheries; Livestock; Agricultural Processing; Forestry; Mining & Quarrying (Oil and Copper); Commerce and Industry and Bumiputra Participation; Transport & Communications (Roads, Railways, Airports, Posts, Telecoms); Public Utilities (Electricity, Water, Sewerage); Housing	
Section VII:	Future Prospects:—	351
7.1	Introduction	351
7.2	The Last 100 Years in Retrospect	351
7.3	The Fourth Malaysia Plan – Sabah: 1981–1985	354
7.4	Sabah – Prospects to the Year 2000	356
	Principal References	
4.	SOCIAL DEVELOPMENT	361
	HEALTH 1881–1981	
	by Dr Sheila Virdi and Dr Mechiel K.C. Chan	363
	Chartered Company Era 1881–1941	363
	General	363
	Development	363
	Administration	366

Finance	368
Prevailing Diseases	368
Health and Vital Statistics	373
Public Health	375
Midwifery Training	375
Training for Sanitary Inspectors	376
Japanese Occupation	376
Military Administration and Colonial Period, 1946–1963	377
Laboratory	377
Hospitals	378
Administration and Organisation	380
Finance	382
Medical and Vital Statistics	382
Vital Statistics	382
Prevailing Diseases	383
Public Health	386
Maternal and Child Health	387
School Health Service	387
Training	388
Independence Period from 1963	389
Administration	389
Finance	390
Health and Vital Statistics	393
Prevalent Diseases	394
Public Health	398
Environmental Sanitation	399
Maternal and Child Health/Family Health	399
Training	401
Rural Health Training	401

Rural Health Nurses	401
Rural Health Assistants	401
Development	402
Appendices	411

HOUSING IN SABAH 1881–1981

by Verus Aman Sham	425
--------------------	-----

Introduction	425
--------------	-----

The Housing Situation under the Chartered Company Rule 1881–1946	425
--	-----

The Housing Situation under the British Colony 1946–1963	426
--	-----

Housing Development by the Public Sector	426
--	-----

Housing Development by the Private Sector	428
---	-----

Housing Development From 1963–1980	430
------------------------------------	-----

Housing Development during the First Malaysia Plan 1966–1970	430
--	-----

Role of the Public Sector	430
---------------------------	-----

Role of the Financial Institutions	431
------------------------------------	-----

Housing Development during the Second Malaysia Plan 1970–1975	432
---	-----

Role of the Housing Commission	432
--------------------------------	-----

Role of the Financial Institutions	434
------------------------------------	-----

Housing Development during the Third Malaysia Plan 1976–1980	435
--	-----

Creation of the State Ministry of Local Government and Housing	435
--	-----

Role of the Housing Commissions in Low-Cost Housing Development	435
---	-----

The Housing Commission's Role in Medium-Cost Housing	439
--	-----

Role of Financial Institutions	440
--------------------------------	-----

Housing Challenges in the 1980s	440
Policy and Target	440
Strategy	441
Role of Housing and Town Development Authority	441
Role of the Local Authorities	442
Role of the Private Sector	443
Housing Concepts and Designs in Sabah	443
Public Low-Cost Housing Concept	443
Public Medium-Cost Housing Concept	444
Housing Concepts and Designs by the Private Sector	445
Conclusion	445
 100 YEARS OF SOCIAL WELFARE DEVELOPMENT IN SABAH	
by David C.V. Wang and Hee Qui Shing, Lawrence	447
Introduction	447
The Informal System of Social Assistance	447
Commercial System	448
The Voluntary System	448
The Statutory System	453
Paupers Fund	453
War Victim Fund	454
Public Assistance Scheme	455
Old Age Assistance Scheme	456
Special Relief Assistance Fund	456
Juvenile Justice System	457
Rehabilitation of Women & Girls	458
Rehabilitation of Drug Dependents	459
Rehabilitation of Disabled Persons	460
Services to the Aged	461

Counselling and Advice	461
Assistance to Orphans and Other Children In Need	462
Adoption and Guardian of Infants	462
Disaster Relief	463
What Next?	463
References	465

HISTORICAL DEVELOPMENT OF EDUCATION

by K.M. George	467
----------------	-----

Section A	Pre – 1881 Situation	467
	Education Between 1881 and 1900	469
	Efforts by the Government	469
	Efforts by the Christian Missionaries	470
	Education Between 1900 and 1920	472
	Education Between 1920 and 1940	476
	Education for the Natives by the Government	478
	The Expansion of Mission Schools between 1920 and 1940	484
	Private Unaided Schools	485
	Estate Schools	486
	Education under Japanese Occupation 1942–1945	486
	Education under the British Military Administration 1945–1946	487
	Education under the Crown Colony 1946–1963	488

	Education Since Independence 1963–1981	490
Section B	Policy, Legislation and Administration	492
Section C	Female Education	501
	Secondary and Higher Education	507
	Technical Education	508
	Teacher Training	509
	Education System	512
	Examination System	513
	Scholarship	515
	State Aid for Education	517
 CULTURAL PROGRESS AND THE ARTS		
	by Johan M. Padasian	523
	Social Practices, Customs and Beliefs	524
	Headhunting	526
	The Priestesses	527
	Religious Ceremonies	529
	Harvest Festival	530
	“Tamu”	533
 DEMOGRAPHY		
	by Anwar Sullivan and Patricia Regis	545
	Background	545
	The First Census 1891	548
	Population 1901–1951	553
	Classification	560

Distribution Patterns	568
The 1980 Census Classification	576

SOME THOUGHTS ABOUT THE FUTURE

by Stanislaus Yee Fong Chun

HISTORICAL BACKGROUND

by

Datuk James P. Ongkili



HISTORICAL BACKGROUND

by
Datuk James P. Ongkili

The history of Sabah from the beginning until the nineteenth century remains unclear and little recorded. Sabah was a land of freedom until the middle of the nineteenth century in the sense that there was no organised form of government and a state did not exist until 1881. Before that, geographically Sabah had existed since time immemorial. But there was no community, no overall administration, no state economy, no state government; only mountains, jungles, rivers, the surrounding seas, and isolated villages scattered over the more than 29,000 square miles of tropical and warm equatorial land.

It was in this vacuum of steamy jungles and tempestuous seas of Sabah that an organised society slowly but surely emerged and grew. The numerous villages in the interior plains and the fertile hinterlands, at the river mouths and the coastal areas had existed for a long time before the Western powers and Europeans came to the shores of Sabah. The villagers were the original inhabitants of Sabah; and they pioneered, in conditions more atrocious and difficult than anyone of us could boast about today, the human settlement of Sabah.

The Sultans of Brunei and Sulu claimed suzerainty over the area; and although their respective claims were merely nominal because they had no effective control over Sabah, the Sultan of Brunei relinquished his rights to Sabah by the Treaty of 29 December 1877 and the Sultan of Sulu likewise ceded his rights to Sabah by the Treaty of 22 January 1878.

In both cases the Treaties were signed with Baron von Overbeck who represented Alfred Dent of London. Dent subsequently transferred his rights and powers to a Provisional Association which obtained a Royal Charter from the British Government and became the North Borneo Chartered Company in 1881.

Other Asians, Easterners, Middle Easterners and Westerners had all visited or passed through the area before the establishment of a formal state in Sabah. But the ones who eventually managed to tame the forests, the rivers, the seas and, above all, the villagers of Sabah were the British. By degrees, through the business acumen of English merchants such as the Dent brothers, adventurers such as William Cowie, the Foreign Office and Colonial Office in London, the British Government eventually approved the setting up of an administration under the North Borneo Chartered Company in Sabah in 1881. From that year on no other power, Eastern, Middle Eastern or Western, was allowed to gain a foothold in Sabah.

The British determined our way of life in Sabah from 1881 until we achieved our independence by joining Malaysia in 1963. During that long period of 82 years Sabah gradually grew as a state governed by one administration. The bigger villages like Jesselton, Kudat, Sandakan, Lahad Datu, Tawau, Labuan, Beaufort, Papar, Tuaran, Kota Belud and Keningau became towns, while the smaller villages were connected more and more by bridle-paths, roads and sea or river communications. By the 1960s we had become an organised society willing, though not entirely able, to govern ourselves and determine our own destiny.

At a time when joint-stock companies were already considered anachronistic institutions, the granting of the Royal Charter to the North Borneo Company by the British Government in 1881 was a demonstration of the backwardness of the territory.¹ Nevertheless, the Charter laid down

¹ K.G. Tregonning, *'Steps in the Acquisition of North Borneo,'* *Historical Studies: Australia and New Zealand*, vol. 5, no. 19, 1952.

the political and administrative bases upon which the Company Court of Directors in London and their Governor and officers in Sabah should manage an area of over 29,000 square miles. The Charter, which was closely adhered to by the Company until the Japanese invasion in 1942, required *inter alia* that the Company should by degrees abolish slavery, refrain from interfering with the religion of any class or people of the territory, develop the area, make and maintain public works, promote immigration, grant lands to investors, afford free access to British shipping, and impose no monopoly of trade in the territory.²

The Chartered Company was preoccupied with the establishment of a bureaucracy in Sabah. In this respect, the most significant provision of the Charter, in so far as the peoples of the territory were involved, was Article 9 which required that:

In the administration of justice by the Company to the people of Borneo, or to any of the inhabitants thereof, careful regard shall always be had to the customs and laws of the class or tribe or nation to which the parties respectively belong, especially with respect to the holding possession transfer and disposition of lands and goods, and testate or intestate succession thereto, and marriage, divorce, and legitimacy, and other rights of property and personal rights.³

Here at least is evidence that the territory was constituted into a political entity, separate from the Brunei Sultanate, at a period in British history when some regard for the well-being of the subject peoples, albeit paternalistic, was manifest. As the Rajahs of Sarawak were imbued with Victorian humanitarianism, so the promoters of the Chartered Company were enjoined to protect the welfare of the indigenous

² *For the text of the Royal Charter, see the Company's Handbook of British North Borneo, 1886, William Clowes & Sons, Ltd., London, 1886, pp. 113-28.*

³ *Ibid.*, p. 123.

and other communities of Sabah from 1881 onwards.⁴ Notwithstanding that, it must be pointed out that a stable government was of paramount importance to the Company itself in its overriding effort to open up the territory and thereby attract investors, planters and speculators to Sabah. The chief aim was to establish good government in order to ensure the success of a business concern which had been launched with the blessing of the British Government. It was principally due to this economic preoccupation that the Company Governor and his officers paid far less attention to the promotion of political education among the inhabitants of Sabah.⁵

An Advisory Council was set up in 1883 with the aim of providing the Governor and his officers a channel of communication with the various communities in the territory. But, in practice, this Council hardly promoted political understanding among the people. Its members were composed of the higher officers of the Company, representatives of the European planters and Chinese merchant groups.⁶ Not only

⁴ *The population of Sabah comprised the indigenous communities (Kadazans, Bajaus and Bisayas, Rungus, Muruts and pockets of kindred races), the Chinese, and a small number of Europeans and others. In 1960, the percentages were: indigenous, 68; Chinese, 23; and Europeans and others, 9. See L. W. Jones, The Population of Borneo, University of London Press, London, 1966, Appendix A.*

⁵ *K. G. Tregonning in his Under Chartered Company Rule, University of Malaya Press, Singapore, 1958 (2nd ed., 1965, as A History of Modern Sabah, 1881-1963) gives the impression that the Chartered Company was a very humane institution which husbanded Sabah faithfully and brought it to stability and progress. There is a lot of truth in such an assertion, and admittedly the Company brought relative peace to a once-wild country. Yet, such an impression is one-sided unless one also points out that the Company had an overriding economic wish to do well for the sake of its shareholders. Indeed, the Company made little effort to hide this paramount objective. One has only to scan the pages of the reports of the Company to find major spaces perennially devoted to trade and products, timber and other forest products, geology and minerals, commercial agriculture, careful reproductions of documents on trade returns, 'openings for capitalists and settlers' and the prospects for European life in the territory. See Handbook of British North Borneo for 1886, 1890 and 1934.*

⁶ *The Advisory Council was so much a creature of the Company Government, and so little a body representing the people of the territory, that Rutter saw no distinction between it and the Company administration. See O. Rutter, British North Borneo, Constable and Company, London, 1922, ch. VI.*

were all the members nominated by the Governor, but it is also significant to note that the indigenous peoples of the territory were not represented on this Council. Despite the Charter provision *vis-a-vis* the welfare of the indigenous communities, their non-representation on the Advisory Council clearly demonstrates the fact that the Company was far more interested in the economic rather than the political advancement of the territory.

In 1912 a Legislative Council was established to replace the Advisory Council. All nominated, the members of the new Council comprised official members, representatives of the European economic interests, and a representative of the Chinese community. While the Chinese representation was later increased to two members, the Council again included no representative of the indigenous peoples of the territory.⁷ In any event, despite the change in its name, the new Legislative Council remained largely advisory in practice. It functioned as a source of information on the economic temperament and development of the territory for the Governor and the Court of Directors rather than as a training ground for local leaders towards the eventual self-government of Sabah. The Legislative Council existed uneventfully and apolitically until the Japanese invasion in 1942.

An interesting experiment in local government was attempted in 1936. A local authority was formed by combining villages in the Bingkor area of the Interior Residency for administrative purposes. The committee formed to run the day to day affairs of the authority was led by O.K.K. Sedomon bin Gunsanad. Initially the authority functioned

⁷ The locus of power and extent of political participation by the people were summed up by the Company Handbook in 1934: 'The Government is assisted by a Legislative Council consisting of nine official and five unofficial members, the unofficial members being nominated by the different communities and appointed by the Governor subject to the approval of the Court of Directors. Ordinances are enacted by the Governor, with the advice of the Council, but the Court of Directors reserve the right to disallow any such Ordinances in the same way as the Crown retains a power of veto in the case of Crown Colonies.' (p. 44) The position remained so until the Japanese occupation.

promisingly; but lack of financial support and experience beset its native leaders who were expected to rely entirely upon the meagre revenue of the poor Bingkor area for the implementation of their projects and local authority services.⁸ Ultimately the experiment failed, thereby demonstrating the impossibility of initiating even grass-root political education successfully without the long-term assistance of a governing Company disposed towards the granting of eventual self-government for Sabah.

Whereas the Brooke Rajahs of Sarawak at least repeatedly stated that it was their intention to lead the people of Sarawak to self-rule and attempted to substantiate their pledge by granting the 1941 Constitution to their subjects on a silver platter,^{8A} the Chartered Company never in their sixty-year rule indicated such a wish for the people of Sabah. Undisturbed by other imperial powers, thanks to the British protectorate of 1888, the Company portrayed itself by 1941 as a management concern which to all intents and purposes was happy to continue to husband Sabah as its economic domain well into an indeterminate future.

Unlike Malaya which experienced the unfolding of the immediate post-war years with keenly-received and widely-debated constitutional and political developments, Sabah emerged from the Second World War rather uneventfully and remained an apolitical dependency for long years after 1946. In a significant manner, the lack of political response in post-war Sabah was the logical consequence of pre-war policies in the territory. The commercial considerations of the British North Borneo Chartered Company had left the area effectively insulated from the spread of nationalist ideas in Southeast Asia. It was principally due to this apolitical historical back-

⁸ *The local authority received some financial assistance from the Education and Medical Departments, but this made no difference to the increasing budgetary needs of the authority. Tregonning. A History of Modern Sabah, pp. 127-8.*

^{8A} *The communities of Sarawak made no demand for a constitution at the time, thereby manifesting that they were not politically prepared or nationalistically aware. Neither was there any significant reaction to that Constitution.*

ground that Sabah was easily acquired and turned into a Crown Colony by Britain in July 1946.

Britain's motives for acquiring Sabah after the Second World War were not very dissimilar from those which prompted her to regain her pre-war hegemony over Malaya and Singapore in 1946. As discussed earlier, Britain had indirectly but effectively established her imperial influence during the Chartered Company administration which lasted until the Japanese invasion in 1942. As in Malaya, Britain worked for the establishment of a post-war position of dominance in Sabah. For economic and strategic reasons, Britain was prepared to add new acquisitions to her remaining dependencies.⁹ In the course of rearranging British priorities in Southeast Asia, Sabah became one of His Majesty's new Crown Colonies in 1946.

Sabah received its status of Crown Colony with hardly any dissenting voice. Relative isolation from the outside world and lack of educational facilities during the pre-war period accounted for the inability of most people in Sabah to comprehend the change in their status from that of inhabitants of a mere British Protectorate to that of a directly-governed Crown Colony in 1946: 'The British North Borneo Company's servants may rarely have lacked devotion to the land and its peoples, but they seldom had sufficient resources at their disposal to educate the people of the country to the full.'¹⁰ In addition to illiteracy among the majority of the people, the aversion of the Chartered Company to any political development in Sabah which might upset the 'unbroken tranquility'¹¹ of its business-minded administration ensured

⁹ See C.N. Parkinson, *Britain in the Far East: The Singapore Naval Base, Eastern Universities Press, Singapore, 1955*; S. Rose, *Britain and Southeast Asia*, Chatto & Windus, London, 1962.

¹⁰ M.H. Baker, *Sabah: The First Ten Years as a Colony, 1946-1956*, Malaysia Publishing House, new ed., Singapore, 1965, p. iv. Sabah was 'North Borneo' until the inauguration of Malaysia on 16 September 1963.

¹¹ *British North Borneo (Chartered) Company, Handbook of the State of North Borneo*, London, 1934, p. 31.

that for the most part Sabah was politically untutored in 1946. It is in this light that the following comments must be understood: 'Politics had never appealed in North Borneo. . . . Politically North Borneo progressed through its allotted [first] forty-one years of the twentieth century very quietly.'¹²

Sabah was freed from the Japanese by a brigade of the Australian Ninth Division which was assisted by the United States Seventh Fleet.¹³ The President of the Court of Directors in London, Sir Neill Malcolm, felt that the resources of the Chartered Company would be inadequate for the needs of rehabilitation and reconstruction of post-war Sabah which was severely devastated by Japanese denial and Allied occupation bombings.¹⁴ The Company made informal approaches to His Majesty's Government on the possibility of Sabah being transferred to the British Crown. For reasons already stated above, Whitehall was in fact no less interested in acquiring Sabah as part of the territories encompassed in the framework of British policy for post-war Southeast Asia. Formal propositions and negotiations led to concrete results, and in June 1946 the Secretary of State for the Colonies announced 'that an agreement had been reached between the Government and the Chartered Company for the transfer of the latter's territory to the Crown. Compensation was to be determined by arbitration on the basis of the net maintainable revenue and the number of years purchase which, in the opinion of the arbitrator, should be applied thereto.'¹⁵

From that point on, without much ado, Sabah slipped into the control of His Majesty's Government. On 10 July 1946 Britain passed the North Borneo Cession Order in Council which provided that an agreement had been made between the Secretary of State for the Colonies, on behalf of

¹² K. G. Tregonning, *Under Chartered Company Rule*, University of Malaya Press, Singapore, 1958, pp. 65-6.

¹³ See M. Hall, *Labuan Story*, Chung Nam Printing Company, Jesselton (Kota Kinabalu), 1958, ch. 9.

¹⁴ See L. W. Jones, *op. cit.* p. 10; and J. P. Ongkili, *Susuzan Totopot do Sabah (History of Sabah)*, Borneo Literature Bureau, Kuching, 1965, ch. 5.

¹⁵ Baker, *op. cit.*, p. 33; and *The Times*, London, 20 June 1946.

His Majesty, and the British North Borneo Company, whereby the Company had transferred and ceded all its rights, powers, and interest in the territory with effect from 15 July, 1946, and that it was therefore ordered that the State of North Borneo be annexed to and form part of His Majesty's Dominions, and should be called, together with the Settlement of Labuan, the Colony of North Borneo.¹⁶ On 15 July 1946 in the presence of, among others, Malcolm MacDonald who was Governor-General of the Malayan Union and Singapore, the new Colony of North Borneo was proclaimed in Jesselton.¹⁷

It is to be noted that the Chartered Company, as a well-established commercial concern for over half a century, did not fold up for nothing. The shareholders did receive something, notwithstanding the fact that 'the sale of North Borneo to the Crown was achieved'¹⁸ at a rate lower than the price of issued share capital, namely a payment of about ten shillings per share. The overall financial settlement of the Sabah transfer to the British Government was summed up in the following:

A very satisfactory financial settlement has been negotiated with His Majesty's Government. Put briefly, His Majesty's Government has agreed firstly to pay to the Chartered Company for the sovereign rights and assets of North Borneo the sum of £1,400,000; secondly, to provide grants-in-aid totalling £1,750,000 for the period 1948-1951; thirdly, to provide £1,250,000 towards the Colony's Development Programme estimated to cost £3,300,000; fourthly, to provide over £500,000 to redeem Chartered Company currency; fifthly, to waive the cost of the British Military Administration; and

¹⁶ *Colony of North Borneo. The Laws of North Borneo in Force on the 30th June 1953, Her Majesty's Stationery Office (HMSO), London, 1954, vol. VI, pp. 49-52; and Annual Report on North Borneo for the Year 1947, London, 1948, p. 48.*

¹⁷ *Jesselton (which was renamed Kota Kinabalu on 22 December 1967) became the post-war capital of Sabah. The first capital was at Kudat (1881-1884) and the second was Sandakan (1884-1941).*

¹⁸ *Baker, op. cit., p. 34.*

sixthly, to provide a free grant of \$5,000,000 and an interest-free loan of approximately \$6,400,000 to meet war damage claims.¹⁹

The transfer of Sabah to the jurisdiction of the Colonial Office was followed by years of gradual social welfare and economic development. As Sabah passed on to the 1950s, the tenor of life was characterized by the preoccupation with 'the peace, order and good government of the Colony.' By 1956 the administration took pride in the fact that 'the Colony maintained its enviable record of freedom from political strife and violence.'²⁰ Yet, the irony of history had also ensured that such 'freedom' meant that Sabah was far away from freedom from Colonial rule. The transfer to the Colonial Office had helped to stem post-war social, economic and administrative dislocations in Sabah; but, beyond that, the territory had little political character, inasmuch as the meticulous application of 'peace, order and good government of the Colony' rendered the growth of political awareness excruciatingly slow among the people of Sabah.

British colonial rule lasted from July 1946 to September 1963 in Sabah. This period of seventeen years witnessed an era of benevolent administration in the territory. To a considerable extent because of the lack of political development in the territory until the Second World War, progress along nationalist lines after 1946 was a slow process. The Colonial Government of Sabah, above all else, wished to rehabilitate and reconstruct the economy of the territory which was ravaged by the War. It was clearly recognized that social and welfare services were the inseparable concomitants of any stable and expanding economy; and, accordingly, such services were given emphasis at the same time as the principal products of Sabah, such as rubber, copra, timber, sago and

¹⁹ *Colony of North Borneo, Annual Report on North Borneo for the Year 1948, HMSO, London, 1949, p. 1. Unless otherwise stated, all dollars quoted are Straits or Malayan.*

²⁰ *Colony of North Borneo, Annual Report, 1956, HMSO, London, 1957 p. 1.*

tobacco, were speedily rehabilitated.²¹ In many ways, Sabah under the colonial rule for seventeen years underwent the execution of British policies not unlike those which were carried out in the Peninsula under the British in pre-war Malaya.

As in pre-war Malaya, the people of Sabah tended to live in plural societies for long years after 1946. It was not the intention of Whitehall to foster political awareness or nationalistic ideas among the people of Sabah throughout the 1950s, notwithstanding the fact that Britain was aware that she would have to relinquish her sovereignty over the territory in the foreseeable future. The nationalist movements and successful demands for political independence in South-east Asia made it plain that, at best, Britain could only hope to delay the rise of nationalist sentiment among the people of Sabah. At all events, Britain reasoned, as she did with respect to Malaya and Singapore, that if the parting of the ways must come with the Borneo territory it was in the best interests of the British Government and people that such a break should eventuate in an amicable manner. Thus the subsequent formation of Malaysia from 1961 to 1963 turned out to be a diplomatic, amicable and evolutionary effort in nation building.

²¹ See *Annual Report on North Borneo for the Year 1948*.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

CHAPTER 1
ADMINISTRATION

THE GENERAL STATE ADMINISTRATION OF SABAH
1881 — 1981

by
V. Gabriel William

THE DEVELOPMENT OF NATIVE ADMINISTRATION
IN SABAH 1877 — 1946

by
D.S. Ranjit Singh

1914

1914

1914

1914

1914

THE GENERAL STATE ADMINISTRATION OF SABAH 1881 – 1981

by
V. Gabriel William

Introduction

The history of the General State Administration of Sabah over the last hundred years can be divided into three distinct periods namely (i) the administration under Chartered Company Rule (1881–1946), (ii) the administration under Colonial Rule (1946–1963), (iii) the administration from Independence (1963) till today. During World War II when the Japanese occupied Sabah the administration fell temporarily into Japanese hands. After the war, however, the administration of the State came very briefly under the British Borneo Civil Affairs Unit and later on for a period of about half a year Sabah was under the British Military Administration which in turn handed over the administration to the Colonial Government when Sabah became a British Crown Colony in July, 1946.

During the Chartered Company days the ultimate objective of the Company was profit. Therefore the "overriding question for (the Government), was how to rule cheaply".¹ Mainly because of this policy the number of foreign and local employees appointed to discharge the administrative duties were kept to the barest minimum. No additional posts could be created without real economic justification and local employees had to really prove their worth to ensure that their services with the Company were retained. In the words of

¹ I.D. Black: *Interethnic Rules and Culture Change under Colonial Rule, A Study of Sabah* – P 39.

an ex-Chartered Company employee whom I interviewed "there was no mucking around in those days"² Because the Company had to please the shareholders in London complacency, inefficiency, and non-productive performance of the Company employees were not tolerated at all.

World War II resulted in a temporary disruption of the Administration. Sabah was in a state of chaos – Government buildings were destroyed, records lost or destroyed,³ Government officers were either dead or dispersed. The situation after the war was therefore ideal for a radical change in the form of its Administration. This however did not happen. Instead the Colonial Government which took over the administration of Sabah from the Chartered Company pursued the same system of administration. The reason for this is probably not too difficult to comprehend. Sabah became a Colony at a time when other countries had already gained or were fighting for their independence from their respective Colonial Governments. It was, therefore, only a question of time before Sabah too would demand her independence. Realising therefore that their rule in Sabah would only be temporary, the British Government and the British officers serving in Sabah were therefore less zealous to initiate any radical change to the existing system of administration for fear either that they would not be able to see the policy fully implemented or, more importantly, that they were unlikely to benefit from it.

The most radical changes to the administration were made at and during the Independence period. When Sabah became

² He tells of an incident where a clerk who refused to stay behind after the normal office hours (4 p.m. in those days) to do some typing was, the next day given 24 hours notice to vacate his post on the payment of one month's salary in lieu of the normal notice period.

³ According to Mr Yun Hon Khyiong, who was working in the Secretariat Office during the Chartered Company days the files at the Secretariat building in Kota Kinabalu were not destroyed by the War. In fact the files had lain below all the rubble. After the war the salvage operation was delayed by about six months during which time the exposure to the heat of the sun and the rain had destroyed a great number of the files. Those that were salvaged were in very bad condition with many of the pages stuck together.

one of the States of Malaysia a new system of Government (Federal system) and administration was introduced. For example, there are two distinct civil services i.e. Federal and State Civil Services, and there are two Public Services Commissions. Sabah, in adopting the Ministerial system of Government has its own Cabinet made up of not more than 9 and not less than 4 Ministers. The role of the civil servants also changed drastically. A great deal more is expected of Government officers who are constantly being reminded to serve the *rakyat* (people) to the best of their ability.

Over the last 17 years, since Independence, the administration has grown beyond all proportion.⁴ New Government departments (both State and Federal) and Statutory Authorities have been established to carry out Government policies and objectives under the various Malaysia Plans.

The vacuum created by the gradual departure of senior Colonial officers and officers seconded from the Federal services is gradually being filled by young, energetic, though somewhat inexperienced local graduates. But what they lack in experience, they compensate by their zeal and determination to prove that they too can contribute towards the development of Sabah, if given the challenge and the opportunity. Sabah has indeed come a long way since 1881 and the future, if one is going by to-day's yardstick, ought to be an encouraging one.

For the purpose of this article the history of the General State Administration of Sabah is presented in three separate sections viz:—

- (i) The administration under the Chartered Company Rule.
- (ii) The administration under Colonial Government Rule.
- (iii) The administration from Independence until the present.

⁴ A conservative estimate of the total number of employees in the Public Service in Sabah, excluding the Police and Armed Forces, is approximately 50,000.

Under each section a description of the system of the administration during the particular period will also be made and wherever applicable special mention will be made of important changes occurring within the periods concerned.

The Administration under the Chartered Company

In 1881 the British Government granted a Royal Charter to the British North Borneo Company. Among other things the Charter "enjoined that the Company was to remain British in character and domicile; that all directors and the chief representatives in North Borneo must be British subjects; it laid down that the grants could not be transferred without the permission of the Crown; that negotiations or disputes with foreign States must be conducted through the medium of the British Government; slavery amongst the native tribes must be discouraged and, by degrees, abolished; complete religious freedom must be allowed and careful regard paid to native rights and customs; no general monopolies of trade were to be set up, and the appointment of the Company's Governor was to be subject to the approval of the Secretary of State".⁵

The task facing the earliest Company's officials was an unenviable one. Indeed just before the Charter was granted the future of the Company was uncertain, consequently no systematic development of the country could have begun and because of financial constraints only the barest form of government was maintained.

The Charter was therefore a welcome relief, so much so that "the prestige of the governing body both in England and in Borneo was raised at once"⁶ due mainly, no doubt to the fine reputation and fame of the members of the Court of Directors. Sir Alfred Dent, realising the importance of erecting a superstructure of administration in North Borneo,

⁵ *Owen Rutter: British North Borneo, pp 127-128 Constable & Company Ltd, London 1922.*

⁶ *Ibid p 130.*

appointed Sir William Hood Treacher⁷ as the first Governor to perform the onerous task. Treacher assumed office on August 7, 1881 i.e. even before the Charter was signed, and set up his temporary headquarters at Labuan. He soon discovered that in "North Borneo (there was) no machinery for introducing a system of government . . . The system had to be organised on the spot. Only one or two officers had had any administrative training, and the London officials naturally were not in a position to render much practical assistance in the routine work of laying the lines on which the wheels of the new Government were to run"⁸ It was therefore left to Treacher and his few pioneering officers to lay the foundation of the administration of North Borneo. Amongst his first tasks was to organize the administration and civil service on a permanent footing. He appointed a Commandant of Constabulary, an Auditor-General, a superintendent of agriculture, a mineralogical explorer, a medical officer, assistant residents and other new officials. He also opened up new stations at Gaya, Silam (now Lahad Datu) and at Kudat"⁹

In his enthusiasm to establish an efficient administrative structure Treacher gave very little attention to the financial implications of his action. After all he had been given the assurance by Dent that "the finances of the Company were very healthy indeed"¹⁰ He quadrupled his expenditure and quite clearly he was spending far in excess of the modest income of the Company.¹¹ However when properly briefed

⁷ Sir William Hood Treacher was at that time attached to the Colonial Office. Sir Alfred Dent managed to secure his release from the Colonial Office to work in North Borneo as its first Governor.

⁸ O. Rutter *op. cit.* p 131

⁹ Kudat was for a time the capital of North Borneo and the seat of Government.

¹⁰ K.G. Tregonning: *Under Chartered Company Rule (North Borneo 1881-1946)*. University of Malaya Press, 1958 p 50.

¹¹ *Ibid.* By 1883, e.g. Treacher had appointed over 40 Europeans with a salary bill of \$14,500. It is interesting to compare this staggering amount with the meagre sum of only \$11,000 which Brooke spent for running Sarawak. Furthermore Selangor in the Malay States was administered by thirteen Europeans on \$5,000 yearly.

by Dent about the actual precarious financial position of the Company, Treacher embarked upon a stringency drive — several posts in the interior were withdrawn, the administrative service and the police force were pruned down to a reasonable size. "Slowly he established a skeleton colonial administration, putting each European in charge of several departments, imbuing them all with his drive"¹²

General Administration:

The Government of the State was administered by a Governor who acted under the authority of the Court of Directors in London, (See Appendix A). "At times, depending on the relative strengths of character and ability of the Court and of the Governor, the latter was reduced almost to a cypher and the most trivial decisions had to be referred to London"¹³ This system of "remote control" from London must have frustrated many Governors during this period. However to be fair to the Court of Directors they did have an obligation to the shareholders and after the initial experience of the extravagance of Treacher they could not really be blamed for keeping a close watch over the activities of the Governor.¹⁴

In 1883 an Advisory Council was formed consisting of five official members (i.e. holders of government office) and one unofficial member to advise the Government on various matters. It was the hope of the Court of Directors to see representatives of the Native and Chinese communities in

¹² *Ibid*, p 50.

¹³ M.H. Baker Sabah: *The First Ten Years as a Colony 1946–1956*. Malaysia Publishing House Ltd. p 35–36.

¹⁴ When Sir West Ridgeway took over as the Chairman of the Company he and his fellow members admitted their ignorance of the local situation and called for independent reports. Two Malayan experts reported on the railway; Sir Richard Dane submitted a report of the review of the administration; Sir Alan Perry sent in a valuable and comprehensive report on the health services. Resulting from all these reports many changes were made e.g. the Health Department was reorganized; the Education Department, a Forestry Department and an Advisory Council for Native Affairs were established; the salary scales and pension of the Government employees were improved to bring them in line with other employees in the Colonial Service.

the Council. In fact at the second meeting of the Council one representative each from the Native and Chinese communities were present. The Chinese were however less enthusiastic about the Council; they preferred to have their own council instead and this they managed to secure in 1890. Unfortunately the Advisory Council lasted only till 1905 when it ceased to meet – its premature termination was partly due to what Tregonning described as “dictatorial rule” which “does little to encourage discussion”.¹⁵

In place of the Advisory Council, Sir West Ridgeway formed the Legislative Council in 1912. The new Council comprised of nine official and four unofficial members,¹⁶ all of whom held office for three years.

It was the function of the Council to “place before the Governor the views of the various sections of the Community in connection with proposed or existing legislation, and to assist him when necessary in considering new legislation for submission to the Court of Directors. . .”¹⁷ In practice, the nature of the Council’s membership precluded any dispute between it and the Governor. “However on a purely legal basis the latter’s power could not be challenged by the Council, for the Governor could refuse assent to any proposal of the Council unless he was overruled by the Court of Directors”.¹⁸

The Legislative Council met once or twice a year until 1941 when it ceased to function due to the outbreak of World War II.

¹⁵ K. G. Tregonning *op. cit.* p 65.

¹⁶ Official members included the Governor, the Government Secretary, the Chief Justice, the Commandant, the Resident East Coast, the Resident West Coast, the Financial Controller, the Principal Medical Officer, and one other person designated by the Governor. Unofficial members included one representative each from the East and West Coast planting communities, one from the European and mercantile community, and two representatives of the Chinese community. Unofficial members were nominated by the communities which they represented subject to the approval of the Governor and ultimately the Court of Directors.

¹⁷ The Legislative Council Ordinance 1912 Section 3.

¹⁸ Gazette Notification 281 Section 6.

Apart from the Advisory Council and subsequently, the Legislative Council, the Governor administered North Borneo with the assistance of a Government Secretary who was in fact the head of the Civil Service. His office was the Secretariat which before being moved to Kota Kinabalu was in Sandakan.

The Secretariat was also the training ground for newly appointed cadet officers. Cadets were recruited in London after being interviewed by a Selection Board comprising of the President and some of the Directors of the Company. What the Selection Board looked for in a candidate was not merely his academic ability but rather his suitability for service in North Borneo. The interview system of recruitment was found to be effective in that it "enabled the Court to assure itself that the candidate's antecedents are not undesirable, that he speaks King's English, that he has initiative, some natural power of command and (above all) his share of common sense".¹⁹ On being posted to North Borneo for service the cadet normally spent some time at the Secretariat to learn Malay and at the same time initiated "into the mysteries of minute papers and the ritual of Government routine".²⁰

Apart from the Secretariat there were several "purely administrative" as well as "professional" departments²¹ which together formed the general State administration of North Borneo during the Chartered Company era. These "purely administratively" departments; as described by Owen Rutter, were the Land Office and the Labour Protectorate. Among the "professional" departments were Forestry,²² Postal, Public Works, Development, Survey, Railway, Medical and Treasury Departments.

¹⁹ O. Rutter *op. cit.* p 149.

²⁰ *Ibid.* According to O. Rutter until a cadet had a passing acquaintance with Malay he would be nuisance to himself and to everyone else. p 150.

²¹ *Ibid* p 150.

²² "Professional" in the sense that the Heads of these departments were not generalists but professionally qualified men.

The main criticism of the General Administration during the Chartered Company rule was "over-centralisation of work" in the hands of the Secretariat. M.W. Elphinstone, in his Report to the Court of Directors issued in 1925 wrote, "The Government Secretary carries on his shoulders a mass of daily District work, the greater part of which should never ever come near him, save in the form of quarterly, half yearly or annual Reports . . . Relieved of a mass of detail work the Government Secretary will then be able to supervise and control the general work of his subordinate Heads of Districts and Departments, but save in case of necessity he should not interfere with their detail administration . . . In point of detail, the administration is too much of a one-man show and in the absence of that one man the administration must suffer. . . ." ²³ Elphinstone was therefore of the strong opinion that "Decentralisation is necessary right through the Service. . . ." ²⁴ Despite this, the tendency towards centralisation of the administration continued till the end of the Chartered Company days. Decentralisation of the administration however occurred at the district level.

Local or District Administration:

A practical and effective system of local administration had to be adopted for a land as vast (29,000 sq miles) and as incommunicable as Sabah. For this purpose the Chartered Company officials adopted the Residency and District system of local administration. This system incidentally, had proved very successful in the other British Protectorates and Colonies; therefore its use in North Borneo where situations were very similar, came as no surprise.

The Resident was the top civil servant in the Residency.

²³ M.W. Elphinstone. Report of the Administration of North Borneo 1925. p 15-17. Sabah State Archives

²⁴ Whilst commenting on the Report, the Government Secretary argued that the "over-centralisation" was largely due to the fact that the Court of Directors required to be kept informed of many small matters that in the ordinary way should not require to be reported.

He was held in high esteem not only by the District Officers but also by the local people. He was usually a very senior Government officer who had served many years as a District officer. He acted as a coordinator and as a liaison between the District officers and the Government Secretary. In brief he performed a vital role in District administration. "His appointment is no sinecure; it entails a great deal of office work by which he usually finds that he is not able to visit his outstations as much as he would like"²⁵

Initially, for administrative purposes, the country was divided into two Residencies, namely the East Coast Residency with headquarters at Sandakan and the West Coast Residency with headquarters at Kota Kinabalu. These administrative units were too large to be able to be managed effectively. Consequently they were divided into Provinces all named after prominent Company officials.* These Provinces were administered by Magistrates-in-Charge until they were replaced by District Officers. The Provinces later became Districts and as a result the alien names of the Provinces were also altered to those based on principal towns or villages.

With the opening up of more settlements notably in the East Coast and the Interior two other junior Residencies were established with the headquarters at Tawau and Keningau respectively. By 1922 with the creation of the Kudat Residency the number had risen to five Residencies altogether.

In 1925 M.W. Elphinstone the Managing Director of the Company was given the task of preparing a report for the Court of Directors as to the possibility of effecting economies in North Borneo either by reduction of staff or by territorial adjustment. Among Elphinstone's more significant recommendations was one which suggested that the existing distinction between two classes of Residents (i.e. Class A and Class B) should be abolished and that all five

²⁵ O. Rutter *op. cit.* p 152.

* There were altogether ten Provinces namely Alcock, Clarke Cunliffe, Dent, Dewhurst, Elphinstone, Keppel, Martin, Mayne and Myburgh (See Appendix B1 and B2).

Residencies should be equal in all respects, except for the payment of allowances. This recommendation was made with a view to allowing more mobility among the five Residents. He also recommended among other things the following:

- (i) The abolition of the Assistant District Officers' posts in Tuaran, Mempakul and Tawau.
- (ii) The abolition of the District Officer's post in Keningau.
- (iii) The greater use of the Deputy Assistant District Officer.

The response towards Elphinstone's report was not very encouraging and as a result not many significant changes were made to the Residency system. Therefore by 1935 when Governor D.J. Jardine made another attempt at reforming the Residency system, there were seventeen districts grouped in four Residencies namely Tawau, Sandakan, Interior and West Coast. Jardine considered the existing numbers of Residencies and Districts too many. In Tanganyika and Nigeria where he had served before, the districts had about 280,000 and 1,500,000 people respectively whereas in North Borneo no district had a population greater than 27,000. He therefore saw no reason why there should be four Residencies and seventeen districts and accordingly reduced the number of Residencies to two (Tawau was merged with Sandakan and the Interior with the West Coast). His attempt at reducing the number of Districts was less successful.²⁶

Heading the various Districts were the District officers who were really the most important of the Government officers during this time. They were in daily contact with the local people and the success and/or failure of the administration depended a great deal on how the people as a whole reacted towards the Government's policy as expressed by the District Officer. His main task was of course to maintain law and

²⁶ He only managed to abolish the District officer's post at Papar.

order but he was "so many officials rolled into one that it would be easier to say what he is not than what he is".²⁷

Assisting the District Officer there was usually one Assistant District Officer, one Chinese clerk (responsible for the court work) and one native clerk (responsible for revenue collection). The Chief Clerk in the District Office was a very experienced man. This was extremely important because the District Officer in those days was frequently transferred and an experienced clerk with details of past correspondence and minute-papers at his finger-tips would be of invaluable service to the new District Officer.

Without exception all Assistant District Officers were European. These were the Cadets who had served a two-year stint at the Secretariat or Resident's office. During the Chartered Company days not a single local officer held the post of Assistant District Officer. The highest post that he held was the specially created Deputy Assistant District Officer's post.²⁸ At the Resident's Conference held in 1923 it was decided "that the employment of Asiatics as Deputy Assistant District Officers has proved successful with limitations, the officers selected being clerks with a long residence in their districts and with a powerful influence over the people. . ."²⁹

The local or district administration was therefore an integral feature of the Chartered Company rule in North Borneo and its importance cannot be overstressed.

However, equally as important was native administration.³⁰ Under the Royal Charter of 1881 it was declared

²⁷ O. Rutter *op. cit.* p. 151.

²⁸ During World War I many British Officers in North Borneo volunteered to serve in the British Armed Forces. Their places in North Borneo were taken by natives and Chinese, by virtue of their occupying the newly-created Deputy Assistant District Officer posts. This practice was found to be satisfactory and was therefore maintained after the war, particularly as the rubber depression in the early 1920s forced the Company to maintain its war-time economies.

²⁹ Residents' Meeting October-November, 1923. Sabah State Archives

³⁰ Native Administration under the Chartered Company is the subject of a separate article therefore only a small mention will be made in this article in order to avoid duplication and repetition.

under section 9 that "in the administration of justice by the Company to the people of Borneo or to any of the inhabitants thereof careful regard shall always be had to the customs and laws of the class or tribe or nation to which the parties respectively belong, especially with respect to the holding possession transfer and disposition of lands and goods, and testate or intestate succession thereto and marriage, divorce and legitimacy, and other rights of property and personal rights".³¹ Thus from the early days of the Company the Government made full use of the native chiefs and headmen in local administration. They were even paid five dollars a month for their contribution. According to Tregonning, "This support for local institutions was not given because of any belief in the theory of indirect rule; the young Governors and the Court of Directors were faced with the task of keeping law and order in a large territory with an inadequate European staff. It was cheaper, and it appeared satisfactory in its results, to pay the native chiefs. It was a practical step aimed at overcoming a local difficulty, and not the realization of any theory on native administration".³²

In 1891 the system of village administration was established by an Ordinance. Among other things the Ordinance permitted the Residents, or the District Officers under him, with the approval of the Governor, to appoint headmen.³³

The system of paying Native Chiefs and headmen was found to be unsatisfactory, part of the reason being that the sum of five dollars a month was hardly sufficient to induce the headman to do his work properly. This system was therefore abolished. In 1912 it was decided that Native Chiefs should be divided into two (later three) grades and to issue

³¹ *Royal Charter of the British North Borneo Company London 1881. Sabah State Archives*

³² *K.G. Tregonning. op. cit. p 109.*

³³ *The headman, e.g. had to notify the nearest magistrate or police officer of any notorious bad character; any outbreak of disease etc. had to investigate any unnatural death, or crime, or any suspected person, referring him to the nearest magistrate. He was to encourage the villagers to be industrious; he had to suppress slavery. He was also given various powers as a minor magistrate.*

them with a special badge and *surat kuasa*. Their numbers were to be gradually reduced as their salaries were increased, with the object of securing fewer but more capable men. Thus "by 1928 an elite of strong men with courage and brains who were accustomed to wield authority. . . were occupying key positions in native administration".³⁴

The major contribution by the Chiefs and headmen to the administration of the state was made through the native courts. In fact from the beginning active participation by the chiefs in the deliberations of justice had been a feature of the Government. In 1891 the Village Administration Ordinance empowered headmen to try all cases that involved natives only, except where the crime was murder, kidnapping or a major robbery.³⁵

Conclusion

The Chartered Company rule in North Borneo legally ended in 1946 but in actual fact it ceased to govern the territory after the Japanese invasion. Under the Japanese, North Borneo was divided into two administrative areas, Seikai Shiu and Tokai Shiu,³⁶ with the main centres at Ranau and Pen- siangan. "The occupation of the territory had been effected through a well laid plan. But once the former administrators had been transferred to Kuching the government of North Borneo worked on no plan at all. The Japanese had no long range conception of what they should do. . . All departments of government became at best insufficient, and were usually inoperative".³⁷

³⁴ K.G. Tregonning *op. cit.*, pp 110-111.

³⁵ It was recorded in Tregonning's book "Under Chartered Company Rule" that from 1920 onwards some 2,000 cases were heard annually and that this figure was approximately the same as the number of cases heard by the magistrates and session courts combined.

³⁶ Seikai Shiu comprised the previous West Coast and Interior Residencies and Tokai Shiu was the old East Coast Residency. It is interesting to note that whereas the Company had controlled the territory from the Coast (and neglected the Interior), the Japanese controlled the area from the centre.

³⁷ K.G. Tregonning *op. cit.*, pp 216-217.

By 1946 the war had ended leaving North Borneo completely devastated. "Everything had gone, everything was lacking in this, the most war-torn and devastated segment of the British Commonwealth, and once again British Administration had to start from scratch".³⁸ It was clearly evident that the Company was not in a position to reconstruct North Borneo and, by virtue of an agreement signed on 26th June, 1946 between the Chartered Company and the British Government, North Borneo became a Crown Colony on 15th July, 1946.

The Administration under Colonial Rule (1946–1963)

The British Military Administration which had administered Sabah just after the War continued till 15th July, 1946 when Civil Government was resumed.

The Constitution of the Government of North Borneo was established and regulated by Letters Patent, dated 10th July, 1946 under which a Governor and Commander-in-chief of the Colony was appointed. By this instrument full sovereign rights were assumed over North Borneo, following the North Borneo Cession Order in Council dated 10th July, 1946³⁹ and the Labuan Order in Council of the same date, by which the former State of British North Borneo and the Settlement of Labuan became the Colony of North Borneo.

Under these Letters Patent and the Royal Instructions, the Colony of North Borneo was administered by a Governor with the assistance of an Advisory Council.⁴⁰ The Council

³⁸ *Ibid* p 222.

³⁹ This stated that whereas an agreement had been made between the Secretary of State for the Colonies, on behalf of His Majesty, and the British North Borneo Company, whereby the Company had transferred and ceded all its rights, powers and interest in the territory with effect from July 15, 1946 it was, therefore, ordered that the State of North Borneo be annexed to and form part of His Majesty's Dominions, and should be called together with the Settlement of Labuan, the Colony of North Borneo.

⁴⁰ The first meeting of the Advisory Council was held on July 15th, 1946. At the end of 1947 there were in addition to the three ex-officio members, nineteen official and unofficial members who had been appointed by the Governor. By 1948 there were 23 members of the Advisory Council.

consisted of three exofficio members viz the Chief Secretary, the Attorney-General and the Financial Secretary together with such other members, both official and un-official as the Governor may appoint. Under the new arrangement the Governor exercised a great deal of power and influence as compared with the Governors during the Chartered Company days. He alone could summon the Advisory Council. Only he was entitled to submit questions for advice and he could act contrary to the advice given. The Governor was also entrusted with the responsibility of making laws for the Colony but in so doing he should consult the Advisory Council.

This pattern of administration persisted until October 1950 when the Advisory Council was replaced by the formation of the Executive and Legislative Councils. The Executive Council which was in the nature of a Cabinet consisted of the same three ex-officio members (i.e. the Chief Secretary, the Attorney-General and Financial Secretary), two official members, and four nominated members.⁴¹ The official and nominated members were appointed by the Governor in pursuance of instructions from the Secretary of State, for a 3-year term. The Governor was also empowered to invite anyone he chose to attend and offer advice to the Executive Council. He presided at the Executive Council's meetings and he alone was entitled to submit questions to the Council. He was also free to give or act in opposition to the advice given by the Council but whenever he did so he was required to report the matter to the Secretary of State, giving his full reasons.

On October 9, 1950 the North Borneo (Legislative Council) Order in Council was made. The Legislative Council consisted of the Governor as president, the usual 3 ex-officio members, 9 official members and 10 nominated

⁴¹ A 'nominated' member, unless a native, must be a person who did not hold an office in the public service.

members.⁴² The Governor, with the advice and consent of the Legislative Council and subject to the provisions of the Order in Council establishing it, made laws for the peace, order and good government of the Colony. All questions proposed for decision in the Council were determined by a majority of the votes of the members present and voting, the Governor or Member presiding having an original vote, and, in the event of the votes being equally divided, a casting vote. A bill became law when the Governor assenting in the name of the Crown, signed it or, for certain classes of bills, when the Crown had assented through the Secretary of State and a proclamation of this had been made in the Government Gazette.

It is pertinent to point out that the establishment of these two Councils was not an innovation. Indeed even during the Chartered Company days the Governor was required by regulation to exercise many of his functions in consultation with the Advisory Council and subsequently (in 1912) with the Legislative Council. But whereas the 1912 Legislative Council comprised only eight official and 5 non-official members none of whom were natives, the new Legislative Council consisted of twenty-two members, including four natives. Furthermore the power of the Governor was now somewhat restricted. When North Borneo became a Crown Colony in 1946, the Governor was vested with extensive executive and legislative powers – the Advisory Council was only there for consultation. But now the position had altered somewhat. In executive functions for example the Governor was required to consult on practically every matter of importance with the Executive Council and if the Governor chose to oppose the views of the Executive Council he was required to give his reasons to the Secretary of State.

⁴² It was specified that the official members must be British subjects, or British protected persons, holding office in the public service. The nominated members must similarly be British, be 21 years or more and, unless they were natives, they could not be holders of public offices. The official or nominated members normally were appointed for a term of three years.

General Administration

The Colonial Government continued as far as possible with the system of general administration adopted by the Chartered Company. The day-to-day administration of Sabah was carried out by Government Departments all of which came under the general direction of the Chief Secretary who was the principal executive officer of the Government and the apex of the civil service hierarchy. The headquarters was the Secretariat in Kota Kinabalu where all major policies on the civil service were made.

During the Colonial rule some of the Departments underwent certain changes.⁴³ The Agriculture Department which had been administered under the same head as the Forest Department from 1921 became a separate entity in 1946. The Department of Civil Aviation which served all the three Borneo States was only created in April 1950 (initially only as a section of the Public Works Department). The two departments of Posts and Telecommunications were unified in 1951 when the substantive Director arrived from England and with effect from 1st January, 1952 the official designation of the department was changed to that of Posts and Telegraph. In 1954 the Land Office and Survey Department were amalgamated into the Lands and Surveys Department. In 1952 an Inland Revenue Officer was appointed to correlate the collection of Residents Tax, Company Tax, Trades Licence fees and other items of internal revenue. This appointment was the beginning of what eventually became a separate Inland Revenue Department. Prior to 1954 the Commissioner of Immigration and Labour dealt with problems relating to labour and immigration. However from 1954 onwards the Department was renamed the Department of Labour and Welfare. It was intended that immigration duties including the issue of passports, should be taken over by the Commissioner of Police but owing to shortage of

⁴³ These changes are recorded in the respective Colony of North Borneo Annual Reports 1947-1962. Sabah State Archives

staff, this transfer of duties was deferred till 1st January, 1955.

The legal side of the Government was looked after by the Attorney-General whilst the Financial Secretary was responsible for the financial administration of the State. The Accountant-General was responsible for the public accounts.

Heading all these Departments were expatriate officers. However local-born officers were slowly being given the opportunity to assume more responsible jobs. The first local-born Administrative Officer was appointed as late as 1957 and on the eve of Sabah's Independence there were only eleven local-born Administrative Officers (hardly an adequate number to fill in the vacuum that was created by the gradual departure of the expatriate officers after Independence).

Local or District Administration

As was the pattern during the Chartered Company days the country, for the purpose of local administration, was divided into Residencies which in turn were subdivided into Districts and Sub-Districts. At first there were 3 Residencies: the West Coast, East Coast and Labuan and Interior, with their head offices at Kota Kinabalu, Sandakan and Beaufort respectively.⁴⁴ As from 1st November, 1954 the former East Coast Residency was split in two, with a Resident each at Sandakan and Tawau. "The new arrangements were part of a plan to repose greater executive responsibility in the provincial and district administrations and to lessen the concentration of authority in Kota Kinabalu. It is expected that the division of the East Coast Residency will result in closer but at the same time more economical administration"⁴⁵ In 1955 the headquarters of the Interior Residency was trans-

⁴⁴ *The West Coast Residency comprised the districts of Kota Kinabalu, Papar, Kota Belud and Kudat and later on Tuaran. East Coast Residency comprised the districts of Sandakan, Tawau and Lahad Datu, and Labuan and Interior Residency included the districts of Labuan, Beaufort, Tenom and Keningau.*

⁴⁵ *North Borneo Annual Report 1954 p 145.*

ferred from Labuan to Keningau and as a result of this Labuan was administered by a District Officer who was responsible direct to the Chief Secretary.⁴⁶

In addition to the Residencies and Districts, there were also a number of sub-districts which were administered by Assistant District Officers, some of whom were formerly Deputy Assistant District Officers.⁴⁷

It is interesting to note that while all Residents and Districts Officers were expatriates the majority of Assistant District Officers were officers of local origin.

It was mentioned earlier that from the early days of the Chartered Company the Government had made full use of native chiefs and headmen in local administration. Due to the effectiveness of the system the practice was continued by the Colonial Government. Within each district and sub-district, headmen carried on minor administration under native chiefs who in turn were responsible to the District Officer. Among other things these chiefs presided over Native Courts which dealt with offences against native custom and breaches of Islamic law.

Local Government

The development of local Government in Sabah was a slow process. From the initial experiment with the local Government resulting in the establishment of a native administration centre at Bingkor in 1936⁴⁸ little progress was made until 1951 when the Rural Government Ordinance was passed. Hitherto "in a number of township boards with representatives of all sections of the Community nominated by the Governor, met under the Chairmanship of the Resident or district officer. . . These boards had no financial control, but dealt with such matters as building regulations, public

⁴⁶ *Ibid.*

⁴⁷ *As mentioned earlier the use of the post of DADO had proved highly successful and was therefore continued by the Colonial Government.*

⁴⁸ *Twelve villages were put under the control of a chief who was given some financial control, including the power to collect taxes and licences.*

hygiene, fire fighting, water supply and traffic control. In Labuan there was a rural board. . . with powers to make municipal regulations and with limited financial responsibility for its affairs. In other areas the district officer alone constituted local government"⁴⁹

The Rural Government Ordinance of 1951 provided for the establishment of local authorities in rural areas, the first such authority was set up in Kota Belud District.⁵⁰ Besides being entrusted with a general responsibility to maintain order and good Government within its area; a local authority was specifically authorised to make by-laws for such purposes as improvement of agriculture, movement of livestock, control and development of communal grazing grounds, fencing of land, control of markets, and measures to promote public health. The revenue of the authority was to be derived from poll taxes, rates and cesses, grants-in-aid from the Government, profits and rents.

In 1954 the Municipal and Urban Authorities Ordinance came into force and replaced the former Sanitary Boards Ordinance 1931. Consequent upon this Kota Kinabalu and Sandakan (the two largest towns in Sabah) became Town Board areas. On 1st January, 1955 Tawau and Labuan also became Town Boards areas. In addition Township Authorities were established at thirty-five townships, of which eleven had Boards and the remainder were administered by the District Officer as the Authority.

From 1st January, 1962 the Local Government Ordinance (No.11 of 1961) replaced those parts of the Rural Government Ordinance Cap.132. which provided for the creation of Local Authorities in rural areas. Under the new Ordinance wider powers were conferred on these Authorities. The financial situation of these Authorities also improved as a result of a more generous financial contribution from the

⁴⁹ M.H. Baker *op. cit.* p 50.

⁵⁰ The Kota Belud District had 47 native members, all native Chiefs or village headmen, under the Presidency of the District Officer.

Central Government. With this, together with their power to levy cesses and make by-laws, they were enabled to extend their activities in the building of minor roads, the improvement of agriculture, the development of rural services, the safeguarding and promotion of public health and the provision of amenities.

Other Government Agencies and Representative Bodies

Another important administrative development was the creation of "district teams" in 1954. These "teams" comprised the chief local representatives of each Government department and prominent unofficials under the chairmanship of the District Officer. The "teams" met at frequent intervals and each member reported what had been done in his particular sphere since the last meeting and what was proposed for the next. These meetings, among other things, provided a forum where difficulties were discussed and plans for the Residency or District, as the case may be, coordinated.

Numerous statutory bodies and advisory Committees which had been established were "intimately concerned with the day to day administration of the territory".⁵¹ These included the Rubber Fund Board (set up to advise the Government on matters relating to the rubber industry); the Central Town and Country Planning Board (set up to advise the Government on major matters of town planning and policy); the Labour Advisory Board (set up to discuss management-Labour problems before advising the Government); the Advisory Committee for Education and the Electricity Advisory Board (which in effect was a working Committee covering all Government electrical undertakings). This Board was disbanded in 1956 when the North Borneo Electricity Board was set up.

⁵¹ North Borneo Annual Report pp 239-240.

Conclusion

The seventeen years under Colonial rule had therefore seen very little, if any, radical change to the system of administration. The years immediately following the war were reconstruction years. Significant progress had been made in education which meant that an increasing number of local people were beginning to fill Government posts which, during the Chartered Company days were the reserve of expatriate officers. By the late 1950s politics had become the main topic of discussion among the people. In 1958 the idea of forming a Federation of British Borneo comprising of Sarawak, Brunei and North Borneo in which the United Kingdom would remain a partner was mooted. This did not materialise but five years later Sabah became one of the States within Malaysia. To work out the constitutional arrangements and the safeguards for the Borneo territories (i.e. Sabah and Sarawak) an Inter-Governmental Committee was established. The Report of the Inter-Governmental Committee, which guaranteed the safeguards incorporated in the "Twenty Points" was published in February 1963, and approved by the Legislative Council the following month. The administrative arrangement after Malaysia Day was very much the result of the recommendation of the Inter-Governmental Report.

The Administration from 1963 onwards

General

When the idea of forming a Federation of Malaysia comprising of the eleven Malayan States, Singapore, Sarawak and Sabah was mooted, genuine fears were expressed by the people of Sabah that all the important jobs in the civil service which were then held by expatriates would in future be filled not by Sabahans but by the more qualified candidates from Singapore and Malaya. After all the Colonial Government had done little to adequately prepare and groom the local officers to fill in the vacuum when they were to make their final

exit from Sabah. As James P. Ongkili pointed out "... When Sabah was about to enter Malaysia in the early 1960s, the ... administration was still among the strongholds of the officers of Her Majesty's Overseas Civil Service. It was no accident that on the eve of Malaysia Day none of the important departments. . . was administered by an officer of local origin".⁵² Indeed as mentioned earlier the highest administrative post, held by a local officer was that of the Assistant District Officer's post. By and large the Division I posts were the exclusive domain of expatriate officers. It is therefore understandable, why, in order to secure Sabah's entry into Malaysia and to allay the fears expressed, that so many special provisions were made in the Inter-Governmental Committee Report (IGC) in respect of the Public Service.

By 1963 Sabah had been under British rule (both directly and indirectly) for about eighty years. As previously mentioned when Sabah became a Colony in 1946, "In hardly any significant way did the Colonial Administration radically alter the Chartered Company legacy".⁵³ However when Sabah became part of Malaysia the public services and the administration underwent significant changes and reorganization. For the first time "politics" entered into the scene and Government officers were expected to play an active role in the policy-making process whilst at the same time maintaining a strictly neutral stand – a situation, no doubt, very desirable in theory but not always possible in practice. Local officers were also for the first time brought into contact with Federal officers seconded from Peninsular Malaysia – the encounter was not always an amicable one. Independence had placed a heavy load on the shoulders of the local officers – at least during the Chartered Company and Colonial days if things did not work out as expected the blame could

⁵² James P. Ongkili: *Modernisation in East Malaysia 1960–1970*. Oxford University Press 1972. pp 31–32.

⁵³ K.G. Tregonning. *op. cit.* p 223.

always be conveniently put on the expatriates. But now when the destiny of the State's administration lies in the hands of the local officers they can no longer look for a scapegoat but have to assume the full responsibility themselves.⁵⁴

What then were the changes made to the administration when Sabah gained her Independence? The Inter-Governmental Committee had "accepted that in the early years after the establishment of Malaysia as few changes as possible should be made in the administrative arrangements. . . . affecting the day to day lives of the people".⁵⁵ Accordingly the systems of District Administration and local Government were retained. However many new changes affecting the public services were made. Amongst these were the introduction of the State Ministerial system of Government (i.e. the Cabinet system of Government,⁵⁶ the emergence of two separate Public Services i.e. the Federal Public Service and the State Civil Service; the creation of two separate Public Service Commissions – one to cater for Federal officers and the other for State as well as certain grades of officers serving in the Federal Departments.

Sabah is governed by two Constitutions, namely the State Constitution and the Federal Constitution. She has a single chamber Legislative Assembly which legislates matters not reserved for the Federal Parliament.⁵⁷

The Head of State is the Tuan Yang Terutama Yang di-Pertua Negeri who is appointed by the Yang di-Pertuan Agong acting in his discretion but after consultation with the

⁵⁴ At the most the blame could be placed vicariously on the Federal officers sitting in the Federal capital for their unsympathetic attitude towards the problems faced by local officers in Sabah.

⁵⁵ Inter-Governmental Committee Report. Annex A.

⁵⁶ According to James P. Ongkili, "The introduction of Cabinet Government. . . brought into play the twin questions of policy formulation on the part of the Minister and policy administration on the part of the civil servant". *op-cit* p 30.

⁵⁷ The Ninth Schedule to the Constitution of the Federation of Malaya sets out in a Federal and State List the subjects on which the Federal and state Government can legislate. In addition there is also a concurrent list of Subjects on which both the State and the Federal Governments can legislate. Please refer to Appendix C for a comprehensive list.

Chief Minister. He holds office for a term of four years. The executive authority of the State is vested in the Yang di-Pertua Negeri but executive functions may by law be conferred on other persons. The supreme law-making authority in the State is the Legislative Assembly which consists of the Speaker and a Deputy Speaker, elected members and nominated members.⁵⁸ A Bill becomes law on being passed by the Legislative Assembly and assented to by the Yang di-Pertua Negeri but no law shall come into force until it has been published in the Government Gazette.

To advise the Yang di-Pertua Negeri in the exercise of his function is the State Cabinet which is the highest policy and decision making authority in the State. The State Cabinet, which consists of the Chief Minister and not more than eight nor less than four ministers, is collectively responsible to the Legislative Assembly. To assist the Ministers in the discharge of their duties and functions are Assistant Ministers⁵⁹ Who are appointed by the Yang di-Pertua Negeri on the advice of the Chief Minister. The clerk to the Cabinet is the State Secretary who is also the head of the State Civil Service in Sabah.

The day to day implementation of Government policies is carried out by the nine State Ministries, State and Federalised Departments, Statutory Authorities (both Federal and State), Local Authorities, Cooperatives and at district levels by the District Officers, Native and District Chiefs with the cooperation of the Village Development and Security Committee or JKKK as it is more commonly known.⁶⁰

The Arrangements for the Public Service under the Inter-Governmental Committee Report

The arrangement for the Public Service had three main purposes, as follows:—

⁵⁸ At present there are forty-eight elected and six nominated members of the Legislative Assembly.

⁵⁹ Assistant Ministers are not members of the Cabinet.

⁶⁰ JKKK stands for Jawatan Kuasa Kemajuan dan Keselamatan Kampung.

- (1) "To provide for the proper functioning of the Federalised and State Departments . . . when Malaysia comes into being while preserving the existing terms of service of serving officers. . ." ⁶¹

This was a very important provision indeed. It will be remembered that the initial response of the people of Sabah to the idea of forming a Federation was not very encouraging. The people had expressed grave concern over the possible loss of job opportunities for local candidates in view of the fact, that the terms and conditions of services, as applicable in Peninsular Malaysia were more demanding than those in force in Sabah. If therefore it was insisted that the Federal conditions of service should apply, many local candidates would not qualify for appointment or promotion. Thus it was agreed that "the State Government will prescribe in respect of the State Service their own schemes of service . . ." and "in filling posts in Federalised Departments. . . the full qualifications normally required by the Federal Government for candidates for each grade of the Service will be brought into line with the qualifications at present in force in the State". ⁶²

- (2) "To provide for the progressive Borneanisation of the State Departments and over an interim period of the Federalised Departments". ⁶³

This provision was again consistent with the wishes of the people of Sabah. According to the Inter-Governmental Committee "Borneanisation of the Public Services . . . is a major objective of policy. For a number of years to come special arrangements will be

⁶¹ *Inter-Governmental Committee Report. Annex B paragraph 1.*

⁶² *Ibid. Annex B; Paragraphs 1 and 8.*

⁶³ *Ibid, paragraph 1.*

necessary to secure the objective and to protect the legitimate interests of the Native people".⁶⁴

- (3) "To provide for the full integration of the Federalised Departments with the Federal Public Service as a whole".⁶⁵

General Administration

(a) State Civil Service

With the formation of Malaysia the former North Borneo Civil Service was split into Federal and State. "That portion which dealt with the subjects allocated to the State in the new federation remained as the State Civil Service. The other portion, which was concerned with subjects that had now become Federal, was transferred to the Federal Civil Service".⁶⁶

At the apex of the State Civil Service hierarchy is the State Secretary.⁶⁷ Apart from being the permanent secretary to the Chief Minister, he is generally acknowledged as the head of all civil servants (including State and Federal) in Sabah. There are eight other Permanent Secretaries all of whom are attached to their respective Ministers. Under each Ministry are Government Departments (normally headed by a Director). These departments are the implementators of the poli-

⁶⁴ *Ibid*, paragraph 5. A more detailed discussion on Borneanization will be given later on.

⁶⁵ *Ibid*, paragraph 1. "Full integration" was not achieved until 1978 when the Cabinet Committee Report was implemented as a result of which, officers serving in the Federalised Departments became fully fledged Federal employees by virtue of his option. It is interesting to note that if the employee did not opt to be a Federal employee he would not be paid the new Cabinet Committee Report Salary or be paid any arrears of salary.

⁶⁶ R.S. Milne and K.J. Ratnam: *Malaysia - New States in a New Nation*. Frank Cass: London 1974, p 36

⁶⁷ The offices of the State Secretary as well as that of the State-Attorney-General are regarded as constitutional posts. Appointments to these posts are made by the Yang-di-Pertua Negeri on the advice of the Chief Minister. Among his numerous functions, the State Secretary deals with all matters affecting the Public Service, Natural Resources, Government Agencies, State Honours and Awards, Printing, Publication and Revision of Laws and State interests in Education, Defence, External Affairs, Health, National Registration etc.

cies formulated by the relevant Ministry or by the Cabinet collectively. Also under the respective Ministries there are Statutory Bodies and Cooperatives which also implement various Government policies.

The most important Ministry is the Chief Minister's Department⁶⁸ from which emanates all the Government Circulars and directives affecting the civil service. It is interesting to note that even though the Public Service in Sabah is split into Federal and State Departments yet for, administrative convenience, all circulars affecting both State and Federal employees serving in the State are being issued by the State Secretary. However the last paragraph of such circulars always reads "This Circular is issued with the knowledge and concurrence of the Federal Secretary in so far as it affects officers serving in the Federal Departments".

Among the more important sections in the Chief Minister's Department are the following:—

- (i) the Establishment office which is the nerve centre of the State Civil Service. Headed by a Director, the Establishment Office deals with all matters pertaining to the Public Service especially recruitment, appointments, promotion and training, salaries, pensions, perquisites and other terms and conditions of service.
- (ii) The Economic Planning Unit. The basic function of this unit is to service the State Development Planning Committee (SDPC) on all economic and social issues relating to the New Economic Policy and the economic growth and social structure of the State.
- (iii) The State Development office which is headed by a Federal officer seconded from the Federal Service. The main function of this office is to monitor and coordinate the implementation of development projects.

⁶⁸ For a full description of the role and function of the Chief Minister's Department and other State Agencies refer to **THE PUBLIC SERVICE HANDBOOK** First Edition (1980).

A clear indication of how much the Civil Service of Sabah has developed and modernised since Independence is the establishment of the Computer Service Unit in the Ministry of Finance in 1977. This Unit provides a full range of data processing services to State Government Departments. It was hoped that "the computerisation of government function and records will provide more effective management control and make available useful information required for government planning and budgeting purposes apart from speeding up work and collection of government revenue. With information readily available, planning and monitoring government expenditures, manpower requirements, development projects etc. would be greatly simplified".⁶⁹

The names of the other State Ministries are as follows:⁷⁰

- i) Ministry of Industrial Development
 - ii) Ministry of Financial Planning and Development
 - iii) Ministry of Agriculture and Fishery Development
 - iv) Ministry of Infrastructure Development
 - v) Ministry of Town and Country Development
 - vi) Ministry of Resource Development
 - vii) Ministry of Community Services
 - viii) Ministry of Culture Youth and Sports
- (See appendix D for full list depts/agencies under the ministry and the responsibilities of the ministries).

As a result of the administrative arrangements agreed

⁶⁹ *Ibid* p 192.

⁷⁰ *These Ministries are those existing in October, 1981. On Malaysia Day the following ministries were created:*

- i) *Chief Minister's Office;*
- ii) *State Financial Secretary's Office;*
- iii) *Agriculture and Fisheries;*
- iv) *Communication and Works;*
- v) *Natural Resources;*
- vi) *Local Government;*
- vii) *Social Welfare;*
- viii) *Health.*

upon for Malaysia the following departments remained as State Departments after 15th September, 1963 — Accountant General, Agriculture, Forests, Lands and Survey, Legal, Medical (until 31st December, 1970 only), Public Works, Printing and Railway. The following became Federal Departments — Audit, Broadcasting and Information, Civil Aviation, Co-operative Development, Education, Immigration, Inland Revenue, Judicial, Labour, Marine, Prisons, Police and Posts and Telecommunication.⁷¹

(b) State Public Service Commission (State PSC)

During the Chartered Company days recruitment of expatriate officers to fill senior posts was made by the Court of Directors in London through the interview system. The supporting local staff were recruited locally by the Government Secretary. During the Colonial period, the expatriate officers were either members of His/Her Majesty's Overseas Civil Service or officers designated by the British Government under the Overseas Service Aid Scheme. The local officers were appointed by the Chief Secretary.

In 1962, it had become apparent that Sabah's entry into Malaysia was now only a question of time. In anticipation of this therefore the Colonial Government established the State Public Services Commission based on the same pattern as that prevailing in the Malayan States, no doubt to facilitate the changeover when Malaysia became a reality.⁷² Thus in 1963 when Independence was achieved the State Public Services Commission⁷³ was established under Article 36 of

⁷¹ The number of State Departments has increased from 9 in 1963 to 19 in 1981 whilst the number of Federal Departments has increased significantly from 13 in 1961 to 51 in 1981 illustrating very clearly how dominant a role the Federal Government is playing in Sabah.

⁷² In Malaya the Federal PSC was established in 1948 with jurisdiction over the State Public Services in Melaka, Penang, Negeri Sembilan, Perlis and Pahang. The other 6 States namely Johor, Perak, Kedah, Kelantan, Selangor and Trengganu had their own State PSC's.

⁷³ Under Article 54 of the State Constitution dealing with the transitional provisions relating to the State PSC it was stated *inter alia* that members of the 1962 constituted PSC shall continue to hold office for a period of 2 years from Independence Day.

the State Constitution which specified that the State PSC was to consist of a Chairman and not less than three nor more than eight other members all of whom shall be appointed by the Yang di-Pertua Negeri after consultation with the Chief Minister.

The State PSC, was given the duty "to appoint, confirm, emplace on the permanent or pensionable establishment, promote, transfer and exercise disciplinary control over members of the public service".⁷⁴ Within the context of the IGC Report "members of the public services" included more than just those employees who were classified as State employees serving in the State Departments. On the formation of Malaysia the State PSC had jurisdiction over the following categories of officers serving in the Federalised Departments:

- (i) "Officers in Division IV and V and in Division III up to the maximum of C3 and equivalent grades N4 and P7 . . . serving in Federalised Departments will remain in the State service; their conditions of service will be unchanged and they will be subject for all purposes of appointment, discipline, promotion and termination of service to the State PSC".⁷⁵
- (ii) "Officers in Divisions I and II and Scales C4 to 6 in Division III and equivalent grades N5-7 and P8-9 serving in Federalised Departments will be seconded for an indefinite period to the Federal Public Service. They will retain their existing conditions of service, . . . and they will remain subject to the disciplinary control of their parent State PSC".⁷⁶

Thus when Independence was achieved the State PSC was vested with jurisdiction over the majority of the members of the public service. However over the years, the State PSC

⁷⁴ Article 37 (1) of the State Constitution of Sabah.

⁷⁵ IGC Report Annex B para 2. Scales N4 and P7 mentioned in this paragraph refer to the scales in the Medical Department in respect of nursing staff (ie. the N scales) and in the Prisons Department (ie. P scales).

⁷⁶ Ibid.

seems to be looking after a smaller category of employees. The first group of employees to leave the fold of the State PSC were members of the Police Force, who opted into the Integrated Police Service in 1977 and in the same year when the Education Act 1961 was extended to Sabah and with the establishment of the Education Service Commissions, members of the education service too ceased to come under the State PSC. In 1978 when the Cabinet Committee Report was implemented in Sabah the number of employees falling under the State PSC's control was reduced by more than fifty per cent when the Federalised Departments in Sabah became fully integrated with their parent Departments in Kuala Lumpur. Employees who hitherto had come under the State PSC for purpose of appointment, promotion, discipline and termination of service, now came under the Federal PSC, Sabah Branch.

In respect of the State Civil Service, the State PSC continues to play an active role. On many occasions the Commission has delegated its powers to the State Secretary and to Heads of Departments to make temporary appointments pending the official approval from the PSC. In 1977 the State PSC also delegated its power to the State Secretary to absorb temporary and certain grades of contract employees into the permanent and pensionable establishment.⁷⁷

(c) The Federalised Departments and the Federal Public Service Commission (Sabah Branch)

The Federalised Departments in Sabah were really of two types. One type "consisted of departments which had already been in existence in Sabah before Malaysia Day, but whose functions had now come under Federal responsibility, for instance the Customs Department. The other type contained posts like the Federal Secretary, Federal Finance Officer,

⁷⁷ More than 2,500 temporary and contract employees were absorbed in this exercise conducted by the Salary, Pension and Allowances Section of the State Establishment Office over a period of 1 year.

Malaysian to the post of Director of Education in Sabah in December 1965. His secondment was intended "to help train and prepare local officers to take over their duties so that the policy of Borneanisation can be speeded up".⁸⁴

Another important development was the creation of the Federal Secretary's post. The function of this post was described as "a liaison between Federal officers in the State and the Federal Government". Its creation was justified by the distance of the territories from Peninsular Malaysia and the need to effect a smooth transition after Malaysia was formed.⁸⁵ His appointment was greeted with mixed reaction. While some tolerated his presence, others reminded themselves of the unpopularity of the first Deputy Federal Secretary.⁸⁶ Again many would echo the feeling expressed by the late Peter Mojuntin that the presence of the Federal Secretary "makes us Sabahans feel like a 'protectorate' State instead of an independent State within the Federation of Malaysia".⁸⁷ The Federal Secretary's post has continued till to-day.*

The full integration of the Federalised Departments in Sabah with their counterparts in Peninsular Malaysia was finally achieved in 1978 after several abortive attempts. As a result of integration, all the Division IV, Division III and Division II employees who formerly came under the jurisdiction of the State Public Service Commission were now brought under the control of the Federal Public Service Commission.⁸⁸ The responsibility of the local Federal Public

⁸⁴ Quoted by James P. Ongkili *op. cit.* p. 30.

⁸⁵ R.S. Milne and K.J. Ratnam *op. cit.* pp 37-38.

⁸⁶ Originally there was a single Federal Secretary for Sabah and Sarawak stationed in Kuching with a deputy in Kota Kinabalu. It was only later that a separate Federal Secretary was appointed for Sabah.

⁸⁷ *Sabah Times* 11th July, 1967.

⁸⁸ A conservative estimate is that about 20,000 employees were affected by this exercise.

* It was announced by Datuk Musa Hitam, the Deputy Prime Minister of Malaysia that the posts of Federal Secretary in Sabah and Sarawak would be abolished. He did not state when this was to happen. *Sabah Times* Dec 7th 1981.

Service Commission had therefore increased tremendously. Officers affected by the integration exercise are now full-fledged Federal Officers and as such have to compete with other officers in the Federal Public Service for promotion. With full integration and with the consequential transfer of jurisdiction from the State Public Service Commission to the Federal Public Service Commission the State Government has little or no say whatsoever with regard to appointment and promotion of employees in Federal Departments. Theoretically it is possible for a Federal Department to be staffed entirely by recruits from Peninsula Malaysia.

Viewed within the context of the IGC Report the Malaysianisation of the Public Service and integration of the Federalised Departments were the fulfilment of the aspirations and hopes of the members of the Inter-Governmental Committee. "Malaysia", they claimed, "will be an unreal creation unless the principle of Malaysianisation is accepted. In its absence, the Borneo States will be the first to suffer. Borneo officers must play their part in helping to frame Federal policies in the Federal Capital and enjoy opportunities of entering Federal Departments of which the State has no counterparts. Similarly Malayan officers in the Federal Public Service must be brought to view problems from a Malaysian point of view that takes full account of the interests, anxieties and hopes of the Borneo State".⁸⁹ It is too soon to foresee what the real effect of integration is and also to what extent 'Borneo officers can play their part in helping to frame Federal policies', mainly because there are hardly any State officers occupying such a high position to have any impact whatsoever. Only time will tell.

From 1963 the number of Federal Departments has increased to fifty-one (i.e. about three times the number just after Independence). In addition Federal Statutory Authorities have also set up branches in Sabah e.g. Employees Broadcast Fund, MARA, Bank Negara, Federal Land Deve-

⁸⁹ IGC Report Annex B paragraph 30.

lopment Authority. This clearly shows that the Federal Government is playing a very significant role in Sabah.

District Administration

Under the Chartered Company and Colonial rule district administration played a significant role, and it has continued to do so over the period since Independence. Indeed "although the Secretariat, their permanent secretaries, and senior specialist personnel, are important in as much as they form the nerve-centres of state administration, at the same time the Residents and their district officers . . . form the linchpins of the administrative framework".⁹⁰ But whereas during the earlier eras all the Residents, District officers and Assistant Districts Officers were expatriates the present incumbents are, without exception, officers of local origin (several of whom are University graduates). Their role too has changed. No longer are District officers concerned merely with the maintenance of law and order but they are now involved with the whole development process. Since Independence the number of Districts and Sub-Districts has increased illustrating quite clearly the indispensable role that district administration is playing in the general administration and development of the State.⁹¹

(a) The Residents

As mentioned earlier the Residency system was a pragmatic system of administration in an area as vast and backward as Sabah. Indeed "the prime duty of the Resident is to preserve order in his district and to punish crimes of violence. But he is responsible also for every detail of administration, including the collection of taxes and custom duties, the settlement of disputes and the hearing of complaints of all kinds, the furnishing of reports to the central government on

⁹⁰ James P. Ongkili *op. cit.* p 26.

⁹¹ The numbers are as follows: 23 Districts. 7 Sub-Districts.

all matters of moment, the development of trade and the protection of traders. . ."⁹² There was never any doubt about the vital role that the Resident had played "as a coordinator between the more impersonal officers in the Secretariat and the grass-roots knowledge of the district officers in his Division or Residency" and as "largely responsible for the smooth flow of administrative work between the State capital and the regional divisions. . ."⁹³ Thus on gaining Independence the post of Residents was retained despite the fact that Federal leaders had proposed its abolition. In fact the former State Government even increased the number of Residencies from four to five when Kudat became a Residency in 1975.

However it was evident that the role being played by the Resident was gradually declining in importance after Independence. Many arguments for and against the retention of the Resident's post were put up. Among the arguments for the abolition of the post were (i) that the post no longer existed in Peninsular Malaysia (ii) that with improved communication District Officers could liaise direct with the 'Headquarters' (iii) that the prominent role of the Resident had been relegated to that of being a 'Chief Protocol Officer' in the Residency – meeting VIPs at the airport and accompanying them on tours and giving briefings etc. If this was to be the future role of the Resident then what was needed was not "a senior administrative officer who has spent many seasoned years of public service throughout his State",⁹⁴ but a protocol or public relations officer.

Among the strong arguments for the retention of the Residency was that given by James P. Ongkili. "The case for the continuation of Resident's Office", he wrote, "is justified not by its historical existence but by its very necessity for the purposes of co-ordination and administrative efficiency in

⁹² C. Hose and W. Mc. Dougall. *The Pagan Tribes of Borneo. Volume II* London 1912 pp 270-1.

⁹³ James P. Ongkili *op. cit.* p. 20.

⁹⁴ *Ibid* p. 26.

the wide rural areas of Sabah. . . For the moment it is a fact that East Malaysian District Officers do need their Residents, whose role, powers and responsibilities are not merely sanctioned by practice but are indeed statutorily embedded in the administrative regulations and laws of Sabah. . .⁹⁵

However pertinent and significant the reasons were for retaining the Residencies they did not deter the State Government from abolishing the five Residencies on 1st January, 1979, thereby closing a very important chapter on the history of the administration in Sabah. The incumbent Residents were "transferred" to the relevant Town Boards where they are serving as President (in the case of the Kota Kinabalu Municipality) and as Commissioners in the case of the Kudat, Sandakan, Labuan and Tawau Town Boards. With the abolition, the District Officers and Assistant District Officers as the case may be, report direct to the State Secretary.

(b) District Officers (D.Os.)⁹⁶

Fortunately the District Officers did not suffer the same fate as their Residents. If anything the D.Os. have increased in importance especially with regard to their role in development administration. "Apart from being responsible for all aspects of administration in the district under his charge. . . each District Officer is expected to project the image of the Government to the people with whom he lives".⁹⁷ Furthermore the D.O. "has his law and order, magistrate, ceremonial and national integration functions to perform".⁹⁸ Since Independence however there has been a shift in his formal functions. For instance due to more settled conditions and better training and quality of the police forces, his law and order function has declined in importance somewhat.

⁹⁵ *Ibid.*

⁹⁶ For the purpose of this section D.Os. include Assistant District Officers (A.D.Os) unless mentioned otherwise.

⁹⁷ James P. Ongkili *op. cit.* p 27.

⁹⁸ R.S. Milne and K.J. Ratnam: *op. cit.* p 297.

His key role is now in the field of development. He is the Chairman of the District Action (Development) Committee and is the person chiefly responsible for the implementation of development projects in the district. "Development was recognized to be the most important responsibility of the District Officer, and it was calculated that he spent roughly half his time on it".⁹⁹

Assisting the D.Os. in the discharge of his official duties are the A.D.Os. (Administration and Finance), the A.D.Os. (Rural) who deal with the implementation of senior rural projects, the Land Office Supervisor (on land administration), Community Development Officer or C.D.O.¹⁰⁰ (on Community Development Matters), and on the District and Native Chiefs (on Native Court Matters).

Perhaps more important than any formal changes in the role and function of the D.Os., "is the circumstance that the world in which he operates is now *political*"¹⁰¹ Whereas during the Chartered Company and Colonial days the D.Os. were very much the "Kings" of their district, their social standing, at least in the eyes of the D.Os. themselves, has been relegated to that of the "Chief Servant" of their districts. It is true that they still command the respect of the people in the districts, they are still the "top" bureaucrat in the districts, but because of the advent of what James P. Ongkili called the "village politicians" who frequently meddle with the administrative work, the D.Os. often find themselves in an unenviable situation. On the one hand they are required to carry out their multifarious functions while on the other "They are continually pestered by politicians in their areas, many of whom are known to raise threats in their attempt to get what they want. D.Os. have to spend a large part of their

⁹⁹ *Ibid*

¹⁰⁰ Some D.Os. have alleged that a few C.D.Os. are regarding themselves as "Chief District Officer" rather than "Community Development Officer" thereby causing a great deal of misunderstanding between the officers. As pointed by R.S. Milne and K.J. Ratnam "... D.Os. in the field may see the emergence of politically-appointed C.D.Os. as a threat to their authority". *op-cit* p 296.

¹⁰¹ R.S. Milne and K.J. Ratnam *op. cit.*

time talking to small fry politicians, often about unimportant personal requests, if they do not they become the subject of attack; cooked up reports are made about them and they are in for trouble from the top. This sort of thing is helping to slow down all work and especially development work".¹⁰²

Unlike the situation before 1963 the D.Os. are now responsible to an elected government and as civil servants they are required to carry out the Government's policy to the best of their ability. There are however obvious handicaps; for instance many of the present D.Os. are comparatively young officers without the necessary practical experience to guide them in their day-to-day work.¹⁰³ Indeed "to coordinate technical staff, know how to keep afloat in a sea of political pressures, and also, until standards of literacy and sophistication rise, to be able to lead the rural people effectively, D.Os. would have to be older, more experienced and better-trained than they are to-day".¹⁰⁴

Despite these handicaps D.Os. will continue to play a vital role in the administration and development of Sabah even though the former administrative hierarchy of headmen, native and District Chiefs and D.Os. has now been crowned with politicians (Ministers).

(c) Native Administration

The system of native administration inherited from the early days continues to exist. The hierarchy consists of the District Chief at the apex. He is being assisted by several Native Chiefs who are representatives of each native community in the district. These Native Chiefs are mainly responsible for rural administration, and matters involving disputes over Native Laws and Customs are referred to them for deci-

¹⁰² This statement was made by Dato Stephens (the late Tun Fuad Stephens) in *The Sabah Times* 9th September, 1967.

¹⁰³ For that matter almost the entire State Civil Service is a "young" service. The average age of the Superscale officers in the State Civil Service is about 35 years.

¹⁰⁴ R.S. Milne and K.J. Ratnam *op. cit.* p 300

sion. At the lowest rung are the Headmen or Ketua Kampong who deal with matters at the village level.

Local Government

Under the Inter-Governmental Committee, local government was included in the State list of responsibilities. It was agreed that while the State could participate in the National Council for Local Government as a non-voting member she was under no obligation to comply with the policy formulated by the Council "until such time as the Federal Parliament with the concurrence of the State Legislative Assembly concerned other wise provides".¹⁰⁵ This arrangement has remained till now.

Local Government elections in Sabah were introduced in 1962 but for a total of only fifteen district councils and Town Boards. In 1968 when the system of district councils was extended to the whole State¹⁰⁶ not all the members of the councils were elected; three councils namely the Kinabatangan District Council, the Labuk and Sugut District Council; the Pensiangan District Council consisted entirely of appointed members. R.S. Milne and K.J. Ratnam observed that even most of the 'elected' Councils also have appointed members,¹⁰⁷ although the number is usually fewer than the elected members. They further observed that "even on Councils which are partly elected, the District Officer or Assistant District Officer, is Vice-Chairman so that, in appearance at least, the councils are less free from government control. . ."¹⁰⁸ In 1971 local government elections were frozen following the recommendation made by the Athi Nahappan Report of the Local Government Commission which was accepted by the Federal Government as well as by the State Government. Thus there was never really 'local self-govern-

¹⁰⁵ IGC Report Chapter I paragraph 23.

¹⁰⁶ Sabah was divided into nineteen District Councils and four Town Boards.

¹⁰⁷ According to R.S. Milne and K.J. Ratnam, the appointed members were more 'traditional' than the elected ones in so far as they contained a higher proportion of chiefs and headmen. *op-cit* p 266.

¹⁰⁸ *Ibid.*

ment" as such, and "democracy at grass-root level" was never truly achieved in Sabah.

On 1st January, 1979 another milestone was reached in the history of the development of local government in Sabah for on that day the Kota Kinabalu Town Board was elevated to the status of a Municipality. With this change the head of the Kota Kinabalu Municipality is the President¹⁰⁹ taking over the responsibility from the Chairman. Writing in the souvenir magazine to celebrate the occasion the Honourable Chief Minister of Sabah, Datuk Harris Mohd. Salleh said "I do not pretend that the problems of housing shortage, traffic congestion, unemployment and crime and such like will be solved simply by declaring Kota Kinabalu a Municipality. Far from it. Urban problems must be tackled from many angles involving the Government's entire machinery, not just the administrative machinery of the Municipal Council . . . Despite the problems which we have encountered and will continue to encounter, I feel that we are taking a positive step in elevating Kota Kinabalu to the status of municipality. Kota Kinabalu . . . with a total area of 86,400 acres, instead of its previous 7,330 acres, will have more room to plan the further growth of the city and it will have more resources to draw from to finance its development programme". The other three Town Boards namely Sandakan, Labuan and Tawau remained as Town Boards but instead of a Chairman heading the Boards the responsibility is now being assumed by the respective Commissioners all of whom are senior Government officers seconded to the Boards.

The effectiveness of the local authorities in Sabah to carry out their functions properly is being hampered by three factors namely (i) lack of adequate funds¹¹⁰ (ii) shortage of

¹⁰⁹This coincided with the abolition of the Residency system in Sabah. In fact the last Resident of Kota Kinabalu i.e. Encik Kamaruddin Lingam became the first President of the Municipality.

¹¹⁰It is interesting to note that in 1975 when the Harun Report was implemented in Sabah all the twenty-three Local Authorities did not have the reserve fund to pay the arrears to their employees. They therefore had to "borrow" from the State Government.

qualified staff (iii) political interference. Even though the 1961 Local Government Ordinance had empowered the local authorities to levy cesses and to make by-laws, the majority of the local authorities (especially the district councils) have to rely very heavily on State Government grants to carry out their projects. This invariably means greater Government control being exercised by the Minister responsible for local Government. Thus, for example, the Boards and Councils are not permitted to enter into a contract of a value exceeding a certain amount without the Minister's approval; the annual Estimates of Revenue and Expenditure have to be approved by the Minister; even the appointment of certain grades of staff cannot be made without the Minister's consent.

Another serious problem being faced by the majority of local authorities (especially the District Councils) is the acute shortage of professional and qualified staff. "In Sabah the local authorities depend heavily on the services of officials who are not employed by them. On the technical side, even the four Town Boards (Kota Kinabalu, Sandakan, Tawau, Labuan) are dependent on the services of such officials as the Divisional Engineer, Town Planning officials of the Lands & Surveys Department, the Government Valuer of the Lands and Surveys Department and the Engineer of the Sabah Electricity Board . . . on the administrative side, the councils have to rely on the help of the District Officer, who is the Chairman or Vice-Chairman of the Council".¹¹¹ Even though the general situation has improved somewhat in the Town Boards and Kota Kinabalu Municipality, the heads of these authorities are still Government officers.¹¹²

According to James P. Ongkili "political decisions have tended to influence, and not infrequently hamstring the pro-

¹¹¹ R.S. Milne and K.J. Ratnam *op-cit* pp. 272-273.

¹¹² *The President of the Kota Kinabalu Municipality and the Commissioners of the Sandakan, Tawau, Labuan Town Boards are all senior Government officers seconded to these posts. The Secretary of the Kota Kinabalu Municipality is also a Government Officer.*

grammes and duties of the local councils".¹¹³ Part of the reason for this state of affairs is that "many of the members of these councils have, since their election or nomination to office long ago, aligned themselves with the political parties formed on inevitably partisan platforms. Such alignment has often caused divisions in the councils, resulting, in severe cases, in those members coming from dominant political parties having most say in meetings and often the larger shares of funds for their own wards . . . Such political interference in administrative work does not auger well for the future. . . ; and for the sake of their smooth development, steps should certainly be taken by the State leadership to discourage such intervention by these village politicians".¹¹⁴

Despite being confronted with all these problems the local authorities continue to play an important role and it is hoped that in the years to come their financial and staffing position would improve adequately to enable them to function effectively.

Statutory Authorities and Other State Agencies

The last 18 years have seen a remarkable increase in the number¹¹⁶ of Statutory Authorities being created to implement Government policies especially those connected with the New Economic Policy. Apart from the Authorities which have been created by the State Government by Enactment, there are also in Sabah branch offices of Federal Authorities, for example, MARA, Lembaga Padi Negara, EPF, Bank Negara and so on. Following are some of the more important Statutory Authorities and the role that they are performing.

(i) Sabah Electricity Board

The oldest Statutory Authority in Sabah is SEB. It started off as a branch of the Public Works Depart-

¹¹³James P. Ongkili *op. cit.* p. 28.

¹¹⁴James P. Ongkili *op. cit.* p. 266.

¹¹⁶There are at present 16 State Statutory Authorities and 15 Federal Statutory Authorities in Sabah.

ment. In 1957 the North Borneo Electricity Board was established by the Enactment of the Electricity Board Ordinance. The function of the Board as evident by the title of the Board, is to supply electricity with the objective of doing so at the lowest possible cost. From its small beginning in 1957, it is now one of the largest Statutory Bodies in Sabah employing more than a thousand staff attached to the various branches throughout the State.

(ii) Sabah Ports Authority

This Authority was constituted under the Sabah Ports Authority Enactment 1971 to provide and operate port services and associated facilities such as wharf and storage facilities, mechanised cargo handling, unit-load services etc. Since its inception 7 ports¹¹⁷ have been established.

(iii) Sabah Housing and Town Development Authority

This Authority established by the present Government in 1979 actually supercedes the Sabah State Housing Commission which was created in 1967. Among its responsibilities are to prepare and execute proposals, plans and projects for the erection, conversion, improvement and extension of housing or other accommodation, the development of new towns, the clearance and redevelopment of existing towns, to provide and manage housing loans. This Authority has been responsible for the construction of many low-cost houses throughout Sabah and also houses for government officers especially in the Kota Kinabalu district.

(iv) Sabah Economic Development Corporation (SEDCO)

SEDCO was formed in 1971 essentially "as an opera-

¹¹⁷At Kota Kinabalu (also the Authority's headquarters), Sandakan, Tawau, Lahad Datu, Kudat, Semporna and Kunak.

tional arm of the government to implement the New Economic Policy and act as machinery to co-ordinate, direct and if necessary to participate actively in the establishment of industries which would create new job opportunities and would ensure greater Bumiputra participation in commerce and industries. All SEDCO's shares in the various subsidiaries and associate companies are held in trust for Bumiputras".¹¹⁸ Since 1971 SEDCO has been involved in many activities either on its own or through joint-ventures. Some of the activities are as follows: assembly of vehicles, shipbuilding repairing and engineering, construction of shophouses and warehouses, developing industrial estates in major towns, hotel industry, etc.

(v) Sabah Forestry Development Authority (SAFODA)

This important Authority was created by the present Government in 1976 to carry out the task of reafforestation. Its four-prong policy consists of (i) development of forest plantation; (ii) industrialisation of timber resources; (iii) stabilisation of prices of logs for export; (iv) restructuring of forest industry.

(vi) Rural Development Corporation (KPD)¹¹⁹

Of all the Statutory Authorities created by the present Government perhaps the most important is the KPD. Formed initially in July 1976 as a Co-operative, its status was changed to that of a Statutory Authority in 1977. The Government established this agency to be the innovator and accelerator of rural development in Sabah. Among the objectives of the KPD are (i) to improve the economic and social well-being of the rural population in Sabah (ii) to inculcate

¹¹⁸ *The Public Services Handbook*.

¹¹⁹ *Ibid* pp. 151-152.

the spirit of self-reliance among the rural communities (iii) to promote and develop a pool of skilled bumiputra entrepreneurs in the supply of ancillary services to the agricultural sector including processing, marketing and distribution.

(vii) Sabah Land Development Board (SLDB)¹²⁰

When SLDB was created in 1969, it took over from the Agriculture Department the responsibility over land development. The functions of the Board, include (i) to promote and assist in the formulation of land settlement policies; (ii) to establish and develop more settlement schemes; (iii) to resettle rural people and the landless. Since its establishment, the Board has opened up about 30 schemes throughout the State.

(viii) Sabah Foundation

No other Statutory Authority in Sabah has affected the lives of more local people than the Sabah Foundation through its numerous and varied activities. It is no exaggeration to say that the Foundation is like a Government within a Government. Its activities range from providing medical services (flying doctor services), sporting facilities; hostels for rural students; scholarships for secondary education; loans to enable Sabah students to pursue tertiary education overseas; promotion of Institutions of Higher Learning in Sabah (eg. the Branch campus of Mara Institute of Technology and the Branch campus of Universiti Kebangsaan Malaysia Limauan); distribution of free uniforms and stationery to primary school children; and Cash Distribution Scheme.¹²¹ Set up in 1966, the

¹²⁰*Ibid* pp 139-144.

¹²¹*In order to have a more equitable distribution of timber wealth among the people of Sabah, the Foundation established a cash distribution scheme known as Amanah Rakyat Sabah. Under this scheme, all Malaysian citizens born or permanently resident in the State are eligible to become a beneficiary of the Amanah.*

Foundation, by virtue of an Amendment made to the Enactment in 1976, has now come under the direct control of the State Government and functions as an integral part of the overall Government development strategy.

(ix) Sabah Padi Board¹²²

This Board was established in 1968 to facilitate the production of sufficient rice for the State's needs and to improve the standard of living of padi farmers in Sabah. The ultimate objective, of course, is to achieve rice self-sufficiency as early as possible. The Board assists the farmers by encouraging them to increase their yields through use of improved varieties of rice, double-cropping and fertilizers. In addition, farmers are also provided with credit subsidies.

(x) Sabah Rubber Fund Board

This Board which was established during the colonial period continues to play a significant role in the development of the rubber industry in Sabah. Of late the Board has been actively assisting the Government in implementing the Land Rehabilitation and Crop Diversification Programme.

Apart from the above there are a few others namely the Sabah Islamic Council (or MUIS) which was established to deal with matters pertaining to Islamic education in Sabah and to carry out welfare services for Muslims; the Sports and

¹²²On September 15th, 1981 the State Government announced that it would close down the Sabah Padi Board by the 31st December, 1981. The Government said that the board had failed to improve the income of padi farmers and failed to make headway to self sufficiency in rice in the State. Existing staff who possess the necessary qualifications and experience will be absorbed by Department of Agriculture, the Drainage and Irrigation Department and other Government Agencies. Certain functions will be taken over by the Department of Agriculture and the Drainage and Irrigation Department.

Cultural Board;¹²³ the Widows and Orphans Fund and the Teachers Superannuation Fund both of which are in the process of being wound up.

The State Government has also established a number of Co-operatives to carry out its policy. Among the more significant ones are (i) Koperasi Serbaguna SANYA Bhd. (KOSAN);¹²⁴ (ii) Koperasi Rakyat Sabah Bhd. (KORAS);¹²⁵ (iii) Koperasi Serbaguna Nelayan Sabah Bhd. (KO-NELAYAN);¹²⁶ (iv) Pembekalan Kojasa Sdn. Bhd. (KOJASA).¹²⁷

It can be seen that since 1963 the former and present State Governments have literally involved the Government Agencies in almost every type of social and economic activity. In a developing State like Sabah where the private sector is still somewhat reluctant to invest in projects which may not be very viable it is left to the Government to take the risk in order to generate more employment opportunities for the unemployed youth of Sabah, to uplift the standard of living of the people irrespective of race and more especially to actively involve Bumiputras in business. Some cynics have accused the Government of "squeezing" the private sector. They argue Government agencies, particularly those linked with development, should concentrate on projects which the

¹²³Originally established in 1976 the functions of the Board were suspended due to maladministration. It began functioning again in 1980 under a new management.

¹²⁴KOSAN is a multi-purpose Co-operative formed in 1976 to involve the youth of Sabah in the socio-economic development of the State, in keeping with government policy. Since its inception, KOSAN has undertaken no less than 16 projects ranging from a cattle project, a shoe factory to a Plastic foam and furniture factory (see page 168 of The Public Service Handbook for a full list).

¹²⁵KORAS aims to improve the economic and social status of the members. All registered Cooperatives with not less than 50 members are eligible to join KORAS.

¹²⁶KO-NELAYAN was established to act as a vehicle to channel loans and subsidies from the Government to fishermen who are considered in need of such assistance to enable them to have better fishing equipment and apply better fishing techniques.

¹²⁷The setting up of this agency was a fulfilment of the Berjaya Government's promise to try to bring the cost of living down. The chief objective of KOJASA is to reduce the cost of basic dry, canned and other non-perishable foodstuffs and other day to day necessities of the people.

private sector does not have the resources to carry out and that it is not fair for Government agencies to work on projects which the private sector could handle, as the Government agencies have an edge over the private sector, such as Government aid. Admittedly there is, of course, always the danger of "too much Government involvement" at the expense of free enterprise. It is important therefore to strike a fair balance between on the one hand the fulfilment of the Government's policy of eradicating poverty and restructuring of society and on the other of giving the private sector an opportunity to survive and to compete fairly.

Not only did the private sectors feel the impact of these Government Corporations; the Government departments too had a justifiable complaint to lodge. Under the Enactment establishing these Agencies the power to "hire and fire" and to decide on the Board's terms and conditions of service was vested in the respective Boards. The normal procedure adopted by these Boards was to carry out a survey on what terms were offered by the Government, the private sector and the other Government agencies, and to adopt only the best (and sometimes even improving on these terms). The effect of this approach was only too obvious: grossly over-generous salary scales and extremely favourable terms and conditions of service. There were, with few exceptions, hardly any schemes of service; so very often underqualified staff were recruited to fill in very senior posts, examples of officers being promoted after only serving one or two years were easy to find. Government officers were lured into joining these Boards by generous offers of commencing salaries,¹²⁸ as a result many technical departments suffered from this exodus of staff. This "crimping" of Government staff became so serious that in 1971 the State Government set up

¹²⁸ One Division II Government officer, for example, drawing a salary of \$465/- per month was offered the post of Secretary of a Board and was paid \$1500/- per month (it is doubtful that the officer's efficiency and productivity had increased threefold by merely shifting offices!)

an Ad Hoc Committee to look into this problem and to make recommendations on the possible harmonisation of salaries and terms and conditions of service in all the Statutory Authorities. The Ad Hoc Committee's work was curtailed by the appointment of the Royal Commission on the Salaries and Terms and Conditions of Service of Statutory and Local Authorities under the chairmanship of Justice Harun Hashim (commonly known as the Harun Report). The Report was implemented in 1975 and for the first time the salary scales and terms and conditions of service in Statutory and Local Authorities throughout Malaysia were harmonised and brought under one scheme. Later in 1978 when the Cabinet Committee Report was implemented the salary structures and other terms and conditions of service of the entire Public Service in Malaysia were harmonised. As a result of the implementation of these two Reports, the State Government through the State Establishment Office has been able to keep a closer watch on these Authorities and to ensure that Government directives are complied with. The Boards, for example, are required to get the approval of the State Establishment Office before any new or additional posts can be created. All letters of appointment must be copied to the State Establishment Office for scrutiny to ensure that the entry points and salary scales offered are in accordance with the recommendations of the Cabinet Committee Report.

The Boards are definitely not happy with this arrangement arguing that the State Establishment Office is usurping the authority of the Board. If too much control is exercised by the State Government, the Boards would in essence become Government Departments thereby defeating the purpose for setting up the Corporation in the first place. Whilst these are salient arguments it cannot be denied that the State Government does not want its own creation (ie. the Statutory Authority) to jeopardise the functioning of the Government Departments as had happened in the late 1960s and early 1970s.

There are many features of the general state administra-

tion during this period that deserve special mention.

In the first place the number of local officers holding top posts has increased tremendously. In the few years immediately following Independence, politicians in Sabah were clamouring for an acceleration of the Borneanisation programme as promised under the IGC in view of the fact that the expatriate officers were still playing an important role in the policy-making process. Indeed, "In the early years of Malaysia Borneo nationalism inevitably conflicted with the continuing need for the services of the British expatriates"¹²⁹ As explained earlier, the colonial administration had not taken any effective step to train local officers to assume control when Independence was achieved. In fact "Had there been a training programme . . . some years before the coming of Malaysia, the British expatriate officers would not have become so indispensable. . ."¹³⁰ In the circumstance, it was not until 1965 for example that the post of State Secretary was Borneanised.

In the meantime however, "Federal leaders and their predilection for Malaysian nationalism energetically summoned the (Borneo leaders) to Malaysianize their public services"¹³¹ Thus gradually the resistance of the pro-Borneanisation group wore down and Departments in Sabah (especially the Federalised Departments) were soon being headed by officers seconded from the Federal Service in Kuala Lumpur.

In the State Service however most of the heads of State Departments, Permanent Secretaries of Ministries, Residents (until the posts were abolished), District and Assistant District officers were local officers. During the Chartered Company and Colonial days the natives were not given preference over other "local" officers in so far as job opportunities and advancement in the service were concerned. This was clearly recognised by the members of the Inter-Govern-

¹²⁹James P. Ongkili *op. cit.* p. 33.

¹³⁰*Ibid*; 34.

¹³¹*Ibid*; p 37.

mental Committee who expressed the view that, "For a number of years to come special arrangements will be necessary to protect the legitimate interests of the Native peoples". Infact¹³² 'the special interests of the Natives' are safeguarded by Article 41(1)(2) and (3) of the State Constitution which, inter alia, state that it is the responsibility of the Yang di-Pertua Negeri to safeguard the special position of the Natives and "to ensure such degree of participation by Natives as he may deem reasonable in the public service of the State" and further, to "give such general directions as may be required for that purpose to the (Public Service) Commission. . ."¹³³

In May 1970 the Yang Di-Pertua Negeri issued a Directive to the effect that a certain percentage¹³⁴ of all posts in any of the four divisions in the Public Service of Sabah should be reserved for Natives so as to bring the racial composition of the Public Service in line with the racial composition of the State's population. Where no qualified Natives were available to fill the vacancies within their quota, the vacancies could be filled by contract or acting appointment by non-natives provided that such appointment would lapse as soon as qualified Natives became available.

As a result of the issue of this Directive and the compliance of it thereof by the State Public Service Commission, the number of Bumiputra Officers in the Public Service grew substantially especially in the Administrative, Executive and Clerical Services. In the Technical Departments however the number of qualified Bumiputra was infinitesimally small to have had any impact. However because the prescribed quota for Bumiputra in such Departments was not achieved the vacant posts could only be filled by acting, temporary or contract appointment. Faced with the prospect of perpetual acting, and the uncertainties of the temporary or contract

¹³²IGC Report, Annex B, paragraph 5.

¹³³Article 41 (2) and (3) of the State Constitution.

¹³⁴Commonly known as the "Quota System".

appointments many professional employees from the Technical Departments left the Government Service and joined the private sector thereby creating a vacuum which, ironically, was filled by expatriate officers recruited from the United Kingdom under what was known as the Crash Recruitment Programme.

Over the last few years the quota has been slightly relaxed so as to enable more Non-Bumiputra to enter and remain in the Public Service. In 1977 for example, about 2,500 temporary and contract employees (a sizeable number of whom are Non-Bumiputras) were absorbed into the permanent and pensionable establishment resulting from a decision made by the present Government.

Nowadays local officers are given every encouragement to improve themselves. Many serving officers are being given scholarships to further their education in law, public and business administration in Kuala Lumpur or overseas. At the moment there are no less than 250 Government Officers on State or Sabah Foundation scholarships pursuing their higher studies overseas. This definitely augers well for the future because with better qualified staff there is every likelihood that the State Civil Service dependence on expatriate officers would be diminished.¹³⁵

The second feature which deserves mention is that since 1970 four Salary Commissions Reports have been implemented in Sabah. The first, that is the Suffian Report, affected only employees in the Civil Service (including the Police). Although the Report was implemented in November 1971 the adjustment of salaries was backdated to 1st May, 1969 in respect of employees in the Industrial and Manual Group (I.M.G.) and Division IV, and to 1st January, 1970 for employees in Divisions I, II and III. Among the salient

¹³⁵Almost two decades after gaining her Independence Sabah still relies to a certain extent on the services of expatriate officers from European as well as Asian Countries. Last year the State Government embarked on another recruitment exercise in United Kingdom with the hope of obtaining the services of professional men like Architects, Surveyors, Veterinary Officers, etc.

features of the Suffian Report was the introduction of what was known as the Clean Wage system and the abolition of such allowances as Child, Supplementary and Housing Allowances. To offset the high cost of living in Sabah, the payment of a Regional Allowance was introduced. Leave Passage to Peninsular Malaysia once in every three years was also granted to the majority of permanent employees. The Government at the same time relinquished her responsibility to provide housing for her employees. The Divisional system in the Civil Service was abolished and henceforth eligibility for perquisites was based on the new Classification System.¹³⁶

In 1972 the Aziz Report was implemented in Peninsular Malaysia in respect of members of the Education Service. Regrettably the Aziz Report did not cover the two East Malaysian States. However following negotiations with the Federal Government it was agreed that the recommendations of the Aziz Report could, with appropriate modifications be implemented in Sabah. This was done in 1973.¹³⁷ With the implementation of the Sabah Education Services Scheme, teachers in Sabah were emplaced in the same salary scales and governed by the same schemes of services as teachers in Peninsular Malaysia and Sarawak.¹³⁸

This was followed in 1975 by the Harun Commission Report in respect of Local and Statutory Authorities employees. This was the first concerted attempt at harmonisation of salaries and conditions of service in respect of all

¹³⁶ Officers were classified into 4 groups viz (i) Managerial and Professional Group (ii) Sub-Professional and Executive Group (iii) Clerical and Technical Group (iv) Subordinate and Manual Group.

¹³⁷ Non-Government or U.T.S. teachers were only given a revision of salaries in the following year but their status remained U.T.S. instead of being granted Government status as their counterparts were in Peninsular Malaysia and Sarawak.

¹³⁸ Certain relaxations eg the Bahasa Malaysia requirement were specified in the Circular implementing the New Pay Scheme.

¹³⁹ The Sarawak State Government decided not to adopt the recommendation of the Harun Report because their Local and Statutory employees were all offered the Suffian salaries.

Statutory and Local Authorities throughout Malaysia.¹³⁹ In Sabah 12 Statutory Authorities and 23 Local Authorities were covered by this exercise involving a total of about 7,000 employees who were being paid arrears amounting to a total of twenty four million ringgit (gross). Among other recommendations, the Harun Report introduced a contributory pension scheme¹⁴⁰ in respect of the employees of the Authorities. This was a very important provision because hitherto employees in these Authorities were not pensionable; the introduction of this scheme was therefore a boost to their morale as they were now assured of security of tenure.

In 1976 the Federal Government decided to set up the Ibrahim Ali Commission to harmonise the recommendations made by the various previous Commissions. The recommendations of the Ibrahim Ali Commission were rejected by the Government and the task which was assigned to the Ibrahim Ali Commission was assumed by a Federal Cabinet Committee under the Chairmanship of the Deputy Prime Minister. The Cabinet Committee Report (CCR) was implemented in July 1976 and it applied to Government Employees (previously affected by the Suffian Report), to members of the Education service (previously affected by the Aziz Report) and to Local and Statutory employees (previously affected by the Harun Report). In so far as Sabah was concerned the most important impact of the CCR was the full integration of the Federalised Departments as explained earlier.

In July 1980 the Federal Government approved another revision of salaries for employees of the Public Service. Accompanying this salary revision was the introduction of the payment of a Civil Service Allowance¹⁴¹ to certain grades

¹⁴⁰Under the scheme for the first 10 years of service the employee has to contribute to the E.P.F. at the statutory rate. On being emplaced into the pensionable service his contribution to the E.P.F. ceases and the management will make a monthly contribution amounting to 17½% of his salary to the relevant pension Fund which is being operated by the Federal Government.

¹⁴¹The Civil Service Allowance is payable to all employees except Superscale Officers in Division I who are being paid the House and Entertainment Allowances.

of employees. The payment of House Allowance was also re-introduced.¹⁴² Other perquisites which had been abolished by the previous Commissions have been reintroduced for example free passages.¹⁴³

As a result of all these salary revisions the position of members of the Public Service vis-a-vis the employees in the private sector has improved tremendously. The impact in Sabah of the CCR recommendation on integration is most profound, the implication of which can only be gauged at a later stage.

Another very significant feature is the Federal and State relationship within the context of the Public Service. When Malaysia was formed the then Civil Service was split into Federal and State Departments depending on the subject matter (See Appendix B). However the State terms and conditions of service as provided in the Sabah General Orders (later known as the Sabah Civil Service General Regulations) and Government Circulars continued to apply to employees serving in both the Federal and State Departments, with the exception of those Federal employees who were seconded to serve in Sabah in which case they were governed by the Federal General Orders.

Before 1978 Federal Heads of Departments referred all service matters to the Chief Minister's Department for a ruling.¹⁴⁴ However after the implementation of the CCR in 1978 Federal Departments in Sabah come directly under their parent Departments in Kuala Lumpur and as such are directly governed by the provisions of the Federal Circulars issued by the relevant Federal Authorities, eg the Prime Minister's Department, the Public Services Department, and the Treasury. State Government circulars no longer apply to Federal Departments unless specifically mentioned.

¹⁴² This is payable only to Division I Superscale Officers. Those occupying Government quarters are not charged any rental.

¹⁴³ Superscale A officers are now entitled to a round the world trip once every 5 years. This privilege was abolished by the Suffian Commission.

¹⁴⁴ As a matter of fact, all negotiation in connection with the Suffian, Aziz, Harun and Cabinet Committee Reports were conducted by the State Officers.

Two important matters are in the hands of the Federal Government namely (i) liability for all pensions (including gratuities and retiring allowances) in respect of officers serving in State and Federal Governments and (ii) the power to approve posts.¹⁴⁵ In addition all salary scales whether for permanent or temporary officers and whether or not retirement benefits were the liability of a State or Federal Government, should be subject to the approval of the Federal Government. The only power that the State Government has is to create posts of any grade for contract officers, whose salaries and gratuities are borne entirely by the State Government but even then State Government is expected to consult the Federal Establishment Office.¹⁴⁶

The lack of power to create permanent and pensionable posts has always been a sore point as far as the State Service is concerned. Every year the State representatives have to 'wrestle' with the Federal Public Services Department and Treasury officers to convince them of the need for additional posts or for certain posts to be upgraded. The 'contest' in the majority of cases is always won by the Treasury officials much to the disappointment and frustration of the State officials who realise that next year their fresh submission would probably yield the same result.

Under the present arrangement the State has the power to create posts only in D scale (i.e. posts in the I.M.G. or Division IV).¹⁴⁷ The Federal Financial Officer in Sabah has the power to approve posts in C and B scales (i.e. Divisions III and II posts). But all Scale A and Superscale posts must be

¹⁴⁵ Under the IGC the power to approve the creation of posts, upto and including those in Division III where the liability for payment of pensions, gratuities or retiring allowances falls on the Federal Government, was delegated for one year at a time to the State Financial Secretary. However before the posts are created there must be consultation with the Federal Establishment Office. This delegation exercised under Article 112 of the Federal Constitution was subject to annual renewal at the discretion of the Federal Government.

¹⁴⁶ IGC Report, Annex B, paragraph 21.

¹⁴⁷ See Footnote 166 above. The State Government's power to create post has therefore been reduced. Whereas under the IGC the State could create posts in Division III now the power is limited to only Division IV posts.

referred to Kuala Lumpur for consideration. For better State and Federal relationship it is vitally important for the relevant Federal Authorities to be more sympathetic and responsive to the requests of the State representatives. Conditions in Sabah are quite different from those in Peninsular Malaysia therefore the yardsticks for creation of post/upgrading of posts in Peninsular Malaysia should not willy nilly apply to Sabah.

The Federal and State Departments in Sabah are brought together at the State Action Committee meeting which is normally chaired by the Chief Minister. Also present are Cabinet Ministers, the State and Federal Secretaries and Heads of Statutory Authorities. The State Action Committee meeting is very important as it provides a forum for discussion and many important decisions have been formulated at this level. Most Heads of Department dread this type of meeting, as they could be asked practically any question pertaining to their department and they are expected to provide the necessary answers.

So far Federal and State relations have been reasonably good. More and more Federal Officers from the Federal Treasury, Public Services Department and other Ministries are making regular trips to Sabah rather than just making decisions in Kuala Lumpur without fully understanding the local situation. Now that the salary scales, terms and conditions of service, and relevant schemes of service have been harmonised for the entire Public Service there are not very many discrepancies left to be resolved. Despite the significant increase in the number of Federal Departments since Independence vis-a-vis the increase in number of State Departments, this has not in any way affected the status of the State Secretary or the effectiveness of the State Civil Service. Both the Federal and State Governments are committed to implement the New Economic Policy and the Government agencies (irrespective of either Federal or State) are playing their respective role in fulfilling their obligation.

During the 18 years since Independence the State Civil

Service has experienced a few anxious moments — the most significant one was in 1973 when several salary scales were downgraded, all Government vacancies were frozen and a new method of payment of acting allowance was implemented. In 1973 the State's finance was in a precarious position. The situation was becoming desperate and the State Government embarked on a stringency drive. To cut down costs in the State Civil Service all vacancies were frozen; the Superscale Group 9 posts which carried a salary of \$1900/— was downgraded to Senior Timescale posts with a salary of \$1500x100=\$1900. All officers acting in the former Superscale Group 9 posts therefore received \$400/— less per month. In addition the Division II C4,5 scale (\$940x40—1100/1150x50—1250) was downgraded to Scale C3,4,5 (\$740x30—900/940x40—1100/1150x50—1250). This meant that officers acting in the former scale C4,5 received \$200/— less per month. The overall effect of this drastic action taken by the Government¹⁴⁸ dampened the already sagging morale of the affected Government officers and the meagre saving which resulted from the stringency drive could not really be justified when compared with the damage that the decision caused to the State Civil Service.¹⁴⁹

It may be recalled that one of the criticisms of the Chartered Company rule in Sabah was that there was too much 'centralisation' at the Secretariat level and Heads of Departments, Residents and District Officers were continually being required to fill in forms or to submit monthly returns to the Secretariat. The same criticism is being directed at the administration after Malaysia Day. Heads of Departments feel that they should be vested with more power over such matters

¹⁴⁸Similar posts in the Federal Departments were not affected by the State Government's decision. This therefore created an anomaly. Whilst officers in the Federalised Department continued to draw \$1900 when appointed to act in a Group 9 post a State officer was only paid \$1500/—.

¹⁴⁹In 1974, confronted by a deluge of appeal from the officers concerned (some of whom even contemplated taking the matter to the court) the State Government reversed its decision and restored the grading of the posts to their former status.

as the granting of leave, appointment of staff on temporary terms; that they should not be required to fill in form after form which do not seem to yield any concrete results, and so on. The Statutory Authorities too feel that their autonomy over personnel and service matters has been usurped by Secretariat officials. There are complaints of delay in conveying decisions or in the process of issuing letters of appointment. Officers at the Secretariat can argue that the present trend is towards harmonisation — this was clearly the aim of the CCR. This being the case, centralisation is not only unavoidable but very essential to ensure that Government rules and regulations are complied with.

Summary:

Over the last 100 years the General State Administration has grown beyond all proportion. If Sir William Treacher were still alive today and paid a visit to Sabah he would be quite astonished at the developments that have taken place over the last 100 years. He would be pleased to see that District administration has withstood the test of time and is playing an increasingly important role in the overall administration of the State. He would probably envy the District officer who now does his rounds in his Land Cruiser or Jeep instead of making "long and better journeys across unknown hills, and through unknown jungles on foot or on horseback".¹⁵⁰ He would no doubt lament over the abolition of the Resident's post but would at the same time be consoled by the fact that native administration under the village headman, the native and district chiefs is continuing to exert the same type of influence as it did during the earliest days of Sabah as a trading centre and later as a Colony.

If he were to visit the Government departments one of the first things that he would have noticed is the almost total absence of expatriate officers. If he had made an appoint-

¹⁵⁰O. Rutter *op. cit.* p. 157.

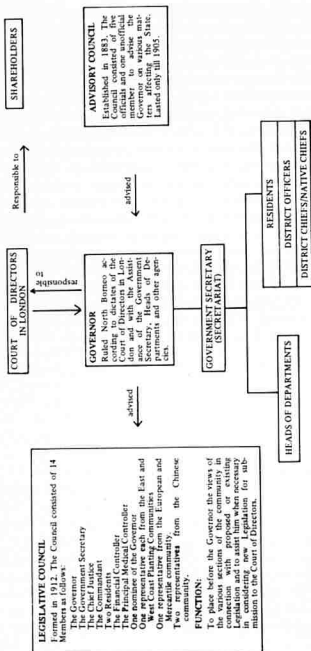
ment with the Personal Assistant to see the Head of Department he would be shocked to see, greeting him, an officer in his late twenties or early thirties immaculately dressed in the latest fashion of Bush Jacket. The first thought coming to Treacher's mind would be "what does this young fellow know about administration much less about how to run a Department". However after being welcomed into the beautifully furnished, fully carpeted, air-conditioned office and listening to the young officer talking about his role Treacher would probably be convinced that here is a young man who though handicapped by experience is nevertheless required to shoulder a heavy burden and yet the load seems to be so much lighter because the officer knows that whatever sacrifice he makes is for the good of his *own* country.

The officer would probably complain to Treacher that had the British Government trained and groomed enough local officers during the 17 years that she ruled Sabah, the process of Borneanisation of the Civil Service as envisaged in the IGC Report could have been achieved before it was abandoned. He would also impress upon Treacher that whilst during the Chartered Company days the ultimate objective was profit (at Sabah's expense), the objective of the State Government now is to uplift the standard of living of the people, to eradicate poverty and to restructure society in line with the aspiration of the New Economic Policy so that it is the "people" and not "outsiders" who would benefit. He could give a list of all the Federal, State Departments, Statutory Authorities and other Government Agencies which have been created since Independence Day to implement the Government's policy. He could quite justifiably complain to Treacher that the British Government had not given adequate preference to natives in so far as filling of vacancies in the Government service is concerned. That is why the respective Governments since Independence have introduced the quota system so as to bring the racial composition of the Public Service in line with the racial composition of the State's population.

The young officer would also impress upon Treacher that during the days when he was the Governor his civil servants had to answer only to him and to the Government Secretary but now he (i.e. the young officer) is not only answerable to his Permanent Secretary, the State Secretary but also his Ministers, and other politicians. This is by no means an easy task. Treacher, while sipping his cup of coffee, would nod in agreement. The officer would finally try to explain that unlike the simple administrative structure which existed during the Chartered Company and Colonial days, the present administrative structure consists not only of Government departments (both Federal and State) but also of Statutory Authorities, Cooperatives, Local Authorities and other Government Agencies. These various Government Agencies are concerned with implementing Government policies directed towards the uplifting of the standard of living of the people, especially those living in the rural areas.

On leaving the office of the local Head of Department, Treacher would be convinced that the future of the Sabah General Administration is in good hands.

A CHART SHOWING THE SYSTEM OF ADMINISTRATION UNDER THE CHARTERED COMPANY RULE



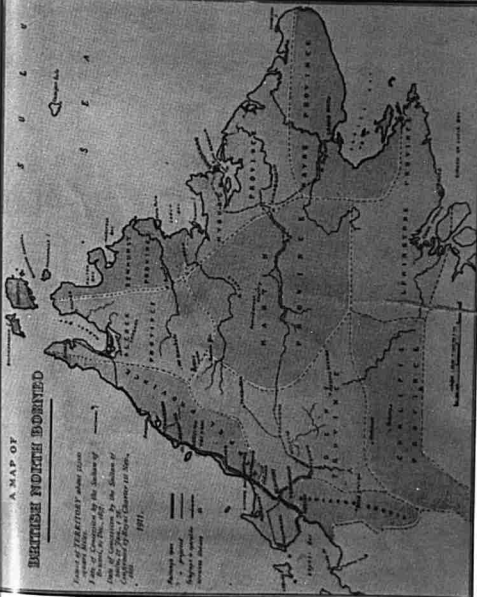
Provinces of North Borneo during the Chartered Company Era

A MAP OF

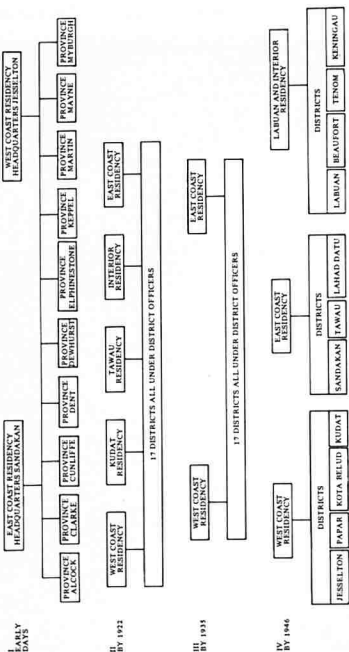
BRITISH NORTH BORNEO

Extent of TERRITORY when 1840
 signed Convention by the Sultan of
 Brunei, in 1840, after
 Date of Concession by the Sultan of
 Brunei, in 1840, after
 Concession of the Royal Charter in 1840,
 1841.

Provinces
 - British
 - Sultan's
 - Sultan's



DEVELOPMENT OF DISTRICT ADMINISTRATION DURING THE CHARTERED COMPANY ERA



APPENDIX C

The Ninth Schedule to the Constitution of the Federation of Malaya sets out in a Federal and State List the subjects on which the Federal and State Governments can legislate. In addition, there is a concurrent list of subjects on which both the Federal and State Governments can legislate. These lists are laid down as follows:—

FEDERAL LIST	CONCURRENT LIST	STATE LIST
1. External list	Social Welfare	Muslim Law, etc.
2. Defence	Scholarships	Native Law
3. Internal Security	Protection of Wild Animals and Wild birds, National Parks	Land, etc.
4. Civil and Criminal Law	Animal Husbandry, etc.	Agriculture and Forestry, etc.
5. Citizenship	Town and Country Planning	Local Government
6. Machinery of Federal Government	Vagrancy	Services of a Local character, e.g. Fire Brigades, Boarding houses, markets, licensing of theatres, etc.
7. Finance	Public Health	State Works
8. Trade, Commerce and Industry	Drainage and Irrigation	Machinery of State Government
9. Shipping and Navigation	Rehabilitation of mining land, etc.	State Holidays
10. Communications and Transport	Control of Agriculture pests	Creation of Offences in respect of matters on the State List
11. Federal Works and power	Theatres, Cinemas	Inquiries for State purposes
12. Surveys Research		Indemnity on State matters
13. Education		Turtles and Riverine Industry

14. Medicine and Health
15. Labour and Social Security
16. Professional Occupations
17. Holidays, other than State Holidays
18. Unincorporated Societies
19. Newspapers
20. Censorship
21. Federal Housing
22. Co-operative Societies

ARTICLE 9 (1) OF THE STATE CONSTITUTION – MINISTERIAL PORTFOLIOS

Member of Cabinet	Ministerial Title	Departments/Agencies	Responsibilities
Datuk Harris Mohd, Salleh	Chief Minister (Ketua Menteri)	<ol style="list-style-type: none"> 1. Chief Minister's Department 2. State Attorney's Chambers 3. The Government Printer 4. The Lands and Surveys Department 5. The Forest Department 6. District Offices 7. Sabah Foundation 8. Majlis Ugama Islam Sabah 9. The Community Dev. Unit 10. Economic Planning Unit 11. The State Archives 12. The Project Investment Unit 13. Yayasan Bumiputra Sabah 14. Sabah Institute of Administration and Research (SINAR) 15. Sabah Forest Development Authority 16. Sabah Land Development Board 	<ol style="list-style-type: none"> 1. Coordination of Government Business 2. The Public Service 3. Natural resources 4. Coordination of Government Agencies 5. Honours and awards 6. State Assembly and allied matters 7. Printing licences 8. Printing, publication and revision of laws 9. Protocol and ceremonial functions 10. Large scale land development 11. Islamic affairs 12. Archives 13. State interests in: – <ol style="list-style-type: none"> a) Defence and security b) External affairs c) National registration d) Immigration e) Any other Federal matters not specially hereinafter mentioned

Members of Cabinet	Ministerial Title	Departments/Agencies	Responsibilities
Datuk James P. Ongkili	Deputy Chief Minister and Minister of Industrial Development (Timbalan Ketua Menteri Merangkap Menteri Pembangunan Perindustrian)	<ol style="list-style-type: none"> 1. Department of Industrial Development 2. Sabah Economic Development Corporation 3. State Development Office 4. Bumiputra Participation Unit 	<ol style="list-style-type: none"> 1. Coordinating, implementation, research and monitoring of industrial development in Sabah 2. State interests in: - <ol style="list-style-type: none"> a) Commerce and industry b) Broadcasting and information c) Television d) Health e) Education

Member of Cabinet

Tan Sri Datuk Hj.
Suffian Koroh

Ministerial Title

Minister of Infrastructure
Development
(Menteri Pembangunan
Infrastruktur)

Departments/Agencies

1. Public Works Department
2. The State Railways
3. Road Transport Department
4. Sabah Ports Authority
5. Sabah Electricity Board
6. The Water Board

Responsibilities

1. Buildings
2. Roads and Bridges
3. Railways
4. Ports and harbours
5. Road transport
6. Water Supply
7. Electricity supply
8. Sewerage and sanitation
9. State interests in: –
 - a) Marine
 - b) Civil aviation
 - c) Post
 - d) Telecommunication

Member of Cabinet

Datuk Yap Pak Leong

Ministerial Title

Minister of Town and
Country Development
(Menteri Pembangunan
Bandar dan Desa)

Departments/Agencies

1. Municipal Councils
2. Town Boards
3. District Council
4. Housing and Town
Development Board
5. Rural Administration Unit
6. Department of Town and
Country Planning

Responsibilities

1. Local authorities
2. District Chiefs, Native Chiefs
and Ketua Kampongs
3. Town and country planning
4. Housing and urban develop-
ment
5. State interests in: -
Fire-fighting service

Member of Cabinet

Datuk Haji Mohd. Nour
Mansoor

Ministerial Title

Minister of Financial
Planning and Development
(Menteri Perancangan
Kewangan dan Pembangunan)

Departments/Agencies

1. The State Treasurer's Dept.
2. The Computer Unit
3. Borneo Development Corp.
4. Borneo Housing Mortgage Finance Bhd.
5. Korperasi Jelata Sabah (KOJASA)
6. Sabah Credit Corporation
7. Sabah Development Bank
8. Sabah Bank Bhd.
9. Sabah Finance Bhd.
10. Sabah Air Sdn. Bhd.
11. (SAMA) Sabah Marketing Authority

Responsibilities

1. Budget
2. State revenues and expenditures
3. Accounts
4. Financial Procedures and financial orders
5. Government stores
6. Board of Surveys
7. Accidents and insurance
8. Tenders and contracts
9. Investments
10. State interests in: -
 - a) Currency
 - b) Tariffs and taxes
 - c) Banking
 - d) Taxation
 - e) Employees Provident Fund
 - f) Rural credit
 - g) Price control
 - h) Petroleum

Member of Cabinet

Toh Puan Hajjah Rahimah
Stephens

Ministerial Title

Minister of Community
Services
(Menteri Perkhidmatan
Masyarakat)

Departments/Agencies

1. Department of Welfare
Services
2. Museum
3. State Library

Responsibilities

1. Welfare Services
2. Charities:
Public Collections
Public Assistance
Old Age Assistance Scheme
3. State disaster relief
4. Museum
5. Libraries
6. Voluntary organisations and
clubs
7. State interests in:—
 - a) Prisons
 - b) Probation
 - c) National unity

Member of Cabinet

Datuk Lim Guan Sing

Ministerial Title

Minister of Agriculture
and Fishery Development
(Menteri Pembangunan
Pertanian dan Perikanan)

Departments/Agencies

1. Department of Agriculture
2. Drainage and Irrigation Department
3. The Department of Fisheries
4. The Department of Veterinary Services
5. The Sabah Padi Board
6. Sabah Rubber Fund Board
7. Korporasi Serbaguna Nelayan Sabah Bhd. (KO-NELAYAN)
8. Korporasi Pembangunan Desa (KPD)
9. Korporasi Rakyat Sabah (KORAS)
10. Agriculture Advisory Council

Responsibilities

1. Land Development
2. Agriculture and Fishery Development
3. Veterinary Services
4. Animal and Plant Quarantine
5. Animal husbandry and Industry
6. Research
7. Drainage and Irrigation
8. River Conservancy
9. Hydrological investigation
10. Plantation industries
11. State interests in: -
 - a) agricultural cooperatives
 - b) Quality control of food products
 - c) Farmers' and fishermen's associations

Member of Cabinet	Ministerial Title	Departments/Agencies	Responsibilities
Datuk Joseph Pairin Kitingan	Minister of Resource Development (Menteri Pembangunan Sumber-Sumber)	<ol style="list-style-type: none"> 1. Department of Manpower Training 2. Sabah Tourism Promotion Corporation 3. Sabah National Parks Board of Trustees 	<ol style="list-style-type: none"> 1. Employment 2. Industrial training 3. Industrial relations 4. Industrial safety 5. Tourism 6. Parks 7. State interests in:— <ol style="list-style-type: none"> a) Labour b) Environment
Member of Cabinet	Ministerial Title	Departments/Agencies	Responsibilities
En Ayub Aman	Minister of Culture, Youth and Sports (Menteri Kebudayaan, Belia dan Sukan)	<ol style="list-style-type: none"> 1. Korperasi Serbaguna Sanya (KOSAN) 2. Sabah Sports and Cultural Board 	<ol style="list-style-type: none"> 1. Sports Complex 2. Culture, Youth and Sports 3. National culture, Youth and Sports activities 4. Youth Schemes

THE DEVELOPMENT OF NATIVE ADMINISTRATION IN SABAH 1877 – 1946

by
D.S. Ranjit Singh

Preliminary Remarks

With the establishment of Chartered Company rule in Sabah (North Borneo) in 1881, the foundations of a rudimentary, but modern government machinery were laid.¹ The Chartered Company, however, unlike the Brookes of Sarawak, were primarily motivated by the desire to exploit the economic potential of Sabah. Nevertheless, the Royal Charter of 1881 provided adequate safeguards for the protection of native interests and rights.² The Company therefore had to establish an administration which, while allowing and encouraging capitalist enterprise, also protected and preserved native rights and welfare. In addition to restrictions imposed by the Charter, the Company was itself not in a strong position financially and politically to establish a top heavy colonial administration. As such, it incorporated and remodelled the existing traditional indigenous political institutions, so that a cheap, but nevertheless, effective administration came into existence. This basic core may be termed the substructure. On and above this was established a skeleton alien administrative structure called the superstructure.

The superstructure was divided into the Administrative

¹ For a detailed study of the Company's administration see K.G. Tregonning, *A History of Modern Sabah*, Kuala Lumpur, 1965.

² See Articles 8, 9 and 10 of the *Royal Charter 1881*, *Handbook of North Borneo 1886*, London, 1886, pp. 123-4.

Service and the Departmental Service. At the apex of the superstructure was the Governor with an Advisory Council to assist him. The Administrative Service had a vertical structure with the Governor as supreme administrator, followed by; the Residents who were in charge of the Residencies; the District Officers, in charge of Districts and finally the Native Chiefs and Village Headmen (Orang Tua, O.T.), who were primarily in charge of Native Affairs at the District and Village level. As time went on, various departments were also established with Europeans as heads. The Departmental Service had a horizontal structure. The Native Chiefs and O.Ts formed the lowest rung of the Administrative Service, but they together with the District Officers formed the core which ran Native Administration.³ Since the interests of capitalist enterprise and the preservation of native rights and welfare were not always complementary, and in effect often deserved a separate treatment, the Company consciously kept the two fields separate as far as possible. Native Administration therefore, serviced partly by the inherited substructure, always occupied a special position in Company administration.

Native Administration taken as a general term and out of context of the present setting may conjure up various meanings. The most common interpretation would be that there was in fact an autonomous native government or administration under the protective umbrella of the Chartered Company. If this is the interpretation given to Native Administration, then it is a misnomer as far as Sabah during the Chartered Company period was concerned, for there was no autonomous native government during its rule. However the category Native Administration during the period of Chartered Company rule has a special meaning. It simply means how the natives were governed by the Company, what role and position the natives occupied in the adminis-

3 *Sir Richard Dane, Report on the Administration of British North Borneo, 1911, London, 1911.*

tration, and what changes were brought about in their traditional political and cultural systems as a result of Company rule. Since Native Affairs was always given a separate and special position and treatment vis-a-vis the general administration during the Company period, the subject is not only worthy of a separate study, but is essential for the understanding of Sabah history in its proper context.

When one talks of Native Administration in such a context, it can only be relevant to a period when there was an alien or colonial power governing the country. After 1963 when Sabah became independent as a State within Malaysia, Native Administration becomes a misnomer. A discussion on Native Administration in Sabah therefore is only relevant to the period of Chartered Company rule (1881-1946), and the Colonial period (1946-1963), but for purposes of this paper the topic is confined only to the former.

In the main, this paper will be divided into two sections. Section One will deal with the historical evolution of indigenous native political authorities from pre-Company days to 1946, tracing along with it the structural and substantive changes that were brought about by the Company. Section Two will deal with the sectional development of native affairs, with special emphasis on the Native Chiefs' Advisory Council and native education.

THE EVOLUTION AND DEVELOPMENT OF INDIGENOUS NATIVE POLITICAL INSTITUTIONS AND AUTHORITIES 1877-1946

A. The Political Background

The emergence of North Borneo, or Sabah, as a political unit is of comparatively recent origin, that is during the rule of the British North Borneo Chartered Company (BNBC), 1881-1946. From the remote past until the 16th century, Sabah consisted of a number of tribal societies, who, while not existing in total isolation, did not develop a form of political organisation which can be called a *negeri*, *rajaship*, or a *sultanate*. In the 16th century, Sabah seems to have come under the suzerainty of the Brunei Sultanate,⁴ but even then it was never ruled as one political unit. Though the area north-east of Brunei Bay was generally referred to as "Saba" by the Brunei authorities, it was meant to denote a geographical rather than a political entity.⁵ Sabah was then in fact divided into numerous *jajahan* and *negeri* by Brunei authorities and ruled separately according to the political-administrative system of Brunei. Moreover, though Brunei claimed *de jure* sovereignty over the whole area extending from Brunei Bay on the west coast to the Sebuku river on the east, it was only along the coastal areas or *pesisiran* that actual *de facto* authority was exercised. Brunei authority never extended into the interior of Sabah and no *jajahan* were established there.⁶

4 According to *Brunei Annals, the Silsilah Raja-Raja Berunai, the Kingdom of Brunei began to expand into an empire during the reign of Sultan Bulkiah. He was the fifth Sultan of Brunei and was generally believed to have ruled Brunei during the time of Pigafetta's visit in 1521. For a translated version of the Brunei Annals see H. Low, "Silsilah (Book of Descent) of the Rajas of Brunei". Journal of the Straits Branch, Royal Asiatic Society (JSBRAS), V (1880), pp. 1-35.*

5 See L.P. Amin Sweeney, "Silsilah Raja Raja Berunai" *Journal of the Malaysian Branch, Royal Asiatic Society (JMBRAS)*, XLI, 2, (1968), p. 25, 64

6 Colonial Office (C.O.), 874/54. See documents 1-6

The political situation became more complicated as a result of a succession war in Brunei which lasted from 1662 to 1674. One of the contenders to the throne, Muhiuddin, invited Sulu assistance and is purported to have ceded the area north-east of Brunei Bay to the Sulu ruler for having successfully defeated his rival, Abdul Mubin, at Pulau Chermin.⁷ Brunei authorities, however, soon denied ever having ceded the territories, with the result that Sabah became the focus of dispute between the two powers for the next two centuries.⁸

The practical result of the power conflict between Brunei and Sulu caused Sabah to be divided into three zones. The coastal belt between Kimanis to Pandasan became the Brunei sphere of *de facto* control; the coastal belt between Marudu Bay to the Sebuku River, the Sulu sphere of control; while the rest remained independent territory – the interior in the hands of various indigenous tribes and the coastal regions between Pandasan and Marudu in the hands of various “Sharifs”.⁹ This was the complex political situation when the Overbeck-Alfred Dent syndicate (later renamed as the British North Borneo Chartered Company) made its first appearance.^{9a}

B. The Indigenous Political System in Sabah Before Chartered Company Rule

Indigenous political systems in Sabah may be categorised into three types according to the level of organisational complexity and conceptual sophistication. In the interior of Sabah the indigenous people never developed any concept of

⁷ Sweeney, *op.cit.*, p. 46

⁸ N. Tarling, *Britain, The Brookes and Brunei*, Kuala Lumpur, 1971, p. 6

⁹ Acting Consul-General Treacher to Earl of Derby, 22 January, 1878, “Spain No. 1 (1882), Borneo and Sulu: Papers Relating to the Affairs of Sulu and Borneo, and to the Grant of a Charter of Incorporation to the British North Borneo Company”, *British North Borneo Treaties and Documents*, p. 183, Sabah State Archives.

^{9a} Overbeck sold to the Dent Brothers before the British North Borneo Chartered Company's inception.

a state of kingship. The people lived in small tribal groups, often physically separated by the nature of the terrain. This type of political organisation may be called the *tribal political system*. On the other extreme was the extension of the jurisdiction of the Muslim Sultanates of Brunei and Sulu over parts of Sabah. On the west coast, most of the coastal riverine regions extending from the Padas-Klias peninsula to Pandasan experienced the Brunei system of administration. On the east coast, Suluk Datu or Datuk under the patronage of their sovereign, the Sultan of Sulu, carved out pockets of administrative units. These regions of Sabah were not considered as an integral part of the mother country and therefore were always treated as *jajahan* or colonised regions. Moreover the people administered were mostly of the Sabah indigenous stock and the Bruneis and Suluks lived there as masters, administrators and traders. This type of political structure, since it was not indigenous to Sabah, may be termed as the *Extended Sultanate System*.

In between these two extremes, there existed a few independent chiefdoms. These neither paid allegiance to the Muslim Sultanates, nor were a product of tribal systems. This category may be classified as the *Independent Chiefdoms*. It must also be borne in mind that there was some overlapping of the three systems in time and space. At the height of power of any one of the Muslim Sultanates, the Extended Sultanate System would encompass more of the interior tribal societies and might not even permit the existence of Independent Chiefdoms. The reverse process would set in when the Sultanates were weak. This of course does not imply that the periods of expansion and decline of both the Sultanates happened during the same span of time.

B(i) The Tribal Political System

Most of the indigenous peoples of Sabah including the Dusun, the Murut, the Orang Sungei and the Bajau were organised on a tribal basis. Even after the Muslim Sultanates extended their jurisdiction over parts of Sabah, large parts of

the interior retained this structure. A number of historical, geographical, climatic and economic factors contributed to the emergence and retention of this political structure. At the root of the tribal organisation lay the supremacy of *adat* law or traditional law which gave direction to and controlled all behaviour, personal and communal. *Adat* was all encompassing and there is reason to believe that it formed a common universal base for all indigenous Sabah societies, though the law itself varied from community to community.¹⁰ To these communities, *adat* law was Truth. (It is not sure how the Bajau began to perceive *adat* law when they accepted the Islamic faith). Truth was believed to be a definable essence of the Universe, which exists always without changing. Truth is said to be manifest or visible in traditional law. The indigenous communities conceived of a close relationship between the world of man and the world of the supernatural. Society must conform to the rules of *adat* and if *adat* was flouted, disturbances in the order of the cosmos would take place. Societies flouting *adat* would be meted with Divine punishment such as plague, pestilence and crop failure. Individuals who flouted *adat* would be severely punished if the crime was serious such as incest, murder or adultery as it was perceived that individual actions had repercussions on the whole community or tribe. In addition to the punishment which demanded banishment or death for crimes like incest, the family of the guilty party would have to pay ritual fines to the whole community for the performance of ritual ceremonies to cleanse the whole countryside around the village. These ritualistic fines were usually termed *segit* or *kepanasan* and the idea of the

¹⁰ Some of these conclusions are based on interviews conducted by the writer. Most of the materials are however obtained from the compilation of *adat* laws by G.C. WOOLLEY. See especially G.C. WOOLLEY, "Dusun Adat: Some Customs of Dusuns of Tambunan and Ranau, West Coast Residency, North Borneo", *Native Affairs Bulletin*, No. 5, Sandakan; and "Tuaran Adat", *Native Affairs Bulletin*, No. 2, Sandakan 1937. Also see O. Rutter, *The Pagan Tribes of Borneo*, London, 1929 & T. R. Williams, *The Dusun, A North Borneo Society*, New York, 1965.

ceremonies was to appease or cool the offended universal spirit. *Adat* was accepted by all and in this way it governed and ordered tribal society. *Adat* law was not written, but transmitted from generation to generation orally. The elders in the community were the repository of *adat* law and had to be consulted when major crimes were committed. In the absence of the development of sophisticated institutions to implement traditional law, its adherence was the responsibility of the whole community, but tribal societies did evolve certain rudimentary and basic institutions for its implementation as well as for the running of daily affairs of the community. Tribal communities in Sabah generally evolved three basic political institutions, and though in this study the Dusun communities are used as a case study, these institutions were generally universally found in other tribal groups as well. The Dusun were mainly settled on the west coast of Sabah with concentrations in the valleys of Kudat, Tempasuk, Tuaran, Penampang, Papar, Ranau and Tambunan. In the first half of the 20th century, Dusun people from Ranau and Tambunan plains then moved down to the Keningau area, probably due to pressure on available wet-padi land.¹¹

The Dusun peoples never evolved for themselves any significant unit greater than the village. A village may include one or more longhouses/hamlets. Generally communities were not based on kinship groupings but some, such as those of the Tambunan plain, appear to do so. The Dusun evolved three major institutions of authority in the village.

The Village Headman (Orang Tua)

In olden days, because of the custom of headhunting and constant inter-village wars, security was a major consideration. Members of a community lived in a longhouse because such a structure offered maximum security. The most senior man

11 Fr. A. G. Lampe, "The Kadazan", *Borneo Society Journal*, 3, 1962, p. 7-8.

of the community could be selected as a headman basically to provide this protection. He would invariably be a man therefore who either founded the village or a man who had prowess and could lead the village in retaliatory raids against enemy villages, or a man who could organise man-power for defending the village. In addition, he was responsible for maintaining the public-order in a village, settling disputes and imposing fines. As the basis of traditional law and judicature was the *adat* which was the concern of the whole community and not just the prerogative of the village headman, a village headman had to possess in addition to his fighting qualities a deep knowledge of *adat* as well as the qualities of wisdom and impartiality. There was no formal election of a headman. If he possessed the right qualities mentioned above he would be acknowledged and chosen by the community. Sometimes he might succeed to his father's post, though the office was not hereditary in principle. The selection was done at a village gathering which was attended by most of the senior male members of the community. Selection was made through consensus of opinion.¹²

In such communities, all the qualities discussed above were considered important for the selection of a village headman, with the important qualification that he must belong to the same descent group as that of the village. Dusun village life hinged on the *adat* which encompassed all activity ranging from marriage, inheritance, crime to economic activity. Since writing was unknown, *adat* was known orally to the elders of the community. Though justice was the concern of the whole community, it was the village headman who was bestowed with the powers of judicature and enforcement when *adat* was flouted. The village headman thus not only acted as judge, but also as investigator, witness and evaluator. He was a witness to the *brian* agreement when a marriage was pro-

¹² Glyn-Jones, *The Dusun of the Penampang Plains, Canterbury, 1953*, pp. 107-112; Rutter, *op. cit.*, pp. 68-70.

posed and could order the defaulting party to pay compensation. He was a witness when an adoption was made; he was the evaluator when disputes concerning inheritance shares arose and he was the judge who meted out punishment when incest was committed. Even in economic activity he could punish offenders who broke contracts concerning labour.¹³

The village headman's office was not a sinecure (paid office), neither did he receive any payment in the form of court fines or taxation. There was no form of taxation in Dusun societies. Court fines either went as compensation to the injured party or as ritual payment (*segit*) to the whole community. The village headman however had other rewards. He commanded high social position in society and enjoyed certain services performed for him by his community members. Rutter comments:

"The duties a headman owes to his people are compensated by the dues he may reasonably expect them to provide in return: not in the form of tax or tithe, but in service . . . His rice-field is felled and planted; he is a welcome guest at any celebration, and in many small ways reaps the harvest of his position."¹⁴

The Village Council

In addition to the institution of the village headmen, there appeared to exist an informal village council as well. It was composed of the body of elders who not only chose the village headman, but also advised him in all important matters concerning the village. They were also the repositories of lore and tradition.

They were therefore in a position to quote case-law as precedents for the settlement of village problems. According to Rutter:

¹³ Based on G. C. Woolley, *op. cit.*, and Pengeran Osman, "Dusun Customs in Putatan District", *Native Affairs Bulletin*, No. 7, reprinted, Jesselton, 1962.

¹⁴ Rutter, *op. cit.*, p. 69

"From the earliest times the village witenagemot must have been at once the judiciary and the council which decided the policy and affairs of the community."¹⁵

According to Williams, if the village headman considered that a major crime had been committed in the village, he would arrange for a formal hearing before the village council.¹⁶ The village council as an institution has disappeared in modern times, but there is reason to believe that it was a vital force in the village in times past.

The Religious Group

Another group which exercised authority and influence of a different kind in the Dusun village was the religious group. Since *adat* formed the basis of communal and individual behaviour, its non adherence would bring disease, sickness and natural disasters. To restore harmony, proper rituals must be conducted. Thus the religious group, which was composed mainly of priestesses *bobohizan*, exercised important influence in the village community not only as specialists in rituals who could avert disaster, but also as a group which could demand of others the right behaviour in conformity to *adat*. All important events of a Dusun's life had their attendant ceremonies: ceremonies had to be held when a child was born, when a wedding was held, when a new house was built, when rice planting commenced etc. Thus the religious group played an important role not only for the community as a whole but also for the individual.¹⁷

The Descent Group Chief

In most Dusun communities there was no higher organisation than that of the village and no higher authority than that of the village headman. In some communities however, like that

¹⁵ Rutter, *op. cit.*, p. 69

¹⁶ Williams, *op. cit.*, p. 62

¹⁷ *Ibid.*, p. 17-26; Glyn-Jones, *op. cit.*, p. 95-97

of the Tambunan community, where society was based on the descent group, a higher authority did exist. He was the descent group leader who was chosen by the village headman belonging to all the villages of the same descent. In such communities the descent group leader was superior to the village headman in all important questions of justice, ceremony and war.

In some instances leaders of descent groups formed temporary alliances in the face of common external threat. These *ad hoc* alliances seem to have been the highest form of political organisation ever evolved by the Dusun communities.¹⁸

B(ii) The Extended Sultanate System

The Brunei Political Structure in Sabah

Under the Brunei system of administration,¹⁹ rivers and people were divided into three categories, for convenience of control and revenue collection. Certain *sungai* (rivers) and their inhabitants *hamba*, were referred to as *sungai kerajaan* and *hamba kerajaan* respectively. These appanages were not hereditary but personal to the Sultan who could collect revenue from them during his office. The second category were the appanages of the *wazir*²⁰ of the state and were styled *sungai kuripan*. Likewise they were appanages of office, reverting to the Sultan on the demise of a *wazir*

¹⁸ Williams, *op. cit.*, p. 48-51, 62-67

¹⁹ For more details see D. E. Brown, "Socio-Political History of Brunei, a Bornean Malay Sultanate", unpublished Ph. D. thesis, Cornell University, Ithaca, 1969; P. Leys, "Observations on the Brunei Political System 1883-1885", JMBRAS, XIV, ii (1968) p. 117-30; J. P. Ongkili, "Pre-Western Brunei, Sarawak and Sabah", Nusantara, iii (1973), p. 49-68, and Tarling, *op. cit.*, p. 4-5.

²⁰ The word *Wazir* or *Vazier* means: minister. The *wazir* class of state offices were from the core of Brunei nobility. By the 19th Century there were four *wazir* in the Brunei administrative structure; Pengiran Bendahar, Pengiran Di-Gadong, Pengiran Pemancha and Pengiran Temenggong. For more details see Ranjit Singh, "Brunei: The Problems of Political Survival 1939-1963", unpublished M. A. thesis, University of Malaya, Kuala Lumpur, 1976, p. 30-34.

until a new wazir was appointed. Other rivers constituted the third category of *sungai tulin*. These could be owned by the Sultan, the wazirs or the leading *pengiran*²¹ in their private capacity.

These landholdings, with their inhabitants, served not only as a source of revenue and livelihood, but also as bases of power. Thus certain *pengiran* holding large tulin properties could be in a position to challenge or resist central authority. However, though *pengiran* in tulin districts exercised *de facto* power and collected their own revenue, it was the normal practice to acknowledge the *de jure* authority of the Sultan by the payment of an annual tribute as well as *bingkisan* or *persembahan* (tribute on special occasions). In the case of tulin districts, the *pengiran* periodically visited their areas to administer justice and to collect taxes. More often than not, they were "absentee landlords" at the capital, leaving affairs in the hands of local chieftains and headmen. The Kerajaan and Kuripan districts were administered by agents of the Sultan or Wazir, assisted by local chiefs. With the exception of periodical visits by the agents of the Brunei government, or the "absentee landlords", the day to day business of government was left to the local leadership. In each of the rivers or provinces, there were local territorial chiefs appointed by the Brunei overlords. These territorial chiefs controlled a number of villages which usually corresponded to a sub-river system. Under these territorial chiefs were village headmen or *tua kampung* who governed the village community.

The Sulu Political Structure in Sabah

Within the Sulu sphere of influence and control the political-administrative structure was slightly different.²² Within this

²¹ The term 'Pengiran' means a noble, a member of the Brunei royal family.

²² See Najeeb M. Saleeby, *The History of Sulu, Manila, 1963*; J. K. Reynolds, "Towards an Account of Sulu and its Bornean Dependencies 1700-1878", unpublished M.A. thesis, University of Wisconsin, 1970; and C. A. Majul, "Political and Historical Notes on the Sulu Sultanate", *JMBRAS*, 38, 1, July 1965.

structure Suluk-Bajau relations were important. The east coast of Sabah being sparsely inhabited by the autochthonous people, was gradually populated by Bajau and Suluk peoples. This happened when the Sultanate, already having claims over Sabah as a result of the 1662–1674 Brunei civil war, became interested in the natural riches of the east coast constituting quantities of edible birds' nests, *tripang* (sea-cucumber), rattan and gums which were valuable for the China trade. Thus many Suluk Datu, attracted by the wealth of the trade, obtained commissions from the Sultan of Sulu to establish settlements on the east coast of Sabah. While small numbers of Suluks migrated to form settlements, the bulk of the labour force itself was provided by the Bajau who were willing to work under the Suluk Datu as retainers, and collectors of jungle and sea produce. The settlements themselves were ethnically separated with their own village heads. Overall control, however, was exercised by a Suluk chief under the authority of the Sultan, with the designation of Datu, whose jurisdiction extended over a number of such villages. According to Sather, this system provided:

“ . . . a way of organising . . . villages into supralocal political units and . . . of incorporating individuals of different ethno-linguistic groups, as well as non-contiguous villages, into extensive albeit loosely structured confederacies of ruling *dato*. . . .”²³

B(iii) The Independent Chiefdom

Men of character and outright boldness sometimes established their own settlements. They were a law unto themselves and they recognised no superior suzerain. These settlements were often not the product of tribal social development, for the followers of such independent chiefs were an assortment of people who had come from far and

²³ C. A. Sather, “Social Rank and Marriage Payments in an Immigrant Community in Malaysia”, *Ethnology*, VI, 1967, p. 97.

wide either seeking the protection of such chiefs or engaging themselves as ready followers on piratical expeditions. In certain cases, where Brunei and Sulu authority was lax and the settled population feared attacks by pirates, men of outstanding ability, strength and an independent disposition were able to establish themselves as protectors and virtual independent chiefs. These chieftains had certain credentials to begin with. They were either from the royal or autocratic lineages of the Brunei and Sulu courts or were *Sharifs*, the proclaimed descendents of the Prophet. They often also had a strong following of fighting men and they themselves were purported to have the powers of invulnerability. One such outstanding personality was Sharif Osman who established an independent chiefdom at Marudu (present-day Kota Marudu) around the 1830s and 1840s. This was a strategic area, far from the spheres of control of either Brunei or Sulu. Sharif Osman is said to have come from Sulu. At one of the rivers flowing into Marudu Bay, he chose a strategic location overlooking the Bay (but quite concealed), where he built a huge fort of mud and timber ramparts. The exact date when the fort was built is unknown but it was easily about two square miles in area and the remnants of the mud ramparts are still standing today, though the area is now completely abandoned and overtaken by the jungle.^{23a} The population in Sharif Osman's chiefdom was estimated by St. John to be around 50,000, a considerable figure²⁴.

Most of them engaged in farming and fishing, while the whole settlement also seems to have been a commercial centre. Sharif Osman had a large following of fighting men and his fort was well armed, including two huge canons

^{23a} This account is based on the writer's own observation of the remnants of the fort and the area around it. It is also partly based on an interview with En. Sabli b. Mohidin of Sekolah Menengah Kebangsaan, Kota Marudu on 27.4.1980. Encik Sabli has been the headmaster of the school for eleven years.

²⁴ S. St. John, *Life in the Forests of the Far East*, London, 1863, pp. 394-6

which were placed on a smaller fort controlling the entrance to the main one. Evidence seems to indicate that this chiefdom was a flourishing one, for though Sharif Osman was reputed to be a man of fierce disposition, many people came to settle under his jurisdiction as he could provide protection and security.

Sharif Osman however began to interfere in the internal politics of the Brunei court where a power struggle was going on between two factions of the royal family. One faction, led by Raja Muda Hashim had also been courting the Brookes of Sarawak and favoured British protection. The Sultan and some of his *pengiran*, the most outstanding of them being his father-in-law, Pengiran Yusof, feared Raja Muda Hashim's family and especially the likelihood of Hashim obtaining British help and eventual interference. Sharif Osman of course saw the prospect of eventual British establishment in the Brunei empire as a direct threat to his own survival. He therefore entered into an alliance with Pengiran Yusof and issued an open threat that he would sack Brunei (meaning the pro-British Hashim faction) if the flirtations with the British continued. Raja Muda Hashim solicited British help and Admiral Cochrane arrived with a huge fleet from Singapore. He declared that Sharif Osman's settlement was a pirate stronghold and in 1845 proceeded to Marudu Bay, where after a fierce encounter, the fort was destroyed. Sharif Osman is said to have died fighting, while the civilian population abandoned the settlement.²⁵

Sharif Osman's chiefdom was only one of many such independent political units which sprang up regularly on the north and east coasts of Sabah. Another one was at Tunku where Datu Kurunding established a strong piratical base. From the centre, Datu Kurunding wreaked havoc on the coastal population of the east coast of Sabah until his

²⁵ See G. Irwin, *Nineteenth Century Borneo: A Study in Diplomatic Rivalry*, Singapore, 1965, Chapters IV & VI.

stronghold was finally destroyed by the Chartered Company and the British navy.²⁶

C. The British North Borneo Company and the Native Political Institutions and Authorities

It was in the midst of this complex socio-political background and environment that Baron de Overbeck, in partnership with the syndicate of Alfred Dent, obtained deeds of cession from the Sultan of Brunei in 1877 and the Sultan of Sulu in 1878. The territory so acquired, with the exception of certain independent rivers, and tulin rivers, extended from the Papar River on the west coast to the Sibuku River on the east coast.²⁷ Lacking the finance to immediately establish a centralised administration, but hoping to float a company in England as well as obtain a Royal Charter of Incorporation from the British Government,²⁸ the Dent syndicate established three outposts at Kampung German, Tempasuk and Papar respectively.

For three years, from 1878 to 1881, three young English officers styled Residents, endeavoured almost single-handedly to establish a rudimentary administration.²⁹ It was during these pioneering years that the Residents, without the support of either a bureaucratic machinery or a police force, had to rely solely on the support, influence, protection and advice of loyal and friendly local chiefs. Though it would be untrue to say that all local chiefs accepted the new regime without opposition, the majority of the influential chiefs supported the Residents. Through their own courage and by exploiting the inter-personal and inter-ethnic rivalries

²⁶ See J.F. Warren, *The North Borneo Chartered Company's Administration of the Bajau, 1878-1909*, Ohio University, 1971, p. 43-44.

²⁷ C.O. 874/54, see documents 1-6

²⁸ For a detailed discussion on the Charter issue, see *Report of the Debates in the House of Lords and the House of Commons, on the British North Borneo Company's Charter*, March 13th and 17th 1882, p. 2-3. *Sabah State Archives*.

²⁹ See W. B. Pryer's *Diary at Sandakan, 1 February 1878 - 1 July 1878*, C.O. 874/67; and "The Diary of Mr. Pretzman".

of the various communities, the Residents were able to maintain their position. In the process, the foundations of later Company administration, structured on a decentralised, semi-indirect form of government maintaining close rapport with native chiefs and native institutions were established. The Residents, out of sheer necessity absorbed the more influential chiefs into their administration by preserving the traditional structure of leadership and political control whereby the native chiefs served as advisers and as administrators in their traditional way. Little bureaucratisation was attempted, the native chiefs were not incorporated as paid civil servants, but continued to administer justice, keep the peace and collect taxes on a commission basis as in the past.

With the coming of William Hood Treacher as the first Governor of North Borneo in 1881, the beginnings of a centralised governmental machinery were established. The basic core of traditional native institutions and authorities were however retained, though some restructuring was introduced as the functions of government became more complex and extensive. The three important native institutions that were retained and incorporated into the Company's administration were the institution of Native Chiefs, the Village Headman (O.T.) and the Native Court. However, no legislation concerning these institutions was introduced until 1891 when the Village Administration Proclamation was passed.

The Company's officers felt that the most practical policy was to incorporate some of the more influential traditional chiefs into its administrative service. As such the policy initiated by the pioneer Residents was continued by Treacher and his successors, though some restructuring was introduced. Restructuring of the institution of Native Chiefs was necessitated by the Company's extension of more effective jurisdiction over large areas of Sabah which, until the coming of Treacher, had felt only the *de jure* claims of the Company. Categorisation of Native Chiefs under the new system depended on the influence and strength of a particular

chief, the size of the area he had been traditionally controlling, the density of the population and the economic viability of the region. Based on these criteria, the existing traditional chiefs were divided into two major categories: recognised chiefs and unrecognised chiefs. Recognised chiefs received the title Native Chief and were incorporated into the Company's administration. Unrecognised traditional chiefs were deprived of their former powers of administration and slowly passed into oblivion. Among the recognised chiefs there was a clear restructuring of power and position. They were divided into paid and unpaid Native Chiefs. This restructuring was not only evident in the increased jurisdiction of the paid chiefs, but also in their functions and pay. Most paid chiefs were not only responsible for the maintenance of peace and order, the collection of poll-tax and the administration of justice in their traditional domains, but also in the domains of unpaid chiefs. On the other hand, the duties of the unpaid chiefs were confined to the collection of poll-tax which they either delivered directly to an European District Officer or via a paid chief.³⁰ In this way the locus of traditional authority was maintained and strengthened and the principle of ethnic-based leadership strictly applied. Recognised village headmen were also paid monthly salaries ranging from \$3 to \$5. Because of the lack of finance to employ a large corps of European civil servants, a cheap form of informal government was adopted, whereby some chiefs were allocated extensive areas of control. In certain areas, especially the interior, it was impossible for the Company to extend immediate effective supervisory control over the traditional chiefs, so that a system which Black calls "rule by local-client"

³⁰ For a deeper understanding of this restructuring see *British North Borneo Herald*, 1886, IV, XI, p. 215-217. Most paid chiefs received a monthly salary ranging from \$5 to \$40. In addition they retained a portion of the poll-tax collected, usually one-third. A small fee was also paid if they acted as Native Magistrates. Unpaid chiefs also received a portion of the poll-tax collected (usually one-third if they remitted it direct to the District Officer and one-tenth if they remitted it to a paid chief).

was adopted in these areas.³¹

With a view to greater efficiency and control, in 1891, the first legislation concerning the powers and duties of village headmen was passed. Known as the Village Administration Proclamation of 1891, it strengthened the position of village headmen by regulating their duties and powers.³²

Legislation concerning native chiefs was only instituted in 1912. With a view of bringing about greater specialisation and efficiency, a more rigid bureaucratisation was introduced by this measure. The legislation provided for a scheme whereby native chiefs were divided into Grade I and Grade II chiefs.³³ Gradation was based on influence, length of service and past performance. Literacy also became an important criteria as chiefs were required to keep records of native court cases, poll-tax returns and land transfers.

In 1916 another classification scheme was introduced with the object of reducing the establishment of paid chiefs, but at the same time creating a more efficient, dedicated corps of chiefs. Salaries were to be increased so that those who remained on the establishment were independent of other sources of income.³⁴

Further changes were instituted by D.S. Jardine who became Governor in 1935. Jardine had served as Chief Secretary to the British Government in Tanganyika where he had personally experienced the operation of indirect rule in that colony and wished to introduce some of these ideas in North Borneo. His main ideas, derived from the Tanganyika model, were that the powers of the native chiefs, as a whole, should be increased to improve their participation in administration. In addition, he proposed a special scheme for the setting up of "local native authorities". The main

31 I. D. Black, *"Inter-ethnic Relations and Culture Change under Colonial Rule: A Study of Sabah"*, *Studies in Borneo Societies: Social Process and Anthropological Explanation* (ed.) G. N. Appell, Illinois, 1976, p. 31-36

32 See *British North Borneo Herald*, 1891, IX, iii, p. 85-88. *Sabah State Archives*.

33 Tregonning, *op cit* p. 110.

34 See *Native Chiefs Classification Scheme*, *Sabah State Archives File 04565-1*

gist of his ideas were postulated in a document entitled the *Memorandum on Indirect Rule and the System of Administration of Natives of North Borneo (1935)*.³⁵

With regard to the second part of his proposal, his memorandum outlined the three major preserves for such authorities; the settlement of cases through native courts, the collection of government taxes, and a degree of financial autonomy. Being also somewhat of a democratic nature, he revived, reorganised and revitalised the Conference of Administrative Officers. His proposals were laid before this body for comment while various heads of departments, including the Judicial Commissioner were invited to communicate their views in writing.³⁶

The various consultations convinced Jardine that, in fact, a great measure of indirect rule had long been practiced in North Borneo. Native chiefs had always exercised jurisdiction over native courts while native headmen and chiefs had always collected government taxes. There was only one sphere where his scheme remained to be implemented, and this was with regard to greater financial autonomy. However, one of the problems faced in creating "native local authorities" throughout the territory of North Borneo, was that the Chinese population had settled and mingled with the native population nearly everywhere, with the exception of a few small areas and the Interior Residency, where the government had forbidden the settlement of aliens.³⁷ This

³⁵ In addition to this document, Jardine's ideas also appeared in his address to the Residents' Conference held on 5 January, 1935 and the Administrative Officers' Conference held on 27 October, 1935. Minutes of these conferences are found in Sabah State Archives File 01348

³⁶ In fact all Administrative Officers (Residents and District Officers) and Heads of Departments were subsequently asked to convey their comments in writing. See Sabah State Archives File 01314

³⁷ See minutes of the Administrative Officers Conference, 27 October, 1935. Sabah State Archives File 01348. The Policy of forbidding Chinese settlement in the Interior Residency was strictly maintained till 1928. In this year it was relaxed as the Government wanted the Chinese to develop the interior Residency. It was the opinion of the Company that economic progress could be only initiated by the Chinese. Despite this relaxation however, very few Chinese had settled in the area by 1935. Sabah State Archives File 1768/28

raised the technical and practical problems of dual administration if "native local authorities" were implemented. It was, therefore, decided to implement the scheme in selected areas only where the population was wholly or predominantly native in composition.³⁸ With regard to the proposal for increasing the powers of native chiefs as a whole, legislation was started and culminated in the Native Administration Ordinance of 1937.³⁹ The institution of Native Chiefs continued to play a major role in the area of native affairs till the outbreak of the Pacific War and the occupation of Sabah by the Japanese in 1941.

The third traditional institution to be retained and strengthened by the Company's administration was the Native Court. In the past justice was administered by this institution, especially in those areas which were under the Brunei sphere of influence. In these areas the Brunei appointed local chiefs held court and decided cases which were not of a serious nature, such as robbery. In the tribal political system, the village headman together with the elders of the community decided all cases in accordance with *adat* law. The Company's officers felt this was a viable system and one which would appeal to the natives. Though the western court system based on the Indian model was established, the Native Court was retained to deal specifically with native cases. Appeals from the Native Court could be made to the higher court: the Magistrate's Court, the Sessions Court and finally to the High Court.⁴⁰

The first such Native Court to be established was in the district of Putatan in 1884. Muslim *Imam* were appointed to deal with cases involving Muslims and *Orang Tua* to deal with cases involving the non-Muslim indigenous population. A European officer was also appointed as the Magistrate-in-

³⁸ Such a scheme was started at Bingkor, Keningau. It proved to be a great success. Sabah State Archives File 01787-1

³⁹ See Native Administration Legislation 2 of 1937, Sabah State Archives File 02222

⁴⁰ British North Borneo Herald, 1884, II, i, p. 1-2 Sabah State Archives.

charge of the Magistrate's Court. The European Magistrate, however, only dealt with serious crimes, while all ordinary *bicara* were heard and settled as before in the Native Court. The system was reported to be working most satisfactorily and was very popular with the natives.⁴¹ In 1886 another Native Court was established in the Padas Klias district. It consisted of eleven Native Chiefs under the Chairmanship of Pengiran Abbas, who was the principal chief in the area. The Chairman carefully recorded all cases heard in Malay in a court-book for inspection and comments by the Assistant Resident.⁴² This system was extended to other districts over the years. The judgments handed out by these Native Courts were often sound and very few appeals ever went up to the Magistrate's Court. Moreover the institution helped to increase the power and prestige of the Native Chiefs so much so that "by 1910 the use of police to fetch those accused to the court had long fallen into disuse". According to Tregonning, in 1913 "this whole system received the delayed blessing of law. Section 10 of the Village Administration Proclamation decreed that a native court should be constituted in every district."⁴³ Like the institutions of Native Chiefs and *Orang Tua*, the Native Court continued its valuable work till the end of Company rule.

⁴¹ *Ibid.*, 1884, II, iv, p. 3.

⁴² *Ibid.*, 1886, IV, ix, p. 188-189; and 1886, IV, xiii, p. 288-289.

⁴³ Tregonning, *op cit*, p. 116-117.

NATIVE AFFAIRS – SECTIONAL DEVELOPMENT

The Native Chiefs' Advisory Council

As has been noted in the introductory notes, Sabah never developed into one single political unit before the coming of the Chartered Company. Neither did the indigenous communities develop the concept of stateship or kingship. As such, when the Company took over, its task was not only to establish an efficient administration, but also to forge the various units into a single political entity. Further the Company felt that the various ethnic groups were too isolated possessing divergent interests. The preservation and development of traditional native institutions allowed for the proper administration of native affairs, but only at the village or district level. There was no central coordinating body for the running of native affairs and the various native chiefs and *Orang Tua* had no means of coming together as a body, neither did they have the means of acquainting themselves with the problems of natives in other districts. Early in its history, the Chartered Company decided that a body representing the Native Chiefs should be formed to advise the government on problems affecting natives in the country.

The Durbar System

Provision for the formation of a native consultative council was made as early as 1882 in the Board of Directors' instructions to the Governor, in order "that the wishes of the natives may become known to the Government . . . and that undue interference with their established customs . . . be avoided." The projected council was to consist of the Governor as President, the Resident or Assistant Residents, and not more than six native representatives for each Residency. It was to be convened at the discretion of the

Governor, meeting at least once a year.⁴⁴

No immediate measures were taken to implement these instructions. However, for the first time, in 1887, a general meeting of all the chiefs of the territory, called a *Durbar*, was convened in conjunction with the celebration of the jubilee of Queen Victoria's reign.⁴⁵ A similar gathering was held in 1889 at Sandakan, in conjunction with the seventieth birthday celebrations of the Queen. Like the *Durbar* founded in the Malay Peninsula in 1895 it acquainted the native chiefs with the pomp and ceremony of the European government and afforded them opportunity to gain the acquaintance of the Governor. Members listened attentively to the Governor's address and returned respectful replies, but no deliberative business was done.⁴⁶ The impressive *ad hoc* *Durbars* were a far cry from the consultative council that had been envisaged; they lacked the permanency, the format, and the procedural requirements of a modern deliberative body. After 1889, even this very unsatisfactory system of *Durbars* went into abeyance.

The Early Native Chiefs' Advisory Council (1915–1917) (NCAC)

The first serious step towards establishing a native advisory council was made in April 1915 by Governor C. W. C. Parr. Recognising that the advice of such a body would be of great help to the government in matters concerning the country and the natives, he inaugurated the Native Chiefs' Advisory Council.⁴⁷ It consisted of the Governor as President, the Government Secretary, the Resident of the West Coast, and all Grade I native chiefs who were conferred the title of *Orang Kaya-kaya* by virtue of their appointment to the Council. In 1915 nine native chiefs were appointed to the Council, of whom eight represented the Muslim communities

⁴⁴ "Instruction to the Governor of North Borneo", 2 August, 1882, Borneo Papers, 2, p. 11–17.

⁴⁵ Tregonning, *op. cit.*, p. 111.

⁴⁶ British North Borneo Herald, 1889, VII, p. 181–2, Sabah State Archives.

⁴⁷ Governor to Chairman, BNBC, 6 April 1915, Sabah State Archives 01968.

and one the Dusun community. In 1916 there were eight and two representatives respectively.⁴⁸ The native membership was permanent unless in the case of resignation, or dismissal by the Governor. In actual fact, the European membership during the 1915–1917 period also remained practically unaltered.

During these early years, the Council's procedure was kept as simple as possible. The NCAC was convened once a year, when Grade I chiefs were summoned to the capital. No agenda was prepared or circulated. The meeting began with the Governor delivering an opening address, after which followed the main task of the Council which included discussion, debate and the passing of resolutions. As there was no agenda, discussion was spontaneous and was often initiated by the President himself. The European members of the Council participated in the proceedings, though they did not have the right to vote. The votes were exercised only by the native chiefs and resolutions were passed either by a majority vote or unanimously. The NCAC, however, had no legislative powers. Resolutions remained resolutions unless sanctioned and implemented by the Government.

Despite this shortcoming, the Council meetings became an important platform for the chiefs to air specific problems pertaining to their districts or affairs of a general nature. Though the NCAC was still in its embryonic stage and was a complete novelty to the chiefs, they often initiated discussion on important problems such as health, drought and government relief, the sale of native land to aliens, and the translation of ordinances from English into Malay.

A very important feature of these meetings was that the chiefs were offered the opportunity for direct and immediate contact with the Governor who, on his part, could inform them directly about government policies. For example, in the 1915 meeting, he promised immediate government grants to those areas which were affected by

48 *Minutes of NCAC 1915 and 1916 Sabah State Archives 01968*

serious drought. Upon a unanimous resolution by the chiefs about the desirability of compulsory vaccination, he issued immediate instructions to his officers to prepare a draft ordinance. By the following year, the ordinance was implemented. The chiefs' concern over being fully acquainted with government ordinances also led to the government's decision to translate these from English into Malay.⁴⁹

However, in certain cases although the resolution was made, the government, for one reason or another, failed to take action. For instance, in 1916, a resolution was taken to discourage the sale of native lands to aliens, and although the Governor promised to look into the matter, no action was taken.

In addition to serving as a platform for the native chiefs to air their problems and offer suggestions, the NCAC provided a golden opportunity for the Governor to gain their "blessings" on proposed legislation. In the 1916 meeting, he acquainted members with the Government's scheme to gradually reduce the number of government paid chiefs. According to him, no retrenchment was proposed, but vacancies were not to be filled. The aim was to build up a smaller and more efficient corps of native chiefs. Greater efficiency, it was hoped, would accrue from the increased remunerations to existing chiefs. It was hoped that eventually the chiefs would become independent of other sources of income, enabling them to devote the whole of their time and energy to government service. The Council being in favour of such a policy, a classification scheme for native chiefs was introduced in the same year.⁵⁰ The Government could have implemented such a policy without even consulting the NCAC but by getting the approval of the Council, opposition was minimised, and smoother implementation ensured.

⁴⁹ Governor to Chairman, BNBC, 25 September 1916, *Ibid.* Messrs Woolley, Weedon and Maxwell were directed to undertake the task.

⁵⁰ Governor to Chairman, BNBC, 6 April 1915, *Sabah State Archives* 01968

In setting up the NCAC, the Government was, in fact, not merely concerned with locating the possible sources of native dissatisfaction, but also for using it as a more effective agent of the government. In the latter case the NCAC served as a body for explaining government policy and securing its acceptance. Furthermore, it served to enhance the prestige of the native chiefs in the eyes of the local populace, thereby increasing their efficiency as government agents. In highlighting this aspect of the NCAC's functions, Governor A. C. Pearson, in a 1916 despatch to the Chairman of the Company wrote:

"Apart from the fact that useful suggestions are often forthcoming during the discussions, this public recognition of the Chiefs gives them increased prestige with their followers, and inspires the Chiefs themselves with confidence."⁵¹

This important venture and, apparently very fruitful exercise in consultation, was abruptly stopped after 1917 for reasons which are yet not clear. It was not until many years later in 1935 that the experiment was revived.

The NCAC Revived (1935–1941)

In 1935 D.J. Jardine became Governor of North Borneo. As mentioned earlier, he wanted to increase the participation of Native Chiefs in the administration. It is in the context of his general policy of getting the native chiefs involved more closely with the processes of government that Jardine revived the NCAC. With his characteristic zeal and enthusiasm, the NCAC was reorganised. In the process, it became more formalised, more representative and more efficient, if not more powerful.

Jardine, wishing to make the Council more representative, did not follow the old ruling that only Grade I chiefs could

⁵¹ *Governor to Chairman, BNBC, 21 June 1916, Sabah State Archives 1968*

be appointed members. He thus increased its membership by ruling that each district be represented by one chief.⁵² In the process, in the 1935, 1936, 1937 meetings, the Grade I chiefs were actually in the minority.⁵³

Greater formalisation was effected through a number of innovations, one of which was the institution of a prepared agenda. The preparation of the agenda began with a directive to all Residents requesting them to compile lists of suggestions from their respective district chiefs. After having completed these lists, the Residents added their own comments and forwarded the lists to the Government Secretary. The latter, in turn, forwarded the lists to the Governor who personally selected the final issues for discussion.

Another important innovation was the division of the agenda into two sections: Section A, for general discussion and Section B, for discussion by Muslim members only. Section B pertained specially to matters relating to the Islamic religion, while Section A pertained to all other matters.⁵⁴

Consistent with his desire for greater decentralisation, Jardine wished to increase the responsibilities of the NCAC in such a way that it represented, as far as possible, a native institution run by native leaders without undue domination by the Europeans. Of course, he was not prepared to make the NCAC an autonomous body, but he introduced two significant changes. One was that the chiefs were given the right to select a chairman from amongst themselves.⁵⁵ The second was that European officers, including the Governor, ceased to participate in the deliberations of the Council. Through these innovations the native chiefs were enabled to undergo an

⁵² *Jardine's Address in minutes of NCAC meeting 1935 Sabah State Archives*

⁵³ *See minutes of NCAC meetings 1935, 1936, and 1937 Sabah State Archives*

⁵⁴ *This procedure was only started in 1936. See copies of Agenda A and B for 1936 in Government Secretary to Resident West Coast, 29 April 1936 and enclosures. Sabah States Archives*

⁵⁵ *Governor to President, BNBC, 27 May 1935, British North Borneo Company Despatches, Governor to President 1935 (Despatch No.256). Sabah State Archives*

important training in political education which sharpened and refined their leadership qualities and gave them an important lesson in collective responsibility.

The procedure laid down by Jardine in 1935 and 1936 became the model for the subsequent years. After the agenda had been prepared and the date for the meeting fixed, native chiefs assembled on the appointed date at the Government Cottage at the capital. The Governor, the Government Secretary, the Resident of the West Coast or East Coast (depending upon where the capital was at the time), the Principal Medical Officer and the Government Under-Secretary acting as Adviser usually attended the opening session. Once the Governor delivered his opening address, he and all the European officers except the Adviser to the Council withdrew, leaving the native chiefs to commence deliberations.

As the Governor took no part in the deliberations of the Council, direct immediate contact between him and the Council was lost. Hence, his opening address became an important instrument of communication with the Council. He was obliged to use his speech in the most effective way to explain government policy, to reply to the previous year's resolutions of the Council, and to tender advice and direction.

Jardine's reforms thus produced certain paradoxes. While on the one hand, greater formalisation allowed for greater efficiency, on the other hand, this was undermined by the loss of direct contact between the Governor and the native chiefs during deliberations. No doubt the procedure of conducting the affairs of the NCAC under their own chairman, without the European element, purported to give greater freedom and power to the natives, but the rigid formalisation and paternalistic ceremonial addresses of the Governors tended to limit this freedom. The division of the agenda into two parts also at times tended to polarise the chiefs into two camps. Finally, the fact that the resolutions of the Council carried no legal significance, was an obvious drawback.

Despite its shortcomings, members of the NCAC, with some exceptions, began to portray a remarkable degree of

maturity and a deep concern for the improvement of the economic, educational and social conditions of their community. Despite some trends towards polarisation between the Muslim and non-Muslim chiefs as well as an occasional tendency towards regionalism, the majority of the discussions showed a profound sense of oneness of feeling. The issues discussed were of a varied range, but three main categories are discernable. The majority of the issues concerned requests for Government assistance for the improvement of socio-economic conditions. Another category concerned projects which were aimed in inculcating the virtues of self-help towards the general achievement of such progress. There was then a third category of issues concerning the preservation of traditional rights. A very significant development was that, unlike the earlier phase of the Council, members of the revived Council were more demanding, outspoken and vocal, especially on issues pertaining to education and other local interests.

During the 1930s a keen interest especially in English education, seems to have developed among the natives. In the NCAC meeting held in 1935, the members, realising the rising value of English education for entry into government service, complained that English was not taught in Government Vernacular Schools. As the only schools where English was taught were Mission Schools and, as very few native children attended such schools, the latter were deprived of the opportunity of learning English. The Council was of an unanimous opinion that English should be taught in Government Vernacular Schools.⁵⁶ With this view it passed a resolution requesting the Government to provide English teachers in such schools. This request was closely linked to another made by Pengiran Serudin of Bangawan that Government Vernacular School boys be given preference for government

⁵⁶ *Minutes of the NCAC meeting 1935, Sabah State Archives 01968*

clerkships.⁵⁷ Jardine's policy of conceding more powers to native chiefs and encouraging their greater participation in government was, however, confined only to the sphere of native affairs. He was decidedly against the natives occupying any more than the minimal number of junior positions in the civil service. Explaining the government's stand on the two issues, Jardine in his opening address to the 1936 NCAC meeting remarked:

"... the object of the vernacular schools is not to train Government clerks. . . . The great majority of the boys will go back to the land as cultivators: and it is to train them for this and to teach them to be good citizens that the education at the vernacular schools is intended."⁵⁸

Jardine's decision was never changed by the Company's Government despite further urgent requests made in 1938 by the NCAC.

The 'crying need' of the natives for greater educational opportunities as a whole was further evidenced by the deliberations of the 1936 NCAC. There was almost a universal cry for the establishment of more Government Vernacular Schools. Nine members including the Chairman, O.K.K. Mohammed Saman, requested the Government to open such schools in their respective districts. A resolution calling on the Government to establish these schools in as many districts as possible was unanimously passed. The Government was more receptive to this request with the result that the number of these schools was increased from eight in 1935 to twenty-one in 1939.⁵⁹

A similar keenness of interest was shown by the Council for the improvement of native agriculture. Discussions ranged

57. The suggestion submitted by Pengiran Serudin for the 1936 agenda was not included for discussion. Resident, West Coast, to Government Secretary, 6 April 1936 and enclosures. Sabah State Archives

58. Jardine's address to NCAC meeting of 1936. Sabah State Archives

59. Minutes of the NCAC meetings 1938 and 1941 Sabah State Archives File 01968

from projects for the extension of wet-padi cultivation and schemes for irrigation, to the appointment of resident agricultural officers in districts. The endeavours of the NCAC were not merely aimed at obtaining more government assistance, but also at encouraging and, if necessary, forcing the natives to take self-help measures to improve their agricultural produce. In this respect, the most important achievement of the Council was getting the Native Rice Cultivation Ordinance (1939) approved by the Government. The Ordinance empowered the native chiefs to enforce simultaneous planting of wet-padi in their respective districts as a measure to minimise destruction caused by pests due to casual and irregular planting.

Consistent demands were also made for the commencement of irrigation schemes to regulate the supply of water to wet-padi growing areas. In the 1941 NCAC meeting, the Adviser to the Council informed the body that the Government had taken a keen interest in the matter and, therefore, had obtained the services of an irrigation engineer from Malaya.⁶⁰

The deliberations of the NCAC in the 1935-41 phase showed another significant development and this was the alarming concern among the chiefs that native rights were being gradually eroded by government policies as well as Chinese economic and territorial encroachments. They fervently fought for legislation for the reinstatement and preservation of these rights.

The chiefs wanted taxes on timber-boats, gun licences and *tapai* (an alcoholic drink prepared from rice or tapioca to be either completely waived or reduced, as they felt these taxes impinged on their natural rights). According to them, these items had not been taxed before the advent of the Company and the use of items such as *prahus* (native boats) and *tapai* had significant social and economic functions. The Govern-

⁶⁰ *Minutes of the NCAC meeting 1941, Ibid.*

ment, however, was lukewarm to these demands and rejected most of them.

The resentment against Chinese economic encroachments was particularly vocal. High on the list of grievances was the rapid alienation of native lands to the Chinese. Voicing this concern, OKK Mohammad Saman lamented that since he was appointed chief in 1912, nearly every native land that he knew, had been sold to the Chinese.⁶¹

He therefore forcefully sought total government prohibition on the sale of native lands to aliens. The blame was however not totally placed on government shoulders. Natives were themselves to blame for this state of affairs. It is, however, unclear at this stage the line of action taken by the Government. In addition to the issue of land, the chiefs wanted the Government to restrict and regulate Chinese trading activities. They wanted the exclusion of the Chinese from the *tamu* (Sunday markets) and their prohibition from opening shops in villages, extending credit to natives, and from even making payments in kind for native produce.⁶² It is difficult, however, to ascertain to what extent the Government implemented their demands.

As far as discussion on Agenda B was concerned, there was a widespread feeling among Muslim chiefs that punishments for adultery, incest, gambling and drinking be made more stern. OKK Mohammad Saman also called for the codification and systematization of Muslim laws in the country. In the 1936 NCAC meeting, he himself presented a draft which was accepted and approved by the members. The result was that the Government published this code called the *Mahkamah Adat Orang Islam* and circulated it to all the Muslim chiefs for their use in the native courts.⁶³

61 *Minutes of the NCAC meeting 1937, Ibid.*

62 For a discussion of these issues see *Resident, East Coast to Government Secretary, 4 April 1946* and enclosures and the minutes of the NCAC meetings 1936, 1941, *Ibid*

63 *Minutes of the NCAC meeting 1936. Ibid. A copy in Malay (Romanised) of the code is appended to the minutes.*

The NCAC was indeed on the threshold of developing into an articulate organ for native affairs, but its life was cut short with the Japanese invasion of North Borneo in 1941.

The establishment and subsequent history of the NCAC marked a significant development from the point of view of the evolution of native leadership and institutions. In the absence of an indigenous state system, there was no tradition of being part of a single political unit. While the government of the Chartered Company provided the administrative, political and economic infrastructure for the development of North Borneo into one political unit, it was specifically the NCAC which fostered this feeling of oneness among the natives. From the conceptual and organisational viewpoint, the NCAC, therefore, represented the high-point in the development of native political institutions.

In addition to providing a deliberation and organisational framework which far surpassed the traditional tribal-based institutions, the NCAC provided an important platform for the political education of native leadership. The native chiefs obtained an important lesson in the formal process of deliberation and in the procedural and technical aspects of modern deliberative organisations.

The NCAC also proved to be instructive in another sense. Native chiefs were for the first time exposed to problems, personalities and ideas of a range and depth far exceeding anything they would have experienced in their own districts.

From the Government's point of view, a vital organisation was created which could be used as an effective agent — thus increasing the efficiency of its policies regarding native administration. In this respect, through the NCAC, the Government was able to keep in touch with native opinion and thus avoid pitfalls. At the same time, it was able to use the NCAC as an important platform for explaining government policy and inculcating loyalty towards the Company. Through consultation with the NCAC, the Government was thus able to minimise opposition and ensure effective implementation of its policies.

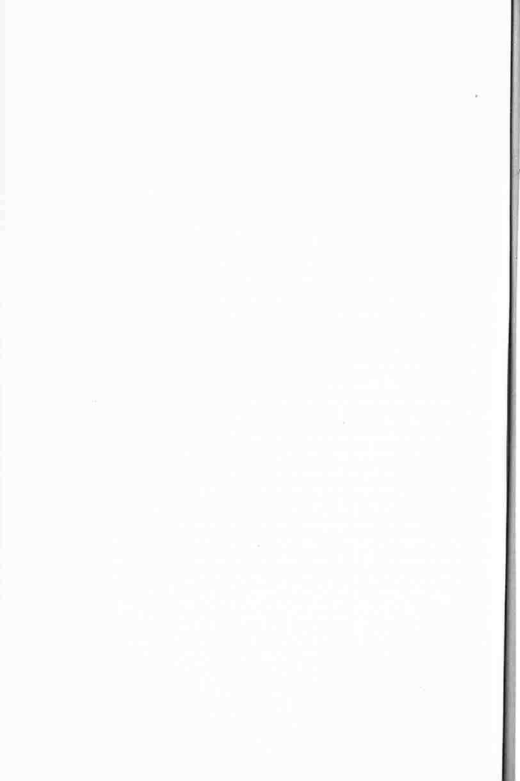
The development of the NCAC in fact produced a symbiotic relationship between the Government and the natives, with benefit to both.

Concluding Remarks

In 1946 the Chartered Company handed over the administration of Sabah to the British Government and the State became a Crown Colony. During the span of 65 years of its rule, the Company created the modern State of Sabah by a policy of territorial acquisition and unification of the various independent rivers held by Brunei Pengirans. Internally it gave the State the structural, substantive and administrative apparatus necessary for the viability of a modern political state. In addition to providing this modern infrastructure, the Company consciously gave a special treatment to native affairs. Though in the process of establishing a modern political and administrative structure, the pre-Company political system was destroyed in certain respects, some of the most basic indigenous political and social institutions were preserved, and strengthened. These institutions became the core of Native Administration. In addition native society experienced change in all respects – politically, economically and educationally. For the natives to cope with these changes, traditional indigenous institutions, though restructured, were insufficient. The Company therefore created new institutions and provided new amenities, though in a limited form, for the natives. One such institution was the NCAC which for the first time provided the natives with a state level body and gave the Native Chiefs valuable experience in administration in addition to creating a oneness of feeling amongst themselves.

CHAPTER 2
POLITICAL DEVELOPMENT

by
Clarence D. Bongkos Malakun



POLITICAL DEVELOPMENT IN SABAH 1881-1981

by
Clarence D. Bongkos Malakun

Political development in Sabah only really started about two decades ago. Prior to 27 May 1961, when Tunku Abdul Rahman first mooted the idea of the formation of Malaysia in his speech at a press luncheon in Singapore,¹ there was not a single political party established in Sabah. The United National Kadazan Organisation (UNKO) was the first established political party in Sabah. It was inaugurated in August 1961, followed four months later by the formation of the United Sabah National Organisation (USNO). It was not until after both UNKO and USNO were well-established at the groundroot level that separate Chinese political parties, namely the Democratic Party (DP) and the United Party (UP), were registered. UP and DP can be considered, therefore, to be the third and fourth political parties, respectively, to be established in Sabah. A third Chinese party, the Liberal Party, was also set up but was short-lived.² UP and DP later merged to form the Borneo Utara National Party or BUNAP which later was renamed the Sabah National Party, or

¹ *Simandjuntak, B., Malayan Federalism, 1945-1963: A study of Federal Problems in a Plural Society, Oxford University Press (1966), p. 124; Brackman, A.C., Southeast Asia's Second Front: The Power Struggle in the Malay Archipelago, published by F.A. Praeger (1966), p. 42; Bastin, J. and Winks, R.W., Malaysia: Selected Historical Readings, KTO Press (2nd edition, 1979), p. 402; Hanna, W.A., The Formation of Malaysia: New Factors in World Politics, American Universities Field Staff Inc., New York (1962-1964), p. 8; Gould, J.W., The United States and Malaysia, Harvard University Press (1969), p. 87; Means, G.P., "Malaysia - A New Federation in Southeast Asia", Pacific Affairs, Vol. XXXVI, No. 2, Summer 1963, p. 138.*

² *Brackman, op. cit., p. 77.*

SANAP. SANAP itself was later dissolved to be replaced by the Sabah Chinese Association or SCA. In January 1962, the United Pasok Momogun Party (Pasok Momogun, forshort) became the fifth (but third native) political party to be formed in Sabah, which was then followed by the Sabah Indian Congress (SIC) in November 1962, despite the less than 1 per cent Indian population in the State.

Just before Sabah's first (indirect) election of members of the Legislative Assembly took place in December 1962, USNO, UNKO, SANAP (and late the SIC) decided to form the Sabah Alliance Party in line with the National Alliance in the Federal capital. UNKO and Pasok Momogun, because of their close ethnic relationship, decided to merge to form the United Pasok Momogun Kadazan Organisation or UPKO in January 1964. However, on 9 December 1967, UPKO was formally dissolved by Tun Fuad Stephens, and UPKO's members either decided (by freewill, persuasion or enticement) to join USNO or retired into political limbo. The Sabah Alliance, then comprising only of USNO and SCA, continued to hold power in the State, with USNO playing the dominant partner. For over eight long years, Tun Mustapha ruled over Sabah with an iron hand. Then, on 12 July 1975, without much preliminary fuss, an entirely new and exciting political party was registered in Sabah. This was none other than Parti Bersatu Rakyat Jelata Sabah (BERJAYA, or the Sabah Peoples' United Front). Most of the founding members were breakaway members of USNO. The birth of this new political party marked a new chapter in Sabah's political development.

With BERJAYA, a host of other new political parties mushroomed, such as the Sabah Democratic Rakyat Parti (SEDAR), Parti Perhimpunan Sosial Bersatu or PESAKA, which means 'inheritance' or 'heirloom', the Sabah Chinese United Party (SCUP), the United Pasok Nunuk-Ragang National Organisation or Pasok Nunuk-Ragang Bersatu (Pasok, for short), and the Pertubuhan Rakyat Sabah Bersatu or the United Sabah People's Organisation (USPO). SCUP

decided to dissolve on 21 January 1980 and then merge itself with SCA. Meanwhile, SCA had, again, already changed its name to Sabah Chinese Consolidated Party (SCCP) on 20 March 1979. That, therefore, makes a total of eight local political parties in Sabah, plus another two which are based in Peninsular Malaysia, namely the Democratic Action Party (DAP) and the United Welfare Party or the Persatuan Kebajikan Masyarakat (PEKEMAS).

But, in order to get back into chronological perspective, it is necessary for us to go back a little into history in order to fully understand the trend of political development – or the lack of it – in Sabah before 1961.

The Early Settings

Sabah, or North Borneo, as it was then commonly known, was acquired by the Chartered Company through a series of concessions, culminating in the granting of a Royal Charter by the British Government to the British North Borneo (Chartered) Company in November 1881. The original motive for intervention and the eventual acquisition of Sabah was, of course, partly for strategic and partly for commercial considerations. Britain wanted to dominate the trade route between Singapore and China. Sabah might provide a convenient naval station on the long haul from Singapore to China. Hence the need to acquire a foothold in Sabah in order to prevent the influence of other European powers moving into the area.

Sabah, under the Chartered Company Rule, was conveniently divided into four residencies and at the apex of the bureaucracy was the Governor. Each residency was further sub-divided into a number of districts. A Resident was installed as head of each residency with a number of District Officers and other functionaries like the Native Chiefs and Village Headmen under him. Departments of Health, Education, Forestry and Native Affairs were also set up in the

capital (then Sandakan),³ and a Police Force formed to which local, mainly urban, people were recruited. In 1912 the first step towards some form of constitutional development took place when the Chartered Company's administration decided to form the Legislative Council and introduced five unofficial members, in addition to the seven official ones. These unofficial members were recruited from the prominent leaders and businessmen (mainly those who had had English education) who were favoured by the Governor and other British officials. In 1915, the Native Chiefs Advisory Council was established but it ceased to function in 1917. It was reintroduced in 1935, on the initiative of Governor D.J. Jardine, who had served as Chief Secretary to the Colonial Administration in Tanganyika. Jardine, young, enthusiastic, vigorous, introduced changes and reforms into many branches of the North Borneo Company administration which he evoked from his African experience.⁴

The rule of the Chartered Company was abruptly interrupted by events of the Second World War. From 6 January 1942 until September 1945, Sabah was occupied by Japanese forces.⁵ With the defeat of Japan and the landing of the Allied Forces in Kota Kinabalu on 28 September 1945, Sabah was finally liberated. After the war there was a brief period of British Military Administration which ended on 15 July 1946, when Sabah was formally incorporated into the British Crown Rule and became, a British Colony.

At the end of the war the major towns of Sabah were all virtually destroyed. Economically it was impossible for the Chartered Company to resume the running of the State and finance the massive reconstruction required.

³ *The first capital of Sabah was Kudat. Later, the capital was moved to Sandakan but eventually settled on Jesselton (which was renamed Kota Kinabalu in 1965).*

⁴ K. G. Tregonning, *Under Chartered Company Rule, 1881-1946* University of Malaya Press 1958, pp. 76-77.

⁵ M. C. Roff, *The Politics of Belonging: Political Change in Sabah and Sarawak*, Oxford University Press, Kuala Lumpur (1974), p. 40; W. A. Hanna, *op. cit.*, in note 1, p. 57.

The Board of Directors of the Chartered Company felt that the only solution was for the Company to relinquish control over Sabah to the British Crown itself. Besides, it was also then the right time after the Second War when, to quote M.C. Roff: "... Colonised peoples around the world were claiming independence from exhausted European powers and so rule by either a Chartered Company or a benevolent despot seemed rather quaintly anachronistic even to the British Colonial Office".⁶

The period of British Colonial Rule lasted from 15 July 1946 until 31 August 1963 when North Borneo gained independence and when it also officially changed to its present name of Sabah. On 16 September 1963, Sabah (together with Sarawak and Singapore) joined the Federation of Malaya to form Malaysia. Because of this very short period of only 16 days from "self-rule" to joining the new Federation of Malaysia, Sabah was in a state of political inexperience from the point of view of political and constitutional development.⁷ It has been said that at the time it gained independence through Malaysia, Sabah was "the least advanced of all Great Britain's dependent territories".⁸ There were several factors which contributed to this sorry state of affairs. Firstly, unlike the Filipinos under the Americans, Sabah under British Rule was not as educationally advanced as could be desired. In 1951, not even 0.05 per cent of Sabah's population was at secondary school level. The corresponding Malayan figure at that time was above 3 per cent.⁹ Secondly, Sabah's lack of advance was also partly due to the shortage of finance. For

⁶ M.C. Roff, *op. cit.*, p. 42.

⁷ T.E. Smith and J. Bastin, *Malaysia*, Oxford University Press (1976), p. 74; Bruce Ross-Larson, *The Politics of Federalism: Syed Kechik in East Malaysia*, Singapore (1976), p. 2.

⁸ Sabah's record is also unique in that it may be the only area in South-East Asia without either a real nationalist or a Communist movement. Sabah (and Sarawak) were also the last British Colonial acquisitions in Asia and were governed as British colonies for only 16 years, the shortest period of colonial rule in Asia. See Brackman, *op. cit.*, pp. 75 and 56.

⁹ Gullick, J.M., *Malaysia* (1969), p. 116.

six years (1946–1952) under Colonial Rule, the British Government had to give a subsidy to the North Borneo colonial administration in order to help meet the yearly deficit of the administration. It was not until the last few years before Malaysia that Sabah moved into financial surplus.¹⁰ This lack of financial 'independence' perhaps encouraged the caution amongst Sabahans not to rush too quickly into self-rule.

Thirdly, even if there had been a desire for political 'independence' in the hearts and minds of the then few educated Sabahans and other elites, there was then no united platform from which to air their nationalistic sentiments. While there later proved to be many capable leaders around, they then lacked the necessary stimulus to discover their talents and exert their hidden capabilities.

Even though Sabah had entered the decade of the 1960s without a single political party, the year 1961 finally marked the end of the State's long insulation from party politics, despite the fact that for the first few months of the year there was no indication of impending changes in the economics and educational fields that had been the pattern since the end of the Second World War. There had been some talk for some time past, of course, of the formation of political parties and it was widely acknowledged even by the British officials that sooner or later these were bound to come. However, there was the understandable reluctance to take the plunge through realisation that political parties and controversy carried with them the danger of communal dissension and a breakdown in the harmony between the many different races, in which Sabah has always taken a justifiable pride.¹¹

The plunge, when it finally came, was taken suddenly and rather unexpectedly. The opportunity was provided by the proposal made by Tunku Abdul Rahman on 27 May 1961, when, at a press luncheon in Singapore, he said: "Malaya today as a nation realises that she cannot stand alone and in

¹⁰ Brackman, *op. cit.*, p. 75.

¹¹ Roff, *op. cit.*, in note 4, p. 43; Brackman, *op. cit.*, p. 76.

isolation. Sooner or later she should have an understanding with Britain and the peoples of the territories of Singapore, North Borneo, Brunei and Sarawak. . . . we should look ahead to this objective and think of a plan whereby these territories can be forged closer together in political and economic cooperation. . . ."¹² Following the Tunku's proposal, the political consciousness of the Sabah leaders, was aroused. And so it was that the local as well as some Chinese leaders in Sabah, finally bestirred themselves to form political organisations, both as vehicles for their own ambitions and professedly as guarantors for the interests of the communities that they sought to represent. Initial reactions to the Malaysia proposal in Sabah, as it was and in Sarawak was, however, unenthusiastic. Many feared that the proposed Federation was merely a transfer of the seat of power from London to Kuala Lumpur.¹³

These emerging political spokesmen in Sabah tended to come mainly from the nominated unofficial members of the Legislative Council and from other persons of standing in the community. As was to be expected, there were many difficulties to overcome, such as lack of political experience, a shortage of suitable organisers and the reluctance of many people to embark on the stormy seas of politics. In the early months of political organisations in Sabah, the basic political alignments upon which the party system evolved almost defy analysis. The political parties had fine-sounding names (mostly anachronistic), but they were mainly tribal groups whose number reflects the splintered structure of Sabah's racial demography. It follows that there were no real issues of policy, still less of ideology, which divided or united them. Not surprisingly, there were frequent shifts in allegiance and alignment. However, by the early part of 1962, a clearer pattern had emerged with five main political parties being established, all differing in their attitudes towards the

¹² *Simandjuntak, op. cit.*, p. 124; *Brackman, op. cit.*, p. 76.

¹³ See *Simandjuntak, op. cit.*, p. 135; *Bastin and Winks, op. cit.*

question of 'Malaysia' and in terms of the kind of communal support that they sought to attract.¹⁴

But before we set out to examine in greater detail the development of politics in Sabah since the inception of independence, it would first be useful to understand the process which led to the creation of Malaysia in 1963.

The Origin of Malaysia

The vision of a Federation comprising of Brunei, Sarawak, North Borneo, Singapore and Malaya was not new. It had been mooted in one form or another for many years. The first advocate of such an idea was said to be Lord Brassey, a Director of the British North Borneo Chartered Company, who suggested in 1887 the bringing together of all the territories of the Malaysian region. According to one author, Lord Brassey recommended at the time that the whole area should be merged "into one Colony".¹⁵

The then Acting Colonial Secretary, M.B. Shelley, has also placed on record that Sir Cecil Clementi¹⁶ had also conceived the idea of such a Federation in the 1930s: "... He appointed a small committee of which I was a member, to inquire into the feasibility of such a Federation. The committee examined various publications concerning those territories and submitted a confidential report, which, as far as I can remember, advised that the scheme was not practical at the time. . . ." (Mr Shelley added, however, that he did not think that the word 'Malaysia' was used in the report).¹⁷

Also, in 1947, right after the Second World War, *The Times* (London) also intimated that "the loose structure of the Government of Malaya is in process of replacement by

¹⁴ Gullick, *op. cit.* in note 10, pp. 165-166; Roff, *op. cit.*, p. 53.

¹⁵ Runciman, S., *The White Rajahs*, Cambridge University Press (1960), p. 195; Brackman, *op. cit.*, p. 12.

¹⁶ Sir Cecil Clementi was the Governor of the Straits Settlement (including Labuan) from 1930 to 1934 and the High Commissioner to the Federated and the Unfederated Malay States (including Brunei) as well as the British Agent for Sarawak under the Brookes.

¹⁷ *Malaya*, May 1962 (Letters to the Editor Column), p. 6.

a Federation which may eventually include not only Singapore but Borneo (sic) and Sarawak. . . ."¹⁸

The then Commissioner-General for South-East Asia, Mr Malcolm MacDonald, also hoped for such a Federation in the 1950s. So did the Governor of North Borneo, Sir Roland Turnbull, in 1960. In an official despatch dated 12 November 1949, the Secretary of State for the Colonies, Mr. A Creech-Jones, gave orders to MacDonald to promote the co-ordination of policy and administration between the governments under MacDonald's jurisdiction. Without prejudice to the generality of the instructions given to him, MacDonald was directed that co-ordination would be required in the organisation of defence, the development of sea and air communications, and planning to ensure that the more backward parts of the territories shared equally in the programmes for social, economic and political advancement. Furthermore, ". . . in the course of time some closer political cooperation may be desirable, and you will advise the Secretary of State for the Colonies on this question from time to time".¹⁹

Those instructions, MacDonald tried faithfully to put into practice, so much so that by the end of his six years' service (1949-1955) he had succeeded in arousing in the Borneo territories a consciousness of their common destiny. MacDonald put the idea of a closer political association in the Malaysia region not only to an unsympathetic Colonial Office²⁰ and to the Malaysians, but also (among others) to

¹⁸ Mohamed Noordin Sopiee, *From Malaysian Union to Singapore Separation: Political Unification in the Malaysia Region, 1945-65*, Universiti Malaya (1976), pp. 127-128.

¹⁹ Sopiee, *op. cit.*, p. 128; Simandjuntak, *op. cit.*, pp. 118-119; *The Straits Times*, 28 November 1949.

²⁰ In an answer to a British Parliamentary question in 1954, the Colonial Secretary, Oliver Lyttleton, stated categorically that a region-wide "federation in any form in the future" was not "a practical proposition". Lyttleton was said to have declared that any closer association of the constitutional development of the Borneo territories with that of the Federation of Malaya and Singapore was precluded by the differences between the political progress thus far achieved in the two areas. Simandjuntak, *op. cit.*, p. 120.

Lord Cobbold in 1951,²¹ and to President Sukarno of Indonesia and Vice-President Hatta in 1952.

The Governor of North Borneo, Sir Roland Turnbull, also wished for the realisation of a Federation when he issued a public statement in 1960. "When the day comes for this country to cease to be a colony of Britain you will need friends. Can you find better friends than the people of Malaya?"²² He then went on to predict the formation of a "great Commonwealth member" made up of the Federation of Malaya, Singapore and the Borneo territories as full partners. This speech was later reported by a correspondent of the *New York Times*, who stated that a merger was being discussed officially in the Borneo territories. "British policy-planners in South-East Asia are encouraging the eventual consolidation of the Malay-speaking territories into a union resembling that of the former British Colonies in the West Indies".²³

It was the Singapore Progressive Party, however, which became the first political party in the area to advocate a region-wide unified system. Rule 3 of the Party's Constitution adopted in 1947 read: "For the purpose of these Rules, 'Malaya' means the Colony of Singapore. . . ., the Malayan Union and Sarawak, Brunei and British North Borneo".²⁴ In 1948 and 1951, Mr Thio Chan Bee, the Party's Vice-President, also raised the Malaysia idea in the Singapore Legislative Council as a substitute for a straight merger between Singapore and the Federation. In 1952, the object of a 'Confederation of Malaysia' was formally incorporated into the programme of the Progressive Party. However, the Party's advocacy of Malaysia then only gained some vague support

21 Cobbold was MacDonald's personal friend who, by coincidence, was to become the Chairman of the 1962 Commission of Enquiry to Sabah and Sarawak regarding the two states' views on Malaysia.

22 Sopiee, *op. cit.*, p. 135; Brackman, *op. cit.*, p. 18; also North Borneo Report, 1960, published by the Government Printing Department, Jesselton, North Borneo.

23 *New York Times*, 7 May 1961, p. 2.

24 Progressive Party, Newsletter, No. 6, July 1952.

from the Malayan political elite. But in March 1954, Tan Sri Ghazalie bin Shafie stepped forward to give the concept his support.²⁵ (Not surprisingly, Tan Sri Ghazalie was later chosen as one of the two members from the Federation of Malaya who were gazetted into the Cobbold Commission team). By February 1955 another prominent Malayan (Chinese) leader, Tun Tan Cheng Lock, also came out in support of the concept of Malaysia and went so far as to predict that Malaya (including Singapore) and British Borneo would become a dominion within ten years. (Prophetically, his prediction came about in less than ten years).²⁶

It was to this still weak chorus, advocating the Malaysia concept, that Tunku Abdul Rahman was to add his voice in 1961. The Tunku himself however first became interested in the Federation proposal shortly after Malaya obtained her independence in August 1957. In a broadcast over the BBC in late September 1957 the Tunku, in his capacity as Malaya's first Prime Minister, pointed out that the Constitution of the new Federation (of Malaya) had provisions for a "greater Federation" to enable the inclusion of the Borneo territories – Brunei and Sarawak – and eventually Singapore. "We will be happy indeed", he said, "if some of them will come in".²⁷

The interest shown by the UMNO leaders in the Malaysia concept was renewed in 1958 when the then Malayan Ambassador to Indonesia, Dato Senu Abdul Rahman, undertook a study tour of Northern Borneo. His six-day visit was reported to UMNO as 'Laporan Lawatan ke Sabah, Sarawak dan Brunei' (Report on the visit to Sabah, Sarawak and Brunei).²⁸ Senu concluded that in Malaysia the Malays would remain in the majority because the indigenous people of Borneo were classified in his report as being 'Malays'. The Tunku was also told that the Malay leaders in Sarawak were

²⁵ *The Straits Times*, 2 March 1954.

²⁶ *Sopiee, op. cit.*, p. 129.

²⁷ *Sopiee, op. cit.*, p. 129.

²⁸ *Ibid.*, p. 137.

keen on the idea of Malaysia and this apparently convinced the Malayan Premier that "the idea was right".²⁹

But why did the Tunku feel that 'Malaysia' was a sound idea? For the answer to this, one needs to examine the political events in Singapore at the time.

The Rationale of Malaysia

To the Tunku, the artificial separation of Singapore from Malaya was not a matter for concern as long as Singapore was under the British. However, the constitution of Singapore was due to come under review in 1963, and the Lee Kuan Yew Government would then certainly ask for complete independence, which Britain would almost certainly grant.³⁰ Should that situation have come about, then the extreme left-wing group in Singapore, led by communist elements and their proxies, would have made a bid for power and could possibly have succeeded. Such a government would under no circumstances submit to an arrangement whereby Singapore's sovereignty would be compromised by having the Federation of Malaya represented in her Security Council.

In such a scenario, Singapore could then have been converted into a leftish stronghold from where sustained subversive activities could be mounted very conveniently against Malaya and even possibly against the Borneo territories. Singapore politicians with communist leanings would, so it was argued, naturally welcome diplomatic links with Communist-bloc countries, and eventually what the Russians did in Cuba, like storing nuclear weapons, could well have been carried out in strategically located Singapore. Such a development could have triggered not only a conflict of ideologies, but also a destructive armed struggle between 'South' and 'North' Malaya after the pattern of South and North Korea or of South and North Vietnam.³¹ Of course, such an

²⁹ *Ibid.*

³⁰ *Simandjuntak, op. cit.*, p. 126.

³¹ *Ibid.*

analysis is a matter of opinion but Kuala Lumpur simply could not risk any of those things happening. The Tunku, therefore, felt that separate independence was not practical for Singapore. Having taken that stand, he made it incumbent upon himself to persuade the British Government to grant independence to Singapore through Malaysia in order that Kuala Lumpur could look after Singapore's security or perhaps help preserve Malaya's own security by preventing trouble from happening across the causeway.

Promoting Sabah and Sarawak Support for Malaysia

Following the Tunku's speech in Singapore in which he proposed the formation of Malaysia, the Malayan Prime Minister received an invitation on 30 October 1961 for 'explanatory talks' from his British counterpart, Sir Harold MacMillan.³² At first though, Whitehall was a little sceptical about the Tunku's plan for several reasons. First, the British Government feared the possibility of the domination by the more sophisticated Malaysians of the politically unsophisticated population of the two Borneo territories. Second, Whitehall had to contend with the opposition of the Governors of Sabah and Sarawak and other British officers as to the timing, and several crucial aspects of the Kuala Lumpur scheme. Third, the Tunku's proposal that Britain relinquish her sovereignty over the Singapore base, that it cease to be 'a SEATO base', and that it be covered by arrangements similar to those in the then existing Anglo-Malayan Defense Agreement, was found unacceptable.

Whitehall's attitude that Malaysia should "sound like a long-term plan" caused the Tunku to complain publicly at the end of August 1961 that the British were not only dragging their feet but that "the British Government is a hard nut to crack". Lee Kuan Yew of Singapore came to the support of the Tunku and threatened at the end of September 1961

³² *Sophee, op. cit.*, pp. 147-148.

that "if the British refuse to budge, we can generate the heat against them".³³

The invitation by Harold MacMillan to the Tunku to join in talks resulted in a three-day conference and a joint statement by the two governments at the end of the conference on 22 November 1961 "... that Malaysia was a desirable aim".³⁴ A five-man commission to ascertain the views of the people of Sabah and Sarawak was also agreed upon. The Cobbold Commission's terms of reference implicitly required it to find in favour of Malaysia, and effectively ruled out any discussion of alternatives. The terms of reference were as follows:

"Having regard to the expressed agreement of the Governments of the United Kingdom and the Federation of Malaya that the inclusion of North Borneo and Sarawak in the proposed Federation of Malaysia is a desirable aim in the interests of the peoples of the territories concerned – (a) to ascertain the views of the peoples of North Borneo and Sarawak on this question; and (b) in the light of their 'assessment', of these views, to make recommendations".³⁵

The speed with which the Commission's report was drawn up – its team was appointed in January 1962, they started work in February and their report was submitted in June – also suggests that alternatives were not seriously entertained.

Thus, the London talks secured the acceptance of the Malaysia plan by Whitehall. Having won over the British Government's concurrence, the Malaysians manage to win over the support of the people of both Sabah and Sarawak. The Federal Government, concentrated on convincing mainly the elite in Sabah and Sarawak of the advantages of joining Malaysia. As early as August 1961, Tun Fuad Stephens and

³³ *Ibid.*

³⁴ *Survey of International Affairs* (1963), p. 149.

³⁵ *Federation of Malaysia: Joint Statement by the Governments of the United Kingdom and the Federation of Malaya. (Cmd. Paper 1563, London, 1961).*

Tun Mustapha of Sabah, as well as other prominent leaders in Sarawak, were invited to tour Malaya to have a good look around the country and see for themselves the developments there. Later, almost all the District Officers and Village Headmen were also invited to similar tours of Malaya. These visitors were well treated and were met by the Menteri-Menteri Besar (Chief Ministers) of the various states as well as other senior government officials. At the same time, prominent politicians from Malaya came to visit the Borneo territories in order to persuade the people of the advantages of the Malaysia concept.

The process of hammering out acceptable terms of bringing the Borneo territories into the Federation was remitted to a committee called the Malaysia Solidarity Consultative Committee (MSCC). This Committee, under the chairmanship of Tun Fuad Stephens, played a valuable part in promoting the acceptance of the Malaysia plan by the people of Sabah and Sarawak. The objects of the formation of the MSCC in the first place were to collect and collate views and opinions concerning Malaysia in the Borneo territories, to disseminate information and encourage discussion concerning Malaysia, and to promote activities to expedite its realisation.³⁶

Before the arrival of the Cobbold Commission team in Borneo, the Sarawak and North Borneo Governments issued papers to explain in simple terms the purpose of the Commission and the idea of Malaysia. In the words of one author, who was a former British official in Sabah: "British officials of all Government departments were instructed to leave their offices, eschew paper work, and tour their respective areas of responsibility, 'selling', as it were, Malaysia to the peoples therein".³⁷ The author also stated that the argument he used to the hill people in his Residency was that Sabah was a land

³⁶ *The Federation of Malaysia*, published by HMSO (London), 1963, p. 62.

³⁷ Stanley S. Bedlington, *Malaysia and Singapore: The Building of New States*, Cornell University Press (1978), p. 105.

of peace and stability in a troubled region and and that only by merging with Malaya, Singapore and Sarawak to form a new Federation of Malaysia could their future prosperity and security be assured".³⁸

The United Kingdom Government cooperated with the Malayan authorities to coach the peoples of Sabah and Sarawak to accept Malaysia because it saw in the Malaysia proposal a most satisfactory resolution of its colonial responsibilities in South-East Asia.³⁹ It offered a method of enabling its remaining colonies and protectorates in the area to achieve speedy independence in circumstances which offered their peoples the prospect of security and prosperity. There was every likelihood that democratic forms of government would flourish in Malaysia and that the happy relationship which had so long existed between its peoples and other Commonwealth countries would continue.

The Cobbold Commission's Report, which was submitted in June 1962, stated that:

"About one third of the population in each territory strongly favours early realisation of Malaysia without too much concern about terms and conditions. Another third, many of them favourable to the Malaysia projects, ask, with varying degrees of emphasis, for conditions and safeguards varying in nature and extent. . . The remaining third is divided between those who insist on independence before Malaysia is considered and those who would strongly prefer to see British rule continue for some years to come. . . There will remain a hard core, vocal and politically active, which will oppose Malaysia on any terms unless it is preceded by independence and self-government: this hard core might amount to nearly 20 percent of the population of Sarawak and somewhat less in North Borneo".⁴⁰

³⁸ *Ibid.*

³⁹ *Simandjuntak, op. cit.*, p. 142.

⁴⁰ *Federation of Malaya, Malaysia: Report of the Inter-Governmental Committee (Kuala Lumpur, 1963).*

On the basis of the majority which their findings revealed the Cobbold Commission concluded that the proposed Federation of Malaysia could and should be implemented at an early date in the interests of the Borneo territories and of the other proposed members of the new Federation. They saw less merit in a regional association, but there was much to be said for closer links between Sarawak and Sabah within Malaysia. They recommended that the Constitution of Malaysia should be based on the existing Federation of Malaya. This would provide the much needed strong central government.⁴¹ The two Borneo colonies would enter the enlarged Federation as additional states, but with safeguards for their identity and special interests. The Commission advocated that no amendment or withdrawal of any safeguard in the Federal constitution should be made without the concurrence of the State Government concerned: and that the power of amending the state constitutions should belong exclusively to the people of the state. In response to an almost universal demand from the indigenous people, they recommended that the native races should be secured at least for the time being against the competition of the immigrant races by special advantages in connection with the public service, scholarships, etc. These would be similar to those provided for the Malays of the Peninsular. In view of the special character of the Borneo States and of the fact that their racial composition was intended to balance the Chinese majority in Singapore, the number of members representing them in the Federal Parliament was to be greater than that to which they would have been entitled strictly on the basis of their population. Lord Cobbold, nevertheless, emphasised in his comment on the report that it was a necessary condition from the outset that Malaysia should be regarded as an association of partners. If any idea were to take root that Malaysia would involve a 'take-over' of the Borneo territories by the Federa-

⁴¹ R. Allen, *Malaysia, Prospect and Retrospect: The Impact and Aftermath of Colonial Rule*, Oxford University Press (1968), pp. 151-153.

tion of Malaya and the subversion of the individualities of North Borneo and Sarawak, Malaysia would not, in his judgment, be generally acceptable or successful. He recommended that, in the following negotiations, Government should pay close attention to this point, both in the psychological and in its practical aspects. The Cobbold Report was accepted by the British and Malayan Governments in July 1962. Thereafter agreement in principle was reached at talks in London between the two governments on the setting up of a Malaysian Federation by 31 August 1963. The detailed working out of arrangements under which North Borneo and Sarawak would become constituent States of the Federation, including safeguards on matters of special concern to the two territories, was, however, remitted to an Inter-Governmental Committee (Britain, Malaya, North Borneo and Sarawak) under the chairmanship of Lord Lansdowne (British Minister of State for Colonial Affairs).

The Inter-Governmental Committee held a preliminary meeting in Jesselton on 30 August 1962. At this meeting it was decided to set up five sub-committees to deal with the constitutional, fiscal, legal and judicial public service, and departmental organisation aspects of federation.

In September 1962 the North Borneo Legislative Council unanimously welcomed the decision in principle of the British and Malayan Governments to establish Malaysia by 31 August 1963, "provided that the terms of participation and the constitutional arrangements will safeguard the special interests of North Borneo", and authorised six members of the council to represent North Borneo on the Inter-Governmental Committee.⁴² In the same month, the Council Negri of Sarawak, without dissentient vote, also welcomed the decision "on the understanding that the special interests of Sarawak will be safeguarded" and appointed eight persons to represent Sarawak.

42 *The Federation of Malaysia*, published by HMSO (London), 1963, pp. 63-64.

The IGC Report, published in February 1963,⁴³ proposed that, subject to amendments to meet the requirements of North Borneo and Sarawak, the Constitution of the existing Federation of Malaya should be the basis for the Constitution of the new Federation. Although the drafting of an entirely new document had not been envisaged, the North Borneo delegation felt that it had got as much as it had anticipated when it submitted the 'Twenty Points'.

As a whole the constitutional proposals guaranteed to safeguard the individual identities of the Borneo peoples. Admittedly it had been agreed to make Malay the national language and Islam the national religion, but it was also provided that in the Borneo territories English would remain an official language, unless the State Legislatures themselves decided otherwise. Religious freedom was also complete to the point of excluding from operation in the Borneo territories all articles of the Constitution and provisions of Federal law referring to Islam, other than the declaration that Islam was to be the religion of the Federation. Where Federal law provided for special financial aid for Muslim religious education, the Sarawak and North Borneo Governments would be given proportionate amounts for social welfare purposes.

Immigration remained on the Federal list, but entry into the Borneo territories would require the approval of the State concerned. Although education was to become a Federal subject, the existing policy and system of administration of education in North Borneo and Sarawak could be changed only by the Government of the States. Citizenship, which hitherto had posed hardly any problem in the Borneo territories, was easily disposed of by retaining the principles of the existing colonial citizenship laws. In the new Parliament of 159 members, Sarawak would have 24 seats and North Borneo 16. The two Heads of State in Borneo would be appointed initially (for a period of two years) by the Queen

⁴³ Malaysia: Report of the Inter-Governmental Committee, 1962, printed at the North Borneo Government Printing Office, Jesselton.

of Great Britain and the Yang di-Pertuan Agong. Thereafter the appointment would devolve upon the Yang di-Pertuan Agong in consultation with the Chief Minister of the State concerned.

With certain exceptions taxation was made a Federal subject. After consultation with senior officials in Sarawak and North Borneo, taxes in the two states should be raised by graduated stages to Federal levels. In order that the cost of State services might be covered and provision for expansion made, adequate revenues would be provided for the State Governments. It would be necessary, therefore, to assign to the Borneo States certain revenues in addition to those assigned to the States in the existing Federation of Malaya.

The IGC Report was accepted by the British and Malayan Parliaments which both passed the necessary legislation to give effect to its provisions. The passage of the British and Malayan legislation and the making of the appropriate Order-in-Council thus enabled the 'Federation of Malaysia' to come into being.

The whole project was, of course, virtually unique in colonial history. Malaya, which had obtained its independence from Britain only six years previously, was to receive a massive addition of territory voluntarily relinquished by the same former governing power. The peoples of the new areas had shown no particular wish for early independence. But they had been convinced that it would best serve their interests to abandon their colonial status for a form of association safeguarding their special character with a more or less distant and familiar land.

Malaysia Day was originally scheduled for 31 August 1963. But following the objections raised by the Governments of the Philippines and Indonesia, it became necessary for the United Nations to send a team into Sabah and Sarawak in order to verify whether the people of the two states wished to join Malaysia. The UN team, consisting of nine officials, reached Kuching in Sarawak on 16 August. When it became clear that Malaysia Day would have to be postponed (follow-

ing U Thant's statement that his report would be available by 14 September), the Yang di-Pertuan Agong of Malaysia signed a Royal Proclamation, stating that Malaysia would be formed on 16 September instead of on the originally-scheduled date of 31 August. As was expected, the UN Commission of Inquiry's Report, when it came out, merely endorsed the Cobbold Commission's findings. The UN Secretary-General said that "there is no doubt about the wishes of a sizeable majority of the peoples of these territories to join the Federation of Malaysia. . ."⁴⁴ The one reproof which the Secretary-General made related to the announcement of the revised date of 16 September 1963 for the establishment of Malaysia before the United Nations mission had actually completed its work and before its conclusion had been revealed. In the words of U Thant himself. "This had led to misunderstanding, confusion, and even resentment among the other parties to the Manila Agreement (i.e. Indonesia and Philippines) which could have been avoided if the date could have been fixed after my conclusions have been reached and made known".⁴⁵

The last of the numerous obstacles was finally removed and the new Federation of Malaysia was ceremoniously proclaimed at midnight, 15 September 1963, amidst thundering shouts of "Merdeka" and "Hidup Malaysia".

⁴⁴ United Nations Malaysia Mission Report, *Government Printer, Kuala Lumpur*, 1963.

⁴⁵ *Ibid.*

PARTY FORMATION IN SABAH

The United National Kadazan Organisation (or UNKO), the United Pasok Momogun Organisation, and the United Pasok-Momogun Kadazan Organisation (UPKO).

The first political party established in Sabah was UNKO and was inaugurated in August 1961.⁴⁶ The party was the brain-child of Tun Fuad Stephens, who was then known as Donald Stephens. At the time, Tun Fuad Stephens was a timber businessman and newspaper publisher. With his wealth and regular comments in the newspapers, Tun Fuad's popularity rapidly spread around Sabah.

The genesis of UNKO could be traced to the Kadazan Cultural Association or KCA, which was first started in the early 1950s and which had quickly multiplied all over Sabah amongst the Kadazan community. Their activities, as still today, are mainly to promote the culture and the language of the Kadazan people, so that they will not be forgotten or forsaken by the younger and future generations. The secondary motive was mainly to uplift the welfare and standard of education of the natives throughout Sabah. In March 1961 a state-wide Congress of the KCA was held in Kota Kinabalu. One of the chief resolutions of that first KCA Congress was to call for the establishment of a specifically Kadazan Political Organisation which was meant to look after the interests of the Kadazan natives⁴⁷ in Sabah. Four months after the Congress, UNKO was established. Tun Fuad Stephens, as the chief instigator of the resolution, was chosen as the President with OKK Datuk G.S. Sundang, the Murut leader from Keningau, as the Vice-President. His Kadazan

⁴⁶ Brackman, *op. cit.*, p. 75; *Survey of International Affairs* (1963), p. 124; Roff, *The Politics of Belonging*, p. 53.

⁴⁷ *North Borneo is one of the few places in the non-white world where the word "native" is honourable and is used in its original meaning and not as a reflection of the white man's burden. See Brackman, op. cit., p. 45.*

supporters fondly called Tun Fuad Stephens their "Huguan Siou", or brave leader. To the British, there was also little doubt that Tun Fuad was the most likely candidate to lead an independent Sabah although, initially, Tun Fuad himself was opposed to the formation of Malaysia. No doubt, the realisation that "the winds of change"⁴⁸ had finally reached the shores of Sabah came as something of a shock to himself and other conservative members of the general public. However, Tun Fuad Stephens soon became converted to the idea of a Malaysian Federation and, in fact, ended up chairing the Malaysia Solidarity Consultative Committee (MSCC) whose professed objective was to ensure that the impetus given to Malaysia was not slowed down. The report of the MSCC was eventually adopted and this led to the formation of Malaysia on 16 September 1963.

The term 'Kadazan' is supposed to include all the native non-muslim peoples of Sabah. Unfortunately, the term was not accepted by some sections of the native population who instead preferred to be called "Dusuns" which means "farming people". This led to the first internal crisis of UNKO when the Murut community decided to dissociate themselves from UNKO and form their own separate political party called the United Pasok Momogun Organisation in January 1962.⁴⁹ They were led by Datuk G.S. Sundang who was personally strongly against the formation of Malaysia. What Datuk Sundang was in favour of at the time, was the retention of the status quo until such time as Sabah was ready for independence.

In January 1964, however, the rift between the two groups was patched up with their decision to reunite and form the United Pasok-Momogun Kadazan Organisation (UPKO). In the new party, Datuk Sundang became the Vice-President, a post which he formerly held in UNKO. However the marriage

⁴⁸ Brackman, *op. cit.*, p. 78.

⁴⁹ Brackman, *op. cit.*, p. 76; Ross-Larson, *op. cit.*, p. 3; Milne and Ratnam, *op. cit.*, p. 125.

was not entirely a happy one. First, despite the adoption of a new name, the old controversy about the term 'Kadazan' was not ended. Datuk Sundang's proposal at the time of merger was that the 'K' should stand for 'Kinabalu' and not 'Kadazan'.⁵⁰ Secondly, Datuk Sundang felt that he was never accepted as a full member of the team and so he did not show much dedication in campaigning for UPKO when the Party needed him most, namely after open hostility broke out between UPKO and USNO. UPKO was itself dissolved in December 1967, as will be discussed in more detail later on.

The United Sabah National Organisation (USNO)

The second political party to emerge in Sabah was USNO which was formed in December 1961.⁵¹ Tun Datu Haji Mustapha bin Datu Harun, more than anyone else, was responsible for the establishment of USNO. His unquestioned personal hold over the party was quickly felt and exercised for a long time. Like UNKO, USNO grew out of pre-existing non-political Muslim Organisations. The various Muslim Associations which existed in the State did, indeed, facilitate the launching of USNO. However, there was no evidence that their founders have had the same expectations of them as did their counterparts in the Kadazan Associations, namely as forerunners of a future political movement.

Nevertheless, USNO undoubtedly benefited from the support it received from the Muslim Associations, and this was particularly useful during the early stages when the party did not have its own organisation to rely on.

From its inception, USNO was unequivocally in favour of Malaysia and, until UNKO's change of attitude in January 1962, was the sole champion of the pro-Malaysia cause in Sabah.⁵² Unlike UNKO, USNO did not show any special

⁵⁰ *Ibid.*, p. 126; Milne and Katnam.

⁵¹ Richard Allen, *op. cit.*, p. 124; M.C. Roff, *op. cit.*, pp. 57-58.

⁵² Roff, *op. cit.*, p. 58.

concern for the safeguards which Sabah would enjoy in the proposed formation of Malaysia. On specific issues like language and religion, USNO did not share UNKO's anxiety about the extension of Malayan policies to Sabah and, if anything, seemed to favour uniformity.

Although USNO was open to all races in Sabah, a disproportionate number of the people who originally held offices in the upper hierarchy of the party were Suluks.⁵³ This was, of course, the result of Tun Mustapha's influence who, himself, was of Suluk descent. Although the Bajaus composed the largest Muslim group, they were, in the beginning, never adequately represented in the Executive Committee. As a result, it was generally believed that the Bajaus were not entirely satisfied with the situation and there were rumours in 1964 that they contemplated forming their own Cultural Association with a view to exploring the possibility of promoting a separate political organisation, but this never happened.

USNO's willingness to accept national policies and to identify with the national leadership gave the party a better understanding with the National Alliance leaders.⁵⁴ The leaders of USNO were inclined to regard UMNO leaders (especially the Tunku) not only as the effective leaders of the Malaysian Alliance but also as the persons who signified the political dominance of their community at the national level.

The Sabah Chinese Association (SCA)

The SCA, as a political party, came into existence only in June 1965. Although a non-native political party, SCA has managed to retain a proportionate measure of influence in Sabah politics for two reasons. One was that SCA has been the sole organised spokesman of the Chinese community in Sabah. Secondly, it has been useful to the Sabah Alliance

⁵³ *Ibid.*, p. 130.

⁵⁴ *Sopiee, op. cit.*, pp. 133-134.

because of its financial contribution.

The origin of SCA could be traced from the merger of two separate Chinese political parties in the early part of 1962, namely the United Party and the Democratic Party. UP was formed in Sandakan under Khoo Siak Chiew. In general the party was run by and acted in the interests of the wealthy English-educated Hakka and Teochew businessmen.⁵⁵ The DP originated from Kota Kinabalu and was led by Peter Chin. His supporters were mainly smaller businessmen and traders. Because of their limited number of supporters, the leaders of UP and DP found it convenient and prudent to consolidate their strength and, therefore, merged together to form the Borneo Utara National Party (BUNAP) in October 1962. When North Borneo later changed its name to Sabah on 31 August 1963, BUNAP was renamed SANAP. SANAP, however, was still not adequate to bond Chinese unity and so, in the middle of 1965, SANAP decided to merge with SCA, which (originally) was a non-political organisation. By this merger, a new and exclusively Chinese political party was established which, as a matter of literal accuracy and practicality, adopted the latter's name. Thus, the original non-political SCA was, overnight, converted into a political association.⁵⁶

This move was not welcomed and, therefore, opposed by those in the original SCA who did not have any political affiliations, and who may also have felt that bargaining on behalf of the Chinese community could be done more successfully through the combined efforts of an explicitly political, as well as non-political, but financially powerful, organisations.

Personal rivalries between the leaders of SANAP and the original SCA who had opposed the merger created a bad start for the new party.

There was also the confusion as to the legality of the original SCA to dissolve itself and to merge with SANAP to form

⁵⁵ Roff, *op. cit.*, p. 61.

⁵⁶ Milne and Ratnam, *op. cit.*, p. 138.

the new (but political) SCA party. It was felt by some that the decision could be made by the Central Executive Council, while others insisted that every branch should have been given the freedom to decide its own fate. This confusion went on for some weeks so that, at one point, it was speculated that a new "Chinese Welfare Organisation" would be established to take over the functions of the original SCA.⁵⁷

Nevertheless, the new SCA managed to get itself established. No doubt the new SCA was a potentially stronger representative of the Chinese population than any of its predecessors. Financially, the party was also more sound, due to the support given by the wealthy Chinese. However, the unsettled rivalry within the party hierarchy marred the success of the SCA. The party, which had grown out of separate Chinese organisations, had come into existence precisely because their leaders could not agree on common policies and objectives. Unlike UPKO and USNO (which were firmly personally controlled by Stephens and Mustapha, respectively) SCA had no overall dominant personality who could provide party unity. Eventually Peter Lo was elected President of the Party.

Prior to UPKO's dissolution in December 1967, SCA's position was artificially strengthened by its ability to tilt the balance in favour of either USNO or UPKO as the two main contenders of party politics in Sabah. However, with the end of UPKO, SCA somehow lost its "king-maker"⁵⁸ role and in face of USNO's massive strength, the Chinese slowly began to lose their bargaining strength.

As a party, SCA's popularity also diminished with the Chinese voters themselves, and in the 1976 State General Elections not a single SCA candidate managed to win a seat for the Sabah Alliance. However, SCA's life was resuscitated a little on 21 January 1980, when it decided to merge itself with the Sabah United Chinese Party, to form the Sabah Chinese Consolidated Party.

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*, p. 138.

PARTY POLITICS AND THE SABAH ALLIANCE, 1961-1975

By the closing end of 1961, the various political parties then established in Sabah began to show considerable interest in electoral procedure. Party officials, especially those in USNO, visited the Federation of Malaya to learn at first hand, and to improve, their knowledge of the conduct of elections. In October 1961, the Colonial Government had announced its intention to introduce a Local Government Elections Bill so that the first election of Local Authorities in Sabah could take place before the end of the coming year.⁵⁹ This Bill was passed by the North Borneo Legislative Council in the middle of 1962. The Ordinance made all necessary legislative provision for election of members to Local Authorities based on universal suffrage, subject to a short residence qualification. The Colonial Secretary for Local Government was appointed to act as the Controller of Elections and assumed responsibility for the organisation and conduct of the elections. Wards were delineated and District Officers were appointed as registering officers for their districts.⁶⁰ Arrangements were also made for the voluntary registration of voters and the preparation of the electoral rolls. The public responded very well and it was estimated that the names of about 90 per cent of those eligible to vote in the 1961 election of Local Authorities were contained in the electoral rolls.

Polling was supposed to commence on 19 November 1962 but at the request of the leaders of the main parties, who were then negotiating for the formation of the Sabah Alliance Party, the elections were postponed to 16 December 1962. This enabled an intensified campaign on radio and in the press and the distribution of pamphlets to be carried out, in order to explain to the large number of illiterate electors

⁵⁹ *Ross-Larson, op. cit.*, p. 6.

⁶⁰ *Roff, op. cit.*, p. 87.

the purposes of elections and the methods of voting. In all, 202 candidates stood for election in 118 wards. In 53 of these wards, the candidates were elected unopposed. As many as 80-90 per cent of the voters turned out on voting day. And so, by the end of 1962, the wheel of constitutional development in Sabah at last began to turn, with the State having an elected majority in 14 out of the 16 Local Authorities, and about 75 per cent of the population who qualified as electors cast their vote.⁶¹ It is to be noted that in these elections the Sabah Alliance Party returned a large number of candidates unopposed and won a sweeping victory with 86.5 per cent of the vote.

The formation of the Sabah Alliance Party was first discussed by both USNO and UNKO leaders in August 1962, following the example set by the Alliance Party in Peninsular Malaysia. Such satisfactory progress was made that in the following month both parties were able to agree on the establishment of a National Council, consisting of 12 members from each party with joint Chairmen to preside alternatively. (This would lead to contention within the Alliance, as will later be explained). An invitation was also made to the other parties in Sabah to join the Alliance.

This invitation was quickly responded to by BUNAP which was newly created in October 1962, following the merger between UP and DP. Shortly afterwards, the United Pasok Momogun Party (which, by this time, had discarded the word 'Organisation' in favour of 'Party') publicly announced that it had decided to withdraw its opposition to Malaysia and so also applied for membership in the Sabah Alliance. In the following month (November) the Sabah Indian Congress (SIC) was formed and was also admitted to the Alliance Party. In this way, the Sabah Alliance Party came to embrace all the political parties in Sabah and Tun Mustapha was elected the Chairman of the National Council while Tun

⁶¹ Brackman, *op. cit.*, p. 85.

Fuad was the Chairman of the Executive Committee.

However, due to inter-party conflicts, the Sabah Alliance was an 'alliance' in name only. The failure to clearly demarcate potential supporters meant that from the very beginning the Sabah Alliance was innately unstable and crisis-prone. Tun Mustapha, leading his Muslim supporters, remained adamantly opposed to UPKO and its policy of 'open membership' for all races, USNO and SCA felt threatened and were, therefore, drawn together by their common aversion to UPKO. Hence, the first few years of Sabah within Malaysia were constantly troubled by rivalry, especially between USNO and UPKO. This became more heated, and there were constant allegations of invasion of each other's preserves, and highly publicised "defections" from one party to the other. Tun Mustapha's USNO started its own newspaper *The Kinabalu Times*, and so both UPKO and USNO entered into a "Newspaper war".

In December 1964, both USNO and SCA combined to table a motion of no confidence in Tun Fuad Stephens to try and force him out of his post as Chief Minister. Tun Mustapha felt that the post rightly belonged to USNO after he realised that the post of Head of State that he was holding bore no power at all.⁶² Tun Mustapha thought that the Head of State would retain many powers previously in the purview of the colonial Governor. But of course most of these powers had passed to the Chief Minister. In December 1964, he refused to ratify the approval of Tun Fuad Stephens' recommendation for State Secretary. Although the issue was a small one, it nonetheless unveiled the underlying tensions.

The Federal Government felt that the preservation of the Sabah Alliance was crucial. Tun Fuad resigned as Chief Minister on 31 December 1964 and became the Federal Minister for Sabah Affairs. Replacing Tun Fuad as the (interim) Chief Minister was Peter Lo, who previously was

62 R.O. Tilman, "Mustapha's Sabah", in *Asian Survey*, June 1976, p. 47; Ross-Larson, *op. cit.*, p. 9.

the Federal Minister without Portfolio. Tun Mustapha stayed on as Head of State and so the rift in the Sabah Alliance was temporarily healed.

The Federation of Malaysia, with Singapore as one of its fourteen constituent units, came into existence in 1963 after more than two years of difficult negotiations. However, living under the same political roof did not help the relationship between Singapore and the Federal Government. In fact, it exacerbated some of the basic social and political differences that had always separated the two. The eventual result was that on 9 September 1965, less than two years after merger, Kuala Lumpur and Singapore decided to separate. There had been an agreement on means but not on ends, and when each partner thought that new and more efficacious means could be discerned for achieving its individual goals, the foundation had been cut from under the Malaysia-Singapore merger.

The separation of Singapore from the Federation of Malaysia worried East Malaysian leaders because there was no prior consultation from Kuala Lumpur as to their views regarding such an important matter of policy.

Kuala Lumpur, on the other hand, felt that there was no obligation by the Federal Government to consult individual States about the matter.⁶³ Meanwhile Tun Fuad resigned from his Federal post and returned to Sabah.

At that time the Indonesian Confrontation was going on and Kuala Lumpur did not want any form of rift with the Borneo States. The Philippines was also pursuing its claim to Sabah at the Hague,⁶⁴ and any discontent in Sabah might have encouraged President Macapagal to abandon diplomatic channels for more direct methods.

After some hesitation, Tun Fuad and Datuk Peter Mojuntin decided they had to resign from their respective posts as

⁶³ *The Straits Times*, 23 April 1965.

⁶⁴ For an insight into the origin of the Philippines' claim to Sabah, see Brackman, *op. cit.*, pp. 167-192; M.O. Ariff, *The Philippines' Claim to Sabah: Its Historical, Legal and Political Implications*, Oxford University Press, Kuala Lumpur, (1970).

President and Secretary-General of UPKO in order, they said, "to avoid a split in native unity".⁶⁵ Datuk Ghanie Gilong, replaced Tun Fuad as UPKO's President. Tun Mustapha then succeeded Khoo Siak Chiew (President of SCA) as the Chairman of the Sabah Alliance. Later, when his term expired, the Chairman of UPKO would automatically have been the next Chairman of the Sabah Alliance, in accordance with the Alliance's Constitution. However, Tun Mustapha refused to relinquish office in favour of the UPKO President. Tun Mustapha, by this time, was also the Federal Minister for Sabah Affairs. The top four posts, namely Yang di-Pertuan Negara, Chief Minister, Federal Minister of Sabah Affairs and Chairman of the Sabah Alliance were then controlled by USNO. The rift between USNO and UPKO could never have been deeper.

Sabah's first direct General Election took place in April 1967 and throughout the course of electioneering, USNO and SCA worked as a genuine alliance, and gained considerably in mutual cooperation and vote-swapping. Although UPKO remained nominally within the Sabah Alliance, no secret was made of its real isolation. Tun Mustapha and his political advisers were determined to crush UPKO. The Alliance mounted a media campaign against UPKO. In an effort to contain USNO's influence, Tun Fuad Stephens finally agreed to change UPKO's constitution by limiting its membership to natives only thus allowing Tun Fuad to resume the leadership of UPKO. This was not enough, however, to help UPKO win the election. When the result was announced, USNO had won 14 seats (two of them unopposed) with a total of 64,638 votes. UPKO, although it had obtained more votes than USNO at 64,767, managed to capture only 12 seats. The SCA had won five seats with a total of 14,924 votes.⁶⁶ Surprisingly, Peter Lo, the incumbent Chief Minister, lost his

⁶⁵ M.C. Roff, *op. cit.*, p. 107.

⁶⁶ R.O. Tilman, "The Centralisation Theme in Malaysian Federal-State Relations, 1957-1975", *Institute of South East Asian Studies, Singapore, Occasional Paper No. 39, May 1976*, p. 49.

own constituency to an independent (Chinese) candidate. To form a Government by virtue of an outright majority, 17 seats were required; the Legislative Assembly at the time comprised 32 seats. It, therefore, became evidently clear, as the final results came in, that SCA's support was crucial to provide the balancing role and ensured for it a power quite out of proportion to its numbers in the Legislative Assembly.

SCA was persuaded to support Tun Mustapha, because a combination of UPKO and SCA seats would have been sufficient to form the next Government. Tun Mustapha therefore, made certain that the SCA members felt no need to enter into negotiations with the UPKO side, by offering the SCA the Cabinet portfolios that were previously agreed upon between himself and the SCA leaders.

And so, with a USNO-SCA coalition, Tun Mustapha was in a position to form the next Government. His party's 14 seats plus five from its SCA partner (and four additional nominated seats, of which three went to USNO and one to SCA) gave the USNO-SCA coalition a commanding majority over UPKO. UPKO should have been included in the Cabinet as theoretically it was still a part of the Sabah Alliance and had secured almost as many seats as USNO and more than twice as many seats as SCA. Tun Mustapha, then decided to form only an "Inner Cabinet" comprised of himself and four Ministers, the minimum allowed under the State's Constitution. Two of the ministers were from USNO and two from SCA.

On 16 May, the UPKO National Council decided that they had no other choice but to leave the Sabah Alliance and move into opposition.⁶⁷ Because of defections from UPKO to USNO Tun Fuad felt that it would be in the interests of bumiputra unity to dissolve UPKO. He then urged UPKO members to individually seek membership in USNO. Shortly after Tun Fuad was appointed by the Federal Government as Malaysian High Commissioner to Australia.

⁶⁷ Roff, *Journal of South East Asian Studies*, *op. cit.*, (1969), in note 78, p. 342.

With UPKO's demise, Tun Mustapha's dominance in Sabah's politics was unquestioned.

Little can be said of party politics in Sabah between 1967 and 1975, since the process was not allowed to exist outside of Tun Mustapha's Sabah Alliance.

The Sabah Alliance, then comprised only of USNO and SCA, won all seats during the 1974 Parliamentary elections. In the previous October 1971 State general elections, the Sabah Alliance had also captured all seats because all candidates who stood for election were returned opposed. From 1967 until the middle of 1975, there was no form of democratic party opposition in Sabah. Then in July 1975 a major event took place — the most significant occurrence in the State for many years.

The Birth and the Victory of Bersatu Rakyat Jelata Sabah (BERJAYA).

The formation of Berjaya on 15 July 1975 was hailed by some as "the return of democracy in Sabah",⁶⁸ while others called its subsequent victory over the Sabah Alliance Party in the 15 April 1976 State General Elections as "a constitutional coup d'etat".⁶⁹ Whatever one may choose to call those two moments in Sabah's history, there was little doubt in the hearts and minds of the great majority of Sabahans that the birth of the Berjaya Party was a welcome phenomenon.

The President of the new Party was Datuk Harris bin Mohd. Salleh, the former State Minister of Finance as well as Minister of Industrial Development. The other prominent figures in Berjaya's Supreme Council line-up were Datuk Ghanie Gilong (Federal Minister of Transport and Works), Datuk Peter Mojuntin (the former State Assistant Minister for Industrial Development), Datuk Salleh Sulong (former State Minister for Local Government), Datuk Yeh Pao Tzu, Datuk Haji Mohd. Noor Mansoor, Datuk Joseph Pairin Kitingan, Datuk James P. Ongkili, Datuk Yassin Mohd. Hashim and Tan Sri Datuk Suffian Koroh. During their launching press conference at Kota Kinabalu's Borneo Hotel, the Berjaya Party declared their constitution to be as follows:⁷⁰

1. To preserve and protect the integrity, independence and the democratic status of Malaysia and to uphold the principles of the Rukunegara;

⁶⁸ R.O. Tilman, *op. cit.*, in note 73, p. 495.

⁶⁹ Sin Fong Han, "A Constitutional Coup d'Etat. An Analysis of the Birth and Victory of the Berjaya Party in Sabah, Malaysia", in *Asian Survey*, Vol. XIX, No. 4, April 1979, p. 379.

⁷⁰ *Berjaya Party Press Report*, 15 July 1975, pp. 1-2.

2. To preserve and protect the rights and interests of Sabah within Malaysia;
3. To establish, promote and safeguard a just, progressive and democratic government of the people, by the people and for the people;
4. To bring about a more equitable distribution of wealth and opportunities than those existing in the present system in Sabah; and
5. To safeguard and promote the constitutional rights and privileges of every citizen in Sabah within a multi-racial, multi-cultural and multi-religious Malaysia.

Sabah was never so politically excited before - not even when Sabah decided to join Malaysia. For this reason, one is perhaps not too far off the track to say that the process of political development in Sabah really gathered momentum with the birth of Berjaya. The first thing people did in the mornings was to turn to their newspapers and read news or further news about Berjaya, or what the then ruling party might do next, to counter the spread of Berjaya. In the coffee shops and other public places, one heard that the main topic in people's conversation was about Berjaya or what individual leaders/ministers did or said recently.

The new party was successfully established by persuading dissident members of the ruling Sabah Alliance Party to break away from Tun Mustapha, whose autocratic rule had finally made them realise that the time was now ripe for a change for the better. Datuk Harris was quoted at the time as stating that the formation of Party Berjaya was necessary in order to unite the people of Sabah to clean up and to rid the State of the mismanagement, corruption and dictatorship of Tun Mustapha.⁷¹ Berjaya criticised Tun Mustapha's policy of indiscriminate spending which had brought the State to near bankruptcy, and blamed him for treating Sabah

⁷¹ *Ibid.*, p. 8.

not as a State but as his personal property by allocating the natural resources of the State only to himself and a few selected relatives and friends. Berjaya also claimed that the Civil Service under Tun Mustapha was tainted with favouritism and in disregard of the General and Financial Orders and Regulations. This, therefore, resulted in maladministration in the State. Tun Mustapha was further personally charged that, as Chief Minister, he chose to spend only a fraction of his time in Sabah, while for most of the time he was travelling around the world, where, in some places, he owned multi-million pound properties. Tun Mustapha was also pointed out to have bought two Grumman Executive jets plus two Boeing 707s for his exclusive use and the use of his foreign friends, costing several million ringgits.⁷² One of the two Boeings was intended to be turned into luxury aircraft, containing sleeping suites, bars, baths and so on. These, Berjaya claimed, served no useful purpose except for the personal use of other than to allow Tun Mustapha to travel around the globe.

Another fault of Tun Mustapha was said to be his policy of spending millions of dollars from State funds on Federal projects without first consulting the Federal Government but later demanding the reimbursement of those funds. When the Federal Government refused to pay the reimbursement, Tun Mustapha was said to have asked for a free hand to obtain international loans. Failing to get Federal Government's approval, Tun Mustapha apparently then committed his most serious mistake and that was planning to take Sabah out of Malaysia. This plan is said to have been outlined in a memorandum which purported to show the advantages to be derived by Sabah by getting out of the Federation.⁷³ This memorandum is said to have been circulated at an USNO meeting in Kota Kinabalu on 23 April 1975. In this paper,

⁷² R.O. Tilman, *op. cit.*, in note 82, p. 499.

⁷³ Tun Mustapha never denied the existence of such a memorandum.

Tun Mustapha is said to have outlined the gradual Federal undermining of Sabah's autonomy and he pointed out that the future of Sabah in Malaysia would be one of disadvantage to the State since Sabah would have to share its vast resources with the Federal Government. An independent Sabah had the means, it was claimed, to carry out its administration, as well as the resources for defence and economic development.

These and other criticisms of Tun Mustapha were printed in almost all the major newspapers in Sabah. As a result, people in Sabah, for the first time, had access to extensive coverage of the wrong-doings in the State. Open attacks on political leaders had been virtually extinct in Sabah for a long time. The public suddenly began to realise that a new day was dawning in Sabah's politics and, indeed, many welcomed this change towards a more democratic society.

It was an open secret that BERJAYA was formed with the full knowledge and blessing of the Federal Government, especially of Tun Razak, the late Prime Minister.⁷⁴

When Tun Mustapha's secession threat came to light to the Federal leaders, it was not taken lightly. As soon as Tun Razak learned about Tun Mustapha's memorandum, he removed the latter's detention power formerly granted to him during the Emergency period.⁷⁵ Tun Razak also ordered the release of all political prisoners held by Tun Mustapha. A new Commissioner of Police was also hurriedly transferred to Sabah at the time to ensure the political neutrality of the State's Police Force. At first, Kuala Lumpur had tried to coax Tun Mustapha to resign from the Chief Minister's post gracefully. Tun Razak offered Tun Mustapha the Defence Minister's post – the third in the Federal list of seniority.⁷⁶ Tun Mustapha, however, turned the offer down. Instead, Tun Mustapha threatened to dissolve the Legislative Assembly and call for a snap election. This was feared by Kuala Lum-

⁷⁴ M.C. Roff, *op. cit.*, (1974), p. 113.

⁷⁵ R.O. Tilman, *op. cit.*

⁷⁶ *Ibid.*

pur because if Tun Mustapha's party swept all 48 seats, then he might interpret his victory as a mandate to carry out his secession plan.

With this in mind, Tun Razak quickly but secretly invited Datuk Harris bin Mohd. Salleh to meet him in Kuala Lumpur and this meeting paved the way for the formation of Berjaya. Datuk Harris was also in touch with Tun Fuad.

As a result, BERJAYA was registered on 15 July 1975. The announcement of the launching of the new party was made at the time when Tun Mustapha happened to be out of the State. When he heard of the 'coup', the Tun hurried back from London in one of the Sabah executive jets. Tun Mustapha arrived in Kota Kinabalu on 18 July, where a large crowd of USNO supporters awaited him. Immediately Tun Mustapha set about trying to keep his political support intact. His critics were later to charge that the welcoming crowd who turned up to welcome him was enlarged by the presence of Government servants and the promise of M\$10.00 each to cover "the cost of lunch".⁷⁷ Because Tun Mustapha was still powerful BERJAYA's course, at first, was not an easy nor a smooth one. The new party suffered its first blow when Datuk Harris himself was defeated in the December 1975 by-election in Labuan, his own home constituency. The second shattering blow came when USNO also won the second by-election in the Kuala Kinabatangan constituency. Soon afterwards, Tun Razak passed away. This was a great loss not only to the nation but also to the newly formed Party Berjaya. Datuk Ghani Gilong, a founder member and Vice-President of BERJAYA, also decided to resign and re-join USNO on 15 March 1976. His defection, together with the

⁷⁷ *New Straits Times*, 23 August 1975. Part of Tun Mustapha's success was attributed to his 'foresight' in sending sixteen Assemblymen on an all expenses paid tour in a Sabah Air-jet during the two weeks preceding the 11 August meeting. The delegation were brought home just in time to go directly to the State Legislative Assembly to vote on the confidence motion. See *The Borneo Bulletin*, 16 August 1975; *The Kinabalu Sabah Times*, 12 August 1975; *The Daily Express*, 16 August 1975.

arrest of Datuk Haji Mohd. Noor Mansoor (BERJAYA's Secretary-General) in connection with an alleged plot against Tun Mustapha's life, severely eroded the credibility of BERJAYA in certain eyes at that time.

Despite those setbacks, BERJAYA slowly but steadily came back to life. Members of the public at first hesitated to openly support the new party because of the personal dangers and disadvantages they might encounter with the party in power. The momentum of public support slowly but steadily gathered strength. Tun Fuad Stephens resigned as the Yang di-Pertua Negeri on 28 July 1975 in order to lead BERJAYA in its political campaign.⁷⁸ Tun Fuad Stephen made the following statement on his decision to re-enter politics:

"I was not prepared to see Sabah become bankrupt and destroyed because of the doings of a leader (Tun Mustapha) who had deviated from his course and was interested only in feathering his own nest. . . . Actually, I love Tun Datu Mustapha. He is not only my friend and colleague in our struggles for so long but also my 'blood brother'. But the acts he committed while being Chief Minister are beyond forgiveness, and that is why I have to oppose him. . . . His extravagance and abuse of power must stop, or the whole of Sabah will suffer. I love him but my love for Sabah is greater and so is my love for the people of Sabah. . . ."⁷⁹

Despite various moves to forestall the 'coup', Tun Mustapha eventually stepped down as Sabah's Chief Minister on 31 August 1975. His resignation was made upon the insistence of Tun Razak himself. He was also allowed to hold on to his presidencies of USNO and the Sabah Alliance for some time. Tan Sri Said Keruak was automatically chosen to replace Tun Mustapha as the Chief Minister, along with three Deputy Chief Ministers: Datuk Aliuddin bin Datuk Harun (Tun Mustapha's brother), Datuk Herman J. Luping and Datuk

⁷⁸ Syed Abdullah, *Memories in Brief: Tun Fuad*, published 1976, p. 41.

⁷⁹ *Ibid.*, p. 41.

Pang Tet Tshung. The new cabinet then tried to gear itself towards winning the 1976 elections.

To test their strength on public opinion, USNO 'master-minded' the resignation of Datuk Harris Mohd. Salleh and Datuk Salleh Sulong from their Assembly seats of Labuan and Kuala Kinabatangan, respectively. On 11 November 1975 BERJAYA leaders were taken by surprise to learn that two of their number had 'resigned' from the State Assembly. BERJAYA was forced to contest the Labuan and Kuala Kinabatangan by-elections. USNO's candidates in the by-elections each had a majority of more than 1,000 votes and had captured about 60% of the total votes cast.

Hoping to capitalise on BERJAYA's setbacks, USNO wanted to hold a snap election and showed an intention to dissolve the State Assembly in late December 1975. Somehow, however the dissolution was not announced until 23 January the next year, with nominations set for early February. Quite unexpectedly, Tun Razak passed away. And so, because of the 40-day mourning period being declared in respect of the late Premier, the Chairman of the Election Commission, Tan Sri Ahmad Perang, refused to set early dates for the nominations and polling.

That delay proved to be very costly for USNO since it enabled sufficient time for new voters to be recorded on the Electoral Rolls. In all, about 40,000 young eligible voters were registered on the rolls, many of whom were unemployed and, therefore, dissatisfied with USNO.⁸⁰

When the nominations for the 48 seats were finally closed on 18 March, 1976, BERJAYA had fielded 48 candidates, USNO 40 and SCA (still in a coalition with USNO under the Sabah Alliance) eight. Sixteen independent candidates also stood for the elections. Tan Sri Ahmad was resolved to let anyone be nominated who wished to stand, and to ensure that there was no cheating going on, he also brought in

⁸⁰ *Ibid.*, p. 182.

Federal officers to oversee the proceedings in each of the 18 nomination centres throughout Sabah.⁸¹

When the results of the April 1976 Election were finally announced on 15 April, BERJAYA had won 28 of the 48 seats. BERJAYA supporters were overjoyed and celebrated enthusiastically.⁸² USNO, for its part, won 20 seats, while its partner in the Alliance, the SCA, had failed to win a single seat and neither did the rest of the independent candidates. Open skirmishes nearly erupted between the BERJAYA and the USNO supporters. Such was the intensity of the 1976 Elections that one often heard cases of friends and even brothers who were not on speaking terms for a very long while. On the non-personal level, however, tension was rather dangerously roused when late on the evening of 8 May, bombs were set off in Kota Kinabalu, Kudat and Sandakan.

Far more devastating than the actual damage were the psychological tremors set in motion by the blasts. The incidents appeared to be work of USNO extremists dissatisfied with USNO's fall from power and part of a larger scheme to bring disorder in Sabah.⁸³ In two separate incidents, two men died on the outskirts of Sandakan town as a result of parang wounds. Sabah had not been the place for violence of this sort and the police acted swiftly to avoid a recurrence and more than 4,000 people were apprehended.

The moves were more preventive in intent than punitive. The political impact of the bombings and the police sweep was of course considerable, alienating the Sabah public almost totally from USNO.⁸⁴

The 28 seats, plus six nominated members in the Legislative Assembly that the State's constitution allows the winning party to appoint, gave BERJAYA a comfortable lead over USNO and, therefore, it formed the next Government. Another two seats could have given the party the required

⁸¹ *Ibid.*, p. 193.

⁸² *Ibid.*

⁸³ *Ibid.*, 202.

⁸⁴ *Ibid.*, 203.

two-thirds majority to enable it to change the State's constitution.

The victory of BERJAYA thus ended the thirteen long years of Sabah Alliance rule and over eight years under Tun Mustapha's personal dominance. However, BERJAYA's supporters' victory mood was soon reduced to grief and tears for, on the black day of June 1976, tragedy struck. People listened in silent disbelief at the sad news that "... Sabah's Chief Minister Tun Mohammed Fuad Stephens and 10 others including three Cabinet Ministers and his son... were killed in an aircrash today...".⁸⁵ The same news was also transmitted world-wide by the BBC World Service. The people of Sabah were stunned on that morning of 6 June 1976. What happened? Why did it happen? How did it happen?

These are the questions they kept asking. The weaker in heart simply wept unashamedly.

On 28 October 1976, four and a half months after the tragedy, the official inquiry into the crash was over. The findings were not made public except for the statement by the Deputy Communications Minister, Encik Mohd. Ali bin Mohd. Sharif:

"The findings of the investigation team did not reveal any technical errors or sabotage as being the causes of the air crash. What they have instead discovered is that the fault was due to 'human error'".⁸⁶

Among those who were included in the fatal crash were Datuk Peter Mojuntin, Datuk Salleh Sulong, Datuk Chong Thian Vun and Datuk Darius Binion. And so, in one disastrous stroke, much of BERJAYA's leaders were wiped out.

Thus by an act of fate, a new Chief Minister came into office just 52 days after BERJAYA's victory. He is Datuk Harris bin Mohd. Salleh who is energetically fit at 51 years of age. A man with considerable experience in Sabah politics, Datuk Harris Mohd. Salleh is no doubt a capable and talented

⁸⁵ *Radio Malaysia Sabah Broadcast*, 6 June 1976.

⁸⁶ *Daily Express*, Sabah Times.

leader. If any man could replace Tun Fuad Stephens after the tragedy, it was Datuk Harris. After all, Datuk Harris himself was the first President of Berjaya: In running Sabah, Datuk Harris has been able to recruit new blood, in particular, Datuk James Ongkili who is a former Senior Lecturer at the University of Malaya. Other members in Datuk Harris' cabinet are Datuk Joseph P. Kitingan, a lawyer; Datuk Yap Pak Leong, an accountant; Datuk Haji Mohd. Noor Mansoor, also a lawyer; and Datuk Lim Guan Sing who is a graduate in Political Science; all fully qualified men who can help the Chief Minister in administering an efficient Government. Along with these the other members of the cabinet are Tan Sri Datuk Suffian Koroh and Toh Puan Rahimah Stephens both of whom have a wide knowledge of Sabah politics and affairs.

The Opposition

Following the establishment of Party BERJAYA in July 1975, several other new political parties also came into existence in Sabah.⁸⁷ The existence of these parties, some of which consider themselves as "the Opposition", help to signify that the rule of parliamentary democracy is back in Sabah today.

The first of these parties to register after BERJAYA was the Sabah Democratic Rakyat Party or SEDAR, which was registered on 14 September 1976. It is supposed to be a Bumiputra-based party and has its headquarters in Kota Kinabalu. Its founder-President is Musa bin Datuk Haji Taulani, with Abdul Hamid Haji Bulat as the Secretary-General. SEDAR, however, is very dormant and hardly gets any mention in the newspapers.

The next to register was the United Social Assembly Party or Parti Perhimpunan Sosial Bersatu (PESAKA). It was registered on 4 October 1977. It seems to have no headquar-

⁸⁷ Information regarding the date of registration of political parties under this section was kindly supplied by the office of the Sabah Registrar of Societies, Kota Kinabalu.

ters and not many people seem to know of its existence. PESAKA's President/Founder is Bitty bin Ganta and the Secretary-General is M.A. Rahman.

The Sabah United Chinese Party (SUCP) or Parti Bersatu Cina Sabah was registered on 30 May 1978 but was dissolved on 21 January 1980 and was merged with the Sabah Chinese Association (SCA). SCA had, of course, already changed its name to the Sabah Chinese Consolidated Party on 20 March 1977. The present President of SCCP is Stephen Chan who, by profession, is an accountant. Chan was at one time a BERJAYA Party candidate. He left BERJAYA on 6 June 1979.⁸⁸ The Party's Deputy President is Peter Chong On Tet, a practising barrister in Kota Kinabalu. The Secretary-General of SCCP is also a lawyer by the name of Joseph Chia. At the Executive level, the membership of SCCP is quite impressive. Most of them are professionals such as business executives, accountants, and lawyers. There are also merchants and planters.

After the SCCP, the next political party to be registered in Sabah was the United Pasok Nunuk-Ragang Organisation or the Kebangsaan Pasok Nunuk-Ragang Bersatu. This particular party is different and must not be confused with either the original United Pasok Momogun Organisation or the Pasok Momogun Kadazan Organisation (UPKO). Pasok Nunuk-Ragang itself was registered only on 2 December 1978 and its founder-president was Stephen Jaikul. The first Secretary-General of the party was Weils Mogium. At the Party's Annual Delegates Conference held in Kota Kinabalu on 14 April 1980, Jaikul was replaced as Pasok's President by Ignatius Ahad Stephen Malanjun. Malanjun ascribed Jaikul's defeat to Jaikul's lack of sincerity and dedication to the Party's struggles and objectives. Not long afterwards, Jaikul decided to join BERJAYA party. PASOK's present Secretary-General is also a newcomer in politics. He is Newman Gaban*

⁸⁸ Sunday Star, Kuala Lumpur, 8 June 1980.

* Editor's note: Newman Gaban has since resigned from Pasok.

who had resigned from a Scale A10, Division One, Government Officer's post in order to concentrate on politics. In the *Daily Express* on 13 June 1980, PASOK sources were quoted as saying that the Party's main problem is lack of funds and the party apparently survives on donations made by its supporters or backers. The party's stand mainly on native rights appears to acquire a sympathetic ear from some of the Kadazan people. However, PASOK's alignment with USNO has frightened many potential supporters of the party and as can be seen from the election results, the Kadazan cast their votes with their heads rather than with their hearts, and voted BERJAYA.

The last locally based political party to be established is the Pertubuhan Rakyat Sabah Bersatu or the United Sabah Peoples' Organisation (USPO). It was registered on 8 November 1979. USPO was the only political party in Sabah ever to have a woman as the President, namely Datin Fatimah bte OKK Laiman Diki.⁸⁹ The Party's Secretary-General is Jimmy Malis who was at one time an Assemblyman during the Sabah Alliance period. USPO has a very conspicuous party headquarters at the Bangunan Natikar near the Kota Kinabalu Town Padang. However, the party seems to be very quiet and inactive at present.

There are then, two more parties in Sabah that have been in existence for several years. They are the Democratic Action Party (DAP) and PEKEMAS. Both these parties are based in Peninsular Malaysia. Of the two, DAP is considered, on the whole, to be more active as judged by its frequent mention in the papers. This is, of course, perhaps due to the outspokenness of DAP's Secretary-General, Lim Kit Siang, who has been a frequent critic of the Federal Government. DAP supporters are mostly confined to the Sandakan town area, where a DAP candidate holds a Parliamentary seat. However, with the establishment of SCCP, DAP would now have to compete against the new party in order to win over

⁸⁹ She has already resigned from this post and the party.

the Chinese voters. Stephen Chan of SCCP was quoted as saying that DAP's struggle in the 1981 State Elections would be "futile . . . the most DAP can get is may be a few hundred votes. . ."⁹⁰

PEKEMAS itself was supposed to be popular in the Kota Belud area. This was before its membership there made a mass defection to join the BERJAYA party as reported by the *Daily Express* on 15 April 1980.

Of all the political parties mentioned above, the ones which could perhaps be considered as 'active' Opposition are USNO, PASOK and SCCP. Be that as it may, one must also bear in mind that even USNO — which had won the remaining 20 seats in the 1976 election — in recent years had been failing in its duty as a true opposition party by its failure to take part in the proceedings of the State's Legislative Assembly. Their absence from the State's Assembly has been heavily criticised by BERJAYA Assemblymen.

One recent development amongst the opposition groups was that on 12 June 1980, USNO, PASOK and SCCP announced what has been called by BERJAYA spokesmen as the "Unholy Alliance". This announcement of a pact among the three parties was first made in Kuala Lumpur. The pact, which the parties concerned chose to call the "Sabah National Front", seemed to serve no other purpose than to try and consolidate their strength in order to defeat the present BERJAYA Government in the 1981 General Election. If successful, the three parties were supposed to form a coalition Government. Their shadow cabinet line-up has been alleged by an ex-USNO supporter to have been drawn. The list of the shadow cabinet which appeared in the *Kinabalu Sabah Times* of 15 April 1980, contained some very interesting names with Tun Mustapha supposed to be the Chief Minister and Syed Kechik bin Syed Mohammed (presumably, he would first have had to be nominated as an Assemblyman) as the Deputy Chief Minister as well as the Minister for Local

⁹⁰ *Kinabalu Sabah Times*, 25 September 1980.

Government. Ignatius A.S. Malanjun of PASOK was supposed to have become the Assistant Minister to the Chief Minister. No mention was, however, made of what post Stephen Chan of SCCP would have got in the unlikely victory of the Sabah National Front.

As stated earlier, PASOK's choice to align itself with USNO has probably done the party more harm than good. Nonetheless, the BERJAYA Government did not take the political challenge and the charges of PASOK lightly. Kadazan ministers in the BERJAYA Cabinet went to some lengths to stress the dangers of having a party based essentially on racialistic lines and the wisdom, therefore, of continuing to support BERJAYA which is multi-racial and has proved itself to be truly representative of the Sabahan population.

Even though the parties in the so-called Sabah National Front allied themselves in principle in order to bring down the BERJAYA Government, the parties concerned often, in public, showed considerable disharmony. The rivalry seemed to be mainly between USNO and PASOK. Their main point of contention apparently lay in their disagreement as to the number of seats each party should be allowed to contest for in the 1981 General Elections. On 15 November 1980, several USNO divisions urged their party's leadership to review USNO's alliance with PASOK, since they considered PASOK as a party which could not be trusted and capable of "stabbing USNO in the back".⁹¹ With such allegations made publicly, one wonders why the leaders of PASOK continued to affiliate themselves with USNO. (The explanation was said to be that PASOK is indirectly, financially, supported by USNO itself).

Aside from their inter-party rivalry, both USNO and PASOK also suffered from internal problems. Both parties were acutely suffering from flagging morale since it was almost a weekly occurrence that their supporters throughout

⁹¹ *Kinabalu Sabah Times*, 15 November 1980.

Sabah were either individually or en masse defecting to the side of BERJAYA.

Conclusion

The development of politics and the growth of political parties in Sabah only really commenced in 1961 when Tunku Abdul Rahman proposed the formation of Malaysia. By 1963, Sabah had joined the ranks of those self-respecting, self-ruling states in the world but only through a merger with 13 other states which together formed the Federation of Malaysia. But even though the political consciousness of the people in Sabah at the time of independence was still very much at rock-bottom level, today it has developed considerably so that the unaware visitor might be rather surprised to realise that a substantial portion of the population are now well-conversant and reasonably sophisticated in the art of politics and electioneering procedures.

Of course, as in any developing country, Sabah has had its share of 'teething problems' as in the era of the Alliance/USNO rule when the people of Sabah experienced a sort of political drought when they were denied even the basic rudiments of parliamentary democracy, such as the freedom of speech and expression. But happily, after that period of drought came the period of rain which enabled the rivers of democracy to flow once again. That period of rain was, of course, signified by the victory of the BERJAYA Party in the 1976 State General Elections. A few years previously, very few people had thought that a new party would ever get itself established in Sabah, less still that it would win in the elections. The victory of BERJAYA at the polls ended a bad dream in the State's still very short history of self-rule and, therefore, brought back self-respect and confidence in the hearts of many a Sabahan.

BERJAYA's record and achievements over the last five years has been very good and impressive. As the Party in power, BERJAYA succeeded in reviving the almost bankrupted Sabah economy into one that is now very sound and strong.

From a mere M\$2.2 million State financial reserves at the close of the Alliance/USNO rule in 1976, the BERJAYA government succeeded in raising the amount of that reserve, within a rather short period, to over M\$1 billion and while, of course, BERJAYA Party is not perfect in every sense of the word, it is by far the most appealing and dynamic of all the political parties.

On March 29, 1981 the results of the last General Elections in Sabah were announced. As expected (although USNO's President, Tan Sri Mohd. Said Keruak said, "I never expected this"),⁹² BERJAYA easily won the elections with a very convincing majority. BERJAYA candidates won 43 out of the 47 seats contested. (There are 48 constituencies in Sabah, but voting in N.3 Bengkoka Constituency was postponed due to the death, in a road accident, of one of the candidates). USNO captured only 3 seats, but only with a very slim majority. The constituencies which USNO won were N.1 Banggi, N.7 Usukan and N.42 Semporna. SCCP captured its sole seat in N.48 Bandar Tawau. However, even one seat is better than nothing at all, which was how PASOK finished. As for the other Opposition parties, most of their candidates lost their deposits.

It was, of course, a fore-gone conclusion that the remaining uncontested Bengkoka seat also went to a BERJAYA candidate, when voting was eventually held. And so, BERJAYA's massive majority of 44 out of a total of 48 seats in the State Legislative Assembly shows that the vast section of the electorate in Sabah are still solidly behind the present BERJAYA leadership, who have created a truly multi-racial party in the State.

While a full analysis of the voting behaviour of the electors is warranted for the 1981 State General Elections, it suffices

⁹² *Daily Express, March 29, 1981.*

to say that except in a few constituencies, the voters elected mainly for the party symbol rather than for individual candidates or personalities.

The tables given in Appendix 1, 2, 3 show the full results of the 1981 Sabah General Elections.

Appendix 1

The Full List of Candidates in the Sabah General Elections, March 1981.

- N. 1 (Banggi - 4,885)
Matimbun bin Stujongkok (Berjaya);
Datuk Abdul Salam bin Datuk Harun (USNO).
Malindaw bin Sinong (Pasok);
Tamanong Suaib (Bebas);
- N. 2 (Kudat - 8,335)
Chong Kah Kiat (Berjaya);
Lawrence Thien Shin Hing (SCCP);
Sait bin Guik (Bebas);
William Chong Kui Shen (Bebas);
- N. 3 (Bengkoka - 5,203)
Johnes B. Biut (Berjaya);
Mohd. bin Haji Said (USNO);
Jaip bin Matahir (Pasok);
UI Akbal bin Hj. Majid (Bebas);
Lin B. O.T Andon Gajang (Bebas);
- N. 4 (Matunggong - 4,858)
Michael Wong (Berjaya);
Mathius bin Majihi (Pasok);
- N. 5 (Langkon - 4,908)
Michael Madinal (Berjaya);
Almalik A. Hamid (Bebas);
- N. 6 (Tandek - 4,705)
Dason Suran Gaban (Berjaya);
Zulkfli bin Hj. Majun (USNO);
Masinken Masepun (Pasok);
- N. 7 (Usukan - 7,431)
Hj. Yahya Lampong (Berjaya);
Tan Sri Hj. Mohd. Said Keruak (USNO);

- N. 8 (Tampasuk – 6,358)
 Datuk Hj. Mohd. Noor Mansoor (Berjaya);
 Datuk Hj. Askar bin Hj. Hasbollah (USNO);
 Naratine bin Ajidon (Pasok);
 Abdul Mumin Hj. Mulia (Bebas);
- N. 9 (Kebayau – 5,597)
 Yapin Gimpoton (Berjaya);
 Mohd. Yahya bin Zakaria (USNO);
 Soleten bin Sonpong (Pasok);
- N. 10 (Sugut – 4,724)
 Pg. Kasid bin Pg. Salleh (Berjaya);
 Mohd. Said b. Imam Puyu (USNO);
 Julius Niyo (Pasok);
 Abd. Mauri Kiwang (Pusaka);
- N. 11 (Semawang – 6,260)
 Hj. Salleh Otik (Berjaya);
 Tamcin b. Hj. Zaini (USNO);
 Abu Bakar b. Mendoza (Bebas);
- N. 12 (Labuk – 4,457)
 O.K.K. Paul Baklin O.T. Gurandi (Berjaya);
 Rahia bin Lahami (USNO);
 Ali Hassan bin Datuk Asidin (Pasok);
 Jimmy bin Malis alias James Malias (USNO);
- N. 13 (Sulaman – 6,923)
 Nawawi bin Budin (Berjaya);
 Ansari Abdullah (USNO);
 Datin Dayang Fatimah bte OKK Laiman Diki (Bebas);
 Mohd. Yusof Othman (Pusaka);
 Alias Nasip (Bebas);
- N. 14 (Tamparuli – 6,135)
 Datuk James Ongkili (Berjaya);
 Amisah Yassin (USNO);
 Nojilip bin Bumpuring @ Alfred (Pasok);
 Mohd. bin Abdul Rahman (Pusaka);

- N. 15 (Kiulu – 4,903)
 Toh Puan Hajjah Rahimah Stephens (Berjaya);
 Gisin bin Lom-but (Pasok);
 Indra bin Bayat (Pusaka);
- N. 16 (Kundasang – 5,349)
 Datuk Ghani Gilong (USNO);
 Amari Gingor (alias) Mynoor Gingor (Berjaya);
 Stanilaus Puyuseh Masri (Bebas);
- N. 17 (Ranau – 5,959)
 Jirin Saliun (Berjaya);
 Apin Danngi (Pasok);
 Tham Yin Kong (Bebas);
- N. 18 (Tambunan – 5,356)
 Datuk Joseph Pairin Kitingan (Berjaya);
 Petrus Francis bin Guciting (Pasok);
 Bernard Wong Chong Ngin (Bebas);
- N. 19 (Likas – 12,347)
 Chin Kok Kong (Berjaya);
 Tampakan b. Berunai (Pusaka);
- N. 20 (Kota Kinabalu – 10,269)
 Datuk Lim Guan Sing (Berjaya);
 Chia Swee Chung (SCCP);
- N. 21 (Tanjung Aru – 11,437)
 Paul Wong (Berjaya);
 Peter Chong On Tet (SCCP);
 Nyrol B. Ewan.alias Syvester Ewan (Bebas);
 Aloysius S. Joeman (Bebas);
- N. 22 (Inanam – 7,665)
 Marcel Leiking (Berjaya);
 Peter Oyong Bin Labinjang (Pasok);
 Hj. Ibrahim OKK Mohd. Laiman Diki (Bebas);
 Daniel John Jambun (Bebas);
- N. 23 (Moyog – 6,884)
 Datuk Conrad J. Mojuntin (Berjaya);
 Ignatius Stephen Malanjun (Pasok);

- N. 24 (Kawang – 6,424)
 Datuk Fred Sinidol (Berjaya);
 Usu bin Hj. Sukam (USNO);
 Patrick bin Uendu (Pasok);
- N. 25 (Elopura – 10,328)
 Datuk Yap Pak Leong (Berjaya);
 Philip Fu Sui Cheong (SCCP);
 Fong Ket Wing (Dap);
- N. 26 (Bandar Sandakan – 9,293)
 Wong Soon Yu (Berjaya);
 Tan Tik Haer (SCCP);
 Sulaiman B. Ongon (Pusaka);
- N. 27 (Karamunting – 8,165)
 P.K. Lau (Berjaya);
 Michael Tan (SCCP);
 Ahamat bin Mohd. Saffar (Bebas);
- N. 28 (Sekong – 5,982)
 Mohammad bin Jifli (Berjaya);
 Pengiran Ahmad bin Pengiran Indar (USNO);
 Yusof bin Nasir (Pasok);
 Abdullah bin Hussin (Bebas);
- N. 29 (Kuala Kinabatangan – 3,974)
 Puan Kolnah bte Hj. Sahih (Berjaya);
 Pg. Damsah bin Pg. Indar atau Da-7 (USNO);
 Tarsah bin Ahaw (Pusaka);
 Abd. Rahman bin Abd. Rushid (Bebas);
 Sairin bin Muyang (Bebas);
- N. 30 (Kuamut – 3,662)
 Abdul Malik Chua (Berjaya);
 Fred Bin E. Sikal (Pasok);
 Ahmidjan (Bebas);
- N. 31 (Papar – 7,328)
 Mohd. Saidi Lampoh (Berjaya);
 Sabdin bin Ghani (USNO);
 James Andres Vitales (Pasok);

- N. 32 (Bongawan – 5,754)
 Abd. Hamid Awang (Berjaya);
 Pg. Abdul Rahman bin Pg. Ali (USNO);
 Hussein Aman (Bebas);
 A.K. Aliduddin bin Pg. Tahir (Bebas),
 Lai Teck Lan (alias) Francis Tack Lan Lai bin Lai
 (Bebas);
- N. 33 (Kuala Penyu – 4,538)
 Rashid Dinhatt (Berjaya);
 Johan bin O.T. Ghani (Pasok);
- N. 34 (Labuan – 8,583)
 Jamal Nordin (Berjaya);
 Mohamed bin Omar Beldram (USNO);
 James Mathew Anggang (Bebas);
- N. 35 (Klias – 6,692)
 Hj. Mohd. Taufek bin OKK Asneh (Berjaya);
 Binsin bin Hj. Ali Asmat (USNO);
 Sylvester John alias Jiniol Sidion (Bebas);
- N. 36 (Lumadan – 5,895)
 Datuk Hj. Mohd. Dun bin Banir (Berjaya);
 Mohd. Yassin bin Buraw (USNO);
 Anah bte Tuah (Pasok);
 Ramleh bin Hj. Salpeh (Bebas);
- N. 37 (Bingkor – 6,612)
 Ayub bin Aman (Berjaya);
 Sapin bin Karano alias Sairin Karno (USNO);
 Uling Anggang alias Thomas (Pasok); ;
- N. 38 (Sook – 7,569)
 Tan Sri Hj. Suffian Koroh (Berjaya);
 Libarty Lopog (Pasok);
 Yunus Kimin (Sedar);
 Edmund Otigil (Bebas);
 Dullah Kandihong (Bebas);

- N. 39 (Pensiangan – 4,102)
Eric Koroh (Berjaya);
Adut B. Sigoh (Bebas);
Asin B. Ampagang (Pasok);
- N. 40 (Lahad Datu – 8,796)
Datuk Mohamad Sunoh Marso (Berjaya);
Railey bin Jeffrey (USNO);
Mok Tiang Choi (DAP);
- N. 41 (Kunak – 4,956)
Datuk Abdul Hamid bin Tun Datu Hj. Mustapha
(Berjaya);
Salim bin Bacho (USNO);
- N. 42 (Semporna – 7,603)
Mohammad Shakir bin B.J. Abdullah (Berjaya);
Datuk Hj. Sakaran bin Dandai (USNO);
Osman bin Hj. Abdul Kadir (Bebas);
- N. 43 (Tenom – 5,184)
Datuk Harris bin Mohd. Salleh (Berjaya);
Awang bin Yahya (USNO);
Gamparon bin Lajah @ Mohd. Zulkifli (Pasok);
Yong Yung Lee (Bebas);
- N. 44 (Sipitang – 4,680)
Ramle bin Dua @ Ramli Dau Lee (Berjaya);
Shabawie bin Othman (USNO);
Kuping bin O.T. Aspar (Pasok);
- N. 45 (Kemabong – 3,981)
Justin Sanggau (Berjaya);
Shariff bin Thambi (Pasok);
Tingkalor bin Lampag (Bebas);
- N. 46 (Merotai – 6,823)
Joseph Masusah (Pasok);
Abdullah bin Burairah (USNO);
Abdul Ghapur Hj. Salleh (Berjaya);

- N. 47 (Balung – 6,104)
S. Abas B.S. Ali (Berjaya);
Pengiran Hashim bin Pengiran Ibrahim (USNO);
Michael S. Malanjan (Pasok);
Liew Kong Khai (DAP);
Hj. Ismail bin Juma (Pusaka);
- N. 48 (Bandar Tawau – 10,543)
Hue Ming Kong (alias) Hiew Min Kong (Berjaya);
Chan Tze Hiang (SCCP);
Thu Voi Kiang (Bebas);
Abu Bakar bin Jambuan (Bebas);

Appendix 2

RESULTS OF THE 1981 SABAH GENERAL ELECTIONS.

CONSTITUENCY	BERJAYA	USNO	PASOK	SCCP	PUSAKA	DAP	SEDAR	USPO	BEBAS	SPOILED VOTES	VOTES CAST	NO. OF REGISTERED VOTERS	PERCENTAGE	TURNOUT	MAJORITY
N1 Bangi	1261	1736	379	.....	43	.....	.....	.....	14	120	3,553	4,885	72.73		475
N2 Kudat	3775	.....	.....	1800	.....	.....	.....	.....	252/355	116	6,378	8,335	76.52		1,895
N3 Bengkoka	2305	1247	20	.....	.....	.....	.....	.....	37	47	3,656	5,203	70.27		1,058
N4 Matunggong	2336	.....	1501	.....	.....	.....	.....	.....	41	66	3,944	4,858	81.11		835
N5 Langkon	1819	.....	.....	.....	.....	.....	.....	.....	1681	78	3,578	4,908	72.9		138
N6 Tandek	1504	804	666	.....	.....	.....	.....	.....	.....	128	3,102	4,705	65.92		700
N7 Usukan	3071	3160	.....	.....	.....	.....	.....	.....	.....	169	6,400	7,436	86.07		89
N8 Tampasuk	2906	1889	103	.....	.....	.....	.....	.....	80	112	5,090	6,358	80.06		1,017
N9 Kebayu	3280	735	703	.....	.....	.....	.....	.....	.....	79	4,797	5,597	85.71		2,545
N10 Sugut	1441	529	736	.....	18	.....	.....	.....	.....	80	2,804	4,724	59.35		705
N11 Senawang	2608	1756	.....	.....	.....	.....	.....	.....	189	73	4,626	6,260	73.89		852
N12 Labuk	2411	638	71	.....	.....	.....	.....	20	.....	75	3,215	4,457	72.13		1,773
N13 Sulaman	2838	2514	.....	.....	45	.....	.....	.....	32/61	51	5,541	6,923	80.03		324
N14 Tamparuli	3503	944	441	.....	47	.....	.....	.....	.....	87	5,022	6,135	81.85		2,559
N15 Kiulu	2552	.....	1071	.....	42	.....	.....	.....	.....	131	3,796	4,903	77.42		1,481
N16 Kundasang	2422	1833	.....	.....	.....	.....	.....	.....	28	87	4,381	5,349	81.92		589

CONSTITUENCY	BERJAYA	USNO	PASOK	SCCP	PUSAKA	DAP	SEDAR	USPO	HEBAS	SPOILED VOTES	VOTES CAST	NO. OF REGISTERED VOTERS	PERCENTAGE TURNOUT	MAJORITY
N17 Ranau	2819	.....	1646	.....	.....	.....	.....	.....	36	79	4,580	5,959	76.85	1,173
N18 Tambunan	3336	.....	821	.....	.....	.....	.....	.....	26	111	4,294	5,356	80.17	2,515
N19 Likas	6951	.....	1739	.....	.....	.....	.....	.....	.....	114	8,804	12,347	71.30	5,215
N20 Kota Kinabalu	5371	.....	.....	1900	.....	.....	.....	.....	.....	85	7,356	10,269	71.63	3,471
N21 Tanjong Aru	4993	.....	.....	2556	.....	.....	.....	.....	197/234	72	8,052	11,437	70.40	2,437
N22 Inanam	4456	.....	1393	.....	.....	.....	.....	.....	101/25	98	6,073	7,665	79.23	3,063
N23 Moyog	3664	.....	1713	.....	.....	.....	.....	.....	.....	77	5,454	6,884	79.23	1,949
N24 Kawang	2976	2153	222	.....	.....	.....	.....	.....	.....	93	5,444	6,424	84.74	823
N25 Elopura	5599	.....	.....	792	.....	1047	.....	.....	.....	55	7,493	10,328	72.6	4,552
N26 Bandar Sandakan	4735	.....	.....	1486	31	.....	.....	.....	.....	71	6,883	9,293	71.91	2,889
N27 Karamunting	4613	.....	.....	1612	.....	.....	.....	.....	28	58	6,311	8,615	73.26	3,001
N28 Sekon	2556	1618	46	.....	.....	.....	.....	.....	111	68	4,399	5,982	73.54	938
N29 Kuala Kinabatangan	1259	868	.....	.....	10	.....	.....	.....	232/11	50	2,410	3,974	60.64	371
N30 Kuamut	2336	.....	.....	109	.....	.....	.....	.....	156	25	2,626	3,662	71.70	2,180
N31 Papar	3416	1745	580	.....	.....	.....	.....	.....	.....	45	5,786	7,328	78.96	1,671
N32 Bongawan	1714	1579	.....	.....	.....	.....	.....	.....	874/124/116	63	4,470	5,754	77.69	135

CONSTITUENCY	BERJAYA	USNO	PASOK	SCCP	PUSAKA	DAP	SEDAR	USPO	BEBAS	SPOILED VOTES	VOTES CAST	NO. OF REGISTERED VOTERS	PERCENTAGE TURNOUT	MAJORITY
N33 Kuala Penyu	2207	1496	.....	.....	.....	.....	.....	.....	.....	92	3,795	4,538	83.63	711
N34 Labuan	3824	2841	.....	.....	.....	.....	.....	.....	292	66	7,023	8,583	81.82	983
N35 Klias	2568	1770	.....	.....	.....	.....	.....	.....	350/70/166	98	5,012	6,692	74.90	798
N36 Lumadan	2300	2123	126	.....	.....	.....	.....	.....	87	99	4,735	5,895	80.32	177
N37 Bingkor	5257	1119	680	.....	.....	.....	.....	.....	.....	111	5,257	6,612	79.5	2,228
N38 Sook	3358	.....	1578	.....	.....	.....	56	.....	16/176	151	5,335	7,569	70.48	1,780
N39 Pensiangan	1439	.....	255	.....	.....	.....	.....	.....	964	122	2,660	4,102	64.85	385
N40 Lahad Datu	3991	2296	.....	.....	.....	125	.....	.....	.....	93	6,505	8,796	73.9	1,695
N41 Kunak	1917	1769	.....	.....	.....	.....	.....	.....	.....	40	3,726	4,956	75.18	148
N42 Semporna	1977	2827	.....	.....	.....	.....	.....	.....	503	203	5,510	7,603	72.47	850
N43 Tenom	2988	51	861	.....	.....	.....	.....	.....	40	96	4,036	5,184	77.85	2,127
N44 Sipitang	2006	569	182	.....	.....	.....	.....	.....	.....	66	3,823	4,680	81.69	437
N45 Kemabong	1996	.....	959	.....	.....	.....	.....	.....	43	98	3,096	3,981	77.77	1,037
N46 Merotai	2635	1898	305	.....	.....	.....	.....	.....	.....	110	4,948	6,823	72.51	737
N47 Balug	2400	1562	113	.....	9	73	.....	.....	.....	73	4,698	6,104	76.97	878
N48 Bandar Tawau	3848	.....	.....	3925	.....	.....	.....	.....	41/74	103	7,991	10,543	75.79	77

* Note: Under the Bebas or 'Independent' column sometimes more than one candidate stood for the election. The votes which each candidates obtained are shown by the numbers separated by a stroke (/) thus shown.

Appendix 3

SEATS WON AND DEPOSITS LOST

Party	Contested	Seats Won	Lost Deposits
Berjaya	47	43	—
Usno	28	3	1
Pasok	26	—	13
SCCP	7	1	1
Pusaka	9	—	7
DAP	3	—	2
Sedar	1	—	1
USPO	1	—	1
Bebas	37	—	34
Total	159	47	60

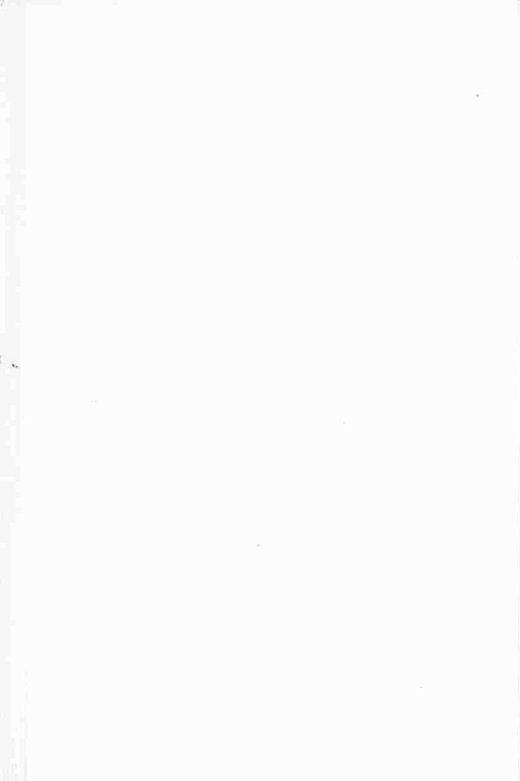
Editors' Note:

In early November 1981 three by-elections were held, at N36 Lumadan, N41 Kunak and N47 Balung.

At N36 Lumadan the Berjaya candidate Johari bin Datuk Haji Mohd Dun was returned with a majority of 688, an increased majority of 511. In N41 Kunak, the USNO candidate Salim bin Bacho was returned with a majority of 500. At N47 Balung the Berjaya candidate Baharom Datuk Abdul Bakar Titingan retained the seat for Berjaya with a majority of 1137, an increased majority of 259.

CHAPTER 3
ECONOMIC DEVELOPMENT

by
Peter Spence Gudgeon



ECONOMIC DEVELOPMENT IN SABAH 1881 – 1981

by
Peter Spence Gudgeon

SECTION I: Pre-Chartered Company

The history of economic development and indeed of the cultural, religious and social development in Sabah over the last 100 years is inextricably linked with the development of Sabah's trade with the outside world. The earliest foreign settlers in Brunei and part of Brunei Bay (in what is now Sabah) were Chinese merchants – buyers and sellers of precious metals, diamonds and basic agricultural produce. Rice, sugar cane, camphor, ginger, pepper, resins, beeswax, rattan and birds' nests found a ready sale in South China in exchange for silks, cloth, pottery and iron ware. The spread of Islam to Brunei in the 10th and 11th centuries AD was predominantly due to Indian and Arab traders and merchants. The early European explorers to the South China Sea in the 15th and 16th centuries were also motivated as much by the prospects of trade and wealth as by discovery and scientific endeavour.

As the attractions of trade and prospects for riches assisted the development of Sabah up to the mid-16th century, so the decline in trading opportunities brought with it a decline in its development prospects. Indeed, the demise of Brunei (and along with it the south-western coastal parts of Sabah that came under its influence) as a trading centre between 1550 and 1850 was linked with the decline in influence of Chinese and Indian merchants.

By the middle of the 19th century, European interest in Borneo was revived by Dutch, Spanish and Portuguese

trading visits, and in a few locations by attempts at settlement. There was an early British trading settlement on Labuan island under the "governorship" of James Brooke following the ratification of a treaty with the Sultan of Brunei in 1846. The British presence on Labuan was stimulated partly by the island's geographical location as a convenient stop-over for China-bound ships, partly by its coal deposits, which provided the fuel for the new generation of steamships, and partly by rivalry between the European powers in this area. This rivalry led to the first and only abortive American attempt at settlement at the mouth of the Kimanis River in 1865. This small settlement, named "Ellena" was the capital of the "State of Benoni and Kimanis" and the headquarters of "The American Trading Company of Borneo". Although some 90 acres of swampy jungle were cleared and planted with rice, sugar cane and tobacco, the settlement slowly disintegrated and was abandoned in 1866. It was not long after, in 1876, that a young Scotsman, William Clarke Cowie, obtained permission from the Sultan of Sulu, (who claimed the larger part of present north-eastern Sabah), to establish a trading post in Sandakan Harbour on the east coast of North Borneo. With the establishment of a permanent base, and with the conclusion of further treaties with the Sultan of Brunei, the stage was now set for the more rapid economic development of the territory.

"Elopura", as the new settlement in Sandakan Harbour was known, stimulated commercial activity along the east coast. Sandakan Harbour became the centre for the export of jungle produce such as rattan, gutta-percha, wild rubber and edible birds' nests from the Gomantong Caves in the Kinabatangan River basin. On the west coast, the conditions were somewhat different, in that the narrow coastal plains did not provide the same quantity of jungle produce and had a more settled agricultural way of life based on rice cultivation.

It is a matter of some conjecture as to the exact level of development in North Borneo prior to the establishment of

the Chartered Company in November 1881. Some would argue that there was no effective exchange economy in the State, beyond small scattered foreign dominated plantation enclaves and some minor trade in jungle produce, since the vast majority of the population at that time were basically subsistence agriculturalists or fishermen.

SECTION II: The Formative Years: 1881–1918

2.1 The Beginnings: Administrative Centres of Development

The granting of a Charter to the British North Borneo Company in November 1881 had little immediate impact on the mode of operations of the fledgling trading company. Progressively the Company extended its influence over coastal areas along the western and eastern shores. This included on the west coast, the rich alluvial plains of Putatan, where sophisticated irrigated padi cultivation had long been practised by the coastal Kadazan people. To this was added the Padas-Klias Peninsula, opposite the island of Labuan, where Kadazan-speaking descendants of early Chinese settlers produced sago and pepper. Finally in 1889, the British Crown Colony and free port of Labuan was placed under the sovereignty of the Company. The geographical and economic entity of present day Sabah was now almost complete. However, the early economic history of North Borneo under Chartered Company rule was focussed on 5 main locations – Labuan, Gaya Island, Kudat, Sandakan and Tawau.

On Labuan island, the coal deposits worked by the Central Borneo Company with the aid of imported Chinese labour not only added greatly to the island's revenue, but stimulated the first infrastructural developments in the form of wooden wharfs at Port Victoria connected by railway to the coal mine. Long drawn out disputes between the mining company and the Chartered Company on how the island should be administered, led to its absorption into the "Straits Settlements" in 1906 not long after the British Colonial Office had

taken over direct responsibility for the island. After a brief period from 1881 to 1883 when Kudat was the official capital of North Borneo, the Chartered Company moved its headquarters to Sandakan in 1883. It was along the east coast that most of the Company's trading interests were concentrated in the early years. On the Sandakan peninsula and near Marudu to the north, the first tobacco development schemes had assumed significance by 1887 and provided, along with land sales and export taxes, most of the revenue for the administration of the territory. Another incidental source of revenue was obtained through the introduction of money currency by the Company in the late 1890's. The new Sabah dollar was valued at par with the Spanish (Mexican) dollar, the major trading currency in the area, until 1906, when it was attached to gold.

2.2 Growth in Trade: Timber and Tobacco

The increasing monetisation of the State accompanied the rapidly growing importance of what was ultimately to become and still remains, the biggest contributor to the State's economy — *timber*. The first shipments of logs in 1885 were of *Seraya* from an abortive sugar estate established near Sandakan by a small group of Australians. Over the period to 1890, Hongkong and China emerged as the major markets especially for railway sleepers made from *Belian*. By 1890, timber exports of the British Borneo Trading and Planting Company (the timber exporters) were valued at \$44,584 but by 1895 had grown to \$374,911 and were second only to *tobacco*, among the 45 commodities exported valued at \$3.67 million. Although the British proclamation of a Protectorate over the territory in 1888 safeguarded what development had occurred, prosperity still depended so much on tobacco, timber and land sales, that when, in 1893, the Mackinnon tariff on imports to America was imposed, a disastrous slump in tobacco sales and revenue followed. This had some effect on the ability of the Company to finance some of the development schemes already started.

2.3 Infrastructure: The Railway and Bridle Paths

It was under the directorship of William Cowie in the early 1890's that the Chartered Company embarked on some ambitious (and generally ill-conceived) development projects in the interests of improving communications between Sandakan and Labuan, the two main centres of operation. This included a telegraph line which cost over four times its original estimate of \$5000. Another major proposal which never started was to build a railway line from Brunei Bay across to Sandakan — the so called *trans-Bornean railway*. However, the planned construction of a line from Brunei Bay to Cowie Bay near Tawau on the east coast was entrusted to a Mr. West, the engineer responsible for the minor rail system connected with Labuan's coal mining operations. Construction of the railway was commenced in 1896 at Bakau some 8 miles from Weston, with work proceeding simultaneous to Beaufort and Weston. This stretch was completed and opened to traffic four years later. The manifest unsuitability of Weston, the swampy mangrove terminus port in Brunei Bay, provided the justification for building a spur line to Papar Bay, the nearest suitable harbour and, when that was abandoned, to Gantisan 90 miles to the north, opposite Gaya Island — the site of an earlier Chartered Company settlement destroyed by Mat Salleh. This deep water port was to become the town of Jesselton and after independence the State capital of Kota Kinabalu.

After the 20-mile link between Weston and Beaufort on the banks of the Padas River was completed in 1900 and the 57-mile stretch between Beaufort and Jesselton in 1902, the 30-mile Beaufort to Tenom stretch up the Padas Gorge was finished in 1905 and later extended to Melalap towards Keningau. This was to be the first part of the proposed route to Tawau, but construction never went beyond this point. The railway was supplemented by an increasingly elaborate network of *bridle paths* which not only linked up many previously isolated outposts, but greatly encouraged internal

trade, and assisted the movement of labour and produce carried by the railway system.

The construction (over the period of 1897 to 1905) of the coastal railway from Weston, via Beaufort and Kimanis, to Papar and Gantisan, was according to Tregonning "... to save the country ... (as) ... by chance it was to traverse lands suitable for padi planting and the growing of rubber ... " a new tropical tree crop then spreading throughout the Malay States.

2.4 Agricultural Development: Rubber and Rice

The origins of the *rubber* industry in Sabah date from 1882 when the first seeds were planted at the Government experimental garden in Sandakan. However, it was not until 1892, when 75 acres were planted at Bongaya on the Labuk River that the first commercial trials were conducted. In 1899, when the experimental garden was shifted to Tenom, the first plantings were made on the west coast. Despite the intense interest shown in West Malaysia where there were over 4000 acres planted by 1902, the North Borneo planted acreage was only 100 at that time. It was not until 1906 that the great rubber planting boom began after the announcement that the Government would guarantee that no tax or levy would be imposed on exported rubber for 50 years. The rapid expansion in the US motor industry and the almost insatiable demand for rubber tyres generated by the impact of the First World War provided the major stimulus to plantings especially along the railway line between Beaufort and Papar. By 1907, 3226 acres were planted and 5000 lbs. exported and by 1917, 34,828 acres were planted and 5,474,560 lbs. exported. With the end of the 1918 war, the price collapsed from \$5 per lb. to a few cents, bringing along with it a mass closure of rubber estates and the redundancy of many of the 21,417 registered rubber estate labourers.

Over the period to 1918, a succession of other crops were tried in the territory, some with success. These included sugar, tapioca, opium, silk, soya beans, orchids, and pineapples.

Attempts were made to introduce coffee and pepper near Sandakan in the early 1890's. Jute was also planted in 1881 at the experimental garden at Silam, but with little success. Coconuts, indigenous to Sabah, were planted extensively, such that copra became an important export from the Tawau and Lahad Datu areas. By 1914, over 11,700 acres had been planted.

Rice, the traditional staple crop of the indigenous people, was encouraged in a number of ways by the Chartered Company in an attempt to achieve self-sufficiency and reduce the increasing reliance on imported rice. In the late 1880's and early 1890's an import tax was imposed to raise domestic prices and encourage local production — it ended in failure.

2.5 Mineral Exploration and Exploitation

North Borneo, in common with many other south east Asian countries was subjected to a number of mini-gold rushes and speculative expeditions for economic minerals. *Gold* was first reported in 1880 in the Segama River. In 1884, gold bearing sands were confirmed along the tributaries of the river, and worked extensively by Chinese gold panners up to their exhaustion in 1890. The lure of these original gold bearing deposits encouraged exploration after 1887 by "The British North Borneo Gold Company" and the "Segama Gold Company". In 1898 the "British Borneo Gold Syndicate" towed a dredge half way up the Segama River until it became stuck on the rapids. Further expeditions in 1903 and 1905 by the "British Borneo Exploration Company" were equally unsuccessful.

Coal deposits on the east coast near Tawau and Sandakan and on the west coast on the island of Labuan were however of more economic significance than gold. The Labuan deposits were worked intensively from 1890 to 1905 to fuel steamships plying the Europe-Australia and Europe-Hong Kong routes. The Tawau area deposits at the Silimpopon River were of far greater importance than those near Sandakan which were only worked intermittently up to

1900. The Cowie Harbour Coal Company formed in 1905 constructed a railway from the coal seam to Cowie Harbour in 1906.

The Silimpopon Colliery continued in existence to 1930 as one of the few coal fields in South-East Asia. Exports of coal gradually increased to an annual maximum of 87,543 tons in 1922.

Manganese ore, the third potential economic mineral of any importance worked prior to 1918, was discovered at Taritipan in Marudu Bay in 1902. The first shipment in October 1906, however, was found to be "worthless", and the mine closed in 1908 having made substantial losses. Although the British Borneo Exploration Company (BBEC) undertook extensive surveys up to 1910 for a wide range of minerals, including diamonds, copper, iron ore, zinc, chromite and antimony, none of these revealed deposits of economic size, with the result that the Company's monopoly rights over mineral exploration expired.

Rights to *oil* exploration, however, were retained by the BBEC and investigations after 1908 continued especially along the west coast up to Kudat where oil seepages were reported at Sequati. Intensive drilling by the British Borneo Petroleum Syndicate between 1908 and 1912 failed to locate the underground reservoir.

With the start of hostilities in Europe the Company entered 10 years of relative retrenchment and imposed stringent economies. Staff, who were either conscripted or who volunteered for war service, were withdrawn from North Borneo and replaced by local or Chinese officers. During the war, lack of capital dried up development work and scarcity of ships stopped almost all exports. These factors were partly responsible for a severe food shortage in 1919, as rice imports had been curtailed.

2.6 The Base for Future Growth: Timber and Tobacco

The Great War ended an era of unprecedented growth in the economy of British North Borneo. The two mainstays of

this growth had been timber and tobacco. From small beginnings in 1885, the value of timber exports in 1910 had grown to \$642,935 with 218,967 cu. ft. exported. By 1913 a Forestry Department had been established headed successively by Japanese, American and British foresters. Their prime concern at this time was to control and regulate the logging industry which was dominated by 4 companies, of which the chief was the North Borneo Trading Company. This company was replaced in 1920 by the British Borneo Timber Company which secured a (25 year) monopoly to cut, collect and export timber on all State land.

Tobacco which followed timber as the second major export of the State had started from small trial plantings on a sugar estate in the Sandakan area in the early 1880's. After 1885, when the first Sabah leaf sold on the Amsterdam market was judged among the finest in the world, a rush for suitable tobacco land began on the east coast. By 1890, Dutch, German and British planters had established 61 tobacco growing estates stretching from Banggi Island in the north to around Marudu Bay, and along the Labuk, Sugut, Kinabatangan and Segama Rivers. The value of exports of tobacco expanded from \$822 in 1885 to \$396,314 in 1890. Although the imposition of an import duty in the USA led to a price collapse in 1891 and the abandonment of some estates, export values still rose to over \$2 million in 1902 on the strength of a revival in European prices. From this time on the industry started to decline in terms of acreages planted and exports, such that by 1929 the last estate was temporarily closed, that of the Batu Puteh Company on the Kinabatangan River.

SECTION III: The Interwar Years: 1919-1942

3.1 Introduction

The end of hostilities in Europe heralded a bout of renewed interest in North Borneo. Investment poured into recon-

structing the west coast railway, building wharfs and rural roads and into resuscitating the Cowie Harbour coal mines, and the British North Borneo Company. The major shareholder in both the Cowie Harbour and timber venture was Harrisons and Crosfield, with headquarters in Sandakan.

The interwar years to the Great Depression in 1929 were characterised by even more rapid development than in the pre-war years. No longer was the State so uncharted and unexplored that each new project required elaborate preparation. The basic system of bridle paths in the west and interior, and the existence of good quality topographical maps allowed development activities to accelerate. Communications within the State had been assisted by radio introduced as early as 1914 between Jesselton and Sandakan and to the other major towns of Kudat, Tawau and Lahad Datu by 1923.

3.2 Population and Immigration

It was in 1921 that the first accurate population census of Sabah was undertaken. The earliest count in 1891 which gave a population of 67,062 was acknowledged to be suspect given the lack of response and poor administration of the count. The 1901 Census, suffered from general unrest along the west coast and the total count of 104,527 is considered somewhat unreliable. This also applied to the 1911 total of 208,183 which suffered from incomplete coverage of some of the interior districts. Thus the 1921 Census is recognised as the first properly conducted census in North Borneo. Of the 263,252 population, over 77% (203,041) were indigenous and 15% (39,256) were Chinese in origin (mainly Hakka and Cantonese). The European population of 665 was concentrated along the west coast between Beaufort and Jesselton and in Sandakan. By 1931, the total population had recorded a 2.7% increase to 270,476 but the Chinese share had grown to 18.5% (50,056). The census planned for 1941 was of course, cancelled, but estimates at the time suggest that overall growth was exceptionally slow, with depopulation of

some rural areas (especially Pensiangan) and rapid growth confined to the 5 urban centres of Jesselton, Tawau, Kudat, Lahad Datu and Sandakan, the booming commercial, trading and administrative centre of the State.

The 1921 Census confirmed the extent of foreign migration especially of Chinese and Javanese to the territory over the 40 years since the granting of the Charter. After 1882, with the arrival of the first Chinese settlers at the emerging coastal towns of Kudat and Sandakan, a continuous stream landed in North Borneo to work under the most appalling and often brutal conditions on the tobacco estates and plantations. After a brief period during which the flow dried up and employment conditions improved, the influx continued such that by 1907 over 50% of the 10,467 employees on mainly rubber estates along the west coast were Chinese, supplemented by 5,000 Javanese on 3-year contracts. In 1916 the labour force had risen to 17,172, and by 1921 to 25,769. Of the estate labour force in 1921, the Chinese comprised 36.9% (Cantonese 4,793 and Hakka 3,140, being the larger groups), the Javanese 33.4% (8,673) and indigenous peoples only 23.6%. By 1931 the estate labour force had declined to 18,204 of which 3,830 and 1,940 were Cantonese and Hakka respectively, and 6,077 Javanese. In 1932, indentured or contract labour which had been steadily decreasing in importance was abolished. In its place more liberal allocations of land to settlers and improved terms and conditions encouraged further migration. Notable among the new migrants were northern Chinese from Hopeh Province who formed a small agricultural community known as Shantung near Jesselton. By 1938, steps to encourage immigration had become so successful that the unprecedented step was taken to restrict Chinese immigration.

3.3 Growth in Trade:

The two mainstays of the territory's exports in the immediate inter-war era continued to be timber and tobacco, and increasingly rubber. The latter two were affected rather more

by the Great Depression than was timber.

In 1930, *timber* exports had expanded to 3,524,452 cu. ft. valued at \$2.5 million and by 1937 reached the record figure of 6,272,011 cu. ft. — with Sandakan emerging as one of the greatest timber exporting ports of the world. However, the deteriorating world economic situation soon restricted shipments to Europe, one of the main markets, and by 1940 exports had fallen to 4,910,028 cu. ft. valued at \$2.2 million.

Tobacco had a minor revival after the 1929 Great Depression, whereby under Government assistance an estate near Lahad Datu was reopened in 1933. This estate, of only 400 acres produced 415,023 lbs. in 1940 valued at \$435,242.

Rubber estates after the 1914–1918 War suffered from a catastrophic price collapse which led to the abandonment of considerable acreages by 1920. However gradually the fortunes of the producers improved up to the depression year of 1929 when a second major market collapse occurred, with prices falling to a few cents per lb., well below the cost of production. In 1928 North Borneo exported 15,033,412 lbs. of cured tobacco and had 67,230 acres in estates and 28,807 acres as small-holdings. Unfortunately workers were again laid off such that by 1931 the estates had cut their labour force to 10,971, and the value of exports fell to \$702,780 as compared to \$10,796,780 in 1925.

North Borneo's participation in the *International Rubber Regulation Agreement* from 1934 onwards introduced some regulation into the industry whereby acreages planted and exports were restricted. In the period up to the Second World War the export quota was progressively increased as prices rose. By 1940 exports were almost 40 million lbs. valued at \$14.44 million. The period of the export quota witnessed considerable suffering among the rubber smallholders who were forced to reduce production by 50%, far more than that imposed on the estates. Nevertheless small-holder acreage still expanded by over 20,000 acres over the 12 year period of the quota to reach 50,438 acres in 1937.

Table 1
NORTH BORNEO
REVENUE, EXPENDITURE, TRADE & POPULATION
1890-1947

Year	Revenue \$m	Expenditure		Trade		Exports		Land Revenue & Land sales \$m	Railway Receipts \$m	Estimated Population
		Recurrent \$m	Special & extra- ordinary (capital) \$m	Imports \$m	Exports \$m	Rubber tons	Hemp tons			
1890	0.4	0.3	0.2	2.0	0.9	-	-	0.2	-	67,062a
1900	0.6	0.4	1.1	3.2	3.3	-	-	0.02	-	104,527b
1910	1.8	0.8	0.3	3.5	4.6	24	-	0.2	0.1	208,183c
1921	3.2	2.0	1.6	7.7	7.9	3,121	-	0.2	0.3	257,804
1931	2.5	2.0	0.3	3.8	7.0	6,247	-	0.2	0.2	270,223
1935	2.7	1.8	0.3	5.1	8.2	8,869	237	0.3	0.2	284,813
1940	4.2	2.1	0.3	10.0	20.3	17,622	2,825	0.4	0.3	309,776
1947	6.8	4.6	6.9	20.5	17.0	15,010	849	0.7	0.4	331,000

N.B. Pre war population excludes Labuan Island.

a. 1891 Census figure.

b. 1901 Census figure.

c. 1911 Census figure.

3.4 Other Developments

The inter-war years were marked by further attempts to introduce new exotic commercial crops and livestock to North Borneo. The introduction of cattle ranching between 1921 and 1926 near Keningau, however, was unsuccessful. *Manila hemp* was also grown on a relatively large scale in the Tawau area, where an estate of 4812 acres produced exports valued at \$569,572 in 1940. *Sago*, for long an export from the Padas-Klias Peninsula was promoted in the mid-1920's with the appointment of an agricultural officer to oversee the area. Nevertheless, production failed to expand greatly in the face of continued low prices.

With the complete failure of the mineral and oil investigations, the Chartered Company's principal sources of revenue were derived from rubber and timber. These two remained unchallenged up to 1942 when the territory fell under Japanese control.

Table 2

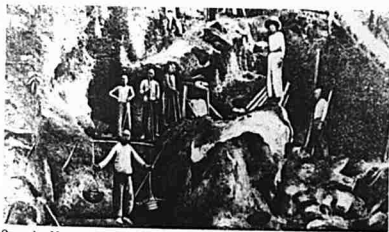
ESTIMATED ACREAGES OF PRINCIPAL CROPS: 1900-1940

	1900	1910	1920	1930	1940
Rubber	80	20,000	53,000	115,000	128,680
Tobacco	10,000	15,000	1,800	700	400
Coconuts	5,000	10,000	28,500	50,000	53,029
Wet Padi	15,000	20,000	27,000	35,000	46,153
Dry Padi	25,000	30,000	26,500	27,000	35,000
Sago	4,000	4,000	4,000	13,000	14,000



Chinaman ploughing at Tuaran.

Chinaman ploughing at Tuaran.



Quarrying Manganese.



of coaling pier, Victoria, Labuan.

View of coaling pier, Victoria, Labuan.



Early Jesselton Town

SECTION IV: The War Years: 1942–1945

Under Japanese Occupation

A balanced view of Sabah's development in the Second World War must recognise that the Japanese occupation, based as it was on garrisons in Pensiangan, Tenom, Keningau, Beaufort and Ranau, was instrumental in opening up some parts of the interior regions of the State. Whereas the Chartered Company rule was coastal oriented, reflecting the dominance of their trading activities, the Japanese army of occupation was more interested in self sufficiency and territorial dominance from the centre. As a result the established towns at Sandakan, Jesselton, Tawau, Kudat and Lahad Datu suffered from relative neglect. In the interior, the Japanese improved the network of bridle paths linking Pensiangan with the other interior towns. Airstrips were constructed at Jesselton, Pensiangan, Tenom, Sandakan and Ranau, and a new road was built from Keningau to Apin-Apin, with the aid of forced local labour and Allied prisoners of war, mainly Australians.

On the other hand, the very effects and conditions of war resulted in the progressive run-down of the domestic economy and the virtual cessation of commercial activity. The Chinese traders in the urban centres were, of course, particularly hard hit, and as a community suffered in many other ways. Overseas trade, the life blood of the coastal towns was non-existent. Gradually, the subsistence and barter economy returned to most of the rural areas and the rubber and other commercial plantations fell into disuse. To pay for the maintenance of the occupying army, the Japanese imposed heavy taxes including a poll tax of \$6 per head, and requisitioned food and other commodities to supply their troops which numbered over 25,000. By the end of the war with the devastation of the towns, the State's development had suffered immeasurably, and it was obvious that the Chartered Company was in no position to regain its previous status or be able to rebuild the State. The British Military

Administration which followed the defeat of the Japanese soon handed over the affairs of State to the British Government and on 15th July 1946, the State of North Borneo became the Colony of North Borneo incorporating the island of Labuan.

SECTION V: The Colony of North Borneo: 1946–1963

5.1 Post War Recovery: 1946–1960

5.1.1 Immediate Problems:

The task of post war rural reconstruction in North Borneo was a formidable one. Basic food was scarce, apart from sago or tapioca, and little was available for import from outside. The first task of the British Military Administration was therefore to assume control of domestic food supplies, supplemented by distribution of essential commodities obtained where possible from overseas. Planting of rice was made compulsory and rationing was enforced with a maximum daily allowance of 2 ounces of rice and 4 ounces of flour per person. In 1947 this allowance was doubled, and in 1954 all rationing and price control of rice was abolished.

The problems of urban reconstruction facing North Borneo were equally formidable. Sandakan and Victoria in Labuan had been destroyed, by bombing and other towns, including Jesselton, heavily damaged. Of 890 prewar Government buildings in North Borneo and Labuan, 614 were completely destroyed and 266 badly damaged. However, it was not until 1949 that sufficient local sawn timber was available to make good this damage. Until then temporary buildings in local materials had to suffice.

The basic roads had been badly damaged by heavy tracked vehicles with most bridges destroyed. The railway was in a state of disrepair with over 60% of the rolling stock unusable. As a result through rail traffic between Beaufort and Jesselton was not reestablished until March 1947 with the

completion of a new bridge over the Papar River. Urgent reconstruction of wharves at the principal ports and a new "Liberty" wharf build at Labuan by the Australians assisted in relieving the acute shipping problems. However there was no internal air service, and no wireless or telephone communications between the towns until early 1947.

As in the prewar era, acute labour shortages hindered the task of reconstruction. Despite this, restriction was maintained on Chinese settlement, except for the temporary entry of skilled and semi-skilled Chinese from Hong Kong for employment with the larger construction, engineering and timber companies. In the late 1950's some relaxation in immigration was allowed to cover selected skilled and "sponsored" Chinese migrants from Hong Kong. In the immediate post-war period Javanese migration was intermittent but continued to provide the main source of labour for the timber camps and rubber and hemp estates. Filipino immigration was actively encouraged by the Colonial administrators in an Agreement signed in 1955 between the Governments of the Philippines and North Borneo. The initial plan covered the migration of 5000 skilled and unskilled agricultural and mining workers who were to be given the opportunity to acquire land and become independent farmers. However, no real results were to emerge from this owing to the higher wages being offered in the Philippines. In complete contrast, the relocation of almost 1,500 Cocos Islanders between 1949 and 1952 to Tawau and Lahad Datu areas (in an effort to relieve population pressure on land resources in their homeland) was a complete success.

5.1.2 Development Administration: the Basic Foundations

The administrative development of the State in the immediate post-war era basically reflected the pattern of economic development and the system of control inherited from the Chartered Company. The Agriculture Department which had been administered under the same head as the Forest Department since 1921 was separated as timber became increa-

singly important. The emergence of public air transport led to the establishment of a Department of Civil Aviation in 1946 as a section of the Public Works Department. The Geological Survey Department was opened in 1950 and in 1954 the Lands Office and Survey Department were amalgamated. Most of the other Departments of the Colony dated from before the war. These included Audit, Customs, Education, Forestry, Judicial, Marine, Medical, Police, Posts and Telecommunications, Printing, Prisons, Public Works and the Railway. Post-war additions included Inland Revenue, Immigration and Labour – and some temporary departments overseeing food supplies, prices and Japanese property.

Development planning and programming in the immediate post war period can be divided into two phases coinciding with the 1948–55 Development Plan and the 1955–1960 Development Plan. Both were loosely drawn up sectoral development expenditure plans which were continually being revised as circumstances changed. They were, however, the major guides to development spending patterns in the post-war period.

Local Administration in Sabah at the end of 1946 was almost non-existent. The Japanese had done little to change the system of central appointments and authority using local chiefs. The urban areas or townships were considered part of the basic district administration under District Officers. Apart from the Sanitary Boards which had been established in the early 1900's and a few Town Boards which met under the chairmanship of the Resident or District officer, there were no separately constituted urban areas as such. The Town Boards had no financial control but "dealt" with such matters as building regulations, public hygiene, fire fighting, water supply and traffic control. The only place with any autonomy was the Municipality of Labuan, and to a lesser extent Sandakan, which had its own chairman of the Board. In June, 1947, the capital of the Colony was moved from Sandakan to Jesselton.

It was not until 1951, with the passing of the *Rural Government Ordinance* that the separate responsibilities of Local (rural) Authorities were set out. The Ordinance gave them the power, inter alia, to make by-laws, raise revenue and commit expenditure on a range of activities. The first such Authority was established at Kota Belud in January 1st, 1952. Subsequently, on 1st July 1954 the Kota Belud township ceased to be a separate Sanitary Board Area and became part of the Local Authority.

The *1953 Municipal and Urban Authorities Ordinance*, which laid the foundation for the urban areas, identified 3 types of urban local government; Township Authorities, Town Boards and Municipal Councils – with varying degrees of control over revenue and expenditure. In 1954, Jesselton and Sandakan became Town Boards instead of Sanitary Board Areas, followed in 1955 by Tawau and Labuan. Townships were established in 35 places, of which only 11 had Boards, the rest being under the District Officer.

In the years after the war a number of Statutory Boards and Advisory Committees were established by the Colonial Government to assist in development planning and project implementation. The *Central Town and Country Planning Board* advised on major matters of town planning and policy. All town plans prepared by local Town Planning Committees in conjunction with the Town Planner were scrutinised by it before submission to the Governor in Council for approval. In 1950, the *Rubber Fund Board* was established under the *Rubber Fund Ordinance* to promote the interests of the rubber industry in particular in the field of research. The status of the Board was changed to a body corporate in 1954. An *Electricity Advisory Board* was set up in 1954 to be disbanded in 1956 consequent on the establishment of the Statutory *North Borneo Electricity Board* on 1st January 1957.

5.1.3 1948 Reconstruction and Development Plan

The requirements for development and reconstruction in

the immediate post-war era were set out in the 1948–1955 Plan for Reconstruction and Development published in February 1948 by the Colonial Government.

The 1948 Plan describes succinctly the task ahead, especially for the urban areas where Sandakan and Labuan had been . . . “burned to the ground and damage to other main centres was eighty percent”. To quote the Plan “. . . It can in part be said that North Borneo was probably in a state of devastation unequalled throughout the British Empire”. This assessment included the possible exception of Malta.

The total development expenditure proposed in the Plan was £stg. 6,051,939, of which £2,232,882 (36.9%) was for *reconstruction* (to bring facilities and services to the standards obtained in 1941) and £3,819,057 (63.1%) was for *new development*. Details are shown in Table 3.

The priority areas for reconstruction and development expenditure in the 1948 Plan was for infrastructure – with over £1,780,000 (29%) of the total. *Ports and harbours* had received severe damage in the war especially prior to the Allied landings. Major reconstruction and improvements were planned for facilities at Sandakan, Labuan and Tawau – which were categorised as Class I ports. The Class II ports which included Jesselton, Kudat and Lahad Datu were also allocated sizeable sums for improvements. The size of the *aerodrome* development programme reflected the excellent geographical location of North Borneo for transit air services between Singapore, Hongkong, Manila and Australia – a fact recognised by the Japanese who had built a number of airfields on the mainland and at Labuan, all of which suffered severely from bomb damage prior to the Allied reoccupation. The 1948 Plan accorded highest priority to the development of the Labuan airfield in view of its strategic location relative to the international air routes and to Sarawak and Brunei. In 1948 the runway surface was made of coral. The airstrips at Jesselton and Sandakan were also earmarked for extension.

The *roads* programme of £719,635 concentrated on im-

Table 3

**NORTH BORNEO: RECONSTRUCTION and DEVELOPMENT PLAN
1948 - 1955**

Development Category:	Total Cost £	Reconstruction £	Development £
1. Population - census, statistics	17,000	-	17,000
2. Harbours			
- Sandakan, Labuan, Tawau, Jesselton, Kudat, Lahad Datu, Usukan	209,400	124,702	84,698
3. Light & Buoys, launches	159,000	73,000	54,000
4. Aerodromes			
- Labuan, Jesselton, Sandakan	126,840	-	126,840
5. Roads & equipment	719,635	291,481	428,273
6. Railways	560,000	34,130	219,870
7. Telecommunications	25,070	10,570	14,500
8. Postal Services	2,600	-	2,600
9. Agriculture	66,680	-	66,680
10. Livestock & Fisheries	69,900	-	69,900
11. Forests	45,600	-	45,600
12. Lands and Surveys	171,190	126,890	44,300
13. Coal Investigation	21,800	-	21,800
14. Irrigation	189,000	-	189,000
15. Medical	567,030	152,046	414,984
16. Education	81,360	19,631	61,729
17. Cultural development	19,500	-	19,500
18. Housing	803,200	309,913	493,287
19. Labour	8,000	-	8,000
20. Government buildings	473,886	1,357,065	883,179
21. Towns	422,200	50,983	371,217
22. Police	30,700	-	30,700
23. Miscellaneous	339,650	-	339,650
TOTAL	6,051,939	2,232,882	3,819,057

proving the 103 miles of metalled roads, 100 miles of gravel/earth roads and 600 miles of bridle paths. At the end of the war all the metalled roads required resurfacing and the gravel roads required relaying. Among the first priority roads apart from town roads were Jesselton-Kota Belud, Papar-Keningau-Patau (Tambunan) and the Sandakan coast road. Of lesser importance were Lahad Datu-Segama, Sandakan-Beluran, Papar estate, Labuan and other minor roads to agricultural areas and to towns. At the end of the war, the 116-mile long metre gauge *railway* was non-operative. During the war the rolling stock had been to a great extent destroyed, the track suffered from lack of maintenance and the main bridges had been blown up. By the end of 1947 some salvage work had succeeded in rehabilitating 50% of the rolling stock. The 1948 Plan involved laying new track with 60 lb. rails between Beaufort and Jesselton. This would allow 450 ton trains to use the system instead of the pre-war limit of 250 tons on the 30 lb. rails, (an increase in axle load from 6 tons to 12 tons). Even at this time there was some debate on the relative merits of continuing with the rail service when the new proposed east coast road between Jesselton and Beaufort was completed.

The development of the *agricultural sector* proposed in the 1948 Plan represented a major transformation of the approach adopted in the pre-war period, when agricultural activities were under the charge of the Conservator of Forests. The post-war Government established a new Agriculture Department, and reoriented policy towards the betterment and improvement of the "peasant" agriculturalists with the object of making them as nearly self-supporting as possible. The other major proposal was to make the country self-sufficient in foodstuffs by the issue of improved and selected seeds and the demonstration of better methods of cultivation. To effect this new policy the Agriculture Department was organised into 5 sections: headquarters administration, field work, research, marketing and education. A key feature of the extension approach was the development of model

kampongs and the selection of "progressive" farmers. Of the export crops, *rubber* was in need of greatest assistance since it was producing less than 50% of its normal output. The strategy proposed was to increase the supply of cheap budwood and clonal seed for high yielding varieties. *Rice* cultivation had not suffered greatly in the war. In 1948 it was estimated that a further 15,000 acres of wet padi were required to make the colony self-supporting, if improvements were also made to the existing 85,000 acres. Among the areas considered for extensive (mechanised) rice growing were 40,000 acres at Bandau in the Marudu Bay area, 30,000 acres in the Klias Peninsula and 30,000 acres near Beluran. *Sago* which was estimated to be the staple food crop of 10% of the rural population was also suggested for further development. Among the other proposals in the plan was encouragement of *sugar* growing near Kota Belud, and *tobacco, coffee, tea, coconuts* and *oil palm*. Production of honey was noted as a possibility particularly in the coconut plantations of Sandakan, Kudat and Tawau. Mulberry (silk worms), maize, cotton, jute, hemp, groundnuts, cocoa, fruit and vegetables, and tung oil were all mentioned as potential smallholder cash crops.

Livestock development was considered as one of the areas requiring most urgent attention since it was estimated that the post-war cattle population had fallen to less than half the pre-war figure. A four-fold increase in the *buffalo* population was required to bring it up to an acceptable level. A central stock farm was proposed near Kota Belud, the Colony's principal cattle rearing area, together with smaller stud centres in the model kampongs. An up-to-date *diary* farm was also considered as worthy of further examination, and *sheep* rearing on the foothills of the Crocker Range. Poultry, goats and pigs were also mentioned as good potential smallholder livestock in certain areas. *Fisheries* development in the immediate post-war years had been negligible. Most of the local fishing boats were without engines and the local fishermen were, in many cases, heavily in debt to the middle-

men who allegedly reaped large profits from selling fish in the local markets. The strategy proposed in the Plan included promoting cooperative societies and improvements to marketing by introduction of refrigerated plants. Inland fisheries development was to be pursued by the establishment of fish ponds. On the commercial side, prospects looked good for the reintroduction of tuna fishing (and canning), prawns, sharks fins, turtle eggs, pearls and trochus shells for export.

Forestry: The 1948 Plan noted that the future of the timber industry in North Borneo was bound up with the British North Borneo Timber Company's concession. The Company's monopoly was described as "bad" since the Company was cutting timber on a selective rather than on an average basis, "... moreover only the best areas are exploited and it leaves the poor and inaccessible areas to other concerns. . . . The taxation clauses of the concession are unfavourable and deprives the government of its full share of revenue from the timber industry . . . If the industry is to expand and to develop on economic lines the first necessity is to foreclose the agreement with the British Borneo Timber Company at the earliest opportunity". Apart from these remarks, the 1948 Plan did not specify any other steps necessary to promote the forest industry in the Colony.

Large scale *mining* prospects were still unknown given that no systematic geological survey of the Colony had been undertaken. Of the coal deposits on Labuan, at Marudu Bay Sandakan and around Cowie Harbour, only the latter was considered worthy of reopening in the light of the high post-war coal prices. Little emphasis was placed on the gold, manganese, copper and other mineral deposits. The principal recommendation in the Plan was that a Geological Department should be formed and a geological survey undertaken.

The prospects for *industrialisation* in the Colony were not considered good apart from small scale local processing of rice, soap, tobacco, and the manufacture of construction materials such as bricks, tiles, and cement. One of the pre-requisites for large scale industrialisation was stated to be an

ample and cheap supply of power from *hydro-electricity*, and access to overseas markets. The rather naive optimism of the 1948 Plan is reflected in the statement that if "... all these developments take place it might well be that raw materials would be imported from other parts of the world for processing ... in which case North Borneo would become one of the most important industrial areas in the whole of South-East Asia." The Plan's faith in the development prospects for the Colony was a valuable stimulant to the post war Administration in its task of reconstruction. The Plan was of particular value in that it laid the basic foundation for development efforts up to the late 1950's. The conviction that the Colony's economy would grow rapidly was reflected in the estimate that over one-third of the total cost of reconstruction and development would be provided from revenue raised in the country with the balance covered by loans and grants from the *Colonial Development and Welfare Fund*.

5.1.4 Post War Revenue & Expenditure and Finance for Development

The cost of North Borneo's post-war reconstruction in the early years fell primarily on the British Government. For the period 1948-1951, on conclusion of the financial settlement with the Chartered Company, North Borneo received over \$3 million in grants for its development programme, and \$11.4 million in interest-free loans and grants to meet war damage claims. In addition \$1.4 million was paid to the Chartered Company for sovereign rights and their assets in North Borneo.

Over the period to 1956, low interest loans and grants-in-aid from the British Treasury were applied to development and to meet the budgetary deficits of the State (the excess of expenditure over income). However, the increasing buoyancy of the State's economy and its rapidly rising revenues especially from timber and customs duties allowed the State to become independent from UK Treasury control on 1st

January 1956. Apart from the British Government, financial assistance to the State was provided through *Colonial Development and Welfare* grants, and by the United States Government and from Canada, Australia, New Zealand and India under the Colombo Plan. Some assistance with various social projects was also received from the United Nations through the World Health Organisation (WHO) and United Nations International Children's Emergency Fund (UNICEF).

Major loans were raised in the first 10 years after the war. These included a £500,000 loan from the Brunei Government (Inter-Colonial loan) for public utilities and to buy out the monopoly rights to the extraction of the Colony's timber held by the British Borneo Timber Company. Further loans of \$10 million were raised in 1956 for compensation to North Borneo Timbers, for railway development and for public utilities provision. For the *1955-1960 Development Programme* of \$47 million, \$22.5 million was to be raised in a series of loans over the 5 years. From 1954-60, \$35 million in loans was actually raised of which \$8.7 million was paid as compensation for timber rights, \$5.7 million for railway development, \$5.6 million for water supplies, with the balance for electricity and telecommunications develop-

Table 4
NORTH BORNEO GOVERNMENT
REVENUE AND EXPENDITURE TO 1963

Year	Ordinary Revenue	Ordinary Expenditure	Surplus (+) Deficit (-)	Development Grants + Loans
	\$ m	\$ m	\$ m	\$ m
1947	6.8	11.5	-4.7	0.1
1948	8.0	10.9	-2.9	0.2
1949	11.0	17.0	-6.0	1.5
1950	16.7	17.2	-0.5	1.0
1955	29.5	19.8	+9.7	16.4
1960	59.0	56.2	+2.8	16.4
1963	97.7	97.9	-0.2	31.8

ment. By 1960, the Colony's assets and liabilities stood at \$35.8 million, and the public debt at \$35.4 million mainly for Inter-colonial loans and North Borneo development loans. The principal source of the Colony's revenue was from customs duties. In 1946/7 they accounted for two-thirds of Ordinary Revenue and in 1960 over 47% — much of it from copra export duty. (See Table 4 and 5). Until 1948, North Borneo remained one of the few countries in the world where there was no income tax. The *Income Tax Ordinance* of 1948, was first applied to companies and businesses and only in July 1951 was personal income tax on residents introduced.

Table 5
ORDINARY REVENUES BY SOURCE: 1947–1963

	1947	1950	1955	1960	1963
Customs	4.6	11.2	16.5	27.7	32.6
Lands	0.7	0.6	0.8	1.5	1.6
Forests	0.1	0.5	2.0	6.2	14.1
Licences and Fees	0.5	2.0	6.9	8.4	16.9
Posts and Telegraphs	0.4	0.6	1.2	3.0	4.4
Others	0.5	1.8	2.1	12.2	28.2
Total	6.8	16.7	29.5	59.0	97.9

5.1.5 Growth in the Economy

The base for Sabah's post-war economic recovery rested on the renewal of agricultural and timber exports. Such was the pace of development, it is estimated that by 1949, the economy was fully back to the level of productivity attained in 1941, before the Japanese occupation. This considerable achievement reflected the conscious effort by the Colonial Government to raise living standards and encourage trade. The reduction of taxation on rubber and hemp exports in 1955 also helped this process. In 1957 new investment incentives were provided in the form of increased investment allowances under the *Income Tax Ordinance*, and income

Table 6
LABOUR FORCE: 1951 AND 1960

Total:	1951		1960	
		%		%
Agriculture, Hunting, Fishing	119,370	84.9	142,113	80.5
Mining & Quarrying	*	*	535	0.3
Manufacturing	1,387	1.0	6,737	3.8
Building & Construction	1,642	1.2	4,488	2.5
Electricity, Water Supply etc.	*	*	285	0.2
Commerce	6,037	4.3	7,734	4.4
Transport & Communications	2,345	1.6	4,657	2.6
Other Services	9,848	7.0	10,077	5.7
Total	140,629	100	176,626	100

* included in other services.

Table 7
LABOUR FORCE IN ESTABLISHMENTS WITH OVER 20 EMPLOYEES:
(thousands)

	1941	1948	1950	1955	1960	1963
Total	20.50	17.49	19.31	24.38	33.79	38.01
By race:						
Chinese	7.72	4.44	5.01	5.24	4.76	5.76
Indonesians	2.33	2.14	1.93	3.85	9.75	16.75
Native	9.52	10.38	11.71	13.68	15.86	17.27
Other	0.91	0.53	0.66	1.60	3.42	4.22
By activity:						
Agricultural estates		8.99	9.56	11.26	14.86	13.17
Industry & Commerce	n.a*	4.64	6.35	8.96	14.01	17.65
Government		3.86	3.40	4.16	4.91	7.18

* n.a = not available

* n.a = not available

tax exemption under the *Pioneer Industries* (Relief from Income Tax) *Ordinance*. To assist local private industry a *Credit Corporation* was established in 1955 with funding provided by the Government.

Labour statistics over this period showed a growth in the Labour force from 17,490 in 1948 to 33,787 in 1960 (establishments with over 20 employees) – a growth of about 6% p.a.

5.1.6 Growth in Trade

The pace of development in the Colony is reflected in the trade figures, (See Table 8) which showed exports rising from \$17 million in 1947, to \$222.6 million in 1960 (22% p.a. growth). Imports grew roughly in line with exports from \$20.5 million to \$195.9 million over the same period (19% p.a.). From 1948 to 1960 the Colony enjoyed a favourable balance of trade every year except for 1952 and 1953, (when the price of rubber slumped) and in 1957. The composition of imports changed rapidly from emergency provisions in 1946 towards construction materials. In 1960, the United Kingdom still provided almost 21% of the Colony's imports, followed by the Philippines (9%), Japan (7.6%) and Malaya (6.4%). The pre-war dominance of timber and rubber in the export trade continued after the war, such that by 1947, rubber accounted for two-thirds of export value. Rubber maintained its absolute importance until the late 1950s, when combined timber and copra exports started to exceed those of rubber. Other important exports were firewood, tobacco, cutch, dried and salt-fish and hemp. Copra exports after 1948 were primarily a reflection of the rise in barter trade – whereby copra was "smuggled" into Sandakan, Tawau, Kudat and Semporna from the neighbouring countries of Philippines and Indonesia (and Celebes) for processing in exchange for cigarettes and other goods. As such much of North Borneo's copra exports, were in fact "re-exports" and did not solely reflect the growth in coconut output in the Colony.

Table 8
COLONY OF NORTH BORNEO: TRADE: 1940-1963

Trade Balance (\$m.)	1940	1947	1950	1955	1960	1963
	10.0	20.5	46.0	87.6	195.9	304.7
Imports						
Exports (including re-exports)	20.3	17.0	93.0	104.8	222.6	274.8
Trade balance	+10.3	-3.5	+47.0	+17.2	+26.7	-29.9

Table 8:2

Principal Exports: (Value: \$m.)	1940	1947	1950	1955	1960	1963
Rubber	14.5	11.2	59.9	45.9	45.9	32.1
Timber	2.2	1.5	6.5	21.6	90.7	150.6
Copra	0.3	0.5	6.7	14.2	40.2	17.6
Firewood	0.4	0.2	1.6	0.5	0.6	0.1
Tobacco	0.4	-	1.7	3.2	5.3	...
Cutch	0.6	...	1.2	2.0	1.6	-
Dried & Salt fish	0.5	0.5	0.6	0.4	0.7	2.0
Hemp	0.5	0.5	1.1	2.2	5.2	3.8
Cocoa	-	-	-	-	-	0.5

Table 8:3

Principal Exports (Volumes)		1940	1947	1950	1955	1960	1963
Rubber (tons 000)	17.64	15.0	23.9	20.1	22.0	21.2	
Timber (m. cu. ft.)	n.a.	4.0	3.8	13.2	50.2	83.3	
Copra (tons 000)	n.a.	n.a.	31.7	35.2	79.6	39.7	
Firewood (tons 000)	n.a.	n.a.	67.9	25.2	28.0	7.8	
Tobacco (lb. 000)	0.42	—	225.0	342.5	475.8	....
Cutch (tons 000)	n.a.	0.4	4.1	4.1	4.0	....
Dried & Salt fish (tons 000)	n.a.	n.a.	0.8	0.6	0.6	1.2	
Hemp (tons 000)	2.82	n.a.	0.7	2.8	3.7	3.6	
Cocoa (tons)	—	—	—	—	—	338.0	

Table 8:4

Direction of Trade	- percent -							
	Imports from				Exports to			
	1950	1955	1960	1963	1950	1955	1960	1963
U.K.	20.0	26.8	20.7	19.1	50e	22.5	8.3	2.8
Australia	25.0	3.5	3.0	3.0	20e	...	...	...
Japan	-	8.8	7.6	8.9	...	8.4	43.4	54.7
Malaya	...	11.0	6.4	8.3	n.a.	20.1	11.1	5.5
Philippines	...	...	9.7	1.6	...	...	...	16.9

e. = estimate

... negligible

5.1.7 Timber

Timber activities in Sabah up to 1954 continued to be regulated under the conditions of the 1936 *Forest Ordinance* which basically consigned the Forest Department to revenue collection and acting as an "agent" for the British Borneo Timber Company (BBTC) which had a monopoly over timber extraction. With the termination of that concession, and the revision of the *Forest Ordinance* in 1954, the Conservator of Forests was given wider powers to protect and manage the forests of the Colony. The four companies which took over the *concessions* formerly held exclusively by BBTC were each given (long-term) 21-year agreements. In addition *annual licences* were issued to smaller operators. By 1953 there were 45 such licences and in 1954, there were 66 licencees producing 3.7m cu. ft. of logs. The larger concessions soon applied pressure on the Government, arguing that the annual licencees threatened their profitability and markets, and would not assist in the development of a stable timber industry in the Colony. In the face of this lobbying, the Government introduced measures in 1955 to restrict the growth and exports of the annual licencees. By 1960, there were still 4 long-term licence holders (BBTC, Bombay Burmah Trading Company, North Borneo Timbers and Kennedy Bay Co.), 3 long-term under negotiation, 8 *special licences* (prior to becoming long-term) and 60 licence agreements (annual).

Timber processing expanded rapidly after the war to meet the demand for sawn timber for housing construction. In 1952, in an effort to encourage further timber industrialisation, a clause was included in the licence agreements that 25% rising to 33 $\frac{1}{3}$ % of the volume of timber extracted should be milled in the Colony. This, however, ended in failure with the concessionaires arguing that saw-milling was unprofitable. In 1956 the 30% clause was dropped.

Between 1946 and 1955 the production of logs rose from 1.57 million hft. (hoppus foot) to 17.84 million hft., and to 59.65 million hft. in 1960. *Log exports* in 1960 stood at

49.11 million hft. valued at \$90.7 million as compared with only \$21.6 million in 1955. Fundamental changes occurred in the timber export market in the 10 years after the war. Hong Kong, the original export destination, was superseded by Australia in 1948 and 1949, followed by the UK in 1951, 1952 and 1953. Thereafter the UK market diminished rapidly – and almost vanished completely with the closing of the Suez Canal in 1956. Their place was soon filled by Japan, which took, in 1955, 36% of North Borneo's log exports followed by Hong Kong (20.5%) and UK (11.5%). By 1960, Japan was taking 64.7% of the value of the Colony's logs. Of the other forest product exports, catch (an extract from mangrove bark, used for tanning and preservation of fishing nets) – suffered from competition from African wattle and synthetic substitutes, especially the introduction of nylon for nets. Firewood exports (for power generation especially in Hong Kong) suffered a similar fate, rising to a peak value of \$3.11 million in 1952, thereafter falling to only \$318,753 in 1956.

5.1.8 Agricultural Development

North Borneo's agriculture provided the base of the economy, supplying food for local consumption and commodities for export, of which by far the most important was rubber, followed by copra, hemp and tobacco. Since 1892 when it was first planted on the Labuk River, *rubber* had progressively increased in importance to become the principal plantation and commercial crop of the Colony. Even though production in the war years virtually ceased, the rehabilitation of estates after the war, was so rapid that by 1947, 15,000 tons were exported as compared with 17,640 tons in 1940. The 1950 and 1951 Korean War boom years saw exports rising to 23,900 and 21,698 tons respectively. The price slump in 1952 and 1953 led to exports falling to 16,844 tons but they recovered to over 22,000 tons in 1960. The uncertain rubber price prospects resulted in little acreage expansion up to 1955 with the area remaining at around

120,000 acres. The establishment of the *Rubber Fund Board* in 1950 upon the recommendation of a Commission of Enquiry, was the first major step taken to promote the planting of high yielding clones. In October, 1950 a cess of $\frac{1}{4}$ cent per pound of exported rubber was imposed to finance rubber research and the development of the industry. These initial steps were somewhat thwarted by the 1952 price slump such that in 1953 only 10% of the total area under rubber was of high yielding variety. In 1954 a further cess was imposed under the *Rubber Industry Replanting Fund Ordinance* of 2¢ per pound on exports to be credited to a replanting fund to assist larger estates (over 250 acres under Scheme A) and smallholders (less than 250 acres – Scheme B) to claim aid for replanting with high yielding clones or other approved crops (Scheme B). The cess and the associated grants were instrumental in significantly increasing the area under rubber for the first time since the mid-1930s. By 1960 acreage had expanded to 173,458, an increase of over 50,000 acres in 5 years.

Tobacco was another important agricultural export crop after the war despite a history of gradual decline since its peak in 1902 when 61 estates were in production, to 1920 when only 3 estates still survived. After the War, only one estate of 450 acres on the Segama River was rehabilitated. This, along with some 1,200 acres of smallholdings provided the sole source of tobacco exports. The closure of the Darvel Tobacco Plantations in 1963 marked the end of commercial production in the Colony, brought on by depressed prices and persistent labour shortages. Local production continued for cheroots and pipe consumption.

Manila hemp was produced on 5 rehabilitated estates after the war, but “bunchy top” disease severely restricted output in a number of years, to as low as 150 tons in 1951. In 1955, 2,815 tons were exported with a value of \$2.24 million. By 1960, the tonnage had increased to 3,700.

Coconuts in Sabah have historically been grown by smallholders. At the end of the War most of the 46,000 acres

Table 9

COLONY OF NORTH BORNEO:
BASIC AGRICULTURAL STATISTICS. 1940-1963
CROP ACREAGES PLANTED: MAIN CROPS

	1940	1946	1951	1955	1960	1963
Rubber	128,680 ^e	125,000 ^e	118,857	122,195	173,458	231,169
Coconuts	53,029	46,000 ^e	45,627	45,663	50,650	95,150
Wet Padi	46,153 ^e	45,000 ^e	43,398	44,840	46,000	62,700
Dry Padi	35,000 ^e	40,000 ^e	31,524	25,178	30,610	23,950
Hemp	4,812 ^e	...	3,154	3,714	4,441	5,000
Cocoa	—	—	....	88	2,800	5,500
Oil Palm	—	—	—	—	1,050	6,500

Note: Pre-war statistics relate to 1938:

... = negligible

e. = estimate

Pre-war dry padi official acreage of 45,000 acres considered to be an over estimate

Sago acreage in 1940: 14,000

Tobacco acreage in 1940: 400

under coconut were old trees and little effort was made to replant or plant new areas. As mentioned earlier much of the copra exports of the Colony were in fact "re-exports" from the Philippines. Of the *minor crops* after the end of the War, only sago was of any importance. Exports, principally from the Klias Peninsula declined from 509 tons in 1949 to 253 tons in 1951 and ceased altogether in 1952 when the four factories producing sago flour closed. *Tea* and *coffee* were grown on a small scale by smallholders especially near Tenom, Lahad Datu and Ranau. *Cocoa*, although tried before the War had been abandoned. In 1950 the Agricultural Department reintroduced the crop in an attempt to reduce the dependence on rubber. In 1956, Borneo Abaca had 66 acres planted near Tawau where tests had shown that the volcanic soils were particularly suitable. In 1957, the 5% export duty on cocoa, introduced a few years earlier, was lifted to encourage planting. By 1960 there were 2,800 acres planted. *Vegetable* production after the War was confined

mainly to low lying areas, but the opening of the Kundasang high altitude station in 1955 paved the way for production of temperate vegetables for the domestic urban market. The main constraint at that time was the lack of an access road to the area. *Soya beans* production after the War was confined mainly to the Tenom area, where production rose to a peak of 2000 tons in 1954. Apart from the above, *sugar-cane*, *pepper* and *maize* were also grown on a small scale for local consumption. By 1959 a promising new crop was being planted – *oil palm* – with an acreage of 1,050 in 1960 – at Mostyn Estate. Unilever was planning a 10,000 acre estate on the Labuk River.

The cultivation of *rice* was, and still is, the most important single agricultural activity of the majority of the rural population in Sabah. However, the State had rarely been able to produce sufficient rice to meet domestic requirements. In view of this and the post-war communist threat to the traditional world rice suppliers of Thailand, Burma and Indo-China (present-day Vietnam, Laos, Cambodia) the Colonial Government decided, in 1950, to establish irrigated mechanical rice production in the State. The area chosen for the 1,000 acre pilot study (which would determine the feasibility of a 40,000 acre larger scheme) was Marudu Bay in the north of the Colony. The experiment proved to be a failure. As a result the State could still only meet 70–80% of its rice consumption in a good year and less than 60% in a poor year. A 1950 survey estimated the *wet padi* area at between 43,000 and 45,000 acres, most of it along the west coast. Production in the first 10 years after the war varied from 24,438 tons in the bad year 1951–52 to 46,074 tons in the peak year 1954–55. These tremendous fluctuations in output prompted the Colonial Government, through the Public Works Department (Drainage and Irrigation Section), to introduce irrigation schemes in a number of well established wet padi growing areas. A 6,000 acre scheme in the Benoni – Papar area was funded through a Colonial Development and Welfare grant, as was a similar scheme in Tuaran, and later

another near Keningau. Among other measures taken to improve rice supplies was a padi purchasing scheme in 1949 which aimed to build up rice stocks. This scheme was discontinued in 1954 when rationing and price control of rice ceased. In 1960, production of padi was 64,900 tons, equal to 40,200 tons of rice after milling. In that year 17,000 acres were irrigated in the Tuaran and Papar areas. *Hill rice* cultivation which was widespread especially in the forested interior regions was considered to be severely damaging ecologically and to the forest resource. The Colonial Government introduced a number of resettlement schemes for shifting cultivators in the late 1950's near Keningau, Kudat, and Beaufort with mixed results.

The *livestock sector* was of great importance to the State. During the war, livestock numbers had decreased so much that a ban on exports of live animals was enforced until the early 1950s. By the end of 1955, the animal population had virtually doubled over the 1946 figure. In 1952, the Government estimated that North Borneo had the largest population of livestock per head of human population of any country in South-East Asia. Cattle for the most part grazed on unfenced native land. In the Kota Belud area, however, the Local Authority helped to start a scheme of fencing for 6,000 acres

Table 10
LIVESTOCK POPULATION 1938-1963

	1938	1951	1955	1961	1963
Water Buffalo	46,959	53,157	70,000	66,787	66,800
Cattle	23,110	11,401	20,000	14,535	14,500
Ponies	2,111	2,274	3,000	4,486	4,520
Pigs	34,959	63,365	67,000	81,058	81,100
Goats	9,613	7,383	20,000	17,557	17,600
Sheep	67	...	...	345	n.a.
Poultry: Fowls			2,500,000*	648,648	1,000,000
Ducks	n.a.	n.a.	U.S.	68,309	n.a.
Geese			U.S.	5,429	n.a.

* official statistics quote fowl population as 2.5 million.
This was an obvious overestimate.

known as the Sorob farm, which marked the introduction of enclosed grazing land in the State. No spectacular developments were recorded in the early years after the War, except for poultry which, in the 3 years from 1953 to 1956, grew rapidly (partly attributable to the conquest of rhanikhet disease and fowl pox by vaccination after 1950).

In 1948, a *Fisheries Department* was established in North Borneo with the principal task of collecting data on and research into the fisheries sector. This task completed, the Department was closed in early 1953, and the responsibility for inland fisheries passed to the Agriculture Department which established over 550 fish ponds by 1955. Marine fisheries development in the Colony was left to go its own way. The inshore fishermen, among the poorest in the land, co-existed with the relatively well organised and predominantly Chinese owned trawlers operating out of the major ports for tuna and prawns, destined for export. In 1950, fish exports were 1,215 tons valued at \$971,629. Among the interesting developments up to 1960 were a pearl cultivation industry in Labuk Bay and tuna fishing using a 3,000 ton factory ship – both operated by Japanese companies.

5.1.9 Physical Infrastructure Development

In the first 10 years after the War, reconstructing the shattered infrastructure received the highest priority. Of the *air fields* in the Colony only Labuan was operational in 1947. Those constructed at Jesselton, Sandakan and Tawau by the Japanese had been destroyed by Allied bombing. Up to 1949 the Colony's only air connection with the outside world was a weekly flying boat service linking Jesselton with Singapore via Kuching and Labuan. In May 1949, Malayan Airways started its first service to Singapore, and in September to Sandakan. This was followed in 1950 by the Cathay Pacific Airways weekly service to Hongkong and Manila, and Qantas via Labuan to Australia. Despite these new routes, periodic improvements to the Labuan and Jesselton airfields disrupted flights. In 1954 the decision was taken to upgrade Labuan to

international standards. The work, which was ultimately completed in 1957, still left the Colony with a substandard international airfield in view of the impending introduction of jet air-craft. Elsewhere in Sabah, work continued on restoring the airstrips at Tawau, Lahad Datu, Kudat, Ranau and Keningau to help operations of the domestic airline — Sabah Airways Ltd. (later Borneo Airways). However, it was not until 1953 that a regular service linking Jesselton and Sandakan with other towns was possible using de Havilland DH89 "Rapide" aircraft which could take half a dozen passengers. In 1960, Labuan and Jesselton were the only tarmac surfaced runways, with lengths of 6,074 ft. and 5,100 ft. respectively. Sandakan at 4,110 ft. was gravel surfaced, and the other strips at Kudat (coral), Keningau, Ranau, Tawau and Lahad Datu were either grass or sand.

Shipping services linking Sabah with the outside world were almost non-existent at the end of the War. The Straits Steamship Company which had a virtual monopoly was only able to provide a fortnightly service to Singapore in 1947. This was increased to once weekly in 1949 — at which level of frequency it remained until the late 1950's. Gradually other shipping companies established direct routes to Hong Kong, Bangkok and Japan as the timber trade grew. However the vast majority of general cargo ships only travelled to Singapore. To accommodate the rapid increase in North Borneo's trade, urgent repairs and construction work on the *ports and wharfs* were undertaken from 1946 onwards. In 1949 a port development plan was prepared which formed the basis for new wharfs built in Labuan in 1953 (600 ft.), Sandakan in 1954 (750 ft.), and Jesselton in 1957 (650 ft.) Almost half the cost of the construction of these wharfs was borne by the United States. By 1955 however it was becoming obvious that further extension works would be required in view of the rapid increase in trade and the fact that many of the wharfs were built of timber.

The *railway*, which was badly damaged in the War had only 7 locomotives in service in 1947 as compared with 13 in

1941, and only 38 coaches and covered wagons, as compared with 97 in 1941. A *Transport Commission*, appointed in 1949, recommended that the 30 lb rails should be replaced with 60 lb, all bridges strengthened and among other proposals, that it should be extended to the new harbour at Jesselton. The latter was finally undertaken in 1955, and the track relaying completed in 1959. Progressively the old coal and wood-fired steam engines were replaced with diesel and petrol driven railcars and new steam locomotives. As a result of these improvements, traffic carried by the railway rose enormously. Passenger journeys increased from 124,776 in 1947 to 402,980 in 1950 and to 706,600 in 1960 (a 14.3% annual rate of growth). (See Table 11). Freight tonnage increased from 22,069 in 1947 to 41,031 in 1955 and 48,810 in 1960. Despite these spectacular increases the railway rarely made an operating profit after the war. A small surplus in 1960 was the first one for 9 years.

Road building and reconstruction was accorded the highest priority since the mainly urban road network had been heavily damaged during the War. By 1941 there were 600 miles of bridle paths and only 103 miles of metalled roads practically all of it near the 5 major towns. A road development programme drawn up in 1949 proposed new major roads from Jesselton to Tambunan, south to Papar, between Tuaran and Kota Belud, and an extension of the Sandakan road inland to the Labuk River. Progress was painfully slow due to difficulties with terrain, and shortages of labour and machinery. It was only by 1960 that these bitumenised roads were completed. Between 1948 and 1955 the length of sealed roads rose from 125 to 209 miles. The policy of converting bridle paths to jeep tracks and building new roads, led to a rapid expansion of the rural gravel and earth road network from 241 miles in 1950 to 439 miles in 1955 and 536 miles in 1960. Financial assistance came mainly from the Colonial Development and Welfare Fund. The rapid growth in traffic especially in the larger towns required new powers to regulate the public road transport sector. This was

Table 11

COLONY OF NORTH BORNEO: 1947-1963
TRANSPORT AND COMMUNICATIONS: BASIC STATISTICS

Table 11:1

Roads :	1940	1947	1950	1955	1960	1963
Mileage: Bitumen		125	139	209	233	261
Gravel	{ 103	26	91	94	80	394
Earth	...	204	150	345	456	502
Bridle Paths*	600	601	578	593	471	407
Total	703	956	958	1241	1240	1564

* 6' - 8' wide. # 1948 figures for roads.

Table 11:2

Vehicles: (000)						
Motor Vehicles	n.a.	n.a.	1.95	3.53	8.17	14.79
Bicycles	n.a.	n.a.	n.a.	22.76	27.33	n.a.
No. of Licenced drivers	n.a.	n.a.	n.a.	5.33	13.02	21.83

(Cont. over page)

Table 11 continued

Table 11:3

Harbours & Shipping:	1940	1947	1950	1955	1960	1963
Gross shipping tonnage (m)		1.63*	2.44	4.54	9.51	11.41
Cargo Tons. (m)	n.a.	0.35	0.51	0.84	1.86	2.61
Passenger traffic (000)	n.a.	n.a.	n.a.	77.59	137.21	138.44

* 1948

Table 11:4

Railways:	1940	1947	1950	1955	1960	1963
Passenger Journeys (000)	173.12	124.78	402.98	494.30	706.60	744.00
Passenger miles (m)	n.a.	n.a.	n.a.	6.92	10.95	14.25
Goods tons (000)	21.33	22.07	29.97	41.03	48.81	54.00
Goods/tons/miles (m)	n.a.	n.a.	1.45	1.89	2.43	2.96

Table 11:5

Aircraft Movements:	1940	1947	1950	1955	1960	1963
Labuan	—	n.a.	n.a.	3220	1492*	1360
Jesselton	—	n.a.	n.a.	1338	2432	2226
Sandakan	—	n.a.	n.a.	609	906	1364
Tawau	—	n.a.	n.a.	111	697	737
Lahad Datu	—	n.a.	n.a.	—	473	487

Table 11:6

Telephone Subscribers (000)	1940	1947	1950	1955	1960	1963
Articles Posted (m)	n.a.	0.41*	0.58	1.49	3.32	3.54
	n.a.	n.a.	n.a.	n.a.	2.89	4.05

* 1948

provided under the 1953 *Road Traffic Ordinance* which granted monopoly rights to selected bus companies to improve the service to the public. The number of motor vehicles of all sorts in the Colony rose from 1,945 in 1950, to 3,532 in 1955, and 8,165 in 1960 — a growth of 15.4% p.a. over 10 years.

The main post-war development in *communications* was in public radio-telephone which linked Jesselton with Sandakan in 1949 and with Labuan in 1950. V.H.F. and automatic exchanges were installed in Jesselton, Sandakan, Tuaran, Kota Belud and Papar. By the end of 1955, there were 578 telephones and 1,488 telephone subscribers, with overseas links via Singapore and Hongkong to Australia and Europe. In 1960 there were 3,320 telephone subscribers.

In 1947 there were only 8 *post offices* in the Colony apart from the district postal agencies. By 1960 new post offices had been built in Jesselton, Sandakan, Kota Belud, Tenom, and Keningau with 10 postal agencies in the rural areas. The introduction of the feeder air services of Sabah Airways revolutionised the internal movement of mail, with posted articles handled increasing to 2,894,684 in 1960.

5.2 The Years before Independence: 1960–1963

5.2.1 Introduction

The first real steps towards granting independence to North Borneo within Malaysia were taken in 1961. However the topic of independence had long been a matter for serious semi-official discussion. This included some suggestions by the Governor of North Borneo, Sir Roland Turnbull in 1958 that Sarawak, Brunei and North Borneo should consider forming some sort of closer association. The 1961 initiative of the Malaysian Alliance Government under Tengku Abdul Rahman was, however, instrumental in establishing the basis for subsequent discussions and negotiations between the British Government, the two colonies of North Borneo and Sarawak and Malaya under the *Inter-Governmental Com-*

mittee (IGC). The growing realisation that independence in some form was likely to materialise in the near future, hastened the pace and process of development in two important ways. First, development administration and institutions were prepared for the new responsibilities they must assume and second the physical rate of implementation of projects was accelerated so that they could be completed or well underway by August 1963, the proposed date for independence. The basic framework for development planning and programming was provided by a new six-year development plan, from 1959 to 1964, which superseded the previous 6-year plan covering the period from 1955 to 1960.

5.2.2 The 1959–1964 Development Plan

Although the 1959–1964 Development Plan was cut short in its final year by the transfer of some State responsibilities to the Federal Government, it is of considerable interest to trace the original objectives and achievements of this Plan since it guided the path of Colonial Government development efforts during this critical period leading up to independence. The original Plan formulated in 1958, and approved in 1959, provided for \$61m development expenditure, of which \$26m (43%) would be provided by Colonial Development and Welfare grants, \$10m (16%) from loans raised by the State, and \$25m (41%) from surplus funds transferred from the Ordinary Budget. A further \$10m was budgetted as "contingency" expenditure for which no specific source of funds were identified, bringing the total expenditure to \$71m over the 6-year period. Of the \$71m, 43.7% (\$31m) was allocated for *Transport and Communications* -- mainly roads (\$20.8m) and Harbours/Ports and Marine development (\$6.99m), \$3.5m was for *Public Utilities* (water and sewerage) and \$9.3m for *Social Services*. \$11.7 million was allocated for new *Public Buildings*.

The figure of \$71m excluded continuation schemes and projects financed from Colonial Development and Welfare Research funds.

Table 12
NORTH BORNEO DEVELOPMENT PLAN: 1959-1964
PROPOSED DEVELOPMENT EXPENDITURES

Sector	1959		1963	
	Proposals (\$000)	%	Revised (\$000)	%
a) Communications				
- Roads	20,800		41,651	
- Posts & Telegraphs	840		5,002	
- Civil Aviation	1,395		6,639	
- Harbours & Marine	6,995		8,454	
- Railways	1,000		1,000	
Sub-Total	31,030	43.7	62,746	40.2
b) Public Utilities				
- Water Supplies	2,000		6,715	
- Sewerage	1,500		500	
Sub-Total	3,500	4.9	7,215	4.6
c) Other Economic Services				
- Agriculture	1,251		7,959	
- Credit	2,000		6,878	
- Land	250		4,649	
- Drainage & Irrigation	2,000		2,057	
- Labuk Valley Survey	-		1,760	
Sub-Total	5,501	7.7	23,303	14.9
d) Social Services				
- Education	6,035		18,222	
- Medical	2,234		7,069	
- Broadcasting & Information	1,000		1,368	
- Training	-		592	
Sub-Total	9,287	13.8	27,251	17.5
e) Buildings				
f) Miscellaneous	11,700	16.5	24,408	15.7
g) Contingency	10,000	14.1	8,183	2.3
h) PWD Workshops/Offices	-	-	2,332	1.5
i) Other Miscellaneous	-	-	572	0.4
TOTAL	71,000	100	156,010	100

Source: Legislative Council Papers No. 31 of 1959
and No. 63 of 1963

Table 13
COLONY OF NORTH BORNEO AND STATE OF SABAH ANNUAL REVENUE AND EXPENDITURE:
1959-1964

	£ millions					
	1959	1960	1961	1962	1963	1964
Ordinary Revenue: Total	46.81	59.05	68.10	79.36	97.99	67.34
of which: Customs	23.30	27.70	26.30	26.99	32.62	4.42
Forests	3.99	6.19	9.57	11.32	14.07	15.91
Licences & Internal Revenue	5.10	8.40	11.64	13.32	16.90	2.90
Expenditure: Total	42.51	56.25	62.67	76.17	97.85	78.34
Surplus/Deficit	+4.30	+2.80	+5.43	+3.19	+0.14	-11.00
Development Revenue: Total	13.61	25.26	24.48	28.11	37.90	27.61
of which:						
Contribution from Ordinary Fund	6.65	15.00	16.04	20.04	20.00	15.05
Colonial Dev't & Welfare Grants	2.72	5.31	5.27	4.64	3.65	7.00
Other Funds	3.89	3.86	1.14	0.75	9.06	0.59
Development Expenditure	12.51	16.39	19.50	26.51	36.69	37.12
Agriculture and Land development:						
Agriculture	0.79	0.81	0.95	1.69	2.17	3.80
Forestry	0.03	0.04	0.04	0.04	*	*
Lands & Surveys	0.43	0.37	0.90	0.91	1.02	0.83
Labuk Basin Study	-	-	0.03	0.43	0.52	0.53
Sub-Total	1.25	1.22	1.92	3.07	3.71	5.16
Transport, Works and Communications						
Public Works #	5.59	7.38	11.11	14.05	23.19	24.08
Civil Aviation	0.93	1.16	0.65	0.83	0.43	-
Harbours	0.78	1.35	0.94	0.63	1.21	1.18
Marine	0.10	0.07	0.76	0.43	0.31	-
Railways	0.56	0.18	0.72	0.24	0.13	0.19
Posts & Telegraphs	0.76	0.44	0.43	0.61	1.08	-
Broadcasting & Information	0.01	0.08	0.49	0.14	0.45	-
Sub-Total	8.73	10.66	15.10	16.73	26.80	25.45
Utilities: Electricity	-	1.70	-	1.90	-	4.00
Social Services & Other						
Education	1.69	2.05	1.53	3.34	5.24	-
Health & Medical	0.75	0.39	0.24	0.43	0.70	1.95
Housing	0.05	0.05	0.40	0.50	-	-
Miscellaneous Services	0.03	0.31	0.26	0.40	0.12	0.54
Training	-	-	0.05	0.14	0.13	0.02

... negligible

includes roads, water & sewerage projects and public buildings

In the event the Plan's original allocations were revised every year, as the actual revenue out-turn increased well beyond the forecast. For example, the original estimate of \$25m (at \$5m. per year) contribution from the Ordinary Budget rose to over \$20m in 1962 and 1963 and the "surplus funds" available from the State's own resources over the 6-year period were actually over \$90m. The review of 1963 led to a final revised development allocation for the 1959-1964 period of \$156m. The tremendous buoyancy of the Colony's revenue over the period, reflected the rapid growth in the economy, particularly timber exports. As a result timber royalties, customs revenues and income taxes pushed Ordinary Revenue from \$59m in 1960 to \$97.99m in 1963 and allowed a large proportion of the development expenditure to be financed by contributions from the Ordinary Budget. (See Table 13).

5.2.3 Growth in Trade

North Borneo's trade over the period 1960-63 grew rapidly with exports rising from \$222.6m to \$274.8m and imports from \$195.9m to \$304.7m. *Timber exports* in particular, increased to 83.3m. cu. ft. (\$150.6m), to become by far the largest export item (55% of export value). *Rubber* which had up to 1957 been the principal export of the Colony stagnated at around 22,000 tons, despite a vigorous replanting programme. Exports rose to 23,600 tons in 1961, but after 1960 the export value declined steadily as prices fell. By 1963 exports were down to 21,200 tons and the value, at \$32.1m, was the lowest for 10 years. *Copra* also suffered from depressed prices and attacks by pirates on the suppliers from Indonesia and the Philippines with the result that Sabah's position as a copra and coconut oil producer and re-exporter was rapidly eroded. *Tobacco* exports, which had never recovered after the war finally ceased in 1963 with the closure of the last tobacco estate. *Cutch* (a dye extracted from mangrove), which North Borneo had exported since the beginning of the century also ceased in 1963 when the

only factory at Sandakan ceased production. The other traditional exports, hemp (abaca), firewood (to Hongkong) and dried and salted fish — showed little sign of growth in volume despite good prices. *Firewood* exports to Hongkong were being replaced by kerosene from elsewhere, and the drying and salting of fish by other forms of preservation. In place of these "traditional" commodity exports some new ones were emerging, in particular cocoa and palm oil. In 1963, 338 tons of cocoa were exported valued at \$514,000.

The rapid rise in timber exports brought with it a significant shift in the direction of the Colony's trade. In 1955, the UK had been the dominant trading partner accounting for 22.5% of Sabah's exports and supplying 26.8% of its imports. 32.9% of rubber exports went to the UK, and 11.5% of timber. By 1960, the UK's place had been taken by Japan which in 1960 and 1963 took 43.4% and 54.7% respectively of the Colony's total exports. Imports in 1963 however were still provided mainly by the UK, with 19.1%, followed by USA (13.4%), Hong Kong (11%), Japan (8.9%) and Malaya (8.3%). The dominance of Japan was exclusively due to its emergence as the most important purchaser of the Colony's timber and rubber. In 1955, Malaya and UK took 35.5% and 32.9% respectively of rubber exports. By 1960, Malaya, Japan and UK took 35%, 21.1% and 16.6% and in 1963, Japan, Singapore, and UK, took 38.6%, 23.8% and 12.6%. For timber the switch to Japan was even more spectacular, with its share rising from 12.6% in 1951, to 36.2% in 1955, 64.7% in 1960, and 80.8% in 1963.

5.2.4 Growth in Output

No figures are available for the Colony's total production (or Gross Domestic Product) or its rate of growth in the years before independence. The only estimate of output was that for 1961 made by the *Rueff Mission*, which put it at \$300 million. Growth since 1955 was higher than that of Malaya, Singapore or Sarawak. The principal engine of growth was, of course, timber which fuelled a 13% rise in exports between

1955 and 1963. Overall economic growth in real terms was probably in the region of 12–14% p.a. and this is supported by other *economic indicators*, such as cement imports (13% p.a.), Government revenue (16% p.a.), shipping movements (12% p.a.) and so on. All of these suggested that the average *standard of living* (or real income per capita) was rising at the rate of about 8–10% p.a. in the 10 years up to independence. Population growth was around 3% p.a., and the rate of price inflation was about 2% p.a.

5.2.5 Sectoral Highlights

Progress in the *Agricultural Sector* up to 1963 was variable. The 1959–64 Development Plan originally allocated only \$1.25 million for agriculture, but this was increased to \$7.96 million in 1963. The original allocation was primarily devoted to development of agricultural research, training and educational facilities. However, with the additional funds available and as a result of a major shift in policy towards smallholders in 1961/62, resettlement and development schemes received far greater attention. By 1963, the Colony had 19 agricultural stations (one in each district) for extension purposes with attached rural training centres. Overall agricultural research and formal education was focussed on new centres at Tuaran and near Sandakan (Ulu Dusun) for oil palm, near Tawau (Quoin Hill) for cocoa, and at Kundasang for temperate vegetables and tea (high altitude research station). By the end of 1963 over 100 “planting” and/or minor resettlement schemes had been initiated (and 50 more were at the planning stage) catering for 3,800 families. Future plans envisaged 20,000 settler families with 11,000 acres of wet padi and 170,000 acres of permanent crops. The *Land Alienation Policy* announced in late 1963, stated that profits made from timber exploitation (annual and special licences) outside the long-term concessions would be used for such agricultural land development and settlement schemes.

As stated earlier, *rice cultivation*, up to 1960 had virtually

stagnated in the Colony with wet padi acreage officially recorded at around 45,000 acres and dry padi at about 30,000 acres. Despite efforts by the Colonial Government to boost domestic supplies and stocks by the padi purchasing scheme, and efforts to improve yields and milling conversion rates – no impact had been made on the level of rice imports. The 1959–64 Development Plan only mentions rice production in the context of wet padi settlement and irrigation schemes at Keningau, Klias, Kota Belud, Papar/Benoni, and Tuaran and minor schemes elsewhere. These schemes added about 20,000 acres to the wet padi area and around 10,000 tons per annum to domestic production of rice. Nevertheless, the critical determinant of annual rice production still remained the level of rainfall in the planting season. 1963, was a disastrous year after the unprecedented rains and floods of 1962 and only 42,200 tons of rice production, were recorded as compared with 48,700 tons in 1961. *Rubber* output on the other hand reflected the influence of 3 factors – export (world) prices, the availability of labour (for tapping), and the yields from new plantings organised by the Rubber Fund Board. It is estimated that in the 6 years from 1959 to 1964, over 75,000 acres of high yielding rubber were planted by smallholders, and 20,000 acres replanted or planted on estates. By the end of 1963 approximately 50% of the total planted area of 231,000 acres was high yielding, and 60% was owned by smallholders. Despite this, rubber exports in 1963 at 21,200 tons were less than in 1950 (24,000 tons). The main reason for this rather disappointing performance was depressed export prices which resulted in many trees remaining untapped. The attraction of alternative occupations in an otherwise booming economy was another factor. The efforts of the Rubber Fund Board were, however, gaining increasing recognition, with the “Sabah green bud strip” budding technique becoming a model for Malaya. The results of the earlier plantings of high yielding rubber were yet to emerge since only 19,000 acres of the 113,000 acres planted were mature.

Coconut planting in the Plan period was confined mainly

to Kudat, Semporna and Tawau. The main influence on *copra* exports was the supply of copra from the Philippines and Indonesia which fluctuated with the level of piracy, the weather, and the trade policy of these countries. By 1963 the import and re-export of copra (for coconut oil) mainly to Tawau and Kudat had fallen drastically due to trade liberalisation in the Philippines which allowed direct exports to the USA and Japan. *Tobacco* growing for export up to 1963 was restricted to the Darvel Bay Estate until its closure. Tobacco growing by smallholders for cheroots and pipe still continued but none was exported. *Manila hemp* (Abaca), was limited to Borneo Abaca Estate owned by the Commonwealth Development Corporation with 5,000 acres in 1963, producing 3,638 tons for export. The trend of exports and plantings rose slowly after the effects of "bunchy top" disease in the estate had been overcome.

Of the new commercial crops on the scene by 1963, cocoa and oil palm were showing the most promise. In 1955 only 80 acres of *cocoa* were planted, by 1960 there were 2,800 acres and in 1963, 5,500 — most of it in the Tawau and Semporna districts where very high yields were recorded on volcanic soils. Exports in 1963 were 338 tons. *Oil palm* plantings were even more rapid. From only 30 acres in 1958, the acreage planted had grown to 1,050 in 1960 and 6,500 in 1963 on 6 estates. The bulk of this was on the Mostyn Estate, and the Unilever Estate on the Labuk River. Successful trials near Beaufort and in the Klias Peninsula in 1963 led to the start of an 8,000-acre smallholder scheme in that area in 1964, one of 6 such assisted schemes being planned at the time of independence. Apart from the above, increasing interest was being shown in the growing of *temperate vegetables* (tomatoes, leeks, cabbage, potatoes, onions) on the Crocker Range near Mount Kinabalu. The development of this area was conditional, however, on the construction of adequate road access to the growing urban market of Jesselton. Other investigations were underway on the potential for *bananas* and *pineapples* for smallholders.

Capital expenditure on *Livestock development* in the Colony, was confined to research, training and extension and provision of veterinary dispensaries. In 1963 there were 12 veterinary stations, a veterinary laboratory and quarantine station at Jesselton, and a livestock breeding station in Keningau. No marked increase in the livestock population was evident, in fact the 1961 Agricultural Census led to a major downward revision of official estimates, as can be seen from a comparison of the 1955 and 1961 figures. (Table 10).

Fisheries development (apart from the subsistence inshore sector) was concentrated on prawns and deep-sea trawl fishing. 3 companies had developed prawn catching, freezing and packing operations for export based on Labuan and Sandakan. In 1963, 813 tons of prawns were landed on the East Coast and 103 tons in the Brunei Bay area. Deep-sea trawling based on Marudu Bay, Sandakan, Darvel Bay, Semporna and Labuan had grown rapidly with the result that the export of chilled, frozen and dried fish amounted to 1,180 tons in 1963. Tuna fishing by a Japanese company based on Si-Amil Island was abandoned in 1963 after an attack by pirates in December 1962. The inland fisheries programme consisted of fish pond construction. In 1963 there were 801 ponds covering 65 acres, stocked with fish fry from the central fry breeding station in Tuaran.

Cooperatives were well established by independence with over 137 registered societies as compared with 14 in 1959, the year the movement started. Membership had grown to 12,370 (from 901) and turnover to \$1.75 million from less than \$70,000 in 1959.

In 1960, exports of *timber* were 50.2 million cu. ft. valued. at \$61.06 million. By 1963 they had doubled to 83.3m. cu. ft. worth \$150.6m. As stated earlier, almost 80% of the total exports were to Japan at the time of independence. Up to 1959 log production was dominated by the 4 long-term concession holders covering 3,668 square miles. All of them had 21-year (renewable) concessions which allowed for an 80-year felling cycle. After 1959, negotiations

with special licence holders increased the number of long-term concession holders to 11 (with 6,310 square miles) – producing 57.7% of the timber in 1963. Special licence holders (10 years) and annual licences took up the balance of production. Forestry policy in the Colony provided for management on a sustained yield basis, and legislation was based on the *1954 Forest Ordinance and Forest Rules*. Approximately 80% of the land surface of the area of the State was under forest (of which 50% was considered productive). The Forest Reserves in 1963 were 10,522 sq. miles, equal to 35.8% of the area of the State. In 1963, there was a major policy shift with regard to forest exploitation such that profits made on timber extraction on land suitable for agriculture would have to be ploughed back into land development.

The *forest processing* industry up to 1960 had been expanding rapidly, with exports of sawn timber rising from 362,600 cu. ft. (1950) to 1,070,000 cu. ft. in 1960. By 1963, however, most of the sawmills owned by the major concessionaires had closed, with sawn timber production confined to meeting domestic requirements, as exports of sawn timber fell to only 226,605 cu. ft. in 1963. Veneer production was restricted to one factory started in 1960 in Sandakan which produced 161,600 cu. ft. for export in 1963 valued at \$1.27m, over 60% of which was bound for Australia.

Of the other *economic services* in the 1959–64 Plan the provision for *Credit* covered loans for various institutions, Boards and Authorities. \$6 million of the \$6.87m under the 1963 revision, went to Sabah Electricity Board, and the balance to Borneo Housing Development and Borneo Development Corporation. The *Lands* allocation was to cover Lands and Surveys expenditures on new equipment, routine land acquisition and reclamation of a 32.5 acre area to the north of Jesselton wharf for godowns and industrial lots. \$1.76 million was provided for the *Labuk Valley Survey* to cover soil surveys, mapping, and investigations by a UN team for the preparation of a draft development plan for

the region. The Study which commenced in 1961 was almost completed by the end of 1964 and included detailed geo-chemical reconnaissance surveys of mineralised areas in the Valley. In general terms the extent of the mineral resources of the Colony were fairly well known by the end of 1963, and considerable interest was being expressed in the Colony's oil, copper and nickel potential. *Oil exploration* by the Shell Company of Sabah covered over 1,000 square miles of the mainland and 6,750 sq. miles of the continental shelf off the west coast. In addition, the Teikoku Oil Company of Japan and the French Aquitaine Oil Company were engaged in negotiations for exploration licences on the east coast. Investigations of chromite, iron ore, copper (near Ranau), bauxite and coal deposits were also undertaken. None of these had resulted in any exports or production of economic minerals by 1963. The only mining activities were quarrying for stone, sand and clay for the construction industry.

Industrial development in the Colony was at a very low level. Factory industries were for the most part processing industries connected with the timber companies (sawmilling) and estates (hemp-stripping and coconut oil milling). However, a growing number of small light industries in the major urban areas manufactured consumer goods such as soap, foodstuffs, furniture etc. The structure of employment was shown up by the 1961 Census, which revealed that 80.5% of the economically active population was engaged in agriculture, forestry and fishing, and less than 4% in manufacturing industry. (See Table 6)

Infrastructure development: Naturally, the development of the Colony's physical infrastructure, (*Transport, Communications and Public Utilities*) was the most important component of the 1959-64 Plan, accounting for 45% of the total revised 1963 allocation.

Planning of *Roads* was based on a 1959 Report by J.R. Sargent entitled. "*Transport requirements in the light of economic development in North Borneo*" — which, inter alia, recommended the construction of an east-west road linking

Sandakan with Tamparuli via Telupid and Ranau, a road linking Beaufort and Weston to replace the railway and a road between Jesselton and Papar. In addition feeder roads should be built linking Kudat and Kota Belud, and Papar with Beaufort (as links in a north-south road) along the west coast. By the end of 1963 progress was variable, with adverse weather, shortage of plant, equipment and labour contributing to slow progress especially on the east-west road. Nevertheless, the overall progress on inter-town road construction was rapid. The gravelled road mileage increased by 324 in the period 1959-63 to 394 miles. Bitumenous or sealed roads were still confined mainly to the towns with an extra 33 miles sealed up to 1963. The bridle paths, not unexpectedly, were gradually reduced in length as they were replaced by earth roads. In the urban areas, there were increasing problems with the rapid rise in traffic volumes. The number of motor vehicles had been growing at almost 20% per annum since 1955, and between 1960 and 1963 increased at 22%, almost all of it confined to the limited sealed road network in and surrounding the major towns.

Posts and Telegraph expenditure in the 1959-1964 Plan was increased from \$0.84m to \$5.0m, much of it spent on increasing the capacity and number of automatic exchanges in the towns and the introduction of a VHF network linking the main centres. The growth in telephone subscribers was, however, modest with delays in equipment deliveries limiting the number of lines and exchange capacities.

Postal Services were expanded with new post offices in a number of smaller towns along with extension of the postal agency service to rural areas and townships. The number of posted articles grew by 40% between 1960 and 1963 from 2.89 million to 4.05 million.

Civil Aviation development was crucial in maintaining internal communications in the State in the absence of a trunk road network. The initial allocation of \$1.395 million was for extension and improvements to the Labuan and Sandakan airfields (and minor fields) and purchase of air-

craft. Up to 1962, Labuan was the principal aerodrome of the Colony and little emphasis was placed on Jesselton. The switch to Jesselton as the principal airfield for the State resulted in considerable expenditure on extending the runway to 6,300 ft. to take Comet jet aircraft. Other improvements included new hangers at Jesselton and improvements to Lahad Datu and Tawau airfields. In the period up to 1963 aircraft movements grew steadily with numbers of passengers increasing rapidly, a reflection of the progressive introduction of larger aircraft. International air services were maintained with Sarawak, Brunei, Singapore and Kuala Lumpur (daily) and with Hong Kong and the Philippines (weekly). Internal services were operated by Borneo Airways (which replaced Sabah Airways) with a fleet of two Twin Pioneer and three DC3 aircraft. In 1963, the Fokker F. 27 replaced the Viscount aircraft on the Singapore route and flights were increased to 9 a week. The F27 was replaced by the Comet between Kuala Lumpur, Singapore and Sabah in April 1964.

Ports and Harbours: As indicated earlier the rapid growth in exports and imports had made it necessary to continually rebuild and expand the Colony's ports after the War. Up to 1963, Sandakan was the principal port with over 205,000 tons handled over the wharf (this excludes mid-harbour loading of logs) — a rise of 31% over the 1960 level. Jesselton's trade grew even more rapidly in the 3-year period up to 1963 by 66% to reach 177,906 tons over the wharf. The new wharfs provided in Sandakan and Jesselton by 1955 just managed to cope up to independence, but Tawau, Kudat and Lahad Datu wharfs and port areas were expanded greatly.

State Railways: A major decision was made in the 1959–64 Development Plan to replace the Tenom/Melalap and Beaufort/Weston branch lines with road. However, the speed of such replacement would depend on the availability of development funds and the level of the Colony's economic prosperity. In the event the 20-mile Beaufort/Weston stretch was closed in July 1963, almost 60 years after its first opening.

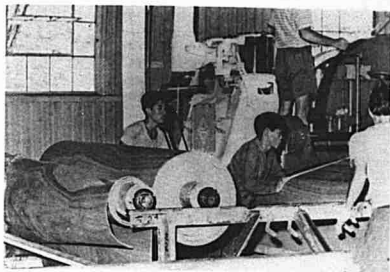
The rail was replaced by a gravel road. Up to 1963 the railway between Tenom, Beaufort and Jesselton was still the only means of land transport along the west coast. The fortunes of the system depended heavily on passenger trips and freight carried between Jesselton and the rubber estates along the west coast towards Beaufort. In general the growth in traffic (passenger and freight) was maintained up to 1963, and was no doubt a major factor in encouraging the improvement in the system's operating performance.

Public Utilities: Capital expenditure on *water supplies* in the 1959–64 Development Plan was concentrated on improving the systems in the major towns and introducing new supplies in a number of smaller towns. Some constraint was imposed on the extremely high rates of growth in water consumption by the introduction of metering in 1961 under the auspices of the *Water Authority* (PWD) established under the *Water Supply Ordinance*. In Jesselton, rapid growth in consumption had, since 1950, made it necessary to increase supply capacity almost every 2 to 3 years. In 1958, a new intake on the River Moyog was completed which had a capacity of 1.5 million gallons per day (m.g.d.). By 1963, this had been increased to 2 m.g.d with consumption at about 1.22 m.g.d. The main system was extended to include Sembulan, Inanam, Donggongon, Kasigui and Menggatal in the plan period. Sandakan, was facing similar problems, with a pre-war system in operation up to 1955. A consultants report in 1963 recommended that future supplies would have to be based on tapping either the Segaliud River or by constructing a dam on the Garinono catchment to meet the projected demand of 2.5 m.g.d by 1968. In the meantime service reservoirs and additional bore-holes were constructed to meet the rising demand. Of the other towns, Tawau had a new 250,000 gallons per day (gpd) scheme in 1956 which was increased to 0.50 m.g.d in 1960. Kota Belud, Keningau, Beaufort, Tuaran, Kudat, Lahad Datu, Papar and Labuan all had improvements or new supplies in the 1959–64 Plan, either based on boreholes, or river intakes.

No new *sewerage* schemes were undertaken in the 1959–64 Plan, despite the evident strain on the existing systems which were based on WHO designs and partly financed and operated by the Local Authorities. All the major towns relied on direct discharge (with no treatment) either into the sea (Jesselton, Sandakan, Tawau, Labuan, Kudat), or into local rivers (Beaufort, Tawau, Tenom, Kota Belud). Where no mains systems existed, sewage disposal depended on cess pits or soak-aways.

Electricity Supplies in the Colony up to 1955 had been provided by private companies operating in Sandakan Tawau, Kudat, and Tenom under Government licences, with the Public Works Department providing supplies in Jesselton, Labuan and Tuaran. The *North Borneo Electricity Board (NBEB)*, established in 1957, took over the operation of all private town operations. By 1959 the NBEB was responsible for all major town supplies and rural generating stations. At the end of 1960, the total installed capacity of the Board stood at 7,849 Kw serving 7,163 consumers. This had risen to 11,930 Kw and 9,945 consumers by the end of 1963. Jesselton was the largest load centre in 1963 with 4,250 Kw capacity and 12.05m units sold, followed by Sandakan also with 4,250 Kw capacity and 7.16m units sold. The 22% annual rate of growth in output experienced in Kota Kinabalu between 1960 and 1963, prompted the Government to examine the potential for hydro-electricity power services for the town. A study revealed that 250 MW potential existed on the Papar/Labak River and that many rural areas especially in the western parts of the country could benefit from “mini” hydro-electric generating units.

Social Services: The allocations for Medical and Education Services at \$18.22m and \$7.07m in the 1963 revision represented respectively 11.7% and 4.5% of the total. It is apparent that as independence approached, the Colonial Government spent increasing sums on the social services to prepare the Colony for its new responsibilities. The development of social services is covered under other chapters of this publication.



New veneer plant operated by the British Borneo Timber Company Limited
Sandakan 1961

Source: N.B. Annual Report 1961



Land reclamation in Jesselton 1953



Jesselton aerodrome laying coral base-course 1949



Post war road construction
Mechanical plant at work Tenghilan, Kota Belud Road

SECTION VI: The State of Sabah: 1963–1981

Independence within Malaysia

6.1 The Period of Adjustment 1964–1970

6.1.1 Introduction

With the end of the Colonial Administration, the Malaysian State of Sabah, began a new era to which it had to adjust. The State had won the right to retain a fair degree of financial and administrative autonomy within the Federation (as had Sarawak and Singapore) and these rights were enshrined in the Federal (and State) Constitutions. Of prime importance was the maintenance of control over the land and forest resources. However, along with the transfer of financial responsibility to the Federal Authorities on 1st January 1964 for certain basic services (such as Education, Civil Aviation, Posts and Telegraphs, Geological Survey, Police and Prisons and Cooperatives), the State also handed over some major sources of revenue, including customs duties and income tax (personal and company). These resulted in changes in the financing arrangements for Government development and recurrent expenditures and had an effect on the development planning procedures and responsibilities. The 1959–64 Plan discussed in the last section was, of course, affected in that some development projects were no longer funded wholly by the State in the final year of the plan. It was agreed that for the period from September 1963 (the date of independence) to the end of 1963, the State would continue to operate as before, and that on the first of January 1964, the Federal Government would take over its new responsibilities. Thus in 1964, the last year of the 1959–1964 Development Plan, the financing arrangements were spilt into Federal, State and “concurrent” (or joint) votes.

6.1.2 The 1965–1970 Sabah State Development Plan

Not long before independence, the new State Government

with the assistance and cooperation of the Federal Authorities had started to draw up a new six-year development plan entitled "*The Sabah State Development Plan*": 1965–1970. This Plan was in fact later incorporated in the Pan-Malaysian *First Development Plan 1966–1970*. However, the 1965–70 State Plan was not changed to any significant extent in terms of its objectives and basic philosophy. The State Plan provided for development expenditure of \$436.32 million (see Table 14) of which \$205.79 million (47.2%) was to be from Federal sources, \$95.07 million from the State (22.8%), and \$116.12 million from external sources (principally a Singapore loan, and British grants and loans). Finally \$19.34 million was to be financed from internal revenue earnings of statutory bodies. The 1965–70 Plan represented an ambitious and imaginative start to the development efforts of the new State Government. The sizeable Federal contribution also reaffirmed their commitment, expressed in the 1963 Agreement, to hasten the development of the State and bring it up to the level of the other States in the Federation.

6.1.3 Basic Goals, Objectives and Constraints

The 1965–70 Plan specified four long-range development goals, which the succeeding First Plan (Sabah) adopted. These were:—

- (a) to promote economic growth as fast as Sabah's human resources would permit;
- (b) to develop Sabah's human resources as fast as circumstances permit;
- (c) to provide a widening range of modern economic and social services, within the resources available;
- and (d) to limit and reduce economic and social inequalities especially by improvements in the living standards and in the welfare of the poorest and most backward elements of Sabah's population.

Table 14
THE SABAH DEVELOPMENT PLAN:
1965-1970

Sector/Subsector	Total \$m	% %	Source of funding			
			Federal \$m	State \$m	External loans + grants \$m	Self- financed \$m
Agriculture & Land development						
Agriculture	74.51		8.80	54.98	6.04	4.69
Rural Development	4.00		—	—	4.00	—
Forestry	1.79		—	0.89	0.90	—
Lands & Surveys	10.72		—	2.19	8.52	—
Drainage & Irrigation	5.20		—	—	5.20	—
Labuk Valley	1.50		—	0.33	1.17	—
Sub-total	97.72	22.4	8.80	58.39	25.83	4.69
Transport & Communications						
Roads	74.93		49.40	6.39	19.14	—
Posts & Telecoms	25.50		25.50	—	—	—
Broadcasting	9.00		9.00	—	—	—
Civil Aviation	11.28		11.28	—	—	—
Posts & Harbours	8.29		1.45	5.24	1.60	—
Railways	2.20		—	—	—	—
Sub-total	131.20	30.1	98.83	11.63	20.74	—
Utilities						
Water supply	42.50		—	0.34	42.16	—
Sewerage	5.00		5.00	—	—	—
Electricity	25.65		—	2.00	9.00	14.65
Sub-total	73.15	16.8	5.00	2.34	51.16	14.65
Social Services:						
Education	37.50		34.50	—	3.00	—
Medical	30.15		28.06	0.21	1.89	—
Sub-total	67.65	15.5	62.56	0.21	4.86	—
Other:						
State capital	7.50		2.10	5.40	—	—
Buildings & Quarters	17.10		—	17.10	—	—
Public Works Dept.	34.00		28.50	—	5.50	—
Credit	4.00		—	—	4.00	—
Housing	4.00		—	—	4.00	—
Sub-total	66.60	15.3	30.60	22.50	13.50	—
TOTAL	436.32	100	205.79	95.07	116.12	19.34

These basic goals, with their emphasis on growth, development of human resources, economic integration within Malaysia and raising the standards of living of the poorest groups have been the cornerstones of subsequent Sabah plans. In respect of long-term development objectives, the following were accorded high priority: land development for the landless on settlement schemes; the achievement of universal primary education by 1970; the construction of road links between the major towns, and a network of agricultural feeder roads; improvements to the telephone and air services and ports; the extension of electricity and water facilities on an economic basis to urban and rural areas and sewerage to urban areas; the extension of preventive and curative health and medical services throughout the State; and finally to take urgent measures to fill immediate shortages in the supply of labour, to increase construction capacity, and recruit key personnel for both the public and private sectors — in the interests of increasing implementation capacity.

The above objectives and priorities reflected a number of easily identifiable socio-economic factors bearing on the pace and nature of Sabah's development at that time. In this respect the 1965–1970 Plan was important in that it set out, for the first time, the newly independent State Government's views on these factors. Among those mentioned, and accorded the highest priority, was the *manpower shortage* which was described as “. . . the leading development problem confronting the State”. One of the proposed means of overcoming this, apart from an accelerated training programme, was to attract Malaysian workers from Singapore and Malaya, and encourage recruitment of skilled personnel from overseas. The other “basic limitations” on Sabah's development (but none comparing in importance and gravity with the shortages of human resources) were institutional weaknesses and shortages of contracting capacity, shortages of developed agricultural land, and inadequate communications, especially roads. The Plan was designed to ameliorate

these constraints as rapidly as possible.

In more general terms the 1965 Plan also expressed some understandable fears on the economic impact of the Federation on the cost of living and rate of development in the State. It was argued that the benefits of the Malaysian Common Market arrangements would accrue mainly to Singapore and "... the Malaya Peninsula". Indeed "... any form of protective tariff will benefit existing industrial areas, and in so far as it is successful there will be a centripetal effect which will not benefit Sabah ... Real concern is felt that ... the protective tariff will make what is imported from outside more expensive, and that the products manufactured in Malaysia will not be substantially cheaper nor possibly of a competing quality". However, the "extra burden" of Federation would be lightened somewhat by the expectation of the "... tangible and substantial flow of resources to Sabah ... from the States of Malaya and Singapore required to finance and execute this ambitious development plan". Although the 1965-1970 Plan did not give specific targets for overall growth in income and output (as no GDP statistics were available), it was very explicit on the targets for individual sectors.

6.1.4 Highlights of the 1965-1970 Plan

Transport and communications, with 30% of the Plan allocation (\$131.2 million), was by far the most critical sector for development. *Road construction* took the largest slice with almost \$75m (17.5%) of the total, since it was considered as one of the major constraints on progress. The important work on the west coast to Ranau Road, and the western coastal road between Kudat and Sindumin was continued and new roads were built in the Tawau area. Over \$21m, was provided for agricultural feeder roads in development areas and \$21.5m. for town access and urban roads, in view of the exceptionally rapid growth in licensed vehicles. One of the features of the road construction programme was the use of contractors for the first time for public road works. To

facilitate this, plant hire charges were introduced both for contractors and for works undertaken by the P.W.D.

The *Posts and Telecommunications* programme placed emphasis on main trunk routes connecting Jesselton, Sandakan and Tawau by micro-wave and V.H.F., and on new large automatic changes in these towns and in Labuan and Lahad Datu.

The *Civil Aviation* planned expenditure of \$11.3m. included continuation works on Jesselton Airport provided in the 1959-64 Plan, and an extension of the runway to 7,500 ft. to accommodate larger jet aircraft after 1965. On the east coast further improvements were planned for Sandakan, Fawau and Lahad Datu airfields.

Under the *Ports, Harbour and Marine Programme*, however, there were no major projects. Jesselton Port, despite the increase in traffic was not considered to be working to full capacity. Thus with the completion of a new oil jetty, and with improvements to administration and cargo handling, it was considered that the port would be able to cope for the next 5 years at least. For Sandakan Port, however, proposals had already been put forward for a move to a new location out of town.

The future of the *Sabah State Railway system* was assured in the Plan despite the construction of a competing road between Jesselton and Beaufort. Freight (especially rubber) and passenger forecasts up to 1970 projected growth rates of 4.6% and 4.0% respectively, which would require additional power and rolling stock (passenger coaches and goods wagons) and workshop machinery. The optimistic outlook for demand for the railway services was reflected in the financial projections which forecast an operating surplus for each year to 1970.

The *Public Utilities Development Programme* of \$73.1 million represented a sizeable slice (16.8%) of the Plan. The rapid increase in urban population demanded that urban *water supply* systems be continually expanded. However, in view of the fact that water supplies were expensive "...

the aim would be to ensure that as far as possible urban water supplies should be run on an economic basis and should not be a charge on the general taxpayer". For Jesselton, the plan was to double the capacity of the works to 4. m.g.d. at a cost of \$2.55m. A new 300,000 g.p.d. scheme for Tamparuli and expansion of the Tuaran supply to 200,000 g.p.d. were also included. For Kudat a new dam reservoir was proposed to supplement the existing boreholes. The most critical need was, however, for Sandakan, which relied on surface water and boreholes for its supply. To meet the medium-term forecast of consumption rising from 1 m.g.d. to 2.5 m.g.d. by 1968, a \$26.2m, scheme for supply from the Garinono, River, 27 miles away, was included. For Tawau, provision of \$3.0 million was made for a scheme to meet the longer term demand. For 26 other towns (including minor towns) minor schemes were also included. Under the *Electricity Programme*, generating capacity was planned to triple from 10,919 Kw in 1964 to 30,670 Kw by the end of 1970 — at a cost of \$14.65m. For Jesselton, the view was expressed that after 1970, hydro power might be required if demand growth continued at the rate of the previous 10 years. With this in mind, the Papar River was noted as a possible source of hydro power and \$9m set aside.

The *Agricultural Development Programme* contained some significant new initiatives. It was noted in the Plan that the "apparent" prosperity of the State in recent years had been based on the timber industry, "... in which a relatively small number of the population directly participated". In fact the traditional agricultural smallholder had not been enjoying the rising standards of living achieved by the urban dwellers. With this in mind, smallholder development became a major component of agricultural policy. This involved providing the opportunity for the rural population to possess at least minimum economic holdings, with diversification away from rubber and improved nutritional standards. 18,000 families without land on small plots were identified as requiring "assistance", of which 12,200 would receive priority in the

Plan and be provided with land, a house, planting materials, and subsistence allowances valued at \$2,510 each. The total cost would come to about \$30.1 million. Other programmes for rice, rubber, coconuts, oil palm, cocoa, Abaca, tea, fruit, tobacco and vegetables complementing the small-holder settlement schemes were set out. For rice the long established policy objective of achieving "self-sufficiency" was dropped in view of the overall shortage of labour and the low returns to rice production. (It was reintroduced in the First Plan). The Plan noted that "... the time spent on padi cultivation could be spent to the better advantage of both the family and of the State by planting other crops, and by earning wages in a labour hungry market". However, for those requiring padi land, major schemes were proposed for Kota Belud, Bandau and Lohan (near Ranau) at a cost of \$8.8 million.

The *Forestry Development Programme* of \$1.79 million included the planting of small plots of fast growing species (*Albizia* and *Caribbean pine*) to assess their potential for pulping and as a cashcrop in future years. The 1965-70 Plan was not confident that the past rapid growth in timber exports and State royalty revenues would be maintained; nevertheless, it considered that the timber industry would continue to be the most significant component of the State's economy. This was reflected in the \$1 million set aside for a forest inventory to bring the information on the State's principal resource up to date.

The sizeable *Lands and Surveys* development allocation, included over \$5 million for land acquisition in rural and urban areas and \$3.0m for reclamation schemes.

The third major component of the 1965-70 Plan was the \$67.6 million allocated for *Education and Medical Services*. The remaining items of expenditure related to housing and rural development. The *Housing* expenditure was to be concentrated on lower cost housing through the *Borneo Housing Mortgage Company*. The 1965-70 Plan's initiatives in the area of *rural development* were important, in that for the

first time they were framed within the context of a district level plan — the *Buku Merah* or "Red Book" Plan which selected small scale kampong projects for implementation, very often on a gotong royong (self-help) basis.

6.1.5 The First Malaysia Plan — Sabah: 1966–1970

As stated earlier, the 1965–70 (6-year) Plan was superseded a year later by the 1966–70 (5-year) First Malaysia Plan into which the 1965–70 Plan was incorporated. Although no major changes in policy and objectives were apparent between the two plans, there were some significant differences in the sectoral allocations of expenditure and the relative proportions to be financed by the Federal and State Governments. Even more pronounced changes in the respective Federal and State shares took place after the *Mid-term Review* in 1969. Table 15 shows that of the revised allocation to Sabah of \$538.44m. (as compared with the original allocation of \$377.02m), 43.6% was to be from Federal funds as compared with 83.6% in the original allocation. The reasons given for this major shift in financing responsibility included the slow release of Federal funds. To quote "... Since many (Federal) projects were tied to external aid or loans and these had not been forthcoming on the scale envisaged, the slow release of Federal funds became one of the most serious constraints on the efforts of the State Government to accelerate the pace of development. Accordingly, the State Government reviewed its financing policy and, in view of the large budgetary surpluses in 1967 and 1968, agreed to accept a greater share of the financing burden ... The ratio had therefore changed drastically since the First Malaysia Plan (Sabah) was first drafted ... (thus) the real impetus, in terms of implementation, only came after 1968 when the State Government took over the financial responsibility for many projects previously financed from Federal funds". (Second Malaysia Plan-Sabah). This is shown clearly by Table 15 which shows that the Federal share of actual expenditure was only 21.8% of the total \$413.48m. (See also Table 16)

Table 15
FIRST MALAYSIA PLAN (SABAH): 1966-1970

Sector	Original Plan Allocation		Revised Plan Allocation		Actual Expenditure 1966 - 1970		Financial Achievement	
	\$m.	%	\$m.	%	\$m.	%	\$m.	%
ECONOMIC	213.80	56.71	366.02	67.98	293.36	70.95	80.1	
Agriculture & Rural Development	57.75		135.32		121.47		89.8	
Mining	-		0.34		0.19		55.9	
Industrial Development	1.70		6.75		1.75		25.9	
Transport	71.35		150.78		126.60		84.0	
Communications	25.00		43.10		16.67		38.7	
Utilities	58.00		29.73		26.68		89.7	
SOCIAL	58.83	15.60	87.83	16.31	50.58	12.23	57.6	
Education & Training	27.13		27.16		16.99		62.6	
Medical & Health	18.00		20.41		12.76		62.5	
Social & Community	13.70		40.26		20.83		51.7	
GENERAL ADMINISTRATION	28.62	7.59	35.48	6.59	27.15	6.57	76.5	
DEFENCE & SECURITY	75.77	20.10	49.11	9.12	42.39	10.25	86.3	
TOTAL	377.02	100	538.44	100	413.48	100	76.8	
SOURCE OF FINANCE								
State	61.96	16.40	303.66	56.39	323.43	78.22	106.5	
Federal	315.06	83.60	234.78	43.60	90.05	21.78	38.4	

Table 16

FIRST MALAYSIA PLAN (SABAH)

STATE REVENUE AND EXPENDITURE: \$ million

	Colony 1963	Independence		First Malaysia Plan					
		1964	1965	1966	1967	1968	1969	1970	
State Revenue of which:	97.99	67.34	74.87	91.28	137.66	159.23	180.74	175.63	
Customs	32.62	4.42	6.80	7.99	10.06	10.79	12.15	12.56	
Forests	14.07	15.91	16.83	27.16	55.83	67.31	67.70	79.73	
Lands	1.63	1.68	1.98	3.10	3.32	3.62	4.20	4.37	
Licences/fees	16.90	2.90	3.36	3.60	3.89	3.45	3.92	5.15	
Interest & dividends	2.48	2.76	2.21	2.80	5.80	7.64	10.13	12.01	
Expenditure	97.85	78.34	66.56	73.44	99.13	124.02	183.94	170.87	
Surplus/deficit	+0.14	-11.00	+8.31	+17.84	+38.53	+35.21	-3.20	+4.76	
	-								
State Development Expenditure	36.69	37.12	41.88	32.58	30.80	60.76	91.18	93.42	

6.1.6 Economic Progress: 1965–1970

During the First Plan period Sabah's economy maintained the very rapid growth of 10.5% p.a. (equal to the rate of the 1961–65 period), with per capita incomes rising by 6.8% per annum. The export sector as before, was the prime determinant of overall economic performance, with timber leading the way. Two major changes occurred in the structure of Sabah's exports in this period, the first was the (temporary) demise of copra (re-exports) and the gradual abandonment of hemp exports. Offsetting this was a phenomenal rise in exports of the two recently introduced commercial crops of oil palm and cocoa. Over the period, exports accounted for between 63% to 69% of total State production. Similarly, between 59% and 70% of domestic expenditure was met by imports. Apart from the year 1965, a favourable trade balance was achieved throughout the First Plan period with a record surplus of \$102m in 1969.

One of the other major stimulants to the economy was, of course *public development expenditures* which at \$438

Table 17

FIRST MALAYSIA PLAN – SABAH ECONOMIC PROGRESS – 1965–1970 GROWTH IN PRODUCT AND INCOME (CURRENT PRICES)

		1965	1970	AAGR
Gross domestic product:	\$m.	494	812	10.5%
Exports #	\$m.	341	551	10.1%
Imports #	\$m.	351	515	8.0%
Consumption expenditure	\$m.	372	552	8.2%
Investment expenditure	\$m.	132	224	11.2%
(of which public)	\$m.	(49)	(82)	(10.9%)
Per capita product	\$m.	880	1223	6.8%
Per capita consumption	\$m.	671	839	4.6%
Population ('000)		555	658	3.5%
# Major merchandise exports and imports: Note: Old series of GDP based on analysis of imports AAGR – Annual average growth rate				

Table 18

SABAH: MAJOR EXPORTS: 1963-70

Item	1963	1965	1970	1965-70 AAGR:
Round timber: Volume (tons 000)	1,667	2,128	3,412	9.9
Value (\$m)	150.64	185.40	395.81	16.4
Rubber	21,220	23,848	31,307	5.7
Value (\$m)	32.06	34.04	36.45	1.4
Copra	39,700	24,513	14,792	-9.6
Value (\$m)	17.58	13.53	6.78	-12.9
Hemp (Abaca) Volume (tons)	3,638	2,548	367	-32.1
Value (\$m)	3.77	2.74	0.34	-34.1
Fish and Prawns	1,181	1,161	1,776	8.8
Value (\$m)	2.04	3.58	7.97	17.4
Palm Oil:	-	1,695	28,198	75.5
Volume (tons)	-	1.28	18.10	69.8
Value (\$m)	756	937	4,364	36.0
Cocoa beans: Volume (lbs 000)	0.51	0.47	4.44	56.7
Value (\$m)	275	305	534	11.8
Total Exports: Value (\$m)				

AAGR - Annual average growth rate.

million (actual) from 1965–1970 was 135.6% higher than the \$186 million for the period 1961–1965. Public consumption expenditure was also very high, growing by 12.3% per annum over the period.

Table 19
TRADE BALANCE: 1963–1970

Year	Imports	Exports	Visible Trade balance
	\$m	\$m	\$m
1963	304.7	274.8	-29.9
1964	302.5	259.9	-42.6
1965	336.2	305.0	-31.2
1966	346.7	358.3	+11.6
1967	330.2	409.6	+79.4
1968	344.0	433.1	+89.1
1969	419.0	521.2	+102.2
1970	498.9	533.8	+34.9

6.1.7 Highlights of Achievements in the First Malaysia Plan

The actual expenditure in the First Plan was \$413.48m, 76.8% of the \$538.44m. revised allocation. The seriously deficient level of Federal spending is shown by their achievement of only 38.4% (\$90m) as compared with the State achievement of 106.5% (\$323.4m). The actual Federal expenditure was in fact only 28.6% of the original Federal allocation. (See Table 15)

Agricultural and Rural Development with 25% (\$135.32m) of the revised allocation was second to the transport sector in terms of allocation. In the Plan period significant progress was achieved in agricultural diversification with most of the original physical targets attained. There was spectacular success in *oil palm* plantings, which increased from 24,300 acres in 1965 to an estimated 94,968 acres in 1970. The 70,668 acres planted was over double the plan target of

31,500 acres, and over 40% of the increase was on public sponsored minor settlement schemes and by the land co-operative societies. Acreage expansion for *coconuts*, *cocoa* and *wet padi* were also above target, and provided positive evidence of the success of Government' attempts to raise rural standards of living and promote agricultural diversification.

With the growing importance of oil palm and cocoa, Government research into these crops increased. Apart from agronomic trials, extraction tests using a trial oil palm mill were completed in 1969. The major *institutional development* in this sector was the launching of two new statutory bodies — the *Sabah Padi Board* (SPB) and the *Sabah Land Development Board* (SLDB), in 1968 and 1969 respectively, to undertake land development projects. Thus in this sector there were now 3 major project implementing bodies (apart from the traditional departments), the SPB, SLDB and Sabah Rubber Fund Board covering the 3 major crops: Padi, oil palm and rubber.

Table 20
FIRST MALAYSIA PLAN (SABAH) 1965-1970
BASIC AGRICULTURAL STATISTICS
ACREAGES OF PRINCIPAL CROPS:

	1963	1965	1970
Rubber	23,169	251,645	262,098
Coconuts	95,150	107,852	136,139
Wet Padi	62,700	63,310	76,689
Dry Padi	23,950	23,820	27,041
Oil Palm	6,500	24,299	94,968
Hemp	5,000	5,657	450
Cocoa	5,500	5,886	9,932

The *rubber industry's* progress in the FMP, as in the past, was hindered by shortage of tappers and by depressed prices. The target new planting of 43,000 acres by the SRFB was not achieved, with only 13,839 acres planted, but the replanting

target of 5,000 acres was just attained. Overall the increase in acreage was less than 48% of the target. The collapse of world prices in 1967/68 in conjunction with labour shortages (despite the entry of 5,000 estate workers under the *Malayan Migration Fund Board* – MMFB) was, of course, a major deterrent to any major expansion of acreage and production. Nevertheless production expanded from 23,710 tons in 1966 to 31,450 tons in 1970. However, had all the rubber land been exploited, production could have been in the region of 58,000 tons. In 1970, a crumb rubber factory was completed at Putatan, with a capacity of 10 tons per day. This helped in a small way to improve prices to smallholders who, in 1967, were faced with the lowest rubber prices for 20 years. In 1970, 70% of exports were from smallholdings, as compared with 66% in 1965.

Land Development with emphasis on providing minimum economic size holdings for settlers, was considered one of the most effective methods of reducing income inequalities and improving living standards and the welfare of the rural population. The *minor settlement schemes*, which were designed to assist farmers on their own holdings, and had been started in 1959, numbered 225 covering 5,000 families and a planted area of 15,600 acres in 1965 (mainly padi). In the First Plan a further 6,000 families were assisted and the crop area increased by 27,234 acres – mainly coconuts (1,300 acres), padi (10,000 acres), and rubber (2,500 acres), but also some oil palm. The *major settlement schemes*, which provided land for the landless, for shifting cultivators, and those with un-economic size holdings, concentrated on resettlement on large blocks of newly cleared land. Until 1969, such schemes were the responsibility of the Department of Agriculture, but, owing to the strain on its resources, the *Sabah Land Development Board* was formed on 1st January 1969, to take responsibility for administering 19 of the major settlement schemes. By the end of 1970 it was estimated that 25,893 acres were planted with commercial crops – 21,280 acres with oil palm, 3,367 acres with rubber and 1,246 acres

with coconut, supporting 1,827 settler families. A realistic assessment of these major schemes revealed that problems were arising then that have continued to trouble major land development projects in the State. Social resistance to change on the part of settlers, inadequate knowledge of input requirements, and lack of trained managerial and supervisory staff were all significant factors.

The State *Rice Policy*, as originally formulated in the 1965-70 Plan, excluded the achievement of self-sufficiency as an objective, even though an additional 10,000 acres was planned to be brought under wet padi cultivation. In 1967, Thailand, Sabah's main source of imported rice, imposed an embargo on exports which forced up prices, and led to a reappraisal of the State's rice strategy. With the establishment of the *Sabah Padi Board* in 1968, under the *Agricultural Produce Boards Ordinance* of 1963, the objective of self-sufficiency was reinstated, to be achieved in the shortest possible time. Indeed, it was estimated then, that by 1980, when the State's population would reach 1 million (which it has), the consumption of rice would be 120,000 tons per annum. This was to be met by increasing yields to 600 gantangs (1 ton) per acre on an estimated existing 70,000 acres, with an expansion of 50,000 acres (at 1 ton per acre), of which 30,000 would be new padi land and 20,000 acres

Table 21

PADI ESTIMATED PRODUCTION & IMPORTS:

	Total Padi	Wet Padi	Hill and Kendings Padi	Imports (Rice)	
	tons	tons	tons	tons	\$m.
1963/4	73,800	63,000	10,800	31,144	13.08
1964/5	83,600	73,900	9,700	30,035	12.96
1965/6	72,219	61,003	11,216	12,961	15.67
1966/7	73,470	64,056	9,414	31,705	19.89
1967/8	98,800	80,427	9,373	26,062	16.64
1968/9	87,800	79,000	8,800	29,745	15.53
1969/70	94,080	85,080	9,000	35,733	15.44

Table 22
MAJOR AGRICULTURAL EXPORTS: 1965-70

	Year	Rubber		Palm Oil		Copra			Cocoa beans		Hemp	
		tons	\$m	tons	\$m	tons		\$m	(lbs 000)	\$m	tons	\$m
						Local	Re-export					
	1963	21,220	32.1	56	0.03	17,500	22,200	18.1	756	0.51	3,638	3.77
	1965	23,848	34.0	1,695	1.28	14,513	9,869	13.5	937	0.47	2,548	2.74
	1966	23,710	31.9	3,284	2.03	16,078	10,366	11.5	1,692	1.13	3,208	2.84
F	1967	23,701	26.3	8,756	5.29	11,854	1,977	5.9	2,247	1.62	3,229	2.39
M	1968	24,500	25.9	17,758	7.67	14,623	412	6.8	3,162	2.60	3,462	2.31
P	1969	28,934	41.1	25,524	10.18	12,813	3,423	7.3	2,977	3.59	2,629	2.07
	1970	31,307	36.5	28,198	18.10	9,778	5,014	6.8	4,364	4.44	367	0.34

under double cropping. In the event, the SPB did not even achieve its First Plan target for double cropping of 10,000 acres. This was partly due to the imposition of charges on fertilizers and ploughing services in 1969, and partly to the combination of falling prices for imported rice, over-production of padi in the west coast, poor milling facilities and the absence of large buyers, all of which depressed local rice prices. In response to these circumstances the SPB started its padi purchasing scheme in July 1969, whereby a guaranteed minimum price of \$16.00 per picul (approx. 60kg) for good dry padi of approved varieties was offered. The Drainage and Irrigation Department did manage to supply 15,700 acres with irrigation facilities, over 7% more than the target of 14,650 acres.

Animal husbandry developments in the First Plan concentrated mainly on consolidation of projects started earlier. A disease research centre was completed at Kepayan and two quarantine stations in 1968. Research results from livestock stations were used to improve public grazing reserves. Under the pasture improvement programme 2,810 acres were improved, very close to the Plan target of 3,000 acres. Livestock multiplication produced 296,601 head of improved poultry and 3,381 head of livestock for free distribution. By the end of the plan period, 27 poultry projects and 44 livestock projects had been started mainly for bumiputras. Nevertheless, the State was still far from self-sufficient in all of its basic meat protein requirements, with imports of beef, pork and poultry increasing. The problems involved in developing this sector included lack of expertise, the small number of ruminants and improved breeding stock, and marketing deficiencies.

Fisheries project implementation in the First Plan was improved when the Department was separated from the Agriculture Department in 1968. In the Plan, 250 acres of fish ponds were constructed using grants. 2 of the 3 planned fish breeding stations, and 1 of the 2 planned oyster and cockle culture stations were built. 340,000 fish fry were

Table 23

FIRST MALAYSIA PLAN 1965-1970
LIVESTOCK AND FISHERIES STATISTICS:-

Tables 23:1 Livestock Slaughtered: (Government slaughter houses)

	Year	Buffaloes	Cattle	Pigs
	1963	4,791	1,448	39,720
F	1965	6,468	1,188	43,753
M				
P	1970	5,617	1,161	67,773

Table 23:2 Fisheries Fleet

	Year	Number of Fisheries Licences	Number of boats	Prawn trawlers
	1963	1,296	5,235	45
F	1965	1,203	3,315	135
M				
P	1970	1,338	4,020	294

Table 23:3 Fish and Prawn Landings

	Year	Fish	Prawns
		tons	tons
	1963	19,000	916
F	1965	25,400	1,659
M			
P	1970	26,500	2,862

Table 23:4 Major Fisheries Exports

	Year	Fish		Fish		Prawns and shrimps etc.		All Fisheries Products	
		Fresh, chilled or frozen		Salted, smoked or dried					
		tons	\$m.	tons	\$m.	tons	\$m.	tons	\$m.
F	1965	126	0.13	223	0.28	780	3.15	1,632	4.30
M									
P	1970	193	0.13	144	0.16	1,439	7.68	2,587	8.62

distributed. To assist small coastal fishermen, grants were given to build 1,200 boats. There were an estimated 6,500 full time fishermen in the State, the majority of whom were extremely poor. By contrast there was the modern commercial trawling fleet, for prawns and fish, based in Labuan, Sandakan and Tawau. Pearl culture had been revived in 1963 by Japanese interest on the islands off Semporna.

Under the *Forestry Programme* over 850 acres of fast growing species were planted with a view to assessing their potential for pulping. A study showed that the minimum economic size of a pulp mill was 100 tons per day which would require at least 100,000 acres to meet the pulp wood requirement. In 1968 the *Forest Inventory Survey* of the 23,600 sq. miles of forest resources in the State was started, financed jointly by Federal and Canadian aid. In all respects, the forestry sector continued to be the star performer of the economy, with the export value of logs doubling from \$184.60m in 1965 to \$395.81m in 1970, and providing 47.6% of the State's revenue in the form of royalty compared with 25% in 1964. In 1970 there were 12 long-term concessions, 19 special licences, and over 200 other licence holders. The concessionaires and special licence holders produced 34.2% and 31.7% respectively of the logs in the State.

Towards the end of the First Plan, the most far reaching development in the ownership and control of the State's forest resources took place with the granting of a 10 year special licence to the *Sabah Foundation* (SF) over an area of 40 square miles. The main idea was to assist in financing the SF's other activities in the educational field. Shortly after this, in 1969, the 11 long term concessionaires who collectively controlled approximately 5,700 square miles of commercial forests were informed that their licences would not be renewed, and favourable terms would be available for those prepared to voluntarily relinquish their licences, some of which were not due to expire until 1984. In late 1970 the Foundation received approval from the State Government for a 3,300 square mile concession to be held on behalf of the

Table 24
FIRST MALAYSIA PLAN:
FOREST PRODUCTION & EXPORTS, 1965-1970

	Year	Total log Production (m. cu. ft. true).	Exports							Forest Revenue \$m.
			Logs		Sawn Timber		Veneer Sheets			
			m. H. ft.	\$m.	m ft ³	\$m.	m. ft ³	\$m.		
	1963	123.60	83.30	148.67	0.23	0.94	...	...	14.07
F	1965	148.94	105.91	184.60	0.25	0.84	41.76	1.54	17.05	
M P	1970	232.73	170.58	395.81	0.84	1.03	51.73	2.55	79.95	

m. H. ft = Million Hoppus foot

... negligible

people of the State. It was at this time that the Foundation also widened its activities to include commerce and industry.

Industrial Development in the First Malaysia Plan was sluggish, with no significant projects in either the public or private sectors. Only \$1.75m. was loaned to the *Borneo Development Corporation* to finance the development of industrial lots. In view of the lack of any interest in industry, the *Federal Industrial Development Authority* (FIDA) was requested by the Sabah Government in 1969, to make a study of the State's industrial potentialities and of measures to promote industrial development. The study identified over 70 products, the manufacturing or processing of which could be viable in Sabah. In 1968 the State had been declared a "development area" under the *Investment Incentives Act*. There was no change however in the underlying reasons for the lack of industrialisation in the State. Despite its abundance of natural resources, the State's remoteness from consuming countries, difficult internal communications, shortage of skilled labour, and small and fragmented domestic market were inhibiting factors. Nevertheless by the end of the Plan 14 "pioneer" industries had been attracted to the State.

Development of Road Transportation received special attention in the First Plan because the State was still without a basic road network linking the major urban centres. This deficiency tended to perpetuate the enclave nature of the State's economy, characterised by pockets of export oriented development based on the major ports.

In the course of the Plan the allocation for *roads* was doubled from \$56.75 million to \$111.48 million, of which \$105.69m (94.8%) was spent. Altogether 57 miles of bitumenous road and 424 miles of gravel road were built. By 1970 the basic road network had increased to 1,796 miles, of which 322 were bitumenous, 1,112 were gravel and 362 earth. The East-West road under construction between Sandakan and Kota Kinabalu, still had two large gaps that required completion; a 44 mile stretch between Kota Kina-

balu and Tambunan and 39 miles between Ranau and Telupid. The latter was scheduled for completion in 1972. Over the Plan period private motor cars grew at 21% p.a. from 8,696 to 22,147.

The *Railways Development Programme* suffered from continuing indecision on the future of the system. Originally expenditures were mainly for maintenance, however, it was decided that if the railway was to keep going for another 10 to 15 years (whereupon it would be phased out), then conversion to diesel was considered the most efficient and economical way of maintaining both passenger and goods services. Over the Plan period, 6 diesel locomotives, 4 shunting locos and 44 wagons were purchased. After the passenger rail service between Tanjung Aru and Kota Kinabalu was suspended, plans were drawn up to rebuild the Tanjong Aru Station as a new terminal.

Air traffic growth during the First Plan was tremendous with passenger traffic at Kota Kinabalu, Sandakan and Tawau increasing at over 25% p.a. No major *airport* projects were undertaken apart from the first steps towards extending the Kota Kinabalu runway to 9,400 ft. to accommodate the Boeing 707. The *Ports and Marine Programme* consisted mainly of new wharfs at Kunak (oil palm), Semporna, Lahad Datu, Sandakan (bulk oil), Tawau and Labuan. The *Sabah Ports Authority* was formed in 1968, and took over operation of Kota Kinabalu and Tawau ports. In 1969, a consultant's report confirmed that both ports were overloaded and unable to handle either the current cargo volumes or the volumes expected in the near future. Four berths at least were required at each port. These were to be provided in the Second Malaysia Plan.

To keep up with the demand generated by increasing business activity, the *Telecommunications* service expanded considerably in the First Plan, with a new 5,000 line automatic crossbar exchange for Kota Kinabalu. A 2,000 line exchange for Tawau and 1,000 line exchange for Lahad Datu were ordered. Initial development work was also started on a

new 960 channel microwave link from Kota Kinabalu to Tawau via Sandakan. In *Broadcasting*, it was estimated that 35% of the population would be covered by the medium-

Table 25
FIRST MALAYSIA PLAN 1966-70
TRANSPORT AND COMMUNICATIONS: BASIC STATISTICS

Table 25:1 Transport: Road Mileage

	Year	Sealed	Gravel	Earth	Total
	1963	261	394	502	1,157
F	1965	265	688	462	1,415
M	1970	322	1,112	362	1,796
P					
1965-70 change		+57	+424	-100	+381

Table 25:2 Motor Vehicles

	Year	Total	Motor cycles	Private Motorcars & Taxis	Goods vehicles	Buses	Other
	1963	14,794	4,833	6,118	3,676*	167	1,230
F	1965	18,420	5,361	8,696	2,769	364	*
M	1970	34,992	5,205	22,147	4,776	462	2,980
P							
AAGR 1965-70		13.7	-0.6	20.6	11.5	5.0	19.4
* includes other. Excludes trailers.							

Table 25:3 Railways

	Year	Passenger journeys (000)	Passenger Revenue (\$000)	Goods carried (tons 000)	Goods Revenue (\$000)
F	1963	744	1,090.4	54.0	1,272.9
M	1965	795	1,194.8	92.5	1,399.2
P	1970	697	1,191.7	82.2	1,037.5
AAGR 1965-70		-2.6	-0.05	-2.3	-5.8

Table 25:4 Air traffic

Table 25 continued.

Year	Aircraft* Movements	Passengers#		Air Freight Handled (kgs. 000)	
		in	out	in	out
1963	6,666	56,903	58,300	215.2	312.1
F 1965	14,000	114,145	116,071	797.7	717.3
M 1970	23,425	290,549	297,956	2,600.4	2,249.7
P					
AAGR 1965-70	+12.4	+20.6	+20.8	+26.7	+25.7

* Average of landings & take offs.

Including international & internal.

Table 25:5 Ports & Harbours

Year	No. of Vessels	GRT (m)	Goods handled		Passengers (000)	
			Wharf (000 tons)	Total	in	out
1963	12,321	11.41	634.4	2,613.9	66.5	72.0
F 1965	11,546	11.46	666.8	3,173.4	67.7	56.9
M 1970	19,903	12.69	919.0	4,898.3	49.1	41.4
P						
AAGR 1965-1970	+ 11.5	+ 6.6	+ 2.1	+ 9.1	-6.2	-6.2

GRT = Gross registered tonnage

Table 25:6 Posts & Telecommunications

Year	Airmail (kg. 000)		Overseas Parcels (000)		Telephones- Number
	In	Out	In	Out	
1963	n.a.	n.a.	92.8	4.4	5,060
F 1965	240.2	216.9	114.9	7.4	7,278
M 1970	519.7	363.8	181.6	12.4	11,473
P					
AAGR 1965-1970	+ 16.7	+ 10.9	+9.6	+ 10.9	+ 9.5

AAGR: Average annual growth rate.

wave transmitting stations of Kota Kinabalu and Sandakan. The broadcasting hours of *Radio Malaysia Sabah* increased from 66 per week in 1966 to 126 hours p.w. in 1970.

Public Utilities. Electricity demand in the State in the First Plan grew at 14% p.a. with the number of consumers almost doubling from 13,512 in 1965 to 25,086 in 1970 — and units sold also doubling to 87.9 Mwh. The installed generating capacity of S.E.B. increased by 53% from 17.92MW to 33.78 MW — i.e. by 15.86 MW. Most of the additional capacity went into Sandakan (15 MW), and Kota Kinabalu (6 MW), and new power stations at Tawau, Semporna, Sandakan, Kota Belud, and Ranau. 15 new minor stations were built throughout the State increasing the number to 27 and rural consumers to over 1,300. In 1969 a new H.Q. building was completed in Kota Kinabalu.

Water Supply demand in urban areas continued at a very high rate necessitating a start on the installation of an extra 4.84 m.g.d. capacity in 11 towns. Sandakan was given an extra 2 m.g.d. by the sinking of further underground boreholes. As a result the proposed 5 m.g.d. Garinono River scheme was postponed indefinitely, and a saving of \$40m obtained. All in all the total urban supply capacity had reached 6.4 m.g.d. by the end of 1970, with 4.4 m.g.d. capacity under construction.

Social and Community Services especially housing received a major boost with the launching of the *Sabah State Housing Commission* (SSHC) in April 1968. In the final two years of the plan an estimated 835 low cost units were built mainly in Sandakan (300 units — Berhala Darat), Kota Kinabalu (Tanjong Aru flats — 330; Kg. Likas 86) and at Papar (35), Kudat (50) and Keningau (34). The houses/flats were designed and constructed so that the cost would be within the means of the people to pay. Low interest loans for those earning less than \$500 per month were provided. This new initiative through the SSHC, greatly augmented the housing and shophouse schemes already financed through *Borneo Housing Mortgage Finance* (BHMF) and *Borneo*

Development Corporation (BDC). Urban living conditions were further improved by Urban drainage and sewerage schemes in Kota Kinabalu, Sandakan, Tawau, Kudat, Beaufort, Labuan and Tamparuli.

Table 26
FIRST MALAYSIA PLAN
PUBLIC UTILITIES – BASIC STATISTICS:

Table 26:1 Electricity: Sabah Electricity Board:

	Year	Installed Capacity (Kw)	Units Consumed '000Kwh	No. of Consumers	Towns Served	Rural Areas Served
	1963	12,915	26,141	9,945	10	—
F M P	1965	17,920	44,959	13,512	12	12
	1970	33,781	87,900	25,086	13	27
	1965–1970	+15,861*	+14.4% p.a.	+13.2% p.a.	+1	+15

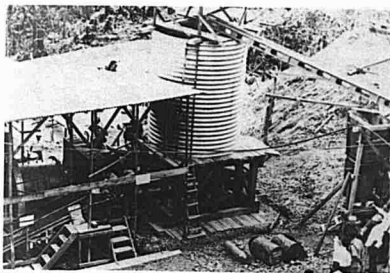
* difference.

Table 26:2 Urban Water Supply:

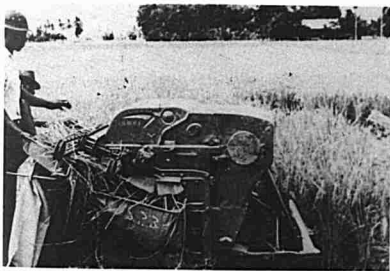
	Year	Estimated Population Served	Towns Served	Design Capacity (m. g.d.)	Storage Capacity (m. galls)
	1963	72,473	13	4.44	3.80
FMP	1965	90,356	14	5.17	3.92
	1970	148,364	16	6.42	5.17

Table 26:3 Sewerage Schemes:

	Year	Population Served	Average Daily Flow (m. gallons)
F M P	1965	42,690	1.07
	1970	64,520	1.41



Mamut Copper Mine – Pre-production tests of copper ore-1970



Mechanical harvesting of padi 1969

Source: Sabah's revolution for progress



An oil palm nursery at Sungei Manila Scheme in Sandakan 1970
Source: Sabah's revolution for progress 1971



Sorting logs in a log-pond on Bohoyan Island in Darvel Bay 1960
Source: Sabah State Archives

6.2 The Second Malaysia Plan – Sabah 1971–1975

6.2.1 Basic Goals

The Second Malaysia Plan basically followed the First in terms of its principal sectoral objectives. However, increasing concern over the need to narrow the gap between the “haves and nots”, and to alter the racial basis of the nation’s economy, had prompted the Federal Authorities to lay increasing emphasis on what is known as the *New Economic Policy*. The new economic policy seeks to eradicate poverty among all Malaysians and to restructure Malaysian society so that the identification of race with economic function and geographical location is reduced and eventually eliminated, both objectives being realised through rapid expansion of the economy over time. In essence the NEP seeks to create a united, secure, socially just and progressive nation.

When the Second Plan was prepared, however, the details of the policy had not been formulated. These emerged in the Second Malaysia Plan Mid-term Review. Following the guidelines laid down by the Federal Government, the State Government adopted *three major goals* in the Second Plan, these were:

- (i) To seek progressively closer economic, social and cultural links with the rest of Malaysia, in the interests of fostering national awareness and national unity;
- (ii) To redress the geographical and racial imbalances in income (especially for Sabah’s rural population and other low income groups), by increasing their productivity and income earning opportunities;
- (iii) To achieve continuous and rapid economic growth, raise incomes and increase employment opportunities.

6.2.2 Major Constraints and Problems

As with the First Plan, the sectoral objectives in the Second Plan reflected the principal constraints and problems facing

the State at that time. The Plan listed *five major socio-economic problems*. Although most of them were long term in nature, some had emerged as a consequence of the new position of Sabah as part of the Federation.

The heavy dependence of the State on a limited range of primary commodities, principally timber and rubber, to finance imports and to provide State revenue, was viewed with concern. Since 1961, three primary commodities, timber, rubber and copra had increased their share of all exports from 78% of value to 82% despite some success in diversifying exports by the planting of oil palm and cocoa. Although it was recognised that heavy dependence on a few primary commodities sold in foreign markets was not necessarily undesirable, the excessive reliance on timber sales to one market (Japan) was, in the case of Sabah, considered extremely risky.

The second major economic problem, still facing the State in 1970 was the inadequate internal communication system despite substantial investment by the Colonial and State Governments since the war and by the Federal Government since 1965. At the end of 1970, there were only 322 miles of sealed and 1,112 miles of gravel roads. Even though good progress had been made on the West Coast road started in the early 1960s, there was still no road linking the 3 major towns of Kota Kinabalu, Sandakan and Tawau. The only links between the east and west coast were by sea and air. The only means of moving heavy and bulky produce was through coastal shipping which was infrequent and expensive. Again, the main economic implication of this was that the geographical fragmentation of the State's economy combined with the small population base was making it difficult, if not impossible, to develop domestic industries to compete with imports.

The third major economic problem and major constraint was the acute shortage of skilled and educated manpower. This was borne out by the 1970 Census, which showed that although the State's population had risen by 43.8% to

653,264 (at an average rate of 3.7% p.a.), the active labour force (over 15 years) had risen only by 15.7% (1.5% p.a.) to 204,446. This reflected the increase in numbers attending secondary school which had grown from 8,397 to 26,719 over the 10 years. A *Manpower Survey* of the State in 1969 could only identify some 60,000–70,000 persons in wage employment. The implication was that 130,000–140,000 of the economically active population, or about 70%, were either self employed or engaged in family (subsistence) type enterprises—farming, fishing and petty trading.

Three aspects of the manpower problem were of most concern: the absolute shortage of labour and skills, the “maldistribution” of population in relation to job oppor-

Table 27
SABAH: POPULATION AND EMPLOYMENT 1960 AND 1970

	1960	1970	AAGR 1960–70
Population	454,421	653,264	3.7
Households	90,568	121,625	3.0
Persons per household	5.02	5.37	—
Working age population (+ 15 years)	256,595	343,564	3.0
Active Labour Force	176,626	204,446	1.5
Distribution by Sector of Active Labour Force	%	%	
1. Agriculture, Forestry, hunting) Fishing)	80.5	59.2	
2. Agricultural processing)			
3. Mining & Quarrying	0.3	0.4	
4. Manufacturing	3.8	3.3	
5. Construction	2.5	2.9	
6. Electricity, Water etc.	0.2	0.7	
7. Commerce	4.4	5.5	
8. Transport, Storage	2.6	3.3	
9. Services/other	5.7	24.7	

AAGR = Average annual growth rate.

tunities and the "inadequate" education system. The first two aspects related to the fact that commercial oil palm estates and timber camps were largely in the east whereas the majority of the labour supply was in the west. As a result the plantation sector was unable to attract Sabahans to work there and continued to rely on imported labour especially from Indonesia. The geographical maldistribution of work opportunities was compounded by a new phenomenon – that of structural unemployment especially of recent school leavers in the urban centres. This particular problem had nothing to do with the overall demand for labour, which continued to be very high, but

Table 28

**PERSONS EMPLOYED IN ESTABLISHMENTS
WITH OVER 20 EMPLOYEES 1960–1970**

		1960	%	1970	%
Estates	Total	14,864	44.0	11,577	29.7
	Rubber	10,710	31.7	4,703	12.1
	Hemp	1,749	5.2	—	—
	Cocoa	720	2.1	873	2.2
	Oil Palm	—	—	5,921	15.2
	Other	1,685	5.0	80	0.2
Industry & Commerce	Total	14,010	41.5	15,448	39.6
	Logging etc.	10,293	30.5	8,361	4.4
	Wholesale/ Transport	833	2.5	1,587	4.1
	Construction	894	2.6	1,420	3.6
	Fishing	720	2.1	170	0.4
	Other	1,270	3.8	3,910	10.0
Government	Total	4,913	14.5	11,966	30.7
	TOTAL	33,787	100	38,991	100

AAGR = Average annual growth rate.

was considered to be a reflection of the mis-match of the educational system, with its "colonial" emphasis on white collar teaching, contrasting with the needs of the economy for "blue collar" skilled workers and craftsmen with manual and technical skills.

The fourth major socio-economic problem, was the uneven geographical and sectoral distribution of income reflecting the dualistic nature of the economy, characterised by the traditional low income and low productivity subsistence sector alongside the modern commercialised plantation and urban based trading and commercial sectors. It was argued that the fruits of development and public expenditure had in the past tended to accentuate this dualism. The estimate at the time was that around 35% of the population was still outside the cash or market economy and depended exclusively on subsistence agriculture for their livelihood.

The final problem, which faced Sabah was the increasing rate of inflation and high cost of living. Both factors were a reflection of the booming nature of the State's economy and the rising level of public expenditures which had increased pressure on limited local supplies, although some relief was achieved by increasing imports. Import costs, however, had risen as a result of higher tariffs under the Malaysian Common Market accentuated by higher sea transport costs. Sabah's cost of living was, of course, contrasted with that elsewhere in the Federation — and tended to perpetuate some doubts as to the returns to the State from the Federation. These doubts had been aired in the First Plan, and little had transpired in the interval to dispel them. It was argued that economic and taxation policies, especially with respect to the common external tariff "... have been based mainly on the assumption of mobility of factors of production whereas the geographical isolation of Sabah ... from the West Malaysian States and the lack of surface communication coupled, with expensive and inadequate sea/air transportation, entitled it to be treated as a separate unit in so far as economic development planning is concerned".

When the above factors were added to the special problem in Sabah of a small industrial base, the fragmented and limited market, and higher costs of production, the economic problem of attracting industry appeared to be formidable. It is hardly surprising that the Sabah Government made a plea in the Second Plan for "... more imaginative policies and realistic measures ... to reduce the undesirable side effects (such as the higher prices in East Malaysia) of the common market arrangements and secondly to encourage the spread of industries". These sentiments were reflected in a 1969 report on the industrial potential of the State by the *Federal Industrial Development Authority (FIDA)* entitled *A study of industrial potentialities of Sabah, Malaysia*. Among the possible partial solutions to this particular problem were first, compulsory uniform pricing throughout the Federation for goods manufactured in Malaysia that had a "captive market", and second, greater tax incentives over and above the existing additional one year tax holiday or additional 5% investment tax credit provided under the *Investment Incentives Act*, 1968 for Sabah as a "Development Area". Finally a plea was made to provide an efficient Malaysian owned shipping service, as "... the question of extra incentives and efficient shipping services are two of the vital and basic issues on which there needs to be foresightedness on the part of both Governments if industries are ever to be located in Sabah".

It is in the context of these observations that the objectives of the Second Malaysia Plan (Sabah) were framed. The Second Plan emphasised four key sectors:

First: improved transport and communications within the State and to the outside world; *second*, accelerated agricultural development; *third*, industrial promotion and diversification and *fourth*, education and training.

The original Second Plan allocation was \$756 million over the 5 years — or 90% more than the \$413 million actual expenditure in the First Plan. Of the total, \$375m (49.6%)

Table 29

COMPARISONS OF FIRST AND SECOND MALAYSIA PLANS — SABAH

	FIRST PLAN		SECOND PLAN				SECOND PLAN		Actual Expenditure		Financial Achievement
	1966-1970 Actual Expenditure		Original Allocation 1971-75			%	Revised Allocation 1971-1975				
	\$m	%	State \$m	Federal \$m	Total \$m		\$m	%	\$m	%	
ECONOMIC	293.36	70.95	281.71	251.37	533.08	70.47	755.82	76.30	657.36	77.92	87.0
A. Agriculture & Rural Development	121.47	29.38	194.40	1.00	195.40	25.83	224.54		148.80		66.3
B. Mining	0.19	0.05	—	0.18	0.18	0.02	0.16		0.15		93.7
C. Industrial Development	1.75	0.42	10.75	—	10.75	1.42	43.08		53.69		124.62
D. Transport	126.60	30.62	61.97	181.33	243.30	32.17	348.29		321.27		92.2
E. Communications	16.67	4.03	19.60	45.94	65.54	8.66	78.37		62.59		79.9
F. Utilities	26.68	6.45	17.24	0.66	17.90	2.37	59.16		69.26		117.0
SOCIAL	50.58	12.23	61.18	153.12	214.30	16.42	143.39	14.48	114.64	13.59	79.9
A. Education & Training	16.79	4.11	—	36.00	36.00	4.76	60.67		49.06		80.9
B. Medical & Health	12.76	3.08	—	25.00	25.00	3.30	26.00		19.10		73.4
C. Social & Community Services	20.83	5.04	61.19	2.12	63.31	8.37	56.72		46.48		81.9
GENERAL ADMINISTRATION	27.15	6.57	31.10	12.34	44.44	5.88	46.77	4.72	35.37	4.19	75.6
DEFENCE & SECURITY	42.39	10.25	—	54.60	54.60	7.22	44.89	4.53	36.30	4.30	80.9
TOTAL	413.48	100	375.00	381.43	756.43	100	990.60	100	843.67	100	85.2

would be from the State's funds and the balance from Federal grants and loans.

6.2.3 Highlights of Original Sectoral Allocations and Programmes

The \$195.40m planned expenditure for *Agriculture and Rural Development* was 25.8% of the total – a lower share than the First Plan actual expenditure. For the crop programmes, a target of 157,100 acres was set of which 74,500 acres was for oil palm – mainly on settlement schemes, 16,000 acres for cocoa, 15,000 acres each for wet padi and coconuts and 3,500 acres for planting of rubber (excluding 5,000 acres replanting). The balance was for tapioca, bananas, maize, sorghum, fruits and pastures. Altogether 57,000 acres (36%) of the 157,000 acres total was planned for major settlement schemes, 14,000 acres for cooperatives and 22,000 acres for estates with the balance of 44,100 acres being smallholder development.

Oil palm production was forecast to increase fourfold or by 33% p.a. over the 5-year plan period to reach 65,00 tons. The rather surprisingly small acreage devoted to *rubber* reflected the general depression in the industry and the fact that over 100,000 acres of moribund rubber still needed replanting. In addition, since only 47,000 acres (55%) of the estimated 86,000 acres of mature high yielding rubber was being tapped in 1969, (due to shortage of labour), there was little point in adding further to the acreage. For Sabah to be self-sufficient in *rice*, it was estimated that an additional 44,500 tons would be required, 29,000 tons to replace imports and 15,500 tons to meet increased consumption. To achieve this, 15,000 acres of new padi land needed to be opened, an additional 30,000 acres double cropped and average yields increased to 550–600 gantangs per acre. To assist this, the Sabah Padi Board was to introduce a subsidised mechanised ploughing service and provide fertilizers, insecticides and planting materials below cost or free of charge. 25,500 acres of existing padi land (10,000 acres in Papar and Tuaran

and 15,500 acres on 25 minor schemes) were to be improved, and 6,000 acres at Trusan Sapi cleared for cultivation.

Along with this increase in acreage, *agricultural processing* was to be promoted through SLDB, (palm oil mills), Sabah Padi Board (rice mills) and private sector crumb rubber factories. The crop programmes were to be complemented by continued programmes of research, and projects in *animal husbandry and fisheries*. The latter included a proposed fisheries training centre in Labuan, milk fish trials in mangrove swamps, cockle and oyster cultivation trials and subsidies for fish pond construction. The State's vast potential for cattle rearing was to be realised by a programme of crossing local stock with selected imported stock and through pasture improvement schemes.

A significant feature of the Second Plan was the dismal forecast for *timber* where output was expected to grow much less rapidly than in the past (2.1% as compared with 9.2% between 1966-70). The reason given was that there would be a restriction on licences issued and with the exhaustion of accessible areas, particularly State land suitable for agricultural purposes, timber production would reach a peak of 200 million hoppus ft. per annum.

The *Manufacturing, Mining, Construction and Commerce* sectors were expected to play a key role in the recently formulated New Economic Policy (NEP). The FIDA Study mentioned earlier suggested that the State's manufacturing potential lay in industries processing timber agricultural products, and minerals for export, with some scope for consumer products based on import substitution. To start the ball rolling \$10.8m was allocated in the Plan, of which \$2m. was for the *Borneo Development Corporation* (for industrial estates), \$1.8m. for industrial credit via the *Sabah Credit Corporation* and \$7m. for a proposed new State industrial development corporation which was under study. Although the prospects for industrialisation looked somewhat brighter it was recognised that the State had formidable obstacles to overcome.

Mining, on the other hand, looked very promising with the *Mamut Copper Mine* due to start production in 1974. Drilling results had revealed that of the 180m, tons of copper bearing ore, 77m, tons were mineable, yielding 468,000 tons of copper, 307,000 kg. of silver and 50,000 kg. of gold over a 15 year period, valued then at over \$100 million. The Nungkok copper prospect and offshore oil, also looked promising.

Transport and Communications were allocated respectively \$243m and \$65m in the Second Plan — over double the actual expenditure in the First Plan. The *Roads Programme* with \$28.4m, still remained one of the most important for development purposes because the basic road network was not yet completed. The East-West Coast road was still under construction between Ranau and Tamparuli and between Ranau and Telupid, and a start was to be made on a link between Sandakan and Lahad Datu via Lamag. 85 miles of gravelled trunk road and 50 miles of bitumenous road were planned for construction. A further 233 miles of existing gravel roads were to be bitumenised; 90 miles between Tawau and Semporna, 20 miles of the Sandakan — Telupid road, and 100 miles of the West Coast road. In Kota Kinabalu, improvements were to be made to the Penampang road, a dual carriageway constructed to Inanam and from Sembulan to Tg. Aru. Similar improvements were planned in Sandakan, Tawau and Labuan.

The *railways* development programme was to continue modernisation and conversion to diesel included in the First Plan. In addition it was proposed that feasibility studies should be undertaken on an extension of the railway to Tawau on the east coast, and on the desirability of retaining the Tenom to Melalap line — which the *Malaysian Transport Study* had recommended should be closed down.

The *Civil Aviation Programme* with an allocation of \$46.6m was primarily concerned with Sandakan and Kota Kinabalu Airport developments (\$38.3m combined). Sandakan, on completion, would be able to take Boeing 737

aircraft on a runway of 6,500 ft. and would have a new parking apron and terminal building. Kota Kinabalu's runway would be extended to 9,400 ft. and a parallel taxiway constructed together with a new parking apron, terminal building, operations block, control tower, fire station and other facilities. The planned expenditure on *Ports and Marine* was 10 times greater than in the First Plan at \$60.3 million, of which \$50.2m. was for Kota Kinabalu and Sandakan ports both of which were overloaded and unable to handle the cargo volumes to be expected in the future. It was also planned that the *Sabah Ports Authority* should extend its control to Sandakan, Lahad Datu, Semporna, Kudat and Labuan. The major project in *Telecommunications* development was to be the installation of a microwave route from Kota Kinabalu to Sandakan and Tawau which would include TV bearers to be linked also to Kudat and Kuching. It was planned to spend \$25.6 million on *Broadcasting* (which was still a concurrent financial responsibility) mainly on the introduction of TV on a State - wide basis, with transmitting stations at Layang-Layang, Sandakan, Kudat, Tawau and Lahad Datu to cover 90% of the population. A permanent studio centre was planned, and pilot TV transmissions in colour were to be started.

The consumption of *electricity* in the State was forecast to increase nearly 2½ times between 1970 and 1975. To cope with this, diesel generating capacity was to be increased by nearly 27 MW mostly in Kota Kinabalu (10 MW), Sandakan (5 MW), Tawau (3.5 MW) and Lahad Datu (4 MW). Again it was emphasised that after 1975, K.K. should turn to hydro-power for its electricity supply. A consultant's report on the Padas Gorge estimated that with a high dam at Rayoh, 225 MW could be produced, and an extra 137 MW from a series of 3 low dams. The capital investment at that time was estimated at \$292m. *Water Supply* development again concentrated on Sandakan - where an extra 2 m.g.d of underground supplies were being tapped to bring the capacity to 5.5 m.g.d.

Under *Social and Community Services*, the *low-cost housing requirements* in the Plan were put at 3,770 units of which 1,100 were to be provided in Likas, 250 in Sandakan, and 500 in Tawau. It was stressed that the great demand for low cost housing in the principal urban areas was being accentuated by the high cost of land and by escalating construction costs. The *Sabah State Housing Commission* (SSHC) was to be provided with \$29.3m in loans in the Second Plan to build 2,500 units with the programme carried forward into the Third Plan. In addition to the SSHC, the *Borneo Development Corporation* was expected to finance and build 870 low cost terraced units as compared with 215 in the First Plan – all in Tawau. *Borneo Housing Mortgage Finance* expected to approve 2,000 loans amounting to \$39m for residential housing.

6.2.4 Second Malaysia Plan – Achievements

As with the First Plan, the *Mid-term Review* resulted in an increase in development expenditure allocation but it was not as large in relative terms. The SMP allocation for Sabah, according to the Federal Government, increased by \$101.05 million from \$773.8m (10.67% of the Malaysia total) to \$874.85m. (9.57% of the total). The Federal funding allocation grew from \$381.4m to \$500.77m – a sizeable increase, as compared with a *decrease* in the State share from \$392.4m to \$374.08m. According to the State Government however the revised total was \$990.60m, a \$234m increase over the original allocation of \$756.43m of which \$449m was to be from State funds. This signified an increase in State spending of \$74 million, and in Federal spending of \$160m.

During the Second Malaysia Plan period some major shocks to the economies of both developed and less developed countries were administered starting with the 1971/72 oil price rise. Malaysia and Sabah along with all other countries suffered from these major changes in world economic conditions, and in particular from the effects of inflation.

Table 30

SECOND MALAYSIA PLAN-SABAH
GROWTH IN INCOME AND OUTPUT: (Current prices)

INDUSTRIAL ORIGIN:	1967		1970		1975		AAGR 1970-75
	\$m	%	\$m	%	\$m	%	
Gross Domestic Product (at factor cost)	602	100	743	100	1529	100	15.5
BY ORIGIN							
Agriculture & Livestock	93	15.4	122	16.4	289	18.9	18.8
Forestry & Logging	210	34.9	259	34.9	411	26.9	9.7
Fisheries	29	4.8	25	3.4	50	3.3	14.9
Mining & Quarrying	1	0.2	2	0.3	114	7.5	124.5
Manufacturing	13	2.2	16	2.2	43	2.8	21.9
Construction	20	3.3	30	4.0	85	5.6	23.2
Electricity & Water	6	1.0	10	1.3	16	1.0	9.9
Transport & Communications	26	4.3	37	5.0	82	5.4	17.3
Wholesale & Retail trade	67	11.1	79	10.6	123	8.0	9.3
Banking & Insurance	7	1.2	9	1.2	19	1.2	16.1
Ownership of dwellings	41	6.8	47	6.3	71	4.6	8.6
Public Administration & Defence	35	5.8	40	5.4	82	5.4	15.4
Services - Other	54	9.0	67	9.0	144	9.4	16.5
BY EXPENDITURE CATEGORY							
Consumption	516	70.7	675	74.8	1313	73.1	14.2
Private	415	56.8	550	61.0	1051	58.5	13.8
Public	101	13.8	125	13.8	262	14.6	15.9
Investment	136	18.6	189	20.9	436	24.3	18.2
Private	79	10.8	95	10.5	168	9.3	12.1
Public	57	7.8	94	10.4	268	14.9	23.3
Plus							
Exports	426	58.4	573	63.5	1075	59.8	13.4
Less							
Imports	348	47.7	535	59.3	1027	57.1	13.9
= EXPENDITURE on GDP	730	100	902	100	1797	100	14.8
Less Net factor payment overseas	(6)		(26)		(25)		
= EXPENDITURE on GNP	724		876		1772		15.1
(at market prices)							

Note: A new series of GDP and GNP statistics for Sabah was calculated based on the UN System of National Accounts. Thus the above statistics are not directly comparable with any previous GDP series.

AAGR = Average Annual Growth rate:

6.2.5 Growth in Income & Output

Over the period 1970–1975, Sabah's economy grew at around 15.5% p.a. in *current prices*, with per capita incomes rising at around 11% p.a. The high rate of domestic inflation, which increased to over 15% at its height in 1973, meant of course, that *real increases* in income and output were very much lower. According to available data, GDP in 1970 prices grew at 9% p.a. and GDP per capita at 5.5% p.a. slightly below the historical trend.

Table 31
SECOND MALAYSIA PLAN
GROSS DOMESTIC PRODUCT by ORIGIN
(1970 PRICES)

SECTORS:	1970		1975		AAGR 1970–75
	\$m	%	\$m	%	
Agriculture, Forestry, Fishing etc.	405.0	52.6	605.0	51.1	8.4
Mining & Quarrying	2.0	0.3	6.3	0.5	25.8
Manufacturing	19.0	2.5	32.3	2.7	11.2
Construction	48.0	6.2	68.6	5.8	7.4
Services	296.0	38.4	472.0	40.0	9.8
GDP TOTAL	770.0	100	1,184.2	100	9.0
Population (000)	654.0		751.0		2.8
Per capita GDP.	1,177.4		1,577.0		5.5
Ratio to Malaysian average	1.19		1.12		
<p>Note: AAGR = Average annual growth rate. The above series was prepared by Federal EPU and quoted in the Third Malaysia Plan.</p>					

6.2.6 Trade

As in the past, exports were the principal determinant of growth, and grew at 13.6% p.a. Imports however were rising even faster at 15.2% p.a. For the first time in many years,

Sabah recorded trade deficits in 1971 and 1975. The only truly successful year was 1973 with a \$307m visible surplus. In that year *timber* export volumes jumped by 31% over 1972, to reach a peak of 5.63m. tons, and value grew by 97% to reach \$806.6m., — the highest ever recorded. In 1974 unit prices were even better, and pushed the value of timber exports to \$870.5m. despite a fall in volume. In 1975 came the expected slump in world trade as recession in the industrialised countries set in. Timber exports fell to 4.99m tons and by \$300m to \$567m. The consequences were not as disastrous for the State's trade balance as might have been feared owing to the emergence of two new exports namely *crude oil* (from offshore oil fields), which although only starting in 1974, had grown to \$85.5m, (or 8.5% of total export value) in 1975, and *copper concentrates* from Mamut mine valued at \$11.6m in their first year of export. *Palm oil* exports were a further favourable factor, increasing from 28,200 tons in 1970 to 122,600 tons in 1975, and in value from under \$20m to over \$130m (3.4% and 13.0% of exports). *Rubber* exports followed roughly the pattern of timber, with a peak in volume in 1973 (of 54,286 tons) a

Table 32
SECOND MALAYSIA PLAN
TRADE PERFORMANCE: 1970-1975

Year	Imports	Exports	Visible Balance
	(Current Prices) \$m	\$m	
1970	498.9	533.8	+ 34.9
1971	585.5	577.5	- 8.0
1972	589.5	590.5	+ 1.0
1973	704.9	1,011.8	+ 306.9
1974	1,192.3	1,193.5	+ 1.2
1975	1,011.6	1,011.2	- 0.4
AAGR	15.2	13.6	

AAGR = Average annual growth rate.

slightly lower volume in 1974 (50,464 tons), but higher unit prices — followed by a slump in volumes and prices in 1975.

Japan still retained its predominant position as the State's number one trading partner — accounting for 53.3% of exports in 1970, and 51.1% in 1975; and respectively 15.5% and 20% of imports in these years. Japan's share of overall exports was due primarily to the fact that it purchased over 65% of log exports in an average year.

Table 33

**SECOND MALAYSIA PLAN
PRINCIPAL EXPORTS: 1970-1975**

Item:		1970	1975	AAGR	% of total value of Exports	
					1970	1975
Round timber	\$m tons (000)	395.8 3,411.6	567.8 4,987.5	7.5 7.9	74.1	56.1
Rubber	\$m tons (000)	36.5 31.3	40.0 31.5	1.9 0.1	6.8	4.0
Copra	\$m tons (000)	6.8 14.8	14.4 30.0	16.2 15.2	1.3	1.4
Palm Oil	\$m tons (000)	18.1 28.2	131.0 122.6	48.6 34.2	3.4	13.0
Cocoa beans	\$m lbs (000)	4.4 4,364	17.0 11,944	31.0 22.3	0.8	1.7
Crude oil	\$m tons (000)	— —	85.5 369.9	— —	—	8.5
Copper Concentrates	\$m tons (000)	— —	11.3 13.1	— —	— —	1.1 —
Total Exports: \$m		533.8	1,011.2	13.6	100	100

n.b. Copra includes re-exports.

AAGR = Average Annual Growth Rate.

6.2.7 State Revenue and Expenditure

The further consequence of the deteriorating trade position in 1975 and sudden fall in timber exports was to worsen the

TABLE 34

SECOND MALAYSIA PLAN - SABAH,
1971 - 1975

EXPENDITURE BY SOURCE OF FINANCE

	Mid-term allocation \$m	%	Actual Expenditure \$m	%	Financial Achievement %
Federal - direct	299.27	30.2	166.22	19.7	55.5
- reimbursable	142.42	14.4	140.77	16.7	98.8
- loans etc.	100.08	10.1	56.53	6.7	56.5
Sub-Total	541.77	54.7	363.52	43.1	67.1
State:					
Sub-Total	408.66	41.2	359.30	42.6	87.9
Statutory bodies own funds :					
Sub-Total	40.17	4.1	120.85	14.3	300.8
TOTAL	990.60	100	843.67	100	85.2

State's financial position. State revenue expanded steadily from \$183m in 1971 to \$380m in 1974, in line with the rise in timber exports. In 1974, timber royalties accounted for 64% of total State revenue as compared with 50% in 1971. The 1975 slump brought forest royalties down from \$244m to \$142m – and with it total State revenues fell by \$125m.

The reaction of the State Government, faced with elections approaching in early 1976, was to try to "spend" its way out of the recession, with disastrous consequences. State expenditure continued climbing to reach \$415m in 1975, (over \$79m up on 1974), despite the fact that State revenues in 1975 were \$125 million lower than the previous year. The result of this was a budget deficit of \$149m in 1975 and a run down of the Consolidated Revenue Account Balance to \$6.11m by the end of 1975. In contrast, the Federal Government also faced with a financial squeeze, cut back on development expenditure in the State. A comparison of Federal and State expenditures in the Second Plan reveals that actual Federal expenditure was only 67% of the planned level (and for direct expenditure only 55% of planned). In

Table 35

SECOND MALAYSIA PLAN

SUMMARY OF STATE GOVERNMENT REVENUES AND EXPENDITURES

Year	Revenue		Expenditure	Surplus (+) Deficit (-)	Consolidated Revenue Account Balance (end year)
	Total \$m	of which Forest Royalties \$m			
1970	175.63	(79.73)	170.87	+4.76	102.24
1971	183.33	(91.04)	185.37	-2.04	100.20
1972	168.52	(74.03)	234.83	-66.31	34.39
1973	299.24	(166.33)	213.36	+85.88	120.27
1974	380.35	(244.24)	345.65	+34.70	154.97
1975	265.76	(142.12)	414.62	-148.86	6.11

contrast State development expenditure was 88% of planned (or 107% if State and statutory bodies expenditures are combined). (See Table 34).

6.2.8 Inflation

As mentioned earlier, one of the most difficult problems facing the State throughout the early 1970's was the rising rate of domestic inflation much of it "imported" (cost-push), although excessive domestic demand (or "demand-pull") was a major contributory factor. The *Consumer Price Index* between the end of 1970 and the end of 1975 rose by 37.6 points from 103.9 to 141.5 — representing an average growth of 6.4% p.a. The worst year was 1973/74 when prices rose by almost 15%. The "blame" for Sabah's inflation was placed on higher shipping costs, excessive profits in trading, labour shortages, and the general rise in world prices which affected prices of imported goods. The response of producers was to pass on costs, and of consumers to hoard goods. The Federal and State Governments responded to the situation by adopting an *anti-inflationary policy* which included the lifting of import restrictions, and a reduction in tariffs to encourage lower priced imports. Other measures included provision of subsidies and enforcement of price controls on essential commodities such as rice, flour, sugar and fertilizers; discouraging speculative hoarding under the *Supply Act*, dampening domestic demand and money supply, encouraging food-production through the "Green Book" Plan, and additional tax relief for the lowest paid groups. The effects of these stringent measures were to become apparent in 1976, when inflationary pressures eased rapidly.

6.2.9 Highlights of Sectoral Progress: 1971–1975

Agriculture, Livestock, Fisheries: According to the 1970 Census, 53% of all households in Sabah cultivated the land and 59% of the active labour force was engaged in agriculture. It followed that agriculture, as the main occupation of

the indigenous people (bumiputras), should be accorded top priority in the Second Plan. Available statistics show that overall agricultural and forestry output grew by 7.5% — a significantly higher rate than the original 5% forecast. Spectacular success was achieved with *palm oil* with exports growing at an average annual rate of 34.2% from 28,200 tons in 1970 to 122,600 tons. *Cocoa* bean exports also grew rapidly by 22.3% p.a. to reach 11.9 million lbs. Domestic *copra* production which had been expected to increase by 4.7% p.a. in fact declined, but re-exports in 1975 pushed up the export value. *Rubber*, which had lost out to oil palm as the State's principal agricultural export in 1971 was adversely affected by depressed prices in 1971/72 but rebounded strongly in 1973. SMR output rose from 2,353 tons in 1971 to 10,507 tons in 1975 as a result of Rubber Fund Board and private investment in processing facilities. By the end of 1975, smallholders accounted for 71% of rubber export tonnage.

Sabah's estimated domestic *padi* production increased from 95,740 tons in 1970/71 to 123,029 tons in 1974/75, but fell disastrously in 1975/76 to 80,738 tons due to floods, mainly in the Kota Belud district. The level of domestic rice production had little impact on imports which grew from 35,733 tons in 1970 to 40,025 tons in 1975. The Plan provided for an expansion of area under crops of 157,100 acres, but this was not achieved: only 108,354 acres were planted. Major short falls were recorded in oil palm, (69% of target of 74,500 acres), cocoa (80%), and wet padi with only 4,410 acres developed (29%) out of 15,000 acres planned. Progress was slowest in major settlement schemes (57.6% of the planned 57,000 acres) undertaken by SLDB, in padi schemes undertaken by the Sabah Padi Board (SPB) and land development by cooperatives. These short falls were attributed to lack of finance and technical staff, land acquisition problems and shortage of construction materials and equipment, and also in 1973, to a serious drought. At the end of 1975 the acreage on major land settlement schemes

was 56,883, of which 50,563 acres were under oil palm. 2,136 settlers were in residence.

Agricultural processing expanded appreciably in the plan, with 3 palm oil mills commissioned by SLDB, bringing the number of mills in operation to 11. Two rice mills at Kota Belud and Papar were completed by SPB, bringing their total to four.

Table 36
SECOND MALAYSIA PLAN
AGRICULTURE: BASIC STATISTICS

PRINCIPAL CROP ACREAGES

Crop	Planted Acreages (000)	
	1970	1975
Rubber	262.1	266.1
Coconuts	136.1	129.9
Wet Padi	76.7	72.3
Dry Padi	27.0	36.0
Oil Palm	95.0	145.9
Hemp	0.4	—
Cocoa	9.9	24.3
Maize	11.2	21.1

Fisheries development progressed smoothly with a 4% p.a. increase in fish landings. Four new prawn factories were opened, in addition to the existing 7, and prawn landings increased from 2,862 tons in 1970 to 3,475 tons on 1975.

The *livestock* development plan included a target of 5,600 acres for pasture improvement, but this was not attained, only 1,150 acres being improved. Overall growth in the animal population at 1.7% was only half the 3.8% target despite the importation of exotic cattle from Australia for private cattle ranches. In 1975 a pilot commercial beef cattle project was started by the Department of Veterinary Services and Animal Husbandry and two cattle multiplication stations at Tawau and Timbang Menggaris were established.

Table 37

SECOND MALAYSIA PLAN-SABAH
AGRICULTURAL EXPORTS and IMPORTS

Table 37:1 PRINCIPAL AGRICULTURAL EXPORTS:

	1970	1971	1972	1973	1974	1975
Rubber : tons (000) (\$m)	31.3 36.5	28.1 26.4	25.9 23.3	34.8 54.2	31.1 50.4	31.5 40.0
Palm Oil : tons (000) (\$m)	28.2 18.1	37.5 24.3	70.5 31.4	71.9 38.5	86.6 105.5	122.6 131.0
Palm Kernel : tons (000) (\$m)	5.1 1.9	7.4 2.4	14.3 3.1	13.2 4.8	20.1 15.1	23.9 8.9
Copra : tons (000) (\$m)	14.8 6.8	31.8 13.8	36.3 11.6	13.7 7.5	9.7 10.7	30.0 14.4
Cocoa beans : lbs (000) (\$m)	4,364 4.4	4,449 3.6	6,907 4.9	8,388 8.4	9,929 16.0	11,944 17.0

Table 37:2 RICE IMPORTS:

	tons (000) (\$m)	35.7 15.4	41.9 15.4	44.1 16.6	52.4 44.1	42.3 48.0	40.0 41.7
--	---------------------	--------------	--------------	--------------	--------------	--------------	--------------

Table 38
SECOND MALAYSIA PLAN
FISHERIES AND LIVESTOCK: BASIC STATISTICS

Table 38:1 Fisheries

	1970	1975
Number of boats	4,020	4,236
Number of Prawn Trawlers	294	322
Fish catch: tons (000)	26.6	33.0
value (\$m)	28.0	56.6
Prawn landings: tons	2,862	3,475

Table 38:2 Principal Fisheries Exports

Item	1970		1975	
	tons	\$000	tons	\$000
Fish-fresh, frozen, chilled	193	127	476	1,277
-salted, smoked, dried	144	161	43	87
Prawns etc.	1,439	7,685	1,679	12,240

Table 38:3 Livestock Slaughtered

	1970	1975
Buffaloes	5,617	6,221
Cattle	1,161	1,751
Pigs	67,773	68,940

n.b. no statistics on livestock populations available for 1970.

Manufacturing industry still continued to be one of the main problem areas for the State, accounting for less than 3% of GDP in 1975. However, from a small base, growth in output of 22% p.a. between 1970 and 1975 was very respectable. The 1970 *Survey of Manufacturing Industries* revealed 260 establishments (with more than 5 workers), most of them very small. On the basis of the number of applications

to the *Department of Industrial Development* under the *Industrial Coordination Act*, it was estimated that the number of establishments would reach 500 by 1975, with most of them in the service sector and in processing. With the launching of the *Sabah Economic Development Cooperation* (SEDCO) in 1973, major public investment in industrial estate development and in new industries began. With increasing emphasis on bumiputra participation in commerce and industry, loans and other assistance were provided to bumiputras. Among the SEDCO projects under construction by the end of 1975 were a flour and feed mill in Labuan, motor vehicle assembly plant and brick works. Industrial estate work was concentrated on a 150-acre site in Likas, Kota Kinabalu.

Mining activity in the State received a major boost with the start of production in May 1975 of the Mamut Copper Mine near Ranau, 49% owned by local businessmen. The first shipments to Japan of concentrate (containing copper, gold, and silver) took place in November, 1975 and by the end of 1975, 26,000 tons had been produced of which 13,068 tons had been exported valued at \$11.34 million. The copper ore discovered at Gunung Nungkok was not developed.

Oil exploration in the State took a dramatic turn in 1971 when commercial deposits were declared for the first time since exploration had started in 1910. The first strike declared by Exxon at Tembungo, 50 miles NW of Kota Kinabalu, was followed closely by another by Sabah Shell in the Erb West structure, 40 miles NW of the capital. In 1973, a further discovery was made by Shell at Semarang, and in 1974 at South Furious. Aquitaine Petroleum (of France) made a small (uncommercial) strike of gas at Nympe, 60 miles SE of Sandakan, which yielded 410,000 cu. metres on test. The total declared gas reserves at all fields, were put at nearly 600 billion cu. ft. in 1975. Development of the oil fields off the west coast began with Tembungo (Exxon) and Semarang (Sabah Shell). As of November 1975 these two fields were producing over 18,000 barrels/day. For 1975, total

exports were 369,917 tons, valued at \$85.5 million. It was estimated at that time that production would reach over 150,000 barrels/day when all proven fields were in full stream.

Up to 1974, with the passing of the *Petroleum Development Act 1974*, oil prospecting licences in Sabah were issued by the State Government under the *State Mining Ordinance* No. 20 of 1960. Licences were normally issued for 10 years with minimum work requirements. A separate *mining lease* under the *State Land Ordinance* Cap. 68 was also required to be executed before exploration and exploitation could begin and such lease included a proposed 12.5% royalty charge on offshore wells and a lower rate for land wells. With the passing of the *Petroleum Development Act 1974*, as amended, it gave PETRONAS (Petroliam Nasional Berhad) the entire ownership in and the exclusive rights, powers, liberties and privileges of exploring, exploiting, winning and obtaining petroleum whether onshore or offshore of Malaysia. Thus it was not until PETRONAS had concluded production sharing agreements with the oil companies and the State Government had signed ever in June 1976 its rights to the oil to PETRONAS in exchange for a cash payment in the form of a yearly sum amounting to the equivalence of 5% of the value of the petroleum won and saved from areas in the State and sold by PETRONAS or its agents or contractors, that plans for full exploitation could proceed.

Transport and Communications actual expenditure of \$383.9m. represented the biggest slice of the Second Plan. Of the major road projects carried over from the First Plan, the East-West road linking Sandakan with Ranau was still not finished by the end of 1975, almost 15 years after it was first planned. 12 miles were still due for completion — between Sandakan and Telupid. In the Second Plan — Mid-Term Review, the Federal Government had restricted expenditures, thus the original targets for road bitumenisation were not achieved. From 1970 to 1975, the sealed road system grew by 342 miles to 664 miles, gravelled by 316 to 1,428

miles – giving a total network of 2,381 miles (including 289 miles of earth roads). The *State Railways* actual expenditure for the replacement of equipment, locomotives and rolling stock, and for a new head-quarters and terminal at Tanjong Aru, completed in 1972 was \$9.65 million. In 1972, the 10-mile branch line between Tenom and Melalap was closed down, reducing the network to 91 miles.

The *Civil Aviation* programme, suffered from unexpected delays with consultants still to be provided for Sandakan Airport. The Kota Kinabalu runway extension to 9,800 ft. was completed at the end of May 1973 along with temporary improvements to the terminal building. A proposed new terminal complex was delayed and had to be carried over to the Third Plan, with a new projected completion date of 1969. Tawau Airport terminal building was improved in early 1974, with an extension to the runway still in progress at the end of the Plan. The urgency of these improvements was evident from the acute congestion caused by the growth in passengers and freight traffic.

Air traffic in the major airports expanded as rapidly as in the past with aircraft movements increasing from 23,425 in 1970 to 39,405 in 1975 (11% p.a.) Passengers arriving at all airports grew from 290,500 to about 547,200 or by 13.5% p.a. Increasingly obvious was the strain imposed on the major airport terminal facilities by the increase in internal traffic in particular. Kota Kinabalu Airport for example handled over 200,000 more passengers in 1975 (74% more) than in 1970 and over 1.5m. kilos more freight (160% more).

Ports and Harbours administration underwent further changes with all major ports except Labuan coming under the Sabah Ports Authority by March 1972. The completion of new wharfs at Kota Kinabalu and a new port at Sandakan (Pavitt Point) was delayed and had to be carried over to the Third Plan. New bulk oil jetties for petroleum and palm oil were completed at Tanjong Batu, Tawau capable of handling oil tankers up to 23,000 tons. The *Marine Department* reclaimed 2.9 acres and built a 800-foot wharf at Labuan.

Table 39
SECOND MALAYSIA PLAN 1971-1975

TRANSPORT and COMMUNICATIONS – BASIC STATISTICS

Table 39:1 Road Mileage

Class	1970	1975	change
Bitumen	322	664	+ 342
Gravel	1,112	1,428	+ 316
Earth	362	289	- 73
Total	1,796	2,381	+ 585

Table 39:2 Vehicles

Class	1970	1975	AAGR
Motor cycles	5,205	5,166	- 0.1
Private Motor-Cars	21,674	36,555	+ 11.0
Taxis etc.	473	845	+ 12.3
Buses	462	670	+ 12.8
Goods vehicles	4,776	9,911	+ 15.7
Other	2,402	4,522	+ 13.5
TOTAL	34,992	57,669	+ 10.5

Table 39:3 Railways

Year	Passenger Journeys (000)	Passenger Revenue (\$000)	Goods (tons 000)	Goods Revenue (tons 000)
1970	696.8	1,191.7	82.2	1,037.5
1975	774.7	1,603.7	91.7	570.8
AAGR	+ 2.1	+ 6.1	+ 2.2	- 11.3

Table 39:4 Civil Aviation

Year	Aircraft Movements (000)	Passengers (000)		Airfreight (kg 000)	
		In	Out	In	Out
1970	23,425	290.5	298.0	2,600.4	2,249.7
1975	39,405	547.2	544.1	5,078.1	3,732.7
AAGR	+ 11.0	+ 13.5	+ 12.8	+ 14.3	+ 10.7

Table 39:5 Ports

Year	Number of Vessels	Gross registered Tonnage (million)	Cargo handled		
			Total	Along side wharf (tons 000)	At Anchor
1970	19,903	12.69	4,898.3	919.0	3,979.3
1975	11,117	13.27	7,175.8	1,987.6	5,188.2
AAGR	- 11.0	+ 0.9	+ 7.9	+ 16.7	+ 5.4

AAGR = Average annual growth rate.

Table 39:6 Posts

Airmail handled (kg5000)		
	In	Out
1970	519.7	363.8
1975	1,255.6	701.3

Table 39:7 Telephones

Number of Telephones:

1970: 11,473

1975: 20,687

The *Telecommunications Development Programme* resulted in a large increase in telephone exchange capacity and a doubling of telephone subscribers from 6,339 (end of 1970) to 12,025 (end of 1975) a 13.7% p.a. increase. Telephones installed increased from 11,473 to 20,687. Microwave (for telephones) and T.V. links were established as planned between K.K., Sandakan, Tawau and Kuching. In 1975 the domestic satellite receiving station was completed in Kinarut allowing Sabah and Sarawak to enjoy simultaneous broadcasts with the Peninsula States. Automatic telex access to

over 100 countries was attained in 1974. A milestone in *broadcasting* in Sabah was reached with the launching of the T.V. service in 1971 covering the main urban centres. In addition, as planned, medium FM and SW radio broadcasts covered the majority of the population and broadcasting hours were extended from 122½ hours weekly in 1970 to 280 hours in 1975. 10 new *post offices* were built in the plan, but the proposed new General Post Office in Sandakan was deferred to the Third Malaysia Plan. In line with other economic indicators, postal articles in the Second Plan grew rapidly – in the region of 8% p.a. – and it was also becoming apparent that most of the older post offices were inadequate to handle the extra business.

In the SMP, *Sabah Electricity Board* spent \$40.5m on capital projects. The continuing rapid rate of increase in consumption (averaging 15.4% p.a. over the period, to reach 179.6m. units sold in 1975) and consumers (up from 25,086 to 45,492 in 1975) again meant that a massive increase in generating capacity was required. In the Plan period, installed capacity increased by 37.8MW from 33.8MW to 71.6MW (as compared with the target of 72MW). Of the extra capacity, 15MW was for K.K., 10MW for Sandakan, 8MW for Tawau, and the balance for new generation stations at Keningau and Labuan. The SEB, in common with other power boards elsewhere, suffered from escalating fuel costs which increased to 70% of generation costs, and imposed a severe strain on the Board's finances. Progress on the proposed hydro scheme on the Padas Gorge was confined to commissioning an economic feasibility study which was received in 1973. This was to be followed by a detailed engineering study due for completion in 1976.

Of the other *Social and Community Services, Housing* especially in the rapidly expanding urban areas, required the most urgent consideration in the Plan. The 1970 Census showed that of the 17,581 living quarters in the 6 major towns and townships, 15.6% were deteriorating and 1.6% dilapidated, and a relatively small proportion had adequate

Table 40
FIRST MALAYSIA PLAN.
PUBLIC UTILITIES – BASIC STATISTICS:

Table 40:1 Electricity: Sabah Electricity Board

	1970	1975	AAGR
Installed Capacity (Kw)	33,781	71,649	16.2
Units Consumed (000 Kwh)	87,900	179,568	15.4
No of Towns served	13	14	
No of Rural Areas served	27	28	
Number of consumers: Total	25,086	45,492	12.6
Town	22,603	42,852	13.7
Rural	2,483	2,640	1.2

Table 40:2 Water Supply:

	1970	1975
Towns Served:	16	23
Population Served:	148,400	255,458
Design Capacity (000 gallons)	6,418	15,730
Storage Capacity (000 gallons)	5,171	13,023
Average Daily Draw Off (000 galls)	6,840	14,160

Table 40:3 Sewerage Schemes:

	1970	1975
Population Served	64,520	73,110
Average Daily Flow (m gallons)	1.41	n.a.

AAGR = Average Annual Growth Rate.

facilities such as piped water and flushing toilets. The *Sabah State Housing Commission*, only managed to build 620 low cost units in the Second Plan at a total cost of \$9.76m. The signs were clear that, with overall urban population growth approaching 6–7% p.a., and most of the growth due to the influx of low wage migrants from the rural areas, the housing situation in the major towns could dramatically deteriorate especially for the poorer groups.

Table 41

SABAH: MAJOR TOWNS and URBAN GROWTH: 1951-1970

	1951	1960	1970	AAGR	
				1951-70	1960-70
Total Population	334,141	454,421	653,264	3.6	3.7
Kota Kinabalu	11,704	21,719	40,939	6.8	6.5
Sandakan	14,499	28,806	424.13	5.8	4.0
Tawau	4,282	10,276	24,247	9.5	9.0
Labuan	2,526	3,213	7,216	5.7	8.4
Lahad Datu	811	1,300*	5,169	10.2	14.8
Kudat	1,895	3,660	5,089	5.3	3.3
Semporna	1,087	1,300*	3,371	6.1	10.0
Tuaran	1,188	1,950*	3,358	5.6	5.6
Tenom	785	2,750*	3,284	7.8	1.8
Beaufort	1,576	1,950*	2,709	2.9	3.3
Kota Belud	733	1,300*	2,211	6.0	5.5
Keningau	301	1,300*	2,037	10.6	4.6
Ranau	252	1,000*	2,024	11.6	7.3
Papar	1,772	1,950*	1,855	0.2	-0.5
Total 14 largest Towns	43,411	82,474	145,922	6.6	5.9
As % of Population	13.0	18.1	22.3		

* estimated.

AAGR = Average Annual Growth Rate.

6.3 The Third Malaysia Plan — Sabah 1976-1980

6.3.1 Background

The start of the Third Malaysia Plan roughly coincided with a change in the State Government. The Third Plan was distinguished from the Second Plan by its increased emphasis on rural development and bumiputra participation in accordance with the basic objectives of the New Economic Policy (NEP). Since the new Government was faced not only with the worst ever financial position of the State (with accumulated funds at the end of 1975 of only \$6 million) but also with depressed commodity prices, it was clear that some careful measures

would be required to restore the State's economy to full health and put it on a sound basis.

The original allocation to the State under the Third Plan was \$1,452.271 million, or 7.9% of the total Malaysia Plan of \$18,554.99m. The State allocation exceeded the revised Second Plan allocation for Sabah (of \$990.6m) by \$461.67m and the estimated actual Second Plan expenditure by \$608.6m. This sizeable jump, clearly demonstrated the confidence the Federal Authorities placed on the development project implementation capacity of the State. It also reflected the primary intention underlying the public expenditure programme "... to reduce the wide economic and social imbalances currently existing in the country by according emphasis to the advancement of the less developed States" such as Sabah.

Table 42
Third Malaysia Plan:
Expenditure Allocation by Source of Finance:
— \$ millions —

	Federal funds	State funds	State Statutory Bodies own funds	Total
Sabah	769.21	431.22	251.84	1,452.27
Malaysia	13,795.62	1,391.05	3,368.92	18,554.99
Sabah % of Malaysia	5.58	31.00	7.48	7.87

See: TABLE 43 for details of sectoral allocations in the FMP.

It was unfortunate that, when the TMP was formulated, no data was available, or had been collected on the *incidence of poverty* in Sabah. Thus one of the basic policy areas underpinning the NEP was without the necessary data for planning purposes despite the fact that it was recognised that there was a high incidence of poverty in the State.

6.3.2 Objectives, Policies and Strategies

The objectives, policies and strategies of the TMP in Sabah, were basically moulded on those in the Second Plan. In summary, the objectives were to maintain the rate of economic growth and raise income levels, reduce socio-economic balances in the State, increase employment opportunities, build up an efficient infrastructure system and achieve food self-sufficiency (not only in rice). All of these were to be achieved within the context of the NEP objectives of poverty eradication and restructuring society. During the TMP, a *masterplan* would be prepared to guide development in the State with particular emphasis on the participation of the indigenous people in the development of the State. In terms of maintaining the overall rate of economic growth, Sabah was fortunate in that copper and crude oil exports were providing an additional impetus to exports in the face of some market resistance faced by other commodities. With regard to crude oil, however, the real impact on the State's economy was minimal as production and export was from offshore fields. Apart from some employment at a pipeline terminal on Labuan, and the payment of 5% royalties to the State Government, there was little "value added" that genuinely accrued to the State. However, because of the system of national income accounting, the value of crude oil exports is included in the State's *Gross Domestic Product* (GDP). Apart from the Mining and Quarrying sector which was projected to grow very rapidly from 1975–1980, (due to crude oil production), all other sectors of the economy were expected to grow much more slowly than in the Second Plan period (1970–1975). As a result, Mining and Quarrying was projected to grow to 19.4% of GDP in 1980 compared with 3% in 1975.

6.3.3 Principal Sectoral Programmes

Overall *growth in GDP* (in 1975 prices) was forecast to be 8.8% from 1975–80, compared with 12.4% from 1970–75. Major *commodity exports* including crude oil and copper

concentrates, were projected to grow by 16.2% p.a., with respectable performances expected from palm oil and palm kernel (10.4% p.a. and 14.4% p.a. growth), sawn timber (10.6%) and cocoa beans (11.8%). Most of the other traditional exports were expected to grow very slowly – especially rubber (3.9%), timber logs (2.2%), and prawns (2.3%) or even decline – copra (9.7% p.a. decrease). In consequence, the share of timber logs in exports was expected to fall from 56.1% to 29.4% and to be replaced by crude oil whose share was expected to rise from 8.5% to 44.3%. *Agricultural diversification* was to be greatly assisted by the projected increase in palm oil and cocoa exports, which would offset the poor projected performance in rubber and copra.

Agriculture & Rural Development: The major shift in emphasis in this sector was to concentrate on the recognised poverty groups, namely the padi and rubber smallholders, fishermen, coconut growers and shifting cultivators. With 26.8% of the total public expenditure allocation the sector was forecast to show very variable results. As stated earlier the star performers were expected to be palm oil with output growing at 14.1%, and cocoa (18.4% p.a. growth). In view of the fact that 5.3 million acres were suitable for agriculture but only 940,000 acres actually cultivated, the *land development* target was set at 203,346 acres of which 126,465 was to be undertaken by the public sector – principally SLDB (51,565 acres) and Rubber Fund Board (35,000 acres), with the balance by the Department of Agriculture, Sabah Padi Board and Veterinary Department. Of the 60,565 acres planned under major and minor settlement schemes, oil palm and cocoa were given highest priority followed by rubber. Under the rubber programme, 15,000 acres of moribund rubber would be replanted with high yielding varieties, 10,000 acres replanted with other crops, and there would also be 10,000 acres of new rubber planting. Padi development included an 8,150 acreage expansion, and 18,650 acres provided with irrigation facilities, of which 10,250 acres would be suitable for double cropping. In all an 18,500 ton increase

in padi production was expected. For minor settlement schemes a target of 9,000 acres was set, and for pasture development 10,000 acres. 500 acres of fish ponds and 1,000 acres of brackish water fish ponds were planned.

The *Fisheries development* programme concentrated on two aspects: increasing the income earning opportunities of traditional fishermen especially through encouraging commercial aquaculture involving oysters and seaweed, and the expansion of output through deep sea fishing.

Agriculture processing plans involved further expansion of the palm oil mills of SLDB, and the commissioning of two new mills at Suan Lamba and Silabukan raising SLDB's palm oil processing capacity from 70.5 tons/hour at the end of 1975 to 124.5 tons by the end of 1980. The Putatan crumb rubber factory was to be expanded to 45 tons per day — giving a 11,500 tons annual capacity. 50% of Sabah's rubber exports would be in the form of SMR from 1977 onwards.

Livestock production plans were designed to improve and expand the industry with emphasis on increasing efficiency. Poultry, (chickens & ducks), buffalo, pig, and goat multiplication schemes were to be upgraded and an ambitious programme of cattle under coconuts started.

The *Forestry Development* programme in the Third Plan, emphasised large scale planting of fast-growing species especially above 2,000 ft. in order to diversify the State's economy and provide employment opportunities in the rural areas.

The *Manufacturing* sector was expected to encounter some serious problems despite the initiatives of the Government through the Sabah Economic Development Corporation (SEDCO). Perhaps one of the most serious constraints was the shortage of industrial plots, which was only just being eased in Kota Kinabalu with the construction of Likas Industrial Estate. No specific plans were presented for industrial estates elsewhere because the Corporation was already faced with serious financial and manpower constraints, but

a second phase at Likas was to provide a further 140 acres. In addition, SEDCO's assistance to bumiputras would make a considerable impact on bumiputra participation in this sector. The Third Malaysia Plan, stated that for the less developed States, which included Sabah, more strongly differentiated locational incentives to guide investment would be developed. In 1975 steps had been taken with the introduction of the locational incentive scheme, to provide incentives for periods varying from 5 to 10 years depending on the amount of capital expenditure, size of employment, products manufactured and local content. *Mining*, had of course become the glamour sector, since the production of oil and copper had started. However apart from continuation of mineral investigations no specific public projects were earmarked.

The *Transport and Communications* sector with 28.7% of the original development expenditure was a key component in the Plan, as it had been for many years. The outstanding requirement of the two earlier plans for a trunk road system linking all population centres still applied in the Third Malaysia Plan because a small stretch on the East-West road between Telupid and Ranau required sealing, and no road existed between Lahad Datu and Sandakan. Lahad Datu and Tawau had earlier been linked by the use of an old logging road. The road allocation in the Third Plan was \$208m including trunk roads, development area and feeder roads and urban roads. The trunk road programme included 3 major highways to be bitumenised at a cost of \$135m from Lahad Datu to Semporna, Papar to Sindumin, and Tamparuli to Ranau.

Among the roads planned in Kota Kinabalu was the Tanjong Lipat - Likas Bay Road, Marine Drive, and a ring road from Petagas to Mile 5 Tuaran Road. In Sandakan, Tawau and other towns further improvements were planned. Highway maintenance was also accorded high priority based on the findings of a highway maintenance study. The need to improve roads especially in urban areas to keep up with the

rise in traffic was becoming increasingly urgent. Vehicle registration data showed that the number of vehicles had grown by 10.5% p.a. with private motor cars by 11%, and lorries and vans by 15.7% between 1970 and 1975.

The *State Railway System* was granted a small sum in the plan to maintain track and bridges. *Civil Aviation* planned expenditure of \$46.7 million included \$30.5m for the development of Kota Kinabalu and Sandakan Airports, as projects carried over from the Second Plan. The Kota Kinabalu Airport new terminal building which was originally scheduled for completion in 1975 was given a new completion date of 1979. Sandakan airport, which for many years had required upgrading and improvement was to have a new 6,500 ft. runway, apron, and terminal complex. For Tawau a master plan study would be undertaken for a new airport. The *Port Development* programme concentrated on two major projects— a new wharf at Tawau and an industrial port at Sapangar Bay near Kota Kinabalu — both based on proposals contained in the 20 year Master plan study prepared for the Sabah Ports Authority. Under the *Marine Department* new barter trade facilities in Labuan along with a new H.Q. and training school were to be built.

The *Telecommunications* programme for which \$60.61m was provided included the laying of an underground cable between Peninsula Malaysia, Sabah and Sarawak. In addition 29,300 telephone exchange lines were to be installed and 25,000 new subscribers catered for. *Broadcasting Services* in the State were allocated \$2.66 million for conversion to colour, provision of a regional studio in Sandakan and a new T.V. transmission station in Tenom. To fulfill the basic policy of providing a post office for every town over 3,000 population, the Postal Services Department planned to construct new post offices in 7 major towns, and a new General Post Office in Sandakan. Postal agencies were to be located in centres with over 1,000 population.

Power programmes under the Third Plan to be undertaken by SEB were allocated \$125.7 million, of which \$74.5 was to

come from external loans and \$38.5m. from SEB's own funds. By far the most important single project was to be the Tenom-Pangi hydro-electric scheme which was allocated \$65.9m to cover the phase I development of 44MW capacity. The need for hydro-electric power to meet Kota Kinabalu growth in demand had long been realised. This had been made more urgent by the steady increase in fuel costs since 1972. Over the TMP, demand in the State was expected to grow at 14.7% p.a., thus even before Tenom-Pangi was due to be completed in 1980, 33MW extra diesel generating capacity was to be installed in Kota Kinabalu, 22MW in Sandakan, 10MW in Tawau and other smaller units at Kudat, Lahad Datu, Beaufort, Semporna, Keningau, Ranau and Kota Belud. Total SEB installed capacity was expected to increase by 70MW and units consumed to double from 193m Kwh to 386m Kwh. Under the *rural electrification* programme 45 units were to be installed covering 4,800 households or 24,000 people.

Water supply schemes were allocated \$36m to cover new schemes in 14 townships and 7 larger urban areas to bring capacity up to 39 m.g.d. from 18 m.g.d. in 1975. In addition detailed feasibility studies for Sandakan and Kota Kinabalu were to be undertaken to increase capacity to 30 m.g.d. to meet demand to the year 2,000. Under the rural water supply programme 123,000 people were expected to benefit. *Sewerage* facilities, as revealed by the 1970 Census were far from adequate even in the major towns. Accordingly \$18.15m was set aside for major improvements in Kota Kinabalu, Sandakan, Tawau and Labuan, which still relied either on direct discharge of raw sewage into the sea, or on individual cesspits and small-scale estate-size sewerage schemes (oxidation ponds).

The Housing programme in the State, especially low cost, undertaken by the Sabah State Housing Committee was allocated \$18m from Federal funds to construct 1,800 units. In addition it was anticipated that 400 units would be built by other State agencies, principally for settlers on land

TABLE 43

THIRD MALAYSIA PLAN – SABAH 1976 – 1980
ORIGINAL, REVISED AND ACTUAL EXPENDITURES

SECTOR/ Subsectors	Original Allocation		Revised Allocation		Estimated Actual expenditure	Financial Achievement
	\$m.	%	\$m.	%	\$m.	%
I. ECONOMIC	1006.31	69.3	1977.13	71.1	1827.01	92.4
A. Agriculture & Rural Development of which	389.03	26.8	509.16	18.8	472.84	92.9
Agriculture	49.02		60.86		57.31	94.2
Rubber Fund Board	27.60		32.47		31.49	97.0
Land Development (SLDB)	170.00		214.19		185.78	86.7
Drainage and Irrigation	24.00		24.00		23.99	100.0
Forestry	2.64		4.01		3.21	80.1
Animal husbandry (inc. Majuternak)	32.65		28.74		23.54	81.6
Fisheries	6.35		13.87		12.86	92.7
Sabah Padi Board	37.50		41.26		39.92	96.7
Lembaga Padi Negara	—		5.00		4.00	80.0
B. Mineral Resources	1.35	0.1	1.40	0.1	1.40	100.0
C. Commerce & Industry	32.50	2.2	46.59	1.7	29.73	63.8
D. Feasibility Studies	5.00	0.3	9.75	0.4	8.16	87.0
E. Transport	351.75	24.2	818.23	30.2	812.33	99.3
Roads & bridges	208.90		601.56		660.98	109.9
Railways	—		5.52		5.52	100.0
Civil Aviation	46.70		113.17		75.16	66.4
Ports	43.86		76.62		47.88	62.5
Marine	14.89		21.36		22.79	106.7
F. Communications	64.99	4.5	129.84	4.8	89.35	68.8
Telecommunications	60.61		113.10		85.24	75.4
Broadcasting	2.66		12.96		0.44	3.4
Postal	0.92		1.77		1.71	96.6
G. Utilities	161.69	11.1	462.16	17.1	413.15	89.4
Sabah Electricity Board	115.19		318.59		271.64	85.3
Rural Electrification	10.50		17.60		27.44	155.9
Water Supplies	36.00		125.97		114.07	90.6
II. SOCIAL	273.38	18.8	481.06	17.8	436.54	90.7
A. Education & Training	195.00	13.4	257.30	9.5	212.61	82.6
B. Health & Family Planning	23.00	1.6	49.60	1.8	47.31	95.4
C. Social & Community Services	48.55	3.3	174.16	6.4	176.62	101.4
State Housing Commission.	18.40		43.62		48.39	110.9
III. GENERAL ADMINISTRATION	92.58	6.4	121.37	4.5	115.75	95.4
IV. SECURITY:	80.00	5.5	130.15	4.8	129.68	99.6
TOTAL	1452.27	100	2709.71*	100	2508.98	92.6

*Revised allocations after taking into account errors and omissions in the official allocations.

development schemes. Supplementing these developments would be low interest subsidised loans through such bodies as *Sabah Credit Corporation* (SCC), *Borneo Housing Mortgage Finance* (BHMf), and *Milek Perkasa* – a subsidiary of Sabah Economic Development Corporation (SEDCO) involved particularly in shophouse development.

6.3.4 Growth in Income, Output and Trade

The forecasts prepared at the beginning of the Plan suggested that overall, the State's economic performance would not be as impressive as in the previous (Second) Malaysia Plan. Commodity price projections, underlying the export forecasts were very much on the pessimistic side, because at the time the Plan was prepared the indications were that the World and especially the Japanese economy (on which Sabah's exports depend) would move into a period of relatively slow growth and possibly even recession. Accordingly, the Plan was prepared with a very conservative outlook. Rather unexpectedly, the actual situation improved dramatically. 1976 proved to a boom year, with log-prices leaping by almost 60% over the average for 1975. This, in conjunction with a 35%

Table 44
THIRD MALAYSIA PLAN:
VISIBLE TRADE 1975–1980

Year	Exports – \$ million –	Imports	Balance of Trade \$ million.
1975	1,011.23	1,011.58	- 0.35
1976	2,223.55	1,191.72	+ 1,031.83
T 1977	2,704.32	1,233.02	+ 1,471.30
M 1978	2,960.12	1,697.43	+ 1,262.69
P 1979	4,133.19	2,035.71	+ 2,097.48
1980	4,473.57	3,061.04	+ 1,412.53
AAGR.	34.6	24.8	

AAGR = Average Annual Growth Rate.

increase in log export volumes, led to a doubling in log export values. At the same time crude oil exports expanded rapidly with an increase in volume shipped from 375,836 tonnes to 2,454,223 tonnes in 1976 and an increase in export value from \$85.5 m. to \$584.81 m. 1976 was also a good year for rubber, copra, cocoa, prawns and other commodity exports with the exception of palm oil. Copper concentrate exports also increased from \$11.3 m to \$73.6 m in 1976.

The combined effect of all these factors was a doubling in Sabah's exports in 1976 compared with 1975 and the achievement of a 1 billion dollar *plus* trade surplus for the first time in the State's history. (See Table 44). The following years to 1979 saw the State's economy proceed from strength to strength, with the export value of timber logs increasing to new record levels in each year, despite a reduction in volume of logs exported under the *New Timber Policy* after 1978. Petroleum crude, copper concentrates, rubber, palm oil, cocoa and prawns also achieved record export levels. (See Table 45). The result was a trade surplus of \$1,471m in 1977, \$1,263m in 1978, and \$2,097m in 1979. Altogether the years 1976 to 1979 were the most spectacular ever for Sabah's economy. Indeed it is estimated that up to 1978 output (in 1970 prices), grew by 15.2% p.a. with per capita incomes increasing rapidly. In this period Sabah's GDP per capita rose from being 12% above the Malaysia average to 31% above according to official statistics, but if allowance is made for the large influx of Filipino refugees, the State's GDP per capita in 1978 was about 14% above the National average (including oil earnings but excluding any allowance for the cost of living difference between Sabah and the rest of Malaysia). Over the whole TMP period, the State's GDP is estimated to have grown by 10.4% in 1970 prices (See Table 46).

The exceptional performance of the State's economy after 1975 was achieved despite a 33% reduction in log export volumes starting in 1978. Petroleum exports, which tripled between 1975 and 1980, and in 1980 almost overtook logs

Table 45

THIRD MALAYSIA PLAN - SABAH
PRINCIPAL EXPORTS: - VOLUME & VALUE

	1975	1976	1977	1978	1979	1980
TIMBER LOGS:						
Volume (M ³ m.)	8,982	12,050	12,327	12,363	9,780	8,234
Value - (\$m.)	567.78	1,193.48	1,240.49	1,331.74	2,050.95	1,782.32
Unit Value (\$/M ³)	63	101	101	108	210	216
% of Exports	56.15	53.82	45.87	44.99	49.62	39.85
PETROLEUM CRUDE:						
Volume (Tonnes)	375,836	2454,223	3546,517	4167,794	3908,132	3148,332
Value (\$m.)	85.50	584.81	903.61	1005.09	1288.15	1,779.65
Unit Value (\$/tonne)	227	238	255	241	330	565
% of Exports	8.46	26.37	33.41	33.99	31.17	39.78
PALM OIL:						
Volume - (Tonnes)	124,562	121,005	111,038	126,866	136,366	143,604
Value - (\$m.)	131.01	105.48	136.22	155.98	183.27	159.56
Unit Value (\$/tonne)	1052	896	1227	1229	1344	1111
% of Exports	12.96	4.89	5.04	5.27	4.43	3.57
COPPER CONCENTRATES:						
Volume - (Tonnes)	13,277	84,350	98,855	112,050	108,462	11047*
Value - (\$m.)	11.34	73.56	82.42	93.44	134.44	189.86*
Unit Value (\$/tonne)	854	904	834	766	1238	1724
% of Exports	1.12	3.32	3.05	3.16	3.25	4.24
RUBBER:						
Volume - (Tonnes)	32,029	35,801	38,823	36,791	33,205	30,824
Value - (\$m.)	40.03	62.04	69.48	73.53	79.79	82.24
Unit Value - (cts/kg)	127.0	173.3	179.0	199.8	240.3	266.8
% of Exports	3.96	2.80	2.57	2.49	1.93	1.84

Cont. next page.

Table 45: Cont.

COCOA BEANS:									
Volume (000 kg.)	5,417.8	6,264.6	6,997.0	8,239.7	9,688.5	12,358.5			
Value - (\$m.)	16.96	25.61	54.24	62.75	64.81	67.63			
Unit Value (\$/kg.)	312.9	408.7	755.1	761.5	669.0	547.2			
% of Exports	1.68	1.15	2.01	2.12	1.57	1.51			
PRAWNS:									
Volume (tonnes)	1,678	2,385	2,679	2,916	3,039	2,361			
Value (\$m.)	12.24	22.38	29.95	34.08	41.70	31.44			
Unit Value (\$/tonne)	7,292	9,382	11,180	11,690	13,721	13,316			
% of Exports	1.00	1.01	1.11	1.15	1.01	0.70			
TOTAL EXPORTS (\$m.)	1011.23	2223.55	2704.32	2960.12	4133.19	4473.57			

• provisional

n.b. log exports in Tons of 50 cu. ft.:

1975: 4.9875 m.
 1976: 6.6908 m.
 1977: 6.8383 m.
 1978: 6.8565 m.
 1979: 5.4300 m.
 1980: 4.5715 m.

Table 46
THIRD MALAYSIA PLAN –
GROSS DOMESTIC PRODUCT:
1975–1980

Constant 1970 prices.

Sector:	1975	1980 ests	AAGR 1975–1980
	– \$m –		– percent –
Agriculture, Forestry and Fishing	605.0	861.0	7.31
Mining and Quarrying	6.3	264.0	111.08
Manufacturing	32.3	45.0	6.86
Construction	68.6	103.0	8.47
Services	472.0	671.0	7.15
Gross Domestic Product (GDP)	1,184.2	1,944.0	10.42
Population* (000)	751	1,098	7.90
GDP per capita (\$)	1,577	1,770	2.34
Ratio to Malaysian average	1.12	n.a.	

Note: * Population for 1980 includes estimates for Filipino and Indonesian immigrants since 1975.

AAGR: Average Annual Growth Rate.

ests. = estimates

Source: TMP Mid-Term Review and Fourth Malaysia Plan.

as the principal export item of the State, were particularly important in making this possible.

It is appropriate here to add a cautionary note on the significance and impact of these trends on actual standards of living and welfare because a large part of the increase in State exports and in Gross Domestic Product (GDP), especially from petroleum exports, do not represent actual income gains to the average Sabahan, even though they are included as part of the State's "output" and "income".

Table 47
SABAH STATE GOVERNMENT
REVENUE AND EXPENDITURE: 1975-1980

Year	Revenue		Expenditure \$m.	(Surplus) (+) Deficit (-) \$m.	Consolidated Revenue Account Balance (end year) \$m.
	Total \$m.	of which Forest Royalties \$m.			
1975	265.76	142.12	414.62	- 148.86	6.11
1976	557.50	300.50	342.09	+ 215.52	221.52
T 1977	716.29	348.88	556.66	+ 159.63	381.15
M 1978	777.28	420.11	637.51	+ 139.77	520.91
P 1979	1,439.75	1,110.0	926.03	+ 513.72	1,034.63
1980	1,538.25	1,036.90	1,383.48	+ 154.77	1,189.41
AAGR	41.8	50.5	25.8		

AAGR = Average Annual Growth Rate.

6.3.5 State Revenue and Expenditure

The rapid rise in timber exports mentioned earlier was accompanied by an equally impressive rise in timber royalty revenues. In 1976, royalty revenue rose to \$300.5 million almost \$180m above the figure for 1975. In 1977 there was a further \$48m increase and in 1978 a \$70m rise over 1977. The result of this was a *dramatic improvement in the State's financial position* (See Table 47). In 1976 a budget surplus of \$215.5 million was created, helped by stringent control of State expenditures. In 1977 and 1978, further surpluses were generated of \$160m and \$140m respectively such that by the end of 1978 the Consolidated Revenue Account Balance was \$520m compared with only \$6m at the beginning of 1976. In 1979, with timber prices doubling over the 1978 level, forest royalties also doubled to \$1,110m. By the end of 1980, the State's reserves were at their highest ever at \$1,189 million.

The successful performance of the Sabah economy in particular and of the Malaysian economy as a whole was reflected in the increased development funding allocation for the State in the Third Malaysia Plan *Mid-Term Review*. Sabah's allocation was increased by \$1,346.57m to \$2,798.84m from the original allocation of \$1,452.27 million (a 93% increase). In fact after allowing for some minor errors and omissions in the official figure, the revised State allocation comes to \$2,709.71 million.

The *estimated achievement* in terms of actual expenditure up to the end of 1980 is shown in Table 43. Overall development expenditure by Federal and State Departments and Agencies was estimated at \$2,508.98m – or 92.6% of the revised TMP allocation.

6.3.6 Highlights of Achievements by Sector

Progress in implementing development projects in *Agriculture and Rural Development* was impressive with an estimated 92.9% financial achievement based on the revised allocations. *New land cleared and cultivated* by public agencies

Table 48

**THIRD MALAYSIA PLAN: SABAH
NEW LAND CLEARED AND CULTIVATED BY GOVERNMENT AGENCIES: (Acres)**

Agency	Cocoa	Oil Palm	Rubber	Coconut	Padi	Other Crops	Total	Settlers Intake
SLDB	1,186	32,707	(10,988 #)	918	-	-	34,811	2,596
Sabah Padi Board	-	-	875	-	1,115	875	2,865	771
Min. of Culture, Youth, Sports	2,800	-	-	-	-	-	2,800	227
Rubber Fund Board	-	-	19,800	-	-	-	19,800	100
K.P.D.	-	-	-	28	-	9,079	9,107	1,771
K.P.D. Subsidiaries	7,661	-	-	-	-	4,219	11,880	-
FELDA - Sabah	(33,520*)	-	-	-	-	-	-	-
Fisheries	-	-	-	-	-	798	798	140
Animal Husbandry	2,000	-	-	-	-	-	2,000	-
Agriculture	-	-	-	-	-	8,200	8,200	-
Total	13,647	32,707	20,675	946	1,115	23,171	92,261	5,605

* Land clearing only not planted.
2 rubber estates acquired in TMP
All provisional estimates.

by the end of 1980 was 92,261 acres of which 32,707 acres (22.7%) would be oil palm, 20,675 acres rubber (14.2%) and 13,647 acres (10.3%) cocoa. Land cleared, however, was in excess of 150,000 acres. In total 5,605 settlers were taken into settlement schemes. In addition, over 130,000 acres were developed by the private sector, mainly for cocoa and oil palm.

The Sabah Rubber Fund Board – planted an estimated 19,800 acres of high yielding rubber benefitting 6,300 families, and replanted 9,800 acres benefitting 3,800 families. In addition 10,000 acres of moribund rubber were replanted with approved crops benefitting 4,000 smallholders. To increase the prices paid to rubber growers, 20 processing centres were established throughout the State. By the end of 1980 it was estimated that 276,000 acres were under rubber, of which 78% were high yielding.

The Sabah Padi Board faced with some resistance towards achieving its padi targets – introduced the *Padi Input Credit/ Subsidy Scheme* in 1979 whereby 60% and 80% respectively of the non-labour inputs for the main and off-season crops were subsidised and credit provided for the balance of costs. In 1980 the scheme was revised with subsidies increased to 90% and 99.5% respectively of the main and off-season crops. *The National Padi Board* (Lembaga Padi Negara) took over responsibility for padi purchasing and rice milling from the Sabah Padi Board in 1979. Since then LPN has vigorously pursued its objective of improving the marketing of rice and building up rice stocks in the State. Overall the TMP witnessed a resurgence of the padi economy in the State with 25,000 families and 67,000 acres of padi receiving assistance. In the next few years output is expected to grow faster than population and ultimately make an impact on imports. (See NOTE:)

NOTE: The State Government announced the closure of the Sabah Padi Board in 1981 and the transfer of its functions to other agencies. The Padi Input Subsidy Scheme was abandoned in favour of an output price subsidy scheme.

Table 49

THIRD MALAYSIA PLAN
WET PADI ACREAGE, OUTPUT AND RICE IMPORTS
1975-1980

	Acreage	Domestic Production		Rice Imports	
		Padi (tonnes)	Rice (tonnes)	(tonnes)	\$m.
1975	64,077	94,155	56,493	42,025	41.74
T 1976	77,012	88,598	53,158	38,093	32.44
M 1977	73,025	91,265	54,759	55,856	44.48
P 1978	70,862	90,129	54,077	64,636	63.89
1979	87,247	100,328	60,227	68,801	57.77
1980ests.	85,771	99,756	59,853	58,150	47.92

ests = estimates.

The *Drainage and Irrigation Department* almost achieved its TMP targets with 10,050 and 6,750 acres extra respectively under single and double cropping, benefitting 2,512 padi farmers. In comparison with the Second Malaysia Plan palm oil acreage and output increased far more slowly as attention turned to cocoa. Palm oil acreage planted in the TMP was expected to be 77,000 raising the total acreage to 222,925 in 1980. *Cocoa* was boosted by the sudden boom in world prices, which encouraged the planting of an estimated 85,995 acres between 1975 and 1980 bringing the total to 110,268. Of the other principal crops in Sabah, *coconuts* have received comparatively little attention, except as a shade tree for cocoa and for cattle and goat grazing. The *Federal Agricultural Marketing Authority (FAMA)* does, however, intend to promote copra processing, with a new plant in Kudat.

In-situ development efforts were given a massive boost with the formation in 1977 of *Korporasi Pembangunan Desa (KPD)* the Rural Development Corporation, which was instrumental in accelerating rural development through over 100 schemes mainly concerned with minor crops. KPD's interests extended into other activities, including tea and

cocoa estates, cattle ranching, rattan and agricultural marketing through its subsidiary *Sabah Marketing Corporation (SAMA)*. SAMA handles most agricultural commodities destined for export – including palm oil, rubber and cocoa, and also timber and all agricultural products of public agencies in Sabah. KPD progressively moved into agricultural processing, with 5 multipurpose processing centres for food crops produced by smallholders. Temperate vegetable production and marketing was given special emphasis at Kundasang near the Kinabalu National Park, with cold storage facilities made available in Kota Kinabalu. By the end of 1980, 1,771 settlers had been taken into KPD's 10 settlement schemes.

Table 50
THIRD MALAYSIA PLAN
AGRICULTURE: BASIC STATISTICS:

Table 50:1 Acreages of Main Crops

Crop	1975	1980 ^{ests}	Change
Rubber	266,094	276,000	+ 9,906
Coconut	129,918	130,000	+ 82
Wet Padi	72,263	78,000*	+ 5,737
Hill Padi	35,958	32,000	- 3,958
Oil Palm	145,909	222,925	+ 77,016
Cocoa	24,273	110,268	+ 85,995

* excluding double cropping.
ests = estimates.

(cont. next page)

A further major initiative by the State Government to help the poorer agricultural communities was the *Pre-planned Smallholders Schemes*, which would provide resettlement for 22,600 families on 15-acre plots. Approximately 340,000 acres were identified as suitable for cultivation with shifting cultivators in particular expected to benefit from these schemes. Also of importance was the *Government Cocoa Estate* near Sandakan, where 33,000 acres of cocoa and

Table 50: 2 Principal Agricultural Exports:

		1975	1976	1977	1978	1979	1980	AAGR 1975-80
Palm Oil:	tonnes (000)	124.56	121.00	111.04	126.87	136.37	143.60	2.9
	\$m	131.01	108.48	136.22	155.98	183.27	159.56	4.0
Rubber	tonnes (000)	32.03	35.80	38.82	36.79	33.20	30.82	-0.8
	\$m	40.03	62.04	69.48	73.53	79.79	82.24	15.5
Cocoa beans	tonnes (000)	5.42	6.26	7.00	8.24	9.69	12.36	17.9
	\$m	16.96	25.61	54.24	62.75	64.81	67.63	31.8
Copra	tonnes (000)	30.00	38.44	37.09	36.22	30.46	43.17	7.6
	\$m	14.43	19.91	30.68	31.18	34.47	33.26	18.2
Palm kernel	tonnes (000)	23.87	23.49	15.59	18.26	15.77	22.88	-0.8
	\$m	8.90	11.21	9.40	11.77	12.95	9.71	1.8

AAGR = Average Annual Growth Rate.

14,000 acres of rubber, oil palm and coconut were scheduled for cultivation.

Table 51
THIRD MALAYSIAN PLAN – SABAH
FISHERIES AND LIVESTOCK: BASIC STATISTICS.

Table 51:1 Fisheries

	1975	1980ests.
Landings fish (000) tons)	33.0	42.0
Prawns (trawler) (000 tons)	3.47	4.50
Principal Exports: – fish (tonnes)	519	600
(fresh, frozen, salted (\$m) etc.)	1.36	4.00
Prawns etc. (tonnes)	1,679	2,361
(\$m.)	12.24	31.44
Number of fishing boats	4,236	n.a.
" " prawn trawlers	322	

ests = estimates.

Table 51:2 Livestock.

Estimated Animal Population	1975	1980
Buffaloes	90,201	22,182
Cattle	28,136	7,464
Pigs	140,000*	36,948
Poultry	2,000,000*	572,716
Ducks/geese		
Sheep/goats	48,185*	5,733
Animals slaughtered: (registered)	1975	1980
Buffaloes	6,221	4,511
Pigs	68,940	66,443
Cattle	1,751	8,471

* Probable overestimates. Subsequent figures substantially revised downwards after the 1976 Agricultural Census.

The prospects for *fisheries development* in the State dramatically improved with the formation, in September 1978, of *Koperasi Serbaguna Nelayan Sabah* (KO-NELAYAN) – a cooperative formed to assist in fisheries development. With its \$50m launching grant, KO-NELAYAN was actively involved in providing loans and grants to fishermen and constructing landing jetties and fishing complexes throughout the State. A major part of Ko-Nelayan's efforts was devoted to assisting the prawn processing industry, since it took over the Jayadiri fish factory and fleet based at Labuan. A fisheries settlement scheme was expected to be operational by mid 1981, and a further aqua-culture settlement scheme was planned. The fisheries training centre in Labuan was due to be completed in 1981. Available evidence on fish landings, shows an increase of 27% over the period 1975 to 1980. Prawn landings, however, stagnated in 1980, as over-fishing in some areas depleted stocks. In 1980, prawn exports were estimated to be 22% less than in 1979, at 2,361 tonnes. The *Fisheries Department* successfully continued with its researches into lobster, milk fish, garupa, oyster and seaweed culture and freshwater fish breeding (with KORAS). Further projects with these species were planned especially on the east coast of the State. In the traditional fishing sector, one of the recognised "poverty" areas, the period 1976–1980 saw significant improvements in fishermen's incomes with steps taken to improve marketing and increase prices.

Livestock development in the State has been enhanced by the initiatives of the *Department of Veterinary Services* and other agencies especially KPD which was involved in cattle ranching at Sook. KPD also owns a large ranch in Australia. 14,000 acres developed in the Third Plan in the cattle under coconut scheme made a major impact on alleviating poverty among coconut growers. Sabah achieved virtual sufficiency in pork, eggs and poultry (chicken) meat production and major steps were taken towards attaining this objective for duck, beef, and dairy products. To improve the latter, two dairy herds were established at Tawau and Ke-

ningau, a third on the west coast was planned and another on the Pinosuk Plateau (by KPD).

Agricultural processing in Sabah will receive a considerable boost with the commissioning of the palm oil kernel mill in Labuan and a palm oil refinery in Sandakan. In 1979, a new joint venture palm oil mill was started in Sandakan with Saudi interests. SEDCO built a coconut oil factory in Kudat and FAMA was in the process of setting up two copra processing centres, and a coconut oil mill. A new crumb rubber factory was opened in Tenom, as a joint venture between the Rubber Fund Board and Barlow Estates. A new factory is planned near Papar to replace the existing one at Putatan.

The *Forestry* sector in the State has undergone some important changes as a result of the *New Forest Policy* announced by the Chief Minister (YAB Datuk Harris Mohd. Salleh) in Labuan in 1976. The policy has, as a basic objective, the reduction of round timber exports to 50% of their 1976 level by 1982 in the interests of conserving the forest resource, and promoting downstream processing in the State.

It is clear that the policy really started to take effect after 1978, when log exports at 12.36 million cu. m were only marginally higher than in 1977. In 1979 the log export volume fell by 2.583 million cu. m, and in 1980 by a further 1.546 million cu. m. Thus the 1980 level was 4.13 million cu. m (or 33%) less than in 1978 — the peak year. To achieve the target of 50% of the 1976 level, the volume exported would have to fall to 6.025m cu. m or by a further 2.209m cu. m in 1981. The effect of these decreases, in combination with a substantial differential in royalty payable on domestically processed timber, was to stimulate a massive increase in local processing of timber for export. A secondary effect, in 1978 and 1979, was to increase the unit value of log exports, and thereby maintain export values as the volume decreased. This had the additional effect of increasing forest royalty revenues to 1,037m. or 67% of total State revenue in 1980.

The major institutional development in the forestry sector in the TMP was the establishment of a specialised forest

Table 52

THIRD MALAYSIAN PLAN
EXPORTS OF SAWN TIMBER, VENEER & PLYWOOD 1975 - 1980

Year	Sawn Timber		Veneer Sheet (5 mm.)		Plywood	
	M ³ million	Sm.	M ² million	Sm.	M ² million	Sm.
1975	4.72	0.81	5.37	3.81	4.65	8.20
1976	16.43	4.38	4.63	3.81	4.07	10.75
T 1977	35.70	11.97	3.08	3.72	3.22	
M 1978	33.00	8.00	1.65	1.38	1.49	6.19
P 1979	79.89	26.90	9.53	10.02	2.67	11.68
1980	238.73	78.15	9.49	10.40	4.49	19.52
AAGR 1975- 1980	119.18	149.40	12.1	28.3	-0.7	18.9

M³ = cubic metres.M² = Square metres.

AAGR = Average Annual Growth rate.

development body — *Sabah Forest Development Authority (SAFODA)* in December 1976, which aims to promote and develop forest products and plantations. The particular focus of SAFODA to date has been to plant those areas especially in the west of Sabah, which, owing to the activities of shifting cultivators, carry scrub and non-commercial secondary forest. Many of these areas are badly eroded and covered by lalang grass and have little or no agricultural potential. SAFODA has an ambitious planting programme of 2,000 acres per month of fast growing species such as *Acacia Mangium*, *Eucalyptus Deglupta*, *Pinus Caribbea* and *Albizia Falcata* — with the ultimate aim of establishing at least 200,000 acres of plantation forest over the Third and Fourth Plan periods. The basic objectives of SAFODA are to build up the future forest resource (including rattan and bamboo) for the development of sawmilling, plywood, chipboard, veneer and pulp and paper processing, and to provide rural employment opportunities through its reforestation

schemes. The largest scheme planned to date is for Bengkoka Peninsula in north Sabah where 100,000 acres of land will be reafforested as part of an integrated rural development/resettlement project. Progress on plantation schemes was less than anticipated due to problems in acquiring land. By the end of the TMP over 18,000 acres were planted with fast growing species.

The activities of SAFODA complement those of the *Sabah Foundation* (SF) which holds a 100-year licence agreement over 3,300 square miles of commercial forest. In 1978, the SF accounted for 10.5% of Sabah's log exports and a growing share of processed timber exports. The SF is exploiting around 45 square miles each year consistent with a 100-year felling cycle, this represents 1.6% p.a. of the area.

Since it came under direct State Government control in 1976, the SF forest development activities have expanded considerably. Of note is the *Sabah Softwoods* pulpwood plantation, a 60% joint venture with North Borneo Timbers (NBT) involving the planting of 150,000 acres of logged land near Tawau with fast growing species at the rate of over 12,000 acres p.a. Since planting started in 1975, over 55,000 acres have been developed. A chipmill is planned to go into operation by 1982 to process chips. Three joint venture companies concerned with wood processing have been formed by the Sabah Foundation. The first, *Sinora Sdn. Bhd.* is an integrated timber complex in Sandakan and Tawau with the Yuasa Company of Japan. The second, *Pacific Hardwoods*, (a 51% joint venture with Weyerhaeuser of the USA) is to develop processing of sawn timber and plywood near Lahad Datu over a 20-year period, possibly with reafforestation. The third, *Sabah Melale*, (with a Philippine company - Construction and Development Corporation) involves the progressive introduction of saw-milling, mouldings, veneer and plywood at Tawau.

Timber marketing especially of sawn timber and some log species by small producers has been improved through the operations of the timber unit of Sabah Marketing Authority

(SAMA) started in April, 1978. In 1978, *Selangan Batu* was successfully sold as railway sleepers to China reviving an export trade that flourished before the war.

The Mining and Quarrying Sector as stated earlier rapidly became one of the most important in Sabah after the start of crude oil and copper concentrate exports. *Petroleum Crude exports* which in 1975 were \$85.5m rose to \$1,780m in 1980. Crude oil with 40% of total exports, almost replaced round logs as the most valuable export of the State. It now seems likely that as a result of the signing by the State Government of the *Gas Supply Agreement* with Petronas and Shell in 1980, a massive industrialisation programme can start on Labuan based on utilisation of associated natural gas. In addition, gas turbine powered electricity generation on Labuan could stimulate further growth in secondary industries on the island or electricity could be transmitted to the mainland. Three companies are involved in petroleum exploration and production, *Sabah Shell Petroleum Company Exxon Production Malaysia* and *BP-Carigali* — all of which work closely with Petronas. B.P. Carigali, a joint venture with Petronas was formed to drill in the area north of Kudat. Three oil fields were exploited up to the end of 1980, Tembungo (by Exxon) and Semarang and South Furious (by Shell). With the completion of the 140-mile underwater North Borneo pipeline linking the South Furious, Erb West, Semarang and St. Joseph fields, associated gas will be landed at Labuan offering opportunities for the introduction of petroleum-based industries.

The second major development in the mining sector was *Mamut Copper Mine* which benefitted greatly from the spectacular rise in gold and silver prices after mid 1979, which effectively doubled the net value of copper concentrate exports. In conjunction with this rise, the State Government benefitted in the form of higher royalty payments. In addition, the mining company paid compensation to local farmers whose padi lands suffered from silt pollution from the mine. In 1980, the State Government acquired a controlling

Table 53
THIRD MALAYSIA PLAN
CRUDE PETROLEUM AND COPPER EXPORTS AND ROYALTY PAYMENTS 1975-1980

Year	Petroleum Crude				Copper Concentrates			
	Exports tonnes (000)	\$m	Unit Value \$/tonne	State Royalties \$m	Exports tonnes (000)	\$m	Unit Value \$/tonne	State Royalties \$m
1975	375.8	85	227	0.85	13.3	11.34	854	0.58
1976	2,454.2	585	238	15.72	81.4	73.56	904	6.24
T 1977	3,546.5	904	255	38.53	98.9	82.42	834	4.83
M 1978	4,167.8	1,005	241	50.74	112.0	93.44	766	7.24
P 1979	3,908.1	1,288	330	50.98	108.5	134.36	1,238	21.27
1980	3,148.3	1,780	565	91.58	110.1	189.87	1,724	28.43
AAGR	53.0	83.7	20.0	155.0	52.6	75.7	15.1	117.8

AAGR = Average Annual Growth Rate.

interest in the company operating the Mamut Mine.

As a result of these developments the mining and quarrying sector grew from 0.5% of GDP in 1975 to 13.6% in 1980.

Commerce and Industry. From 1975, Sabah's *manufacturing industry* prospects underwent a dramatic transformation — with the emergence of Labuan as a possible location for energy intensive industries based on utilisation of associated natural gas. The expanded Rantau Rantau industrial estate area which already has shipbuilding and repairing, a flour and feed mill, a timber factory and edible oil mill, may shortly be joined by a range of other industries all based on natural gas utilisation. Among the industries being considered are sponge iron, methanol, and liquid petroleum gas and possibly copper smelting. In other parts of Sabah, approximately 7,000 acres have now been zoned for industrial use of which 1,292 acres are in the Kota Kinabalu area, 1,642 acres in Sandakan, 1,439 acres in Tawau, and 1,645 acres in Labuan. Until the emergence of the new gas based industrial opportunity, Sabah's traditional industrial policy was to promote downstream processing of agricultural and forest products for export and where possible to encourage import substituting industry. In this respect, the results in the TMP were excellent with major new developments in saw milling and other timber processing. Agro-industry also showed signs of increasing activity and interest. In general terms even though manufacturing industry grew rapidly from a small base, the sector still accounted for less than 4% of Gross Domestic Product in 1980. In 1978 there were an estimated 13,288 workers in manufacturing industry of which food processing, wood products and textiles were the most important. The expansion of manufacturing industry in the State was assisted by *Sabah Economic Development Corporation's (SEDCO)* industrial estates and new industries. Cement manufacturing with the Sarawak Government (in Kuching) and truck assembly with a Japanese Company in Kota Kinabalu are among the joint venture operations recent-

ly started. The other interests of SEDCO included bricks, furniture manufacturing, trading, property development and construction, hotels and shipbuilding.

SEDCO's role in promoting bumiputra participation in the State was complemented by the *Bumiputra Participation Unit* (set up in 1977), the *Bumiputra Chamber of Commerce*, *Sabah Foundation* (see earlier) and *KOSAN (Koperasi Serbaguna Sanya)*. The latter is a multipurpose cooperative society formed in June, 1976 to involve youths of the State in economic development.

Apart from training programmes, KOSAN was involved in textiles, printing, shoes, plastics, furniture, distributing gems, cattle projects and property development in which it has invested in excess of \$50m over the last 5 years. Among the other public agencies involved in this sector are *Borneo Development Corporation* (shophouses and industrial estate development and loans); *Malaysian Industrial Development Finance* (finance for industry); *Federal Industrial Development Authority (FIDA)* (industrial promotion and approval); and *Majlis Amanah Rakyat (MARA)* (loans to bumiputra businessmen). Small industrial loans to this sector are also handled by *Sabah Credit Corporation* and larger loans by *Sabah Development Bank*.

Possibly one of the most important new institutions in this sector is *Permodalan Bumiputra Sabah (PBS)* an investment subsidiary of Yayasan Bumiputra Sabah which was established in July 1979. By the end of 1980, PBS had been provided with loans and grants by the State Government to the value of \$150 million for investments (on behalf of the Bumiputra community) in banking and finance, insurance, publishing, agro-industry, mining, hotels and property development. It is clear that the combined efforts in all these areas have already led to a significant increase in new industrial investment much of it by or on behalf of bumiputras. By the end of the TMP the 30% bumiputra equity participation target in the New Economic Policy had been achieved in most, if not all, industrial subsectors. The evidence even in 1978 suggested

that 42% of all industrial establishments in Sabah were owned by Bumiputras as compared with 24% in 1970. The increasing level of bumiputra participation in industry between 1976 and 1979 is indicated by the fact that out of the 198 projects approved by the *Industrial Coordination Committee (ICC)*, 83 were bumiputra projects (with over 50% shareholding by bumiputras), with \$118.67 million capital investment (27% of the total investment).

In the wholesale and retail trade, *KOJASA (Koperasi Jelata Sabah)* launched by the State Government in September 1978, was successful in helping to keep down retail price inflation in the State. Since 1978, KOJASA has established wholesale (cash and carry) outlets in Kota Kinabalu, Labuan, Sandakan and Tawau and low price retail supermarket shops (*Kedai Rakyat*) in a number of urban centres. Along with its training programmes, and loans scheme for stock building, KOJASA is expected to make a major contribution to promoting bumiputra participation in trading in the State. KOJASA is also involved in UHT milk processing and packing in Labuan through its subsidiary — *Sehat Sdn. Bhd.* The packed milk is provide free to school children throughout Sabah. KOJASA also provides catering facilities for offshore oil installations and other commercial services.

Transport and Communications. Public expenditure in Sabah in the TMP for improvements to transport and communications was over 30% of the total revised allocation. Actual expenditure on *trunk roads* at \$382m. was particularly important, since by the end of the TMP, Sabah had almost achieved an objective towards which it had been working for over 15 years since independence — an all weather road system linking the major towns of Kota Kinabalu, Tawau, Sandakan and Lahad Datu. Under the so-called "*three highways project*" in the TMP, the sections from Sempona to Lahad Datu, Papar to Sindumin, and Tamparuli to Ranau were upgraded with the aid of Japanese and World Bank Loans. Under the *Urban Road Programme*, 45.75 miles of sealed roads were built at a cost of \$45.52m. Almost

\$200m. was spent to construct or upgrade over 160 miles of rural feeder roads. By 1981, the road network in Sabah was 2,814 miles, an increase of 433 miles since 1975. The continuing high car traffic growth in the TMP of 17.1% p.a. (and of commercial vehicles of over 20% p.a.) supports the urgent need to maintain the rate of highway construction and improve road maintenance standards in the State.

The *State Railway* with \$5.52 million allocated in the plan for minor improvements, did in fact receive a boost in traffic and revenue from three sources in 1978. First higher charges, second, traffic generated by the construction of the Tenom-Pangi hydro-electric project and third sawn timber from the interior region destined for export. As a result additional investment in rolling and power stock and track and station improvements in the TMP, over and above that originally forecast was required. The encouraging short term prospects for the railway cannot however be carried over into the longer term, since it seems inevitable that with further improvements to the road system (especially between Kota Kinabalu and Beaufort, and with an additional road across the Crocker Range to Keningau and Tenom), there will be increasing diversion of goods and passengers from the railway. Proposals to extend the railway to Sapangar Bay are still being examined, but first indications suggest that it will not be viable. The future of the railway system in general will ultimately depend on its ability to compete with road transport.

The progress in *Airport Development* in Sabah in the TMP was rather disappointing in view of the fact that major delays occurred on constructing the new terminal complex at Kota Kinabalu International Airport and on approving designs for the new 7,000 ft long Sandakan runway and terminal. These delays were reflected in the poor financial achievement of the Federal Department of Civil Aviation in Sabah, which only spent \$75.16 million of the \$113.2m revised allocation in the Plan. It appears that in the TMP period, international and internal flights were operating almost at full capacity, and the

growth of passenger and freight traffic in general was severely limited by the level of service available. This is demonstrated by the 37% increase in passenger traffic in 1980 over 1979 and the 39% rise in freight when the service was improved and capacity increased.

Port Development in the TMP concentrated on two major projects – Tawau port expansion and the new Sapangar Bay industrial port (north of Kota Kinabalu). The former project which is partly financed by the World Bank, involves the construction of a new 1,100 ft. general cargo berth in phase I. Phase II will follow in the Fourth Malaysia Plan. The Sapangar Bay port, will ultimately take bulk liquid and “dirty” cargoes (such as cement) away from the old Kota Kinabalu port area and thereby relieve congestion. Construction is proceeding on schedule and it is expected that the new port will be completed in late 1982. Detailed long-term plans for Sabah ports development up to 1995 have been presented in a 20-year Master plan. However the indications are that some of the recommendations for expansion in the 1976 Report will have to be brought forward because of the increase in foreign trade. In Kota Kinabalu in particular there has been a rapid growth in sawn timber exports, and a big increase in ships at anchor waiting for berths. Elsewhere in Sabah, Lahad Datu Port is being extended. Some of the more interesting new developments are on Labuan Island, (which

Table 54

THIRD MALAYSIA PLAN

TRANSPORT and COMMUNICATIONS – BASIC STATISTICS:

Table 54:1 Road Mileage

Year	Bitumen	Gravel	Earth	Total
1975	664	1,428	289	2,381
1980	1,100	1,594	150	2,814
	+436	+166	-139	+433

(cont. over page)

Table 54: cont.

Table 54:2 : Vehicle registration (vehicles in use)

Class	1975	1980	AAGR 1975-80
Motor-cycles	5,166	7,386	7.4
Motor cars (private)	36,555	{ 82,395	{ 17.1
Taxis	845		
Buses	670	1,353	15.1
Lorries & vans	9,911	27,556	22.7
Other vehicles	4,522	10,788	19.0
Total	57,669	129,478	17.6

Table 54:3 Railways

	1975	1980	AAGR
Total revenue (\$m)	2,420	3,819.1	9.6
Number of passengers carried (000)	774.7	1,062.2	6.5
Freight (tons - 000)	91.7	59.5	-8.3

Table 54:4 Air Traffic

Year	Aircraft Landings	Passengers Departed	Freight Landed (kg 000)	Mail Landed (kg 000)
1975	39,398	544,115	5,078	1,256
1976	32,986	611,746	6,614	1,471
1977	31,376	491,027	8,132	1,609
1978	30,524	531,904	6,725	1,006
1979	33,010	736,954	4,851	1,421
1980	45,407	954,229	6,751	1,459
AAGR	2.9	11.9	5.9	3.0

AAGR: Average Annual Growth Rate

lies outside the SPA's jurisdiction) where the heavy industry projects on the drawing board will impose major demands on the existing port infrastructure. Some of the new industrial projects on Labuan will rely on their own specialist jetties.

This includes a 150,000 ton bulk ore terminal facility for the sponge iron project at Ranza Ranza.

Table 55
CARGO HANDLED BY MAJOR PORTS 1975-1980
(tonnes '000)

Port	1975		1980	
	Loaded	Discharged	Loaded	Discharged
All ports	5,458.8	1,463.0	9,130.0	2,819.6
Kota Kinabalu	62.8	573.1	799.5	1,233.2
Sandakan	2,195.6 ^b	340.4	2,896.5 ^b	613.9
Tawau	1,835.7 ^b	241.7	1,262.0 ^b	495.6
Labuan	384.7 ^a	226.7	2,910.9 ^a	411.6
Lahad Datu	426.3 ^b	45.9	808.8 ^b	53.5
Kudat	15.7	30.7	182.2	11.1
Kunak/Semporna	537.8 ^b	4.4	271.1 ^b	0.8

Notes: a. principally crude oil
b. principally logs loaded mid-stream

Telecommunications Development in the Third Plan included the introduction of subscriber trunk dialling (STD) between major towns within the State in 1978 and from Kota Kinabalu to Peninsula Malaysia in 1980. A major pro-

Table 56
SABAH TELECOMMUNICATIONS: 1975 AND 1980 est.

	1975	1980 est	Change
Telephone subscribers	12,025	24,000	14.8*
Telephones installed	20,687	41,520	15.0*
Telephone waiting list	4,734	12,000	+7,266
Telex subscribers	68	400	+ 332
Telex waiting list	69	200	+ 131
Exchange capacity (lines)	16,475	52,350	+35,875

* Average annual growth rate.
est. = estimated

blem however is the growing backlog of telephone connections in view of the rapid rise in telephone demand. In the TMP, the number of telephone subscribers were expected to double to 24,000.

Postal services in the State have continued to expand slowly with congestion in the major post offices becoming increasingly more serious. Door to door delivery, which it is planned to introduce in the major towns, will undoubtedly help to improve the service. Unfortunately the new general post office in Sandakan has yet to be started but 10 new post offices in the minor towns were built in the TMP. At the end of 1980 there were 35 post offices, 101 postal agencies, and 13 mobile post offices throughout Sabah.

Table 57
POSTAL SERVICES DEPARTMENT

	1976	1980 est.	AAGR
Number of letters delivered (000)	17,868	23,392	7.0
Number of parcels delivered (000)	287	326	3.2

AAGR: Average annual growth rate.
est. = estimated.

Public Utilities. In the TMP, *Sabah Electricity Board's* revised development expenditure allocation was \$336.2 million (of which \$17.6m was for rural electrification). Under the "normal" development programme SEB's actual expenditure was \$153.66m for the installation of an extra 95MW of diesel generating capacity throughout the State and the erection of 167 miles of HV transmission and 488 miles of LV lines. By the end of 1980 the total installed capacity was 166.4MW, over double the 1975 figure. Units sold in 1980 were also twice the 1975 figure representing a growth of 13.8% p.a.

Up to 1981, the most important single project ever undertaken in Sabah was probably the *Tenom - Pangi Hydro-electric* power scheme which was started in 1978. Phase I

Table 58

SABAH ELECTRICITY BOARD

	1975	1980 est.	AAGR
Installed capacity (MW)	71.6	166.4	18.4
Maximum demand (MW)	40.2	75.8	13.5
Units sold: (000 Kwh)	179,568	341,708	13.8
Towns served	14	14	
Rural areas served	28	31	

AAGR: Average Annual Growth Rate.
est. = estimated.

development to 44MW is due for completion in 1983 and will provide electricity for most of the west coast load centres from Beaufort to Kota Kinabalu and Tuaran, and also to Tenom and Keningau. Growth of future demand in these areas will be met by Phase II of the scheme – 66MW – rising to 110MW when the Sook dam has been built. A further possible source of supply for the west coast region, and in particular for Labuan heavy industry, may come from gas turbine generation from natural gas landed at Labuan under the recent Gas Supply Agreement.

Rural electrification in the TMP involved 45 schemes costing over \$9.97m connecting 2,366 households – under the State funded programme (Scheme II) and 68 schemes costing \$17.47m under Scheme I – whereby the Federal and State Governments contributed to costs in the ratio: 2:1. Among the other interesting developments in the TMP was the renewed interest in *mini or micro-hydro* as a means of supplying small towns and larger kampongs. Both the State and Federal governments are conducting investigations into the potential for Sabah, which is considered to be very promising in view of the mountainous terrain and swift flowing rivers especially in the west.

The *water supply programme* in the TMP was allocated \$125.97m mainly to cover extensions to supply systems in the towns. In the TMP over 130 miles of mains will be laid serving 93,000 people in outlying parts of the urban areas.

By the end of 1980 it is estimated that 42% of the urban population were served by piped water, and 18% of the rural population by gravity feed supplies. Total design capacity in the TMP increased from 15.73 m.g.d. in 1975 to 28 m.g.d. in 1980. A new supply from the Tuaran River will be provided for Kota Kinabalu.

Table 59
WATER SUPPLY 1975 and 1980

	1975	1980 est.
Population served:	255,458	370,000
Number of towns supplied	23	25
Design capacity (mgd)	15.73	28.000
of which:		mgd. source
Kota Kinabalu		10.00 River
Sandakan		4.50 Boreholes
Tawau		3.00 River
Labuan		1.00 Boreholes
Lahad Datu		1.00 River
Tamparuli		0.70 River
Kudat		0.72 Reservoir

mgd: million gallons per-day.

est. = estimated.

Urban Sewerage Systems in Sabah continue to be based mainly on direct discharge of broken up raw sewage into the sea or rivers. In a few areas neighbourhood oxidation ponds or treatment plants have been built. In 1978 it was estimated that only 31% of the urban population was provided with main sewerage. Current projects include extensions to existing systems in Kota Kinabalu, Sandakan and Tawau and other towns, guided by sewerage master plan studies.

New sewerage systems to serve a design population of 3,000 persons for Ranau township and 1,000 persons for Kundasang were completed in the TMP and an oxidation pond serving about 10,000 persons in the Penampang/Reservoir Road area in Kota Kinabalu. *Rural sanitation* continues

to be a major problem, and in only a few kampongs are basic septic tanks or oxidation ponds provided – with soak-aways as the usual form of disposal.

Housing provision for poorer families remains a major problem in Sabah, as it does in the rest of the country. The *State Housing and Town Development Authority* (LPPB) – which is a reconstituted Authority based on the former Sabah State Housing Commission (SSHC) is the principal agency responsible for low cost housing in the State. Since LPPB, has to compete with the private sector for land, labour and construction materials, (and all of the above have been in short supply and suffered from escalating costs in the Third Plan period), the LPPB is finding it increasingly difficult to build houses for the poor at prices they can afford. In Sabah the present low cost housing policy aims to cater for households earning less than \$500 per month at a cost per unit of \$10,000. Finance for low cost housing construction by LPPB is provided from three main sources. Federal loans, State loans and cross subsidies from middle and upper income housing projects. In the Third Plan, 4,449 houses were reportedly built by LPPB, under their low cost, medium cost and "Agency" programmes. Other public housing projects in the State are undertaken by SEDCO (shophouses), and SLDB, Padi Board and KPD on land development schemes.

Housing Finance is provided by two main public agencies, *Sabah Credit Corporation* (SCC) and *Borneo Housing Mort-*

Table 60
THIRD MALAYSIA PLAN

STATE HOUSING AND TOWN DEVELOPMENT AUTHORITY	
	Houses completed:
Low cost	2,176
Medium cost	456
Agency	1,817
Total	4,449

gage Finance (BHMF). Housing loans are also an important component of personal lending by the commercial banks and finance companies.

Among the new *Financial Institutions* in Sabah which are expected to play a major role in project financing are the State-owned *Sabah Bank* and the *Sabah Development Bank*. The Sabah Bank is a commercial bank launched by the State Government in 1979. The Sabah Development Bank (SDB) is a fully fledged development finance institution which was incorporated in August 1977. The SDB is the principal "financial intermediary" for private sector financing of State-sponsored development projects. Since its inception the SDB has been active in corporate lending. The total value of loans approved increased from \$20.4m in 1978 to \$129.8m in 1979 and by a further \$244.5m in 1980. Accumulated loans approved by the end of 1980 were \$394.7m – of which 33.9% was for agriculture, 18.5% for construction, 19.2% for manufacturing, 28.4% for shipping, commerce and other sectors. In 1980 SDB was the principal in 6 consortium loan agreements for \$87.5m for agro-based, wood-based and construction industry projects.





7



9



10





Photo Caption

1. Tomato growing is one vegetable being encouraged by the government under its rural development programmes
2. View of vegetable growing area at Kundasang near Ranau
3. Prawn trawlers
4. Cabbage growing on the Crocker Range for sale in Kota Kinabalu
5. Drying latex
6. Ginger selling at a local market
7. Logs ready for floating downstream to the log ponds
8. Harvesting fresh fruit bunches (FEB) on an oil palm estate
9. Commercial poultry rearing has become extremely popular in recent years
10. Rattan furniture promises to be a major export from Sabah in the next decade
11. Some of the agricultural products of Sabah
12. **Mamut Copper Mine Ranau:** View of concentrating plant. The mine started production in mid-1975 and produces about 120,000 tons of copper concentrates each year for export. Gold and silver is included in the concentrates.



13. Oil palm plantation: oil palm is grown extensively in Sabah especially on estates in the east of the State.



14. The old port at Labuan: has become more congested as new projects have accelerated the pace of development in the island.



15. Logging Tractor: Tropical logs are the principal export of the State.



16. Housing: Housing estates have mushroomed in the larger towns as urban population has grown at over 7% per annum since 1970



17. Padi planting on the West Coast: Padi growing is still one of the most important agricultural activities in the State.



18. Crocker Range Road from Tamparuli to Ranau: This road is becoming increasingly important as development accelerates in the interior of the State.

SECTION VII: Future Prospects

7.1 Introduction

Sabah has made immense progress since the Second World War. From almost complete devastation in 1946 the State has developed into one of the most prosperous in the Federation and indeed in the whole of South-East Asia. This prosperity, however, has yet to be shared fully by all the people of Sabah.

Since independence, and especially in the Third Malaysia Plan, the State and Federal Governments have ploughed millions of dollars into building up the basic physical and social infrastructure necessary for sustained economic growth and development. Blessed, as it is, with a stable and progressive Government that encourages the operation of market forces in conjunction with selective interventionist policies (to achieve certain basic socio-economic goals), the State can look forward with confidence to continued rapid development. It is likely, however, that the coming decades will be very different. This final section on the economic development of Sabah looks briefly at the forthcoming Fourth Malaysia Plan and hazards a guess as to how the State may develop up to the year 2000 – only 20 years from now. To forecast or surmise beyond this would be foolhardy. Before the future prospects are reviewed, it would be as well to place the last 100 years in some perspective.

7.2 The Last 100 Years in Retrospect

The previous sections of this chapter have brought out one overriding theme in Sabah's economic development – namely the State's dependence on its natural resources – either forests, land, water or mineral resources.

Tracing the history of Sabah from 1881, it is possible to identify a number of periods of natural resource utilisation and development. Essentially the period up to the turn of the century, was characterised by the exploitation of jungle produce – including cutch, rottan, resins, damar, and other

natural commodities such as birds' nests. Indeed the State of Sabah still continues to export some of these commodities and will be actively developing rattan cultivation for export over the next decade.

The period of primary jungle exports – was gradually superseded after 1890 by exports from the first commercial estates – principally tobacco, copra and hemp. Up-to the mid-1920's, tobacco was king – and accounted for most of the exports until rubber gradually gained ascendancy. Timber progressively assumed greater importance, but did not become the major export item until after the Second World War – when the almost insatiable demand created by post-war reconstruction and rapid economic growth in the industrialised countries, lead to a massive increase in logging activities.

Tropical log exports have been the foundation of the State's post-war prosperity and growth. However, one other natural resource, which has recently (in 1980) equalled logs in the export league is *petroleum* – now accounting for almost 40% of exports. However, as stressed in earlier sections of this chapter, crude oil, has not, and is not expected to make any significant real impact on the State's development and as such must be classified as a "pseudo-export". Apart from timber and the utilisation of associated gas from the offshore oil fields, the most promising future resource of Sabah will lie in it's land for agricultural development. Already rubber has been replaced by oil palm as the principal agricultural crop. Cocoa is well on its way to occupying the second most important position after oil palm.

An examination of a map of Sabah in 1881 would reveal almost nothing but primary forest and some secondary jungle. There were no towns and no roads, only tracks from one kampong to another. Apart from the areas of padi cultivation on the west coast, most of the 80,000 or so population were either subsistence hunters and gatherers, shifting cultivators of hill padi or fishermen. By 1918, the first settlements of Sandakan, Jesselton, Kudat, Beaufort, Tawau,

Tenom, Keningau, Tuaran, Papar, Lahad Datu and Semporna were well established — along with some minor trading outposts related to the commercial plantation estates. Apart from the west coast railway, the only link between these towns was the sea. By the mid-1920's — a network of bridle paths connected most of the towns in the western region of the State, but the towns along the east coast remained isolated, with a few roads linking them to their hinterland of commercial plantations. There was no industry of note, and most of the work force was either employed on the agricultural estates, in urban commerce and trade (especially the Chinese) or in subsistence agriculture.

The Second World War set back economic development in Sabah probably by 10–15 years. By 1950 the towns had been rebuilt and the economy had virtually recovered. From then on to independence in 1963, development proceeded rapidly as physical barriers were gradually removed with the construction of roads and as air travel developed between the major towns. Nevertheless development was still very much an urban phenomenon. It was not until 12 years after independence in 1975 that the two major towns of Kota Kinabalu and Sandakan were linked by road and not until 1977 that Sandakan and the third ranking town of Tawau were linked. Progressively the isolation of parts of Sabah has been broken down and the east and west coast areas linked to allow an integrated domestic market slowly to emerge. Thus although Sabah has been a political entity for 100 years, it has taken almost 100 years for it to attain a reasonable degree of economic homogeneity and integration. Even now, there are areas of the State which have been left behind — with a life style little different from 100 years ago. The trunk road system is nevertheless still far from adequate and has yet to allow a fully integrated State economic system to flourish.

Of the estimated population in mid-1980 of 1,050,000, the 5 major towns accounted for around 25% and the 9 minor towns for a further 5%. This implies that 70% of the

population still live and work in the rural areas, with a substantial, but diminishing proportion of them under conditions of relative poverty. It is estimated that in 1978 some 75,300 households earned less than \$280 per month most of them being padi-farmers, coconut and rubber smallholders, shifting cultivators and local fishermen.

7.3 The Fourth Malaysia Plan — Sabah: 1981–1985

At the time of writing this chapter, the final development expenditure allocations in the Fourth Malaysia Plan had not been announced. The Sabah Government had, in its Phase II submission to the Federal Authorities, requested \$8.3 billion over the 5 years to 1985. This represented an increase of \$5.59 billion or 306% over the Third Malaysia Plan revised allocation of \$2.71 billion.

The most distinctive feature of the Fourth Malaysia Plan proposals was the greatly increased share of the total for *agriculture and rural development* and for *new land development* schemes by SLDB, Sabah Padi Board (mechanised rice cultivation), KORAS, and FELDA. A major new proposal was to develop an “integrated” approach to rural development, at the kampong level, and specifically aimed at the recognised poverty groups.

In *Commerce and Industry* substantial sums was allocated to Pemodolan Bumiputra — Sabah, for investment on behalf of Bumiputras. In addition large investments will be made in heavy industries especially on Labuan island in conjunction with the utilisation of associated natural gas. The *Transportation* sector will again emphasise trunk road construction and upgrading. In total over 500 miles of trunk roads need to be built and 338 miles of feeder roads. The *Ports* expansion programme will concentrate on Sapangar Bay, Tawau, Sandakan and Kota Kinabalu ports, and *Civil Aviation* on Tawau, Sandakan and Kota Kinabalu airports, with a new site for Tawau Airport developed. In the *power programme*, Tenom-Pangi Phase II development will increase capacity to 66MW.

All in all, the Fourth Malaysia Plan in Sabah promised to be

Table 61

FOURTH MALAYSIA PLAN – SABAH
PROPOSED DEVELOPMENT EXPENDITURE BY SECTOR AND SOURCE OF FINANCE
(ORIGINAL SUBMISSION BY STATE GOVERNMENT TO FEDERAL GOVERNMENT)*

Sector	Federal	State	+ SSBOF	Total	%
ECONOMIC:			– \$ millions –		
Agriculture & Rural Development	1,034.71	1,675.21	11.30	2,721.22	32.8
Mineral Resources Development	1.26	–	–	1.26	0.02
Commerce and Industry	128.12	327.10	–	455.22	5.5
Feasibility Studies	15.00	10.00	–	25.00	0.3
Transportation	869.87	706.89	–	1,736.56	20.9
Communications	418.41	–	159.80	418.42	5.0
Utilities	337.64	575.79	66.25	979.67	11.8
ECONOMIC Sub-Total	2,805.01	3,294.99	237.35	6,337.35	76.3
SOCIAL					
Education & Training	712.35	10.68	–	723.03	8.7
Medical & Health Services	106.39	–	–	106.39	1.3
Social and Community Services	114.14	583.34	23.20	720.68	8.7
SOCIAL Sub-Total	932.87	594.02	23.20	1,550.09	18.7
GENERAL ADMINISTRATION Sub-Total	124.14	221.13	–	345.27	4.2
SECURITY Sub-Total	71.25	–	–	71.75	0.9
Total	3,933.28	4,110.14	260.55	8,303.96	100

Note: *Original Submission dated October 1980.

+ SSBOF: State Statutory Bodies Own Funds.

by far the most ambitious ever and represents a major increase in the relative level of public expenditure. It also continues the established trend of the Federal and State Governments of trying to bring the full benefits of economic growth and development to all sections of the community and all regions of the State.

FMP Official Allocation: Sabah:

In May 1981 the Federal Government allocated \$3,172.35 million to Sabah under the Fourth Malaysia Plan: Of this total, \$1,845.63 million is from Federal Funds, \$1,230 million is from State Funds and \$96.7 million from State Statutory Authorities own funds. At the time of writing this chapter final details of the sectoral allocation of expenditure were not available.

7.4 Sabah — Prospects to the Year 2000

As in the past Sabah's natural resources will provide the base for future growth and development. Of a total land area of 28,500 square miles, about 30% is suitable for agriculture, with probably less than 11% actually cultivated in 1980.

Any view of the future up to the year 2000 carries with it a serious risk of error. In a rapidly changing world, even a forecast five years ahead is hazardous. Nevertheless it is still worth while describing a scenario of the future that appears at least plausible.

Income and output growth in Sabah over the next 20 years is unlikely to match the extremely high rate of the last 20 years, which averaged around 10% per year in real terms. Indeed, if it were to equal the historical rate, it would probably bring with it very many problems of congestion, pollution and environmental degradation. The major reasons why growth will tail off, probably to between 5 and 8% per annum, include the continuing shortage of skilled labour in the State, the adoption of a sustained yield policy towards forest exploitation and the increasing difficulty in obtaining

prime agricultural land. Despite these cautionary remarks, even a 5% p.a. sustained rate of growth over 20 years would lead to an economy over 2½ times the size it is now, and at 8% p.a. to nearly 5 times the present size. Comparatively few other countries in the world can look forward to average growth rates over 3% p.a. in the next 20 years. Sabah still stands among the most fortunate.

Accompanying this overall growth will be some major changes in the structure of the economy about which we can be fairly certain. People engaged in the subsistence agricultural sector are likely to be less than 10% of the total population in the year 2000, as compared with 35% today. Padi cultivation is likely to remain roughly at its present size, and become increasingly commercialised and mechanised. The traditional plantation tree crops of rubber, oil palm and coconut will continue to expand, so that by the year 2000, rubber production will almost treble, palm oil production will grow 2½ times, and copra output will increase four fold. Cocoa is expected to continue its hectic rate of growth and in 20 years time cocoa exports will probably be about 8–10 times the level in 1980. Accompanying cocoa as major new commercial crops with export potential will be coffee and tea. Some hitherto "minor crops" such as ginger, spices, soya beans, groundnuts, etc. could also emerge as significant exports.

The *Fisheries* sector is expected to decline in overall employment terms, but aqua-culture will supply a large proportion of prawn exports and marine farming on the east coast will probably be a major new industry (seaweed, oysters and fish cultivation). The *livestock* sector will become much more commercialised with self-sufficiency attained in all major livestock products, including dairy products.

Forestry and Logging although continuing as the mainstay of the economy will undergo a number of major changes. First, with the adoption of a sustained yield policy, there will be a continuing decrease in tropical log export volumes up to 1985. However, after 1990, plantation forest

exports will start to pick up as a result of the planting of fast growing species from 1980 onwards. By the year 2000, if planting proceeds as expected, there will be at least 400,000 acres of plantation forest producing over 100 million Hoppus ft. of timber annually. The natural forest (assuming a sustained yield 60-year felling cycle) will provide around 125 million Hoppus foot per year. The second major shift in this sector will be the expansion of the secondary forest processing industry – which will take up a major proportion of log output. Sawn timber, veneer, plywood and other processing industries may have grown to 10 times the capacity of 1980 and take over 80% of log output – leaving only a small proportion to be exported in round form.

In the *Industrial Sector*, the prospects for Labuan becoming a major location for heavy industry are already promising and Labuan may well become the base for further energy intensive industrial developments in the State. However most of the growth in manufacturing industry to the year 2000 will be in timber and agricultural processing. Palm oil, cocoa, tea rubber and coconut primary and secondary processing possibly supplemented by some canning, freeze-drying and preservation of foodstuffs for export may be particularly important. By the year 2000 it is expected that almost half the manufacturing labour force will be in wood processing, employed in large timber complexes and over 150 smaller sawmills and plymills. In the *Mining Sector*, oil and copper will cease to be major exports after 1995, unless new oil fields are discovered. Depletion of the ore reserves will bring an end to copper mining at Mamut – unless new deposits are discovered and worked.

Population changes in the period to 2000 are particularly difficult to predict because the major unknown variable is the level of migration into the State. Allowing for a reasonable level of controlled immigration the population of Sabah is expected to double from around 1,100,000 in 1980 to 2,300,000 in the year 2000 – representing an annual average growth rate of about 4.0%. By the year 2000 the urban popu-

lation is expected to increase (by about 6% p.a.) from 300,000 to almost 1 million, or to 43% of the total population. Kota Kinabalu will be by far the largest town with over 300,000 followed by Sandakan (210,000) and Tawau (160,000). In the east of the State a number of small and medium-size settlements will be established as "market-cum-service" centres for the large scale agricultural developments expected to be undertaken in these areas, and especially in the Kinabatangan, Segama and Labuk River basins.

By the year 2000, all the major towns of Sabah should be linked by sealed *trunk roads*. This includes bitumenised roads between Keningau and Tawau, and from Kota Marudu via Pitas to Sandakan. Along the west coast, major stretches of the North-South highway will be dual carriage-way as will most of the major urban roads. One of the principal changes that may well occur over the next 20 years is development of the public transport system especially in the largest urban areas where traffic congestion is already becoming a very serious problem. *Air Transport* within Sabah will change to wide-bodied "Airbus-type" regular flights between Kota Kinabalu Sandakan and Tawau.

Electricity generation in Sabah will undergo a significant change over the next 20 years, with hydropower (and possibly also wood-waste burning) accounting for a major proportion of generating capacity. Tenom-Pangi will have reached its maximum capacity of 110MW and serve the whole of the west coast and interior regions possibly supplemented by a new hydro-electric scheme based on the Papar River. On the east coast, Sandakan and Tawau will be served by hydro-electric schemes on the Kinabatangan River. In some other areas, such as Labuan, gas turbine generation may still be an important source of power. In many of the smaller towns and kampongs, mini-hydro and even solar power may be the main local source of electric power.

ECONOMIC DEVELOPMENT IN SABAH 1881-1981

Principal References

The following list of principal references has been used by the Author in compiling this Chapter. Many other published and unpublished sources have been referred to – but are not listed for the sake of brevity.

- J.P. Ongkili: *Modernisation in East Malaysia 1960-1970*.
K.G. Tregonning: *A history of modern Sabah to 1964*.
F.G. Whelan: *A history of Sabah*.
M.H. Baker: *The Colony of North Borneo. The first 10 years*.
North Borneo: *Reconstruction and Development Plan: 1948-1955*. February 1948.
North Borneo: *Annual Reports: 1947-1962*
Government Printer, Jesselton.
State of Sabah: *Annual Report, 1963*
Government Printer, Jesselton.
Sabah Annual Report 1966-1967
Federal Information Department, K.K. 1968.
The Sabah State Development Plan: 1965-1970:
Sabah State Government: K.K.
Sabah's Revolution for Progress. (A review of progress and achievements during the First Malaysia Plan 1966-1970). State Government of Sabah. KK. 1971.
Sabah's 10th Anniversary within Malaysia: (A review of progress and achievements during the first decade of independence from 1963-1973).
State Government of Sabah, KK. 1974.
Sabah & the Sabah Foundation. Sabah Foundation 1974.
First Malaysia Plan 1966-1970 Government Press: K.L. 1967.
Second Malaysia Plan 1971-1975 Government Press: K.L. 1971.
Mid-Term Review of the Second Malaysia Plan 1971-1975: K.L. 1973.
Second Malaysia Plan (Sabah) 1971-1975
Government Printer, K.K., 1973.
Third Malaysia Plan: 1976-1980.
Government Press, K.L. 1976.
Mid-Term Review of the Third Malaysia Plan 1976-1978
Government Press, K.L. 1979.
State of Sabah. Third Malaysia Plan: Published by Chief Minister's Dept., K.K. 1977.
Financial Statistics: (various years) Colony of North Borneo: Accountant General's Dept., Jesselton and K.K.
Annual Bulletin of Statistics: Federal Dept. of Statistics, K.K. (various years)
Monthly Bulletin of Statistics: Federal Dept. of Statistics, K.K.
Focus on Sabah: A Trade Directory Published by Dept. of Industrial Development – Sabah: 1979.
Fourth Malaysia Plan: Sabah-Phase I and Phase II Reports. (restricted). Sabah Economic Planning Unit, Chief Minister's Dept. K.K. 1980.
Sabah Regional Planning Study. Hunting Technical Services Ltd. – for Sabah Government (under assignment by the U.K., ODA). 1980.

CHAPTER 4
SOCIAL DEVELOPMENT

HEALTH 1881 — 1981

by
Dr. Sheila Virdi & Dr. Mechiel K.C. Chan

HOUSING IN SABAH 1881 — 1981

by
Verus Aman Sham

**100 YEARS OF SOCIAL WELFARE DEVELOPMENT IN
SABAH**

by
Hee Qui Shing, Lawrence and David C.V. Wang

HISTORICAL DEVELOPMENT OF EDUCATION

by
K.M. George

CULTURAL PROGRESS & THE ARTS

by
Johan M. Padasian

HEALTH 1881 – 1981

by
Dr. Sheila Virdi
Dr. Mechiel K.C. Chan

A: Chartered Company Era 1881–1941

General

When the Chartered Company was formed in 1881, there was no organised medical care system.

Diseases that were rampant were Malaria, Beri Beri, (the causes of which were still not known, and cure even more varied and non-scientific) tropical ulcers, yaws, worm infestations, pneumonia, dysentery and outbreaks of Cholera. Smallpox and leprosy were familiar to the inhabitants. All these illnesses, discomforts (and even deaths) were accepted or tolerated by them as a part of life.¹

Development

When the first Governor of North Borneo arrived, he brought with him the Principal Medical Officer to set up a Medical Service. The Medical Officer, was plunged straight into the business of restoring some form of order as an epidemic of Cholera broke out in 1882.² Temporary structures were put up which served as hospitals in the larger towns of Sandakan and Jesselton, followed by Kudat, Tawau and Beaufort.³ Hospitals were established in prisons in Jesselton and

¹ *Medical Report on British North Borneo, 1912 by Sir Allan Perry. Sabah State Archives file No. 37*

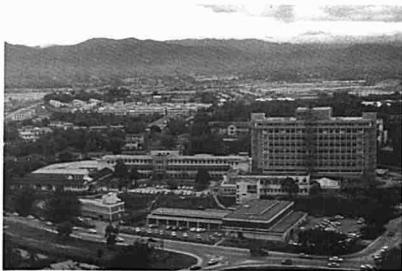
² *K. G. Tregonning, Under Chartered Company Rule, University Malaya Press. p. 156.*

³ *Hospital Diets 1914–1918, Sabah State Archives File No. 1050.*

Sandakan and also for the constabulary. There was also a Vagrant's Hospital at Sandakan. All buildings were constructed from bamboo attap and kajang.



Jesselton Hospital New First class ward – 1949.



The Queen Elizabeth Hospital Complex at Kota Kinabalu. January 1981.

The hospital beds were never fully occupied as the inhabitants were skeptical or suspicious of European ways.⁵ To overcome this, a move to build dispensaries in the rural areas was introduced, and the first dispensary was built in Tambunan in 1914. Two more were constructed in Tenom and Kolam Ayer in 1919.⁶ By 1923, there were 6 dispensaries and 5 civil hospitals, 4 jail hospitals, 2 constabulary hospitals and one vagrant hospital (Sandakan).⁷ The lunatics, as mentally ill patients were then termed, were kept in jails, but in 1929, a small Mental Hospital was built in Sandakan for them.⁸

The inland dispensaries were supported by the tapai tax, a tax introduced to discourage the inhabitants from drinking tapai as it was believed that the people were literally drinking themselves to extinction as reflected by the high death rates in infants and low fertility rates in the Murut population.⁹

By 1930, in addition to 10 static dispensaries, a travelling dispensary was operating in Papar and the leper Colony on an island off Sandakan. The buildings at Tambunan and Keningau were upgraded to hospitals and gradually, the service was established to cover as much of the country as possible.¹⁰ By 1941, there were 14 hospitals and 24 dispensaries and clinics.¹¹ Table below lists the number of Medical Institutions present during the Chartered Company period. The number hospital of beds in 1923 was 221 and 109 beds were available in the leper settlement and lunatic asylum. The hospital bed population ratio (excluding the 109 beds for special care) in 1923 was 1:1, 190.¹²

⁵ *op. cit. Medical Report, 1912.*

⁶ *K. G. Tregonning, op. cit. p.161*

⁷ *Medical Department Annual Reports for 1923.*

⁸ *Ibid, 1929.*

⁹ *Ibid, 1931.*

¹⁰ *Ibid, 1947.*

¹¹ *Ibid, 1947.*

¹² *Ibid, 1923.*

LIST OF MEDICAL INSTITUTIONS DURING CHARTERED COMPANY PERIOD

YEAR	HOSPITALS	RURAL DISPENSARIES
1913	5	—
1914	5	1
1923	(5 Civil Hospitals 12 (4 Jail Hospitals (2 Constabulary Hospitals (1 Vagrant Hospital	6
1927	8	9
1929	12 (11 Hospitals (1 Mental Hospital	12
1934	12	12
1941	14	24

Administration

The Principal Medical Officer was in-charge and he was directly responsible to the Governor who in turn had to report to the Chairman of the Chartered Company in England.¹³ The Principal Medical Officer had a few Medical Officers to assist him. There were three Medical Officers by 1912.¹⁴

These Medical Officers had also to look after the patients in the estates, and camps. The estate managers were fully aware of the importance of providing medical attention to their coolies. Many of the estates employed their own Medical Officers. These estate Medical Officers performed duties for the Government and the Government Medical Officers also worked for a number of estates. There was also a bonus of £200 a year or more if the death rate was below a certain figure.

¹³ *Medical Supervision of Estates 1929–1940. Sabah State Archives File No. 1115.*

¹⁴ *Medical Supervision of Places of Labour 1934–1941. Sabah State Archives File No. 1114.*

Throughout the Company's rule, plans were made and remade for the re-grouping of estates for better supervision by the Medical Officers. All prospective "candidates" for Medical Officers had to be approved by the Chairman and Courts of Directors of the Chartered Company in England. Then, if the Medical Officer is to work for the estates, approval had to be sought from the North Borneo Government and the Principal Medical Officer.¹⁵

With the implementation of the Labour Ordinance 1936, conditions improved gradually.¹⁶ By June of 1941, there was a labour force of 20,009 with a death rate of 4.4. per 1,000, which was very much lower than the death rate for the country.

The following table summarises the situation.

DEATH RATE IN ESTATES & LABOUR CAMPS

YEAR	LABOUR FORCE	DEATH RATE OF ESTATES	DEATH RATE (Whole Territory)
1921		29.3	19.42
1922	16,058	26.5	20.88
1923	15,836	28.9	22.36
1926	18,245	16.2	19.75
1928	19,437	19.3	20.33
1930	15,853	13.7	16.4
1933	8,525	14.4	20.4
1940	19,095	9.0	No accurate figures
1941	20,009	4.4	No accurate figures

The Medical Department continued to function with a Principal Medical Officer and 5 Medical Officers assisted by two Nurse-Matrons and qualified dressers, nurses/midwives and attendants.¹⁷

¹⁵ *Op. cit.*, File No. 1115.

¹⁶ *Op. cit.*, File No. 1114.

¹⁷ *Sabah State Archives File No. 206.*

Finance

The Medical Department worked hard on a shoe string budget. Recorded expenditure for maintaining 5 hospitals in 1913 was \$58,000.

By 1929, the expenditure by the department was \$181,289, an increase of 212.5%. In the 1930's the expenditure was reduced slightly but in 1940, the expenditure stood at \$277,976.¹⁸

Prevailing Diseases

1. Malaria

Malaria was the most prominent disease. The cause and cure were not known and the early pioneers instituted their own favourite remedies. Death from Malaria was high and remained so throughout the Chartered Company period. Cases admitted to hospital increased over the years. In 1919, 360 cases were admitted out of which 24 died. In 1941 in the first six months alone there were 2,707 admissions out of which 71 died. The case mortality percent worked out to be 6.6 in 1919 and 4.6 in 1941, not a very dramatic improvement over 23 years. The estate workers were more commonly afflicted. Cases peaked in 1928 with 6,878 admissions, which meant that 35% of the labour force of 19,437 workers had Malaria.¹⁹

In North Borneo it was only in 1938 that research was carried out by Dr. J. McArthur from the London School for Tropical Medicine. After a short period along the coast, Dr. McArthur concentrated on the Interior and established a station at Tambunan.²⁰ After two long years he discovered in April 1941 that the mosquito recognised as the most dreaded

¹⁸ *Medical Department Annual Reports (Sabah State Archives).*

¹⁹ *Medical Department Annual Reports (Sabah State Archives); Health and Mortality Returns 1934-1941. Sabah State Archives File No. 585.*

²⁰ *John McArthur, MRCS, LRCP, Malaria in Borneo: An account of the work of the Malaria Research Department, North Borneo 1939-1942.*

carrier in Malaya was the most harmless in North Borneo, whereas the mosquito recognised as the most harmless in Malaya proved to be the main carrier of the malaria parasite in the territory.

The dreaded vector was identified as the mosquito *Anopheles leucosphyrus*, which showed a preference to breed intensively in the rivulets in the dense jungle.²¹

Many experiments were carried out before the best way to eliminate the mosquito was arrived at. It consisted of clearing the jungle by cutting and burning so that large areas were exposed to sunlight for at least 6–7 hours a day. This was good news to the padi farmers but not so to the Muruts whose livelihood depended on the thick jungles. However, the prospect of clearing vast areas of jungle was too much at that time and by the end of June 1941 there were 2,707 malaria patients admitted to government and estate hospitals of which 71 died. Dr. McArthur was imprisoned by the Japanese and all malaria work came to a stop.²²

2. Beri-Beri

Beri-beri was the second most prevalent disease in the new country. As with malaria, the cause was not yet known and theories and remedies were as numerous as they were ineffective. In 1890 Dr. Charles Hose of Sarawak, along with others suspected that the diet has something to do with beri-beri.²³ Investigations were carried out by others and by 1911 it was discovered that the vital factor missing from polished white rice was the cause of beri-beri. The prisoners in Sandakan were deprived of their ration of polished rice and fed with unpolished rice instead. The move was not popular at first but by the end of the year there was only one mild case of Beri-beri in Sandakan prison.²⁴

²¹ *Ibid.*

²² *Ibid.*

²³ K. G. Tregonning, *op. cit.* p. 158.

²⁴ K. G. Tregonning, *op. cit.* p. 158.

In 1918, there were 1519 cases of beri-beri among the labourers in the estates and 66 in government hospitals with a case-mortality rate of 12.1%.

There was a move to supply parboiled rice to labourers, and commercial and agricultural enterprises employing 20 labourers or more were requested to comply.²⁵ But in 1927 there were 218 cases in Government Hospitals of which 24 died and in the estates there were 674 cases which works out to be 3.4% of the labour force.²⁶ Treatment consisted then of substituting polished rice with parboiled rice and giving of extracts of rice polishings by injections. In Tawau, at the Kuhara Estate, the Japanese doctor employed by the estate was treating patients in 1928 with injections prepared from rice bran with considerable success. The government hospitals followed suit and extract of rice polishings were obtained from the Bureau of Science, Manila, Philippines.²⁷

However, the general public were loathe to give up their white rice and could not see the cause effect relationship of their staple diet to beri-beri. By 1941, deaths from beri-beri were reduced but the disease was still prevalent, and there were 283 cases of which 10 died.²⁸

3. Smallpox

A smallpox epidemic raged the West Coast in 1905. About 12,000 people were affected and 2,773 died, of which 1,000 or so were from the Papar district. Innoculations with lymph did not prove successful at first but with guidance from the Indian government a vaccination programme was set up.²⁹ By 1913, lymph was brought in monthly from Hong Kong in the ships' ice chests, stored in the ice factory at Sandakan and from there transported in the hearts of the banana stem to

25 *Medical Supervision of Places of Labour, Sabah State Archives File No. 1114.*

26 *Sabah State Archives File No. 586.*

27 *Sabah State Archives File No. 203.*

28 *Health and Mortality Returns 1934-1941. Sabah State Archives File No. 585.*

29 *K. G. Tregonning, op. cit. p. 165.*

Jesselton and other towns. Over 46,000 people were vaccinated in Sandakan first, then other towns. An average of 12,000 vaccinations were carried out annually with a success rate of between 80–90%. The last epidemic was at Tuaran in 1915. There was one case in 1923, 10 cases in 1924, 3 imported cases in 1927 and one imported case in 1929. No more cases of smallpox were reported from the territory after 1929.³⁰

4. Yaws

This disease was very common among the inhabitants of the interior. This disfiguring disease was accepted as part of life.

The success of the campaign against yaws by dedicated doctors and dressers was the one factor which eliminated the people's skepticism and mistrust of the "modern" system and encouraged them to come to hospitals and dispensaries for medical aid. This campaign was financed in part by the tapai tax.³¹

At the beginning of the campaign, in 1924 only 249 came forward for treatment. By 1927, the number of new cases treated was 1,593 and 8,685 in 1932. From then on the number of cases declined and by 1941, yaws was not the problem it once was.

5. Leprosy

Leprosy was not a major problem in terms of numbers. It was dreaded because of social implications and the need arose for proper care of the patients. In 1891, there were 9 leper patients in Sandakan Hospital. Copuan Island, off Sandakan, was used as a home for lepers and they were left very much to themselves with no proper treatment.

With the introduction of the Leper's Ordinance in 1911, their lot became slightly better and Berhala Island became a

³⁰ *Medical Department Annual Reports. (Sabah State Archives).*

³¹ *Dr. Campbell's Report 1929–1930. Sabah State Archives. File No. 1499.*

leper colony in 1913.³² The number of inmates per year averaged about 50.³³ In 1940, there were 70 patients and when the Japanese came in 1941, they sent their prisoners to Berhala Island.

Other Prevalent Diseases

Other prevalent diseases were dysentery, pneumonia, phthisis (pulmonary tuberculosis) and hook worms.

An epidemic of cholera swept the West Coast in 1882 claiming over 1,000 lives.³⁴ Dysentery and diarrhoeal diseases took their toll. The mortality rate for dysentery was a high 23% in government hospitals at the turn of the century. At the estates, the rate was higher.³⁵

With improvements in nursing care and newer drugs, the death rates from these diseases were reduced.

Worms

Worm infestation especially with the hook worm needs a mention as it was one of the factors responsible for anaemia and chronic ill health. As early as 1913, the prevalence of hook worm infestation was reported by the Medical Officer at Sandakan.

In 1920 a campaign was initiated against hook worm by Dr. Clark H. Yeager of the International Health Board, financed by the Rockefeller Foundation.³⁶

In 1921, at the start of the campaign, the infestation rate was 88.9%. In 1924, it was 71% and by 1931, it was 4.5%. All school children, police personnel and estate workers were examined and treated.³⁷

³² *Medical Department Annual Reports (Sabah State Archives).*

³³ *Leper Ordinance 1910-1939. Sabah State Archives File No. 1145.*

³⁴ K. G. Tregonning, *op. cit.* p. 156

³⁵ *Medical Department Annual Reports (Sabah State Archives). Sabah State Archives File No. 585.*

³⁶ *Sabah State Archives File No. 69.*

³⁷ *Medical Department Annual Reports (Sabah State Archives).*

The treatment then used was the nasty doses of oil of *Chenopodium Tetrachloride* with epsom salts as a purgative. The expenditure on the ankylostomiasis campaign in 1923 was \$560.³⁸

Pneumonia and Phthisis (Pulmonary Tuberculosis)

These diseases were more serious among the estate workers living in crowded *kongsis*. Death rates were high (an average of 30% for Phthisis and 27% for pneumonia). In June of 1941, there were 215 cases of pneumonia with 30 deaths (14%) and 52 cases of phthisis with 22 deaths (42.3%).³⁹ These two diseases remained unchecked throughout the Chartered Company rule and would not be curbed until the discovery and mass-scale use of antibiotics and anti-tuberculosis drugs in the 1950s.

Health And Vital Statistics

An alarming situation which arose, during the early period of the Company rule was that the Murut race in the interior was declining. Studies were conducted by long experienced anthropologists before the Japanese Occupation without any concrete findings to throw light on the situation.⁴⁰

Death rates were high for all groups and the number of deaths were more than births. In the 1880s the death rate was as high as 200 per 1,000. By 1913, it was 25, still a high figure by present day standards.⁴¹

With the increase in the number of institutions and health programmes, (together with development in social-economic fields) the birth rates rose and the death rates fell.⁴²

³⁸ *Sabah State Archives File Np. 69.*

³⁹ *Sabah State Archives File No. 585.*

⁴⁰ *K. G. Tregonning, op. cit. pp. 160-164.*

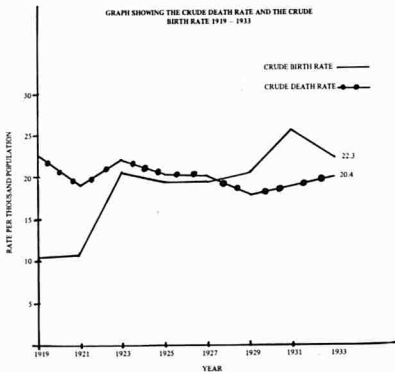
⁴¹ *Medical Department Annual Reports (Sabah State Archives).*

⁴² *Ibid.*

VITAL STATISTICS

Year	Estimated Population	Birth Rate	Death Rate	Infant Death Rate
1919	229,114	10.75	22.12	N.A.
1921	257,804	10.76	19.42	N.A.
1924	266,840	20.38	23.27	N.A.
1927	283,656	19.76	20.67	224.8
1931				
(Census year)	270,223	25.7	19.4	163.6
1933		22.3	20.4	189.4
1946	334,000	13.1	11.9	N.A.
1947	338,610	19.58	15.11	N.A.
1948	342,000	19.63	13.3	136
1950	352,000	26.44	11.81	108.86
1952	348,404	34.1	13.4	100.0
1958	406,220	31.5	8.26	85.0
1960	454,328	32.9	9.2	74.0
1962	480,185	33.03	6.86	53.1
1963	498,031	31.82	5.69	49.0
1964	513,671	34.36	5.44	42.72

GRAPH SHOWING THE CRUDE DEATH RATE AND THE CRUDE BIRTH RATE 1919 - 1933



Public Health

Several regulations and Ordinances were introduced during this period. A short list is given below as a sample.⁴³

Table of Ordinances of North Borneo

Ordinance Number	Year	Relating to
8	1883	Contagious diseases
11	1883	Cholera
5	1884	Births & Deaths
22	1901	Sanitary Boards
5	1911	Lepers
7	1914	Lunatics
31	1914	Opium and Chandu
5	1915	Quarantine
8	1916	Vaccinations
1	1923	Poisons and Deleterious Drugs

Midwifery Training

In 1926 two Chinese girls were sent to the free Maternity Hospital at Kedang Kerbau, Singapore for training.⁴⁴

They were not given a fixed salary as other nurses. The scheme then was for each midwife to be paid on the number of cases she delivered with a subsistence allowance of \$25 per month, too meager to make ends meet. Two more were sent in 1928 and by 1936, 10 had been trained in Singapore. All these complained that mothers were not coming to them for deliveries, and one by one they resigned.

There were however, a number of women practising midwifery in the town areas as well as in the Kampung. The Principal Medical Officer felt a need for regulations and the Midwives' Ordinance was introduced in 1931.⁴⁵ One of the clauses of the Ordinance was the registration of all qualified midwives. In 1933, there were three registered midwives, six

⁴³ *Ordinances of North Borneo (Sabah State Archives).*

⁴⁴ *Midwives' Ordinance (State Archives File No. 663).*

⁴⁵ *Ibid.*

in 1934 and 37 in 1940.⁴⁶ It was not until after the Japanese occupation that the training of midwives was undertaken in North Borneo.

Training For Sanitary Inspectors

In 1937 a training scheme for Village Sanitary Inspectors was started, young men were instructed in simple hygiene and were trained to recognize diseases. Six students were taken each year and they were all employed by the Medical Department. Only three annual courses were conducted before war came to North Borneo.

B. Japanese Occupation

The Japanese invaded the country by way of Labuan, Membakut and Beaufort on 1st January, 1942. Jesselton was occupied on the 9th January and Sandakan on the 19th January.

Trade slackened and there was a shortage of all consumer products.

All Europeans (which meant most of the Medical Officers in the hospital) were interned. A few were allowed to remain working for about a year or so, but later they too were sent to camps.⁴⁷

The dressers in hospitals were allowed to carry on their work. There was an acute shortage of all kinds of drugs and equipment. Hospital beds had no mattresses, no sheets or blankets, there was a shortage of disinfectants, soap, matches and surgical instruments. No diets were supplied and patients' relatives had to bring in whatever food they could find for the sick.⁴⁸

Diseases like yaws and beri-beri, which were more or less on the decline before the occupation as a result of vigorous measures, were on the rise again. Nutritional disorders,

⁴⁶ *Ibid.*

⁴⁷ J. Maxwell Hall "The Japanese Occupation", Appendix G, Page 233, *Census of Population of North Borneo*, 4th June, 1951.

⁴⁸ *Personal accounts of En. Wong Boon Hee, En. Simon Wong, and En. Moo Yuen Tshin (Medical Department Personnel).*

anaemia and diarrhoeal diseases increased over this period. Official Registers of births and deaths were lost.⁴⁹

At the end of the occupation in October 1945, relief measures were started and rations in the form of food and clothing were issued. In the hospitals, work began with increased vigour and it was recorded that 1,000 inpatients and 2,000 outpatients were treated daily.⁵⁰ Plans for rebuilding and rehabilitation began.

C. Military Administration and Colonial Period, 1946–1963

This period is characterised by spurts of activity mainly in the reorganisation of the department and in improving, erecting and equipping all medical buildings. With the aid of, army personnel the portable X-ray apparatus left behind by the Australian army in Jesselton was re-assembled, and by September of 1947, was operating again, taking 101 films by the year's end.⁵¹

Other hospitals too were furnished with equipment from the army stores. New equipment ordered included Watson's "double-twin" X-ray set, electrocardiograms, infrared lamp, diathermy machines, vehicles and dental equipment.⁵² With X-ray machines being made available to all hospitals, a need for monitoring radiation exposure was felt and in 1961 a personal and general monitoring system was commenced by arrangements with a laboratory in New Zealand, a procedure still in practice today.⁵³

Laboratory

A laboratory was set up with the aid of the Colombo Plan. It was first housed at the Health Centre, Jesselton and then later moved to the hospital.

⁴⁹ *Ibid.*

⁵⁰ J. Maxwell Hall "The Japanese Occupation", Appendix G, Page 233, *Census of Population of North Borneo*, 4th June, 1951.

⁵¹ *Medical Department Annual Reports (Sabah State Archives)*.

⁵² *Ibid.*

⁵³ *Medical Department Annual Report 1961*.

Hospitals

Two major events of social importance during this period were the opening of the 100-bed Duchess of Kent Hospital in 1952 and of the new 218-bed Queen Elizabeth Hospital in 1957.

A table listing building activities in the various districts is shown in Appendix I.

There were 12 hospitals in 1947 and one institution for lepers at Berhala Island. The total number of beds (excluding the Mental Hospital and at the Leper Colony) was 825. This remained unchanged up to 1950. In 1952, the hospitals were re-grouped into major hospitals (Jesselton and Sandakan) and cottage hospitals (5), and the total number of beds were reduced. The new cottage hospital at Keningau was completed in 1957, Tenom cottage hospital in 1959 and Lahad Datu cottage hospital in 1962, bringing a total of hospital bed strength of 1,067 in 1962 and 1,094 in 1963/1964.⁵⁴

In spite of the increase in the number of beds, it was not possible to keep up with the rapid expansion in population



Leper Hospital at Berhala Island, Sandakan 1947. (Courtesy State Archives)

⁵⁴ *Medical Department Annual Reports 1947-1964.*



Keningau Hospital just before the Japanese Occupation.

growth so that the hospital-bed/population ratio was 1:410, in 1947, 1:450 in 1962, 1:455 in 1963 and 1:469 in 1964.⁵⁵

LIST OF HOSPITALS WITH NUMBER OF BEDS⁵⁶

(1947-1950)

Hospital	1947/48	1950
Jesselton	128	126
Sandakan	151	105
Papar	68	66
Beaufort	45	54
Keningau	50	50
Kota Belud	36	48
Labuan	59	69
Tawau	180	76
Lahad Datu	50	50
Semporna	10	10
Kudat	48	48
	<u>825</u>	<u>702</u>
Mental Hospital	90	100
Leper Settlement	51	55

⁵⁵ *Ibid.*

⁵⁶ *Medical Department Annual Reports 1947-1950.*

LIST OF HOSPITALS WITH NUMBER OF BEDS⁵⁷
(1952-1964)

General Hospital	1952	1962	1964
Jesselton	100	187	181
Sandakan	100	339	339
Cottage Hospital			
Tawau	45	100	120
Beaufort	32	78	77
Kudat	32	72	72
Keningau	32	102	102
Labuan	32	79	92
Tenom	—	59	59
Lahad Datu	—	51	52
	<hr/>	<hr/>	<hr/>
	373	1,067	1,094
	<hr/>	<hr/>	<hr/>
Mental Hospital	100	160	
Leper Settlement	75	Closed	

It is not possible to list all the clinics established over this period, but suffice to say that when the State became independent through Malaysia, there were 2 major hospitals at Jesselton and Sandakan, 7 cottage hospitals, 32 static dispensaries, 4 mobile dispensaries, 4 health centres and 128 health clinics.⁵⁸

Administration and Organisation.

The department was re-organized and for the first time in the history of the country, the department was headed by a Director of Medical Services who arrived in September, 1948.⁵⁹

A five year development plan was proposed for the development of health and medical services under the Develop-

⁵⁷ *Medical Department Annual Reports 1952-1964.*

⁵⁸ *Ibid.*

⁵⁹ *Medical Department Annual Report 1948.*

ment and Welfare Act. The plan called for the following:—

- 1) establishment of a Health Division within the department.
- 2) training of local health personnel.
- 3) establishment of 14 health centres and a launch riverine treatment.
- 4) rebuilding in permanent structures, certain hospitals throughout the colony.

The Director of Medical Services was assisted by a Deputy Director, a Medical Officer of Health at Headquarters in Jesselton, and between 10–15 Medical Officers all over the Colony.⁶⁰

A separate health division was established in 1949, and the same year saw the arrival of a medical accountant — store-keeper who moved into a separate permanent building to take charge of store supplies and accounts.⁶¹

A Colony Matron was appointed and arrived in September 1952 from the Bahamas. She had a staff of 6 nursing sisters. The title of Colony Matron was changed to Principal Matron in 1961.⁶² A Chief Health Inspector was stationed at the department headquarters to assist the Director of Medical Services in the ever expanding Public Health Programmes.⁶³

The Colony which was earlier divided into 6 medical areas, was divided first into seven and then eight medical areas, each area comprising 2 or 3 districts. The centre of the Medical administrative area was a hospital, with several dispensaries and health clinics. The present concept of 8 area health units was laid down in 1961 and the overall plan of a village centre at the lowest level run by a midwife for a group of villages of 2,000 people still holds today. This peripheral centre, catering to the health of mothers and children primarily was

⁶⁰ *Medical Department Annual Reports 1950–1961.*

⁶¹ *Ibid.*

⁶² *Ibid.*

⁶³ *Medical Department Annual Reports 1950–1964.*

previously termed as a health clinic. From 1963, it was referred to as a Village Group Sub-centre or VGSC for short.⁶⁴

As early as 1961 there was a move to intergrate the various Medical and Health activities e.g. Tuberculosis Control, and Malaria Control into the general services instead of their remaining as vertical programmes.

Finance

On the financial side, the expenditure at the end of 1963 was \$6.44 million plus \$696,397 for development. In addition funds were made available by the Colonial Development and Welfare funds, WHO, UNICEF, Colombo Plan, Local Authorities and help with projects from PWD. In comparison the expenditure for 1952 was \$1.8 million.⁶⁵

Medical and Vital Statistics

In spite of the setbacks during the reconstruction period, the department continued giving services to the public. Attendances at all dispensaries and outpatient clinics were substantial. In 1948, there were a total of 11,405 hospital admissions and 286,253 outpatient attendances. By the end of the Colonial period (1963) there were 21,164 hospital admissions and 330,915 outpatient attendances.⁶⁶

Vital Statistics

It is not possible to gather information regarding vital statistics as most of the records were lost or destroyed during the war. Only about five percent of the deaths were certified by medically trained personnel.⁶⁷

However, in 1948, the population was recorded as 342,000 with 6,716 births and 4,552 deaths. By the end of 1963, the population was recorded as 498,031 with 17,650 births and

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

⁶⁶ *Medical Department Annual Reports 1948-1964.*

⁶⁷ *Ibid.*

2,838 deaths. The increase in birth rates and the decline in death rates can best be visualised by the following table.⁶⁸

TABLE OF VITAL STATISTICS

Year	Population (Estimated)	Crude Birth Rate/1000	Crude Death Rate/1000	Infant Mortality Rate/1000
1948	342,000	19.63	13.30	Not available
1950	352,000	26.44	11.81	108.86
1957	389,000	38.08	10.08	Not available
1960	454,328	32.93	9.0	74.00
1963	498,031	31.82	5.69	49.0

Prevailing Diseases

The principal causes of death in the aftermath of war were malaria, pneumonia, tuberculosis and dysentery. Other diseases which caused discomfort and suffering were yaws, ulcers, beri-beri, worms and outbreaks of cholera, influenza, diphtheria.⁶⁹

Chronic ill-health was prevalent as a result of nutritional deficiencies.

From the early 1950s international organizations such as UNICEF, Red Cross and UN poured in aid in the form of food and vitamin supplements and trained personnel.

Yaws

A campaign against yaws was resumed and beri-beri checked with yeast and vitamin supplements. A study of school children in Labuan revealed that 50% had rickets. Red Palm Oil was distributed to school children along with free milk.⁷⁰

Malaria

The Malaria Research Unit which was set up by Dr. McArthur before the war was revived. The main vector for North

⁶⁸ *Ibid.*

⁶⁹ *Medical Department Annual Reports 1948-1964.*

⁷⁰ *Ibid.*

Borneo previously recorded as *Anopheles Leucosphyrus* was identified as *Anopheles Balabacensis*.⁷¹

Various control measures were carried out, along with treatment for established cases on the advice of various experts.⁷²

In 1948, a measure of control began with the issue of Paludrine and the spraying of homes with D.D.T. Initially, this brought down the number of cases, but a few years later Malaria was still endemic.⁷³

A joint scheme for the control of Malaria sponsored by the Government, the World Health Organisation and UNICEF began operations in July 1955. The WHO provided senior technical staff, UNICEF provided equipment like vehicles, insecticides, sprayers, laboratory equipment and other supplies while the Government provided the Malaria Control Officer, junior technical staff, labour force and the cost of running the scheme within the Colony. The headquarters was at Keningau and a new malariological laboratory and entomological office were completed by 1958.⁷⁴

Control measures consisted in twice annual spraying with residual insecticide (D.D.T. or Dieldrin). This coupled with mass administration of anti-malarial drugs Chloroquine and Pyrimethamine given at the time of spraying gave encouraging results initially. The problems then, as now, were the habits of the mosquito vector, the habits of the humans, different values of insecticide and the geographical barriers.⁷⁵

For the next few years the number of reported cases dropped and, the Government, after consultation with UNICEF & WHO, planned to commence an eradication campaign in 1961 to last for three years.⁷⁶

⁷¹ *Ibid.*

⁷² *Ibid.*

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

⁷⁶ *Ibid.*

REPORTED CASES OF MALARIA 1948-1964⁷⁷

Year	Number of Cases
1948	53,418
1949	46,372
1951	31,195
1952	29,308
1954	34,811
1958	39,405
1959	36,083
1960	24,538
1961	14,393
1962	14,559
1963	13,252
1964	9,285

Diarrhoeal Diseases

Diarrhoeal diseases continued to be prevalent. Together with worm infestations, they constituted most of the public health problems.⁷⁸

An epidemic of cholera (then classified as paracholera EL TOR) swept the colony in 1962. The first case was diagnosed on January 17th from Sandakan. The disease spread to other areas, with a peak incidence in March and ended in July. Since then, sporadic cases have been reported on and off.⁷⁹

Leprosy

Leprosy was never a big problem although a leper hospital was still functioning at Berhala Island. A voluntary organisation was found to look after the welfare of the 40 or 50 cases. The leper settlement was officially closed in November, 1958. Patients with leprosy were sent to the Rajah Sir Charles Brooke Memorial Hospital, Kuching, Sarawak for treatment. In 1963, only 19 cases were diagnosed and 50% of them were Indonesians.⁸⁰

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

⁷⁹ *Ibid.*

⁸⁰ *Ibid.*

Tuberculosis

A State-wide prevalence survey was conducted. New equipment like mobile x-ray machines, vehicles, and microscopes were donated. Staff were sent abroad for training in TB control.

School children were given BCG after tuberculin testing, and new drug regimes were introduced for the treatment of open cases. This coincided with the building of new wards for TB patients in most cottage hospitals. Health education was stressed.⁸¹

A voluntary body, the North Borneo Anti Tuberculosis Association was formed in 1953. This body organised social relief for patients with tuberculosis and their families.⁸²

Public Health

With the establishment of a Health Division at Headquarters in 1949, Public Health activities took on new dimensions.⁸³

During this period, several Ordinances related to medical and health services were brought into operation, for example the Poison and Deleterious Drugs Ordinance, Opium and Chandu Ordinance, Town and Country Planning Ordinance, Workman's Compensation, and ordinances for various Sanitary Boards.⁸⁴

On 31st March, 1960, the Legislative Council ratified the colony's first Public Health Ordinance which consolidated into one Act all previous health legislation excepting that relating to international quarantine.

There were 22 health inspectors at end of 1963 to carry out Public Health Law and Administration in addition to other duties in relation to port health, malaria control work, and investigation of infectious diseases. For comparison there were only 15 health inspectors in 1956.⁸⁵

⁸¹ *Ibid.*

⁸² *Ibid.*

⁸³ *Ibid.*

⁸⁴ *Ibid.*

⁸⁵ *Ibid.*

No serious outbreaks of diseases occurred during this period except for one case of imported smallpox in 1950.

Maternal and Child Health

Maternal and Child Health activities were intensified during this period. There were 2 health centres at Jesselton and Sandakan in the early 1950s and by 1963, there were four, the other two being in Keningau and Labuan.⁸⁶ From these centres, several health clinics were supervised by the Public Health Sister. The clinics, in the kampungs were run by village midwives.⁸⁷

In the initial stages, Lady Twining (the Governor's wife) herself supervised the work at the Health Centre, aided by voluntary workers.⁸⁸

Most of the aid from UNICEF and Red Cross was channelled through the Maternal and Child Welfare Clinics.

The training of local girls in midwifery was started as part of the Maternal and Child Welfare Scheme, with a centre for training in Keningau and Jesselton. By 1963, the Health Clinics were termed as Village Group Subcentres. The newer buildings have a clinic on one half and living quarters for the midwife on the other half.⁸⁹

School Health Service

Immediately after the war, a study of school children in Labuan revealed that 50% showed signs of rickets, 80% had dental caries, 44% showed signs of Vitamin A deficiency. In Beaufort, 50% had scabies, headlice and worms. In 1949 the Education (School Building) Rules were brought into force and minimum standards of sanitation for school buildings were laid down. A free milk scheme was started in 1950, sponsored by UNICEF. A full time teacher in hygiene was appointed to schools in Jesselton.⁹⁰

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*

⁹⁰ *Ibid.*

A school dental service was introduced in 1956 with the aid of UNICEF which supplied the funds and equipment, and the New Zealand Government which provided personnel and training facilities.⁹¹ Two school dental nurses were stationed at Jesselton and Sandakan and the demand was so great that students had to be restricted to those 6 years of age and in Primary I.⁹²

Also in 1956, the visiting International Ophthalmologist did a study on school children and he reported an incidence of trachoma in 7.3% of students examined.⁹³

Training

Soon after the war, training of midwives were undertaken by Nursing Sisters on loan to the colony from UNICEF and the Red Cross. UNICEF also donated a classroom with teaching aids.⁹⁴

At Keningau, local girls were being trained as village midwives. In 1952, two tutors were made available by WHO, and they continued the training programmes for dressers and nurses. The training programme was re-organised on a more permanent basis. In 1955, an experiment was started whereby local kampung "bidans", recommended by the Orang Tuah and District Officer, were given three weeks training. At the end of the training they received a midwifery kit supplied by UNICEF. The first batch brought in 29 and by 1963, 73 had received training. UNICEF also gave assistance in the rural training programmes by providing transport and equipment up to a value \$7,500.00.⁹⁵

In 1961, the training syllabus for village midwives was revised and improved. It became a 2 year's course with training in infant and child care and public health nursing in addition to midwifery.⁹⁶ The old title of village midwife was

⁹¹ *Ibid.*

⁹² *Ibid.*

⁹³ *Ibid.*

⁹⁴ *Ibid.*

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

changed to Rural Health Nurse. Interested males were also given training in basic medical care and public health procedures. This training was conducted in Keningau. They were later termed as Village Health Inspectors and Rural Health Assistants.⁹⁷

In the field of general nursing, the training received recognition by the General Nursing Council of England and Wales, in September 1963.⁹⁸

Several categories of staff were sent overseas for training (from 1961) mostly to England, Australia and Singapore.⁹⁹

D: Independence Period From 1963

On August 31st 1963, Britain relinquished sovereignty over North Borneo which became the Independent State of Sabah and later on September, 16th 1963 joined with Sarawak, Singapore and the Federation of Malaya to form Malaysia. During this period, the most outstanding feature was the development of the services both in terms of physical facilities and personnel.¹⁰⁰

Administration

The Administration of the Service during the first eight months of 1963 followed the previous pattern. With the formation of Malaysia, a Ministry of Health was added to the existing administration, headed by a Minister who was an elected member of the State Legislature. He was assisted by a Permanent Secretary and a separate office staff.¹⁰¹

The Minister was responsible for the general health policy while the Director of Medical Services was his chief professional adviser and executive. The Department was not integrated into the Ministry.¹⁰²

⁹⁷*Ibid.*

⁹⁸*Ibid.*

⁹⁹*Ibid.*

¹⁰⁰*Ibid.*

¹⁰¹*Ibid.*

¹⁰²*Ibid.*

When the department became Federalised, the State Ministry of Health was dissolved, and the State Director of Medical Services was responsible to the Federal Ministry of Health in Kuala Lumpur.¹⁰³

The State was divided into eight medical areas as it was in 1963. In 1964, the first Area Health Officer was appointed for the Keningau area and he co-ordinated all the public health programmes in that area.¹⁰⁴

With the progress of time and the availability of staff all 8 Area Health Units became functional one by one.

The administrative headquarters of the department was strengthened in 1963 by the addition of a Principal Medical Officer (Health), who relieved some of the duties formerly undertaken by the Deputy Director.¹⁰⁵

Gradually with the expansion of services and the appointment of more professional personnel, an administrative pattern similar to the one that exists now was set up in 1976.¹⁰⁶ (See Diagram 1, page 391).

The total number of staff employed by the department in 1963 was 893. In 1970, the number of staff had increased to 2,380, and in 1975, the total number of staff employed was 4,010. In 1980 the number of staff employed was 5,789.

Finance

As the services provided by the department increased, so did the expenditure. In 1963, the amount spent by the department was 7 million dollars, in 1975, it was 30.9 million, and by 1979 it was 72.1 million. The amount spent per capita on medical and health care then was \$14.3 in 1963, \$36.0 in 1975, \$50.3 in 1977, \$70.2 in 1978 and \$76.6 in 1979.¹⁰⁷

¹⁰³*Ibid.*

¹⁰⁴*Ibid.*

¹⁰⁵*Ibid.*

¹⁰⁶*Ibid.*

¹⁰⁷*Medical Department Annual Reports.*

ORGANIZATION CHART **DIRECTOR OF MEDICAL SERVICES**

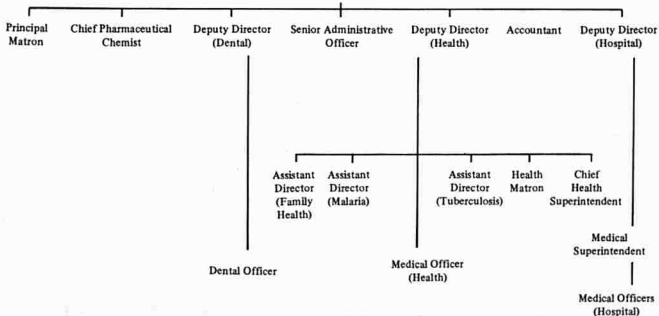
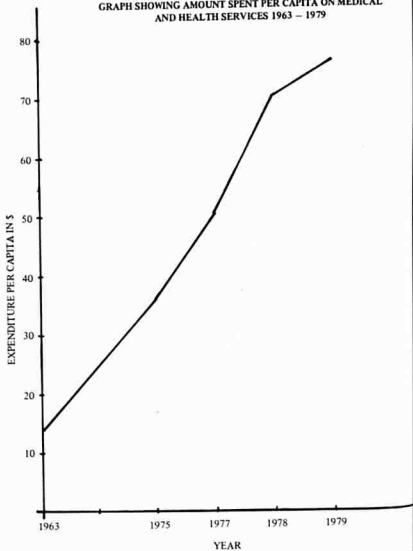


Diagram 1

GRAPH SHOWING AMOUNT SPENT PER CAPITA ON MEDICAL
AND HEALTH SERVICES 1963 - 1979



Health & Vital Statistics

The general health of the population continues to improve. Apart from sporadic cases of cholera, there were no outbreaks of quarantinable diseases. The State suffered no natural disasters and the nutritional deficiencies, though present in some areas, was not as prevalent and not as serious as they used to be. The birth rates increased and the death rates fell, reflecting better health services as well as improved socio-economic conditions.¹⁰⁸

Year	Crude Birth Rate per 1,000	Crude Death Rate per 1,000	Infant Mortality Rate per 1,000 Live Births
1964	35.5	5.4	36.0
1970	37.9	5.9	32.7
1974	37.7	4.3	23.5
1975	36.9	4.4	26.8
1976	35.2	4.6	34.0
1977	33.3	4.2	28.4
1978*	38.7	4.5	27.5
1979*	37.1	4.1	21.07

* Allowance for late registration

Services were provided by two general hospitals and seven cottage hospitals in 1964, with a total of 1,094 beds. By 1980, there were three general Hospitals and 12 district hospitals with a total bed strength of 1,872. These figures do not include chronic mental hospital beds.¹⁰⁹

There were 32 rural dispensaries in 1964 with a total of 191 beds. With the implementation of the 5 year – Malaysia Plan the older dispensaries were converted or rebuilt at the standard 12-bed plan. By December 1980, there were 71 Static Rural Dispensaries out of which 31 are the newer type just described. (See Appendix II and III).

In addition to dispensaries, the rural areas are covered by two Flying Doctor Service teams. A 100 remote kampungs

¹⁰⁸ Medical Department Annual Reports.

¹⁰⁹ *ibid.*

are covered and the teams visit the kampungs once a month. This does not include another team of Flying Doctor Service run by Sabah Foundation which covers another 64 kampungs. (See Appendix V).

In 1964, a total of 22,592 patients were admitted to hospitals compared with 16,176 in 1961. In 1979, 77,730 patients were admitted.

The rural dispensaries were providing patient care services as well. A total of 501,566 outpatient attendances were recorded in 1964 and 820,729 in 1979.

There was an increase in all categories of staff, as training facilities were improved.

The doctors/population ratio was 1:13,100 in 1963, 1:8,947 in 1975 and 1:6,075 in 1980.

The nurses/population ratio was 1:1,500 in 1963 and 1:684 in 1980.¹¹⁰

The table below summarizes the situation.

FACILITY POPULATION RATIO

	1963	1975	1980
Doctors	1:13,100	1:8,947	1:6,075
Nurses (includes all HA, S/N, TAN)	1: 1,500	1: 945	1: 684
Hospital Beds	1: 450	1: 595	1: 519

Prevalent Diseases

The principal causes of deaths has changed from the early years of malaria and beri-beri to heart disease, accidents, arterial diseases like high blood pressure and cancers.

As to the major causes of admission to hospitals, there has been a slight difference in the pattern of disease occurrence. Admission for accident cases has crept up to 2nd position in 1978/79 from position 10 in 1967.¹¹¹

¹¹⁰*Ibid.*

¹¹¹*Ibid.*

This is result of a change in lifestyle and occupation, infectious diseases still remain the main cause of admissions to hospitals. Malaria, respiratory infections, fevers, gastroenteritis, tuberculosis and skin infections, still remain among the top 10 causes for admission.¹¹²

1. Malaria

Malaria continues to be a problem in the State. After the initial "success" of the anti-malaria campaign of 1961, the eradication programme failed to reduce the number of cases, and in fact in some districts like Keningau, Tenom and Kota Belud, there was a sharp increase in the number of cases.

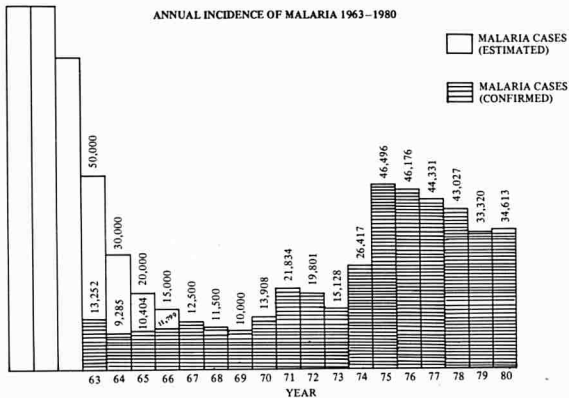
In 1959, the recorded number of cases was 36,085, in 1964 it was 9,285 the lowest number ever recorded. Then from 1965, the number of cases increased annually, and in view of various problems encountered the eradication programme was switched to a Control Programme in 1971. Even so the cases of malaria kept on increasing. (Graph, page 396).

In Sabah, the main factors responsible for the increased malaria cases are:

- 1) High Vector (mosquito) density especially in rural areas, timber camps, cleared areas and areas of economic activity.
- 2) The behaviour (habit) of the mosquito vector (makes it difficult for control).
- 3) The parasite which causes Malaria has developed resistance to the drug Chloroquine (which is used for the treatment of Malaria).
- 4) The movement of groups of people from an infected area to another (with no means of control or check) resulting in a non-infected area becoming infected as the mosquito now carries the parasite and spreads the disease to other healthy people.

¹¹²Medical Department Annual Reports; Morbidity and Mortality Returns 1967-1979.

ANNUAL INCIDENCE OF MALARIA 1963-1980



- 5) The public's reluctance in having the houses sprayed regularly with insecticide. They are also reluctant to use mosquito nets and protective clothing and reluctant to take treatment for fevers.

The increase in the recorded numbers may also result from more people coming to hospitals, dispensaries and clinics and having their blood examined for malaria. More of the rural areas are being "reached" by medical teams and more cases are thus "discovered" than before.

The fight against malaria goes on. The problems are continuously studied and strategies modified to give the best results.

Tuberculosis

The State Tuberculosis Control Programme was launched in 1961.

The programme in the State developed independently. It was only recently that it was realigned with the National Tuberculosis Control Programme. The three basic objectives identical to the other States of Malaysia are as follows:—¹¹³

- (1) To protect with BCG vaccination 75% of the susceptible population at all times.
- (2) To identify at least 2/3 of the infectious sources prevalent in the community.
- (3) To render at least 95% of the infectious sources detected to non-infectious with adequate treatment.

Due to the lack of qualified personnel and other difficulties the achievement in recent years has not been satisfactory especially in the field of case finding and treatment programme activities. Communication difficulties and scattered population in the rural areas is another hinderance.

BCG Vaccination. This programme was started in 1961 as a primary control measure. Direct BCG for all children up to

¹¹³Reports on Tuberculosis Control, Medical Department.

age of 15 years old was introduced in 1969. In 1971 upper age limit for direct BCG vaccination was raised to 19 years. Since then the BCG Vaccination Programme has made very satisfactory progress. The incidence of childhood tuberculosis fell from 15.2% in 1965 to 7.8% in 1979.¹¹⁴

The coverage of new borns and infants since 1976 has been over 77% with the highest coverage in 1977 of 85%. The BCG vaccination programme in the State has shown considerable impact in the State TB Control Programme.

Case Finding Programme. The Mass Miniature X-ray campaign¹¹⁵ was widely used until 1975 when it was decided that the method was to be abandoned and emphasis to be made on sputum microscopy. The prevalent rate now is estimated to be 4 per thousand population.¹¹⁶

Treatment Programme due to the lack of understanding and frequent changes of Medical Officers in the hospitals, difficulties have been encountered in implementing the standard treatment.¹¹⁷

Public Health

With the establishment of area health units, the Public Health Programme picked up gradually. Shortage of staff at all levels persists, and it was only in late 1979 and early 1980 that Medical Officers for the 8 Area Health Units were recruited.¹¹⁸

No major changes were made to the Public Health Ordinance of 1960. There were no major outbreaks of infectious diseases although cases of Cholera occurred from time to time. Cases like typhoid, diphtheria, infectious hepatitis do occur but not in epidemic proportions. Poliomyelitis is rare in Sabah and since 1976 no case of Polio has been notified.

¹¹⁴*Ibid.*

¹¹⁵*Ibid.*

¹¹⁶*Report of Tuberculosis Control, Medical Department.*

¹¹⁷*Ibid.*

¹¹⁸*Medical Department - Epidemiology Returns, 1964-1979.*

Environmental Sanitation

The Rural Sanitation Programme was launched in 1972. This programme is timely and essential as waterborne diseases such as cholera, typhoid, dysentery, infectious hepatitis and most forms of gastroenteritis are still prevalent in the State. Since the programme was launched in 1972, the Department has supplied portable water to about 12% of the population, at a cost of approximately \$40 per capita.¹¹⁹

Strategies for other Public Health Programmes like food quality control, control of other communicable diseases like sexually transmitted diseases are being improved upon. New programmes like occupational health are being introduced.

Maternal and Child Health/Family Health

The most visible improvement in the preventive field is the establishment of over 200 Village Group Subcentres all over the State.¹²⁰ In 1964, there were several health clinics conducted in premises donated or loaned by the kampung, and a few specially constructed buildings where the midwife also resides. With the coming of the Development Plans, standard buildings were introduced and now with the rural dispensaries, they are a familiar sight.

The health of mothers and children has improved with the establishment of these centres. This is evident by the lower deaths among women in labour, lower death rates in infants and children, lower death rates from diseases like measles, whooping cough, diphtheria and an absence of poliomyelitis among children for many years. More mothers and children attend the health clinics where nurses provide guidance and health and nutrition education.¹²¹

More schools are covered each year by the health service. Due to a shortage of personnel, not all schools can be covered, especially in the urban and sub-urban areas. Emphasis is

¹¹⁹Medical Department Reports 1964-1979.

¹²⁰*Ibid.*

¹²¹*Ibid.*

placed on schools in the rural areas where the need is greatest.

The lists below provides the relevant statistics in connection with the Family Health Programme:¹²²

VITAL STATISTICS RELATING TO MATERNAL AND CHILD HEALTH

	1964	1968	1970	1974	1976	1979
Infant Mortality Rate	36.0	26.9	32.7	23.5	34.0	21.07
NeoNatal Mortality Rate	11.01	11.0	13.2	12.1	18.2	NA
Maternal Mortality Rate	2.3	1.79	1.10	1.04	0.72	0.70

DEVELOPMENT: FAMILY HEALTH SERVICES

	1965	1970	1976	1980
District Health Centres	4	11	14	17
Health Centre Population ratio	1: 139,131	1: 62,269	1: 59,905	1: 57,174
VGSC	10	83	156	220
VGSC/Population ratio	1: 43,297	1: 6,096	1: 3,777	1: 3,437
Rural Dispensaries (Static)	35	42	67	71
Rural Dispensaries ratio	1: 14,676	1: 15,451	1: 12,135	1: 13,689
Flying Doctor Services	—	—	—	(100 Kam-pongs)

¹²²*Ibid.*

Training

Training facilities for various categories of nursing and paramedical personnel are available. The School of Nursing at Queen Elizabeth Hospital has been expanded. Certified midwives are also trained here. At Sandakan and Tawau, there are centres for trained general assistant nurses. Psychiatric assistant nurses and TB assistant nurses are also trained in Queen Elizabeth Hospital.¹²³

In addition, malaria technicians, malaria laboratory assistants, microscopists are also trained at Queen Elizabeth Hospital. Laboratory assistants and laboratory technicians were trained at the central laboratory, Queen Elizabeth Hospital up till 1977, the intake each year being on an average of about 5. From 1977 an average of 10 were sent to Kuala Lumpur.

Training sessions are also conducted for X-ray technicians and dental surgery assistants.

Rural Health Training

Rural Health Nurses

The tradition of training girls from kampungs in midwifery practices and maternal and child care has continued and the girls so trained form the backbone of the Maternal and Child Health Services in the State. The training school is in Queen Elizabeth Hospital with a field training centre at Papar. There are at present over 400 trained Rural Health Nurses.¹²⁴

Rural Health Assistants

The Rural Health Training School at Keningau provides training for Rural Health Assistants who are responsible for the construction and maintenance of the rural water supply and sanitation schemes which are part of the Environmental

¹²³*Ibid.*

¹²⁴*Ibid.*

Health Services. Over 60 Rural Health Assistants have undergone training at the school.

Development

The Development Plan for the Health Services was approved by the Legislative Council as Government Paper No. 8 in March, 1963.

The Plan outlined a programme for the period 1963–1970. The emphasis was on the establishment of three major hospitals with specialist facilities at Jesselton, Sandakan and Tawau, training schools for Rural Health Nurses, control of Tuberculosis, eradication of Malaria. It also included the establishment of 8 Medical Areas with a district health centre for each administrative district, a rural dispensary for every 8,000 population and a Village Group Sub-Centre (VGSC) to serve 2,000 population. This concept is still operational today.¹²⁵ Plans for other projects were approved such as the New Mental Hospital, new out-patient block and laboratory for Queen Elizabeth Hospital, extensions to cottage hospitals, 20 new health centres, Nurses' hostel, VGSC and dispensaries and other improvements. The total sum allocated for 1963–1964 period was approximately 5.4 million dollars.¹²⁶

The rest of the funds were allocated for the period 1965–1970, and that amounted to approximately \$22.2 million.

Some of the funds allocated for 1965 came as a grant from the Federal Government, and it was planned that the development of the Medical Department together with other State Departments would merge from 1966–1970 into a Malaysia-wide Five Year Plan for that period.¹²⁷

¹²⁵*Ibid.*

¹²⁶*Ibid.*

¹²⁷*Ibid.*

Development Plan 1963. Government Paper No. 8 March, 1963.

Projects under First Malaysia Plan

New Hospitals	—	1. Semporna)	
		2. Papar)	
		3. Beaufort	)	\$3,500.00
		4. Bandau (Kota Marudu))	

New	1. Out-patient Queen Elizabeth Hospital.
	2. Laboratory Queen Elizabeth Hospital.

New Central Mental Hospital Jesselton.

Extension Major	1. Queen Elizabeth Hospital)
	2. Duchess of Kent) ¹²⁸
	3. Tenom Hospital — Completed 61

Improvements	1. Conversion of Dispensary to Cottage Hospital at Kota Belud.
	2. Improvements to all hospitals.

Central Medical Store	1. Enlarging & Modernization (\$2,650.00). TB Control building (\$2,300.00) VGSC (\$8,700.00). Rural Dispensaries (\$364,000 + \$2,045.00)
-----------------------	--

Health Centre	1. New at Tawau — began '64. 20 Health Centres (\$2,210,000)
---------------	---

Launches & Vehicles	2 new launches (\$460,000)
---------------------	----------------------------

Area Health Units —	8 (2.1 million)
---------------------	-----------------

Miscellaneous —	(1.2 million) Equipment Minor works etc.
-----------------	--

¹²⁸*Ibid.*

Training

1. Rural Health Training Schools — Jesselton)
— Sandakan) Completed
Papar — ½ completed
2. Accommodation for Trained Assistant Nurse, Sandakan.
3. Addition to Nurses' Hostel Jesselton (5,000.00).¹²⁹

Development: The Five-Year Malaysia Plans

This period is marked by the three five-year development plans.

The First Malaysia Plan merged with the 1965–1970 phase of the Development Plan for the Health Services (Government Paper No. 8) of March 1963 drawn up during the Colonial period.¹³⁰

The broad objectives Medical and Health Programme under the First Malaysia Plan were:—

1. To expand and improve Medical and Health facilities especially in rural areas.

2. To provide facilities for the training of personnel to man these services.

3. To promote general health of the population by systematic control of communicable disease, improvement of environmental sanitation and nutritional standards and provision of more and better specialised services.

The funds allocated for the whole 5 years period is summarised below.¹³¹

I. Preventive Services

Control of Tuberculosis	MS 0.2 million
Rural Health Service	MS 6.1 million
Sub-total	—MS 6.3 million

¹²⁹*Ibid.*

¹³⁰*Ibid.*

¹³¹*Departmental Report on the First Malaysia Plan 1965–1970.*

II. Curative Services

New Hospitals	M\$ 2.8 million
Extension/Equipment	M\$ 5.6 million
Other hospitals/institutions	M\$ 2.4 million
Sub-total	-M\$ 10.8 million

III. Other Programmes/Projects

Institutional Quarters and Hostels	M\$ 0.4 million
Miscellaneous	M\$ 0.5 million
Sub-total	M\$ 0.9 million
Total	M\$ 18.0 million

Second Malaysia Plan

1971-1975

In the Second Malaysia Plan 163 projects were proposed. These included new buildings, extensions to existing facilities and staff accommodation.

At the Mid-Term Review, 18 additional projects were added in, making a total of 181 projects with a budget of \$26 million.

About 60% of the projects were completed and those not implemented were carried over to the Third Malaysia Plan.¹³²

The major projects under Second Malaysia Plan are:

New District Hospitals	—	7
Major extension	—	12
District Health Centres	—	6
Village Group Subcentres	—	111
Rural Dispensaries	—	12
Area Health Unit	—	1
Mental Hospitals	—	2
Dental Centres	—	2

¹³²*Departmental Report on the Second Malaysia Plan 1971-1975.*

Sixty-eight projects were carried over to the Third Malaysia Plan. These included five district hospitals, 45 VGSC and nine Rural dispensaries among others.

Third Malaysia Plan

1976-1980

Under the Third Malaysia Plan, 157 projects were approved. Again, these included new buildings, extensions and improvements to existing buildings and staff quarters. The total allocation was \$23.0 million.

At the Mid Term Review a further 22 projects were approved and the final allocation was \$49.5 million.¹³³

The main emphasis is on the extension of services to the Rural Areas. This is evident by the number of Rural dispensaries and Village Group Subcentres in the Plan - 20 Rural dispensaries and 75 VGSCs.

At the Mid Term Review, a further 6 dispensaries were included and 3 VGSCs, making a total of 26 Rural Dispensaries and 78 VGSCs.

Of the Third Malaysian Plan projects, 135 were completed by the end of 1980, and the expenditure was \$38 million.

Fourth Malaysia Plan

1981-1985

For the Fourth Malaysian Plan, about 240 projects are requested. Emphasis is again laid on expansion of services to the rural areas and the construction of quarters for staff both in urban as well as in rural areas. The major projects include three New District Hospitals, 30 Rural Dispensaries, 80 Village Group Subcentres, two Area Health Units and two District Health Offices.

Improvement and Extension to existing hospitals and Schools of Nursing are also requested.

The total amount requested for consideration by the Cen-

¹³³*Departmental Report on the Third Malaysia Plan 1976-1980.*

tral Government is \$346 million for the first phase and \$73 million for the second phase.¹³⁴ Ed.Note:



Outpatient Clinic Bukit Garang, Kinabatangan



Female ward Rural Dispensary, Kuala Tomani.

¹³⁴Departmental Proposal for the Fourth Malaysia Plan 1981-1985.

d. Note: The Final official allocation for Medical and Health Services was \$122m.



A Family Health Clinic in session



A sanitary well constructed as part of the rural environmental programme at Kampong Dualog, Kudut.



A standard 12 Bedded Rural Dispensary at Apin-Apin Keningau.



The Medical Department Flying Doctor Service, services 100 rural kampongs.



Rural Health Centre, Pulau Jambongan.



The New District Hospital at Kota Belud under construction.

Appendices

- Appendix I – Table of physical Development (New buildings) 1947–1963/64.
- Appendix II – Table of Physical Development (new buildings) 1964–1981.
- Appendix IIIa – List of Rural Dispensaries 1914–1962.
- Appendix IIIb – List of Rural Dispensaries 1963–1981.
- Appendix IIIc – List of Rural Dispensaries as at May 1981 by Area Health Units.
- Appendix IV – List of Village Group Subcentres (standard type) by year of completion 1965–1981.
- Appendix V – List of kampung posts visited by the Medical Department Flying Doctor Service.

APPENDIX I

TABLE OF PHYSICAL DEVELOPMENT (NEW BUILDINGS) 1947-1963-4

Year	Hospitals	Dispensaries	Health Centres	Health Clinics
1947	General repair and reconstruction of all buildings damaged or destroyed by war.	General repair		
1948			2 existing in Hospital	5
1949	New Civil Hospital at Kota Belud (40 beds)	Kota Belud (1) (3) in interior	2 (in Hospital)	4
1950		Tuaran (1)		
1952	Duchess of Kent Hospital Sandakan Repairs to Beaufort, Labuan, Tawau	(2) Travelling Dispensaries One along Kinabatangan river by boat, one four wheels vehicle from Jesselton Hospital.	Jesselton - (1) Sandakan - (1) (under construction)	
1953	Kudat Hospital (32 beds)	Papar (10 beds)	Jesselton, Sandakan	
1954	New Nurses Quarters Jesselton Keningau Hospital	Railway Dispensary (Beaufort Line)		
1959	Tenom Hospital, TB Ward at Duchess of Kent, TB Wards at Beaufort, Kudat, Labuan.			

Year	Hospitals	Dispensaries	Health Centres	Health Clinics
1960	OPD extension to Duchess of Kent.		Keningau Health Centre with Health Office	(Total by 1960) 48
1961	Plans for New OPD at Queen Elizabeth Hospital, Plans for major hospital at Tawau.	Penagah Sindumin Kiulu		10
1962	Cottage Hospital Lahad Datu (50 beds)		Health Centre Labuan	10
1963		Pimping, Meligan, Long Pasir, 2 floating dispensaries for Lahad Datu and Sandakan (45 ft. launches)		30
1964		Bongawan (12 beds)		30
Total No. New & those already existing	9 (2 major hospitals) (7 cottage hospitals)	32 (Static) + 4 (mobile)	4	128

Appendix II

TABLE OF PHYSICAL DEVELOPMENT (NEW BUILDINGS) 1964-1981

Year	Hospital	Dispensary	Health Centres	Village Group Subcentres
1964	9 (2 major, 7 cottage)	32	4	3
1968	9 (3 major, 6 cottage)	42	8	31
1970	11 (3 major, 8 District)	43	11	53
1974	13 (3 major, 10 District)	46	12	106
1978	14 (3 major, 11 District)	49 + 15 dispensaries taken over from schemes	14	139
1981	15 (3 major, 12 District) (plus one special care Hospital at Bukit Padang)	56 + 15 " "	16	173

Appendix III (a)
LIST OF DISPENSARIES
1914-1962

1914 - 1924	1927 - 1930	1933 - 1934	1947 - 1950	1952 - 1955	1961 - 1962
Tambunan (1914) Kolam Ayer (1919 - 1923) Tenom (1919) Kota Belud (1923) Keningau (1923) Sipitang (1923) Langkon (1924) (7)*	Mempakul (1927 - 1961) Pensiangan (1927) Semporna (1927) Papar (1928) Labuk Road (1928) Bundu Tuhan (1929) Travelling Dispensary from Papar and Mempakul (1930) (13)*	Tuaran (1933) Ranau (1934) (16)*	Menggatal Tenghilan Weston Kuala Penyu Sepulot Lahad Datu (17)*	Tandek Bandau Jesselton Prison Beluran Trusan Tongud Lamag Tulid (25)*	Panagah Kiulu (27)*
* These figures are cumulative. Please note that over the years some dispensaries closed down or were converted to visiting posts or upgraded to hospitals like the dispensaries of Keningau, Papar and Ranau.					

Appendix III(b)

LIST OF RURAL DISPENSARIES (STATIC) BY YEAR OF COMPLETION (1963-1981)

1963	1964	1965	1966	1969	1970	1972	1974
1. Kota Marudu	1. Bongawan	1. Sindumin	1. Kuala Penyu	1. Tamparuli	1. Tenghilan	1. Mattungong	1. Nabawan
2. Pimping*		2. Tunku	2. Kiulu	2. Kuamut	2. Menumbok	2. Kuala Tomani	
3. Meligan*		3. Padas Damit		3. Sungei-Sungei	3. Bingkor		
4. Long Pasia*		4. Kinarut*		4. Telupid*	4. Apin-Apin		
5. Sook*				5. Kunak	5. Paginatan		
6. Melalap*				6. Kerakit			
7. Mansiat*				7. Bundu Tuhan			

* Sub-Dispensary or Non Standard type dispensary.

Appendix III(c)

LIST OF RURAL DISPENSARIES AS AT MAY, 1981

Area Health Unit	RD Functioning	RD where posts already approved but not functioning	RD under Development
Kota Kinabalu	Mobile I		Inanam
	Mobile II		
	Kepayan Police Station		Menggatal*
	Menggatal		Telipok
	Bongawan		
Tuaran	Kimanis (S)		
	Kinarut		
	Tamparuli		
	Kiulu		
	Tuaran		
	Tenghilan		
	Jawi-Jawi (S)		
	Taginumbur		
	Paginatan		
	Bundu Tuhan		Timbua
Beaufort	Perancangan		
	Ranau Travelling		
	Membakut		
	Padas Damit		
	Pimping (Sub)		
	Kota Klias (S)		
	Kuala Penyu		
	Sipitang		
	Sindumin		
	Menumbok		Kota Klias*
	Beaufort		
	Travelling		
	Meligan (Sub)		Meligan*
			Weston**
Keningau			
	Apin-Apin		
	Bingkor		
	Tulid		Mansiat*
	Nabawan		
	Sepulot		
	Pensiangan		
	Sunsuron		
	Kuala Tomani		
	Keningau Travelling		* Tulid **

	Mansiat (Sub)		* Pensiangan**
	Dalit Gana (Sub)		* Melalap **
	Melalap (Sub)		
Kudat	Kerakit	Limau-Limauan (S)	
	Telaga	Taritipan (S)	Nangka **
	Muttungong	Kinibongan (S)	
	Tinaggol		
	Sequati		
	Tandek		
	Kota Marudu		
	Langkong (S)		
	Dundun		
	Pantai		
Sandakan	Ulu Dusun M32 (S)		Kuala Sapi
	Sungei Manila (S)	Ulu Dusun M38 (S)	Sungei Manila*
	Suan Lamba (S)	Rumidi (S)	
	Telupid	Kuala Sapi (S)	Bukit Garam *
	Kuamut	Pulau Tambisan (S)	
	Penagal		
	Tongud		
	Bukit Garam		
	Nangoh (S)		
	Sungei-Sungei		
	Sandakan Travelling		
Tawau	Apas Balung (S)		
	Kunak	Bergosong-Tamag (S)	Merotai Besar
	Tunku	Semporna Is. (S)	* Apas Balung**
	Silabukan (S)	Pegagau (S)	
	Tawau Travelling	Lihak-Lihak (S)	
		Merotai (S)	
		Long Malong (S)	

Key: RD Rural Dispensary
(Sub) Sub dispensary
(S) Scheme dispensary
* Replacement of existing dispensary
** Third Malaysia Plan Mid-Term Review Project.

Appendix IV
VGSC (STANDARD TYPE) BY YEAR OF COMPLETION

1965	1966	1967	1968	1969	1970	1971
1. Sungei Padang 2. Benoni 3. Tambisan	1. Pengalat Besar 2. Marapok 3. Kerukan	1. Taginambur 2. Rosak 3. Kuala Abai 4. Mattungong 5. Gadong Kimanis 6. Menumbok 7. Apas Balung 8. Gadong 9. Buang Sayang 10. Biau 11. Batu-Batu	1. Nosoob 2. Inobong 3. Kundasang 4. Nalapak 5. Kelatuan 6. Ulu Kimanis 7. Mesapol 8. Mendalom 9. Berbuloh 10. Airport 11. Berhala Darat 12. Kuala Sapi 13. Merotai Besar 14. Bugaya	1. Pemotodon 2. Lungab 3. Pinggan-Pinggan 4. Weston 5. Kota Klias 6. Melalap 7. Paal 8. Ansip 9. Baginda 10. Kerokot 11. Sunsuron 12. Lumondou 13. Nambayan 14. Lebok Temiang 15. Layan Layangan 16. Sungei Keling 17. Tengah Nipah 18. Karamunting	1. Kokol 2. Kemabong 3. Patau 4. Perancangan	1. Babagon 2. Masalog 3. Pamilan 4. Sook 5. Bulu Silou 6. Kota Ayangan 7. Ulu Dusun 8. Kolopis 9. Dualog

1972	1973	1974	1975	1976	1977
1. Telipok 2. Limbanak 3. Gaya Ratau 4. Bolong 5. Simpudu 6. Kalumpang 7. Bakau 8. Kabajang 9. Bundu 10. Pelakat 11. Banting 12. Malaman 13. Pulau Libaran 14. Tajong Batu	1. Tampias 2. Matupang 3. Milau 4. Lubok 5. Mansarolong	1. Likas 2. Petagas 3. Topokon 4. Mengkabong 5. Serusop 6. Dudar 7. Pindasan 8. Kelawat 9. Teralobou 10. Suangpai 11. Bangau 12. Tambuluran 13. Batu Linting 14. Tg. Aru (Labuan) 15. Bukit Kelain 16. Sibuga 17. Penangah 18. Quion Hill 19. Cocos Co-op 20. Bul-Bul 21. Lebok Temiang	1. Minintod 2. Tamau 3. Pangkalan Abai 4. Kinarasan 5. Tibabar 6. Goshen 7. Sipagaya 8. Silabukan	1. Timbang Batu	1. Menggatal 2. Simpangan 3. Kelawat 4. Kebayau 5. Sinoko

1978	1979	1980	1981	
1. Inanam	1. Field Force camp	1. Tagaro	1. Kionsom	List of VGSC as at July, 1981
2. Kauluan	2. Biah	2. Marah Parak	2. Pantai (Labuan)	Standard type (as on this list) = 173
3. Togob	3. Nunuyan	3. Pantai (Sipitang)	3. Lasau	
4. Timbua	4. Mendulong	4. Geras	4. Bantayan	Non-Standard
5. Samparita	5. Binsuluk	5. Suan Lumba	5. Karambunai	(i.e. using other buildings) = 10
6. Lingkungau	6. Kuala Merotai	6. Karamuak	6. Baru Jumpa	
7. Bangkalalak	7. Payas-Payas	7. Pendawan	7. Siap	MCH Clinic in Rural
8. Ulu Tomani	8. Lagud Sebrang	8. Lajau		Dispensary = 34
9. Batu Manikar	9. Inderasan	9. Ranca-Ranca		Total static centres with MCH = 217
10. Sungei Lada	10. Kabogan	10. Kiabau (Labuk)		Services
11. Kaingaran	11. Sungei Buaya	11. Kayangat		
12. Imam	12. Paitan			
13. Kampalang Kajang	13. Mile 17, Labuk Rd.			
14. Egang-Egang	14. Trusan Sugut			
15. Bait	15. Tajong Kapur			
16. P. Jambongan	16. Tongud			
17. Malubang				
18. Mapan-Mapan				
19. Mangkabau				

Appendix V

LIST OF KAMPONG POSTS VISITED BY THE MEDICAL DEPARTMENT FLYING DOCTOR SERVICE

District	Flying Doctor Service I	Flying Doctor Service II
Kota Kinabalu		Poring-Poring
Penampang		Kg. Tudan
		Kg. Terian
		Kg. Buayan
Papar		Kg. Kambijaan
Tuaran		Bundu Tohari
		Moingol
		Kitapol
		Pahu
		Lokub
		Sinulihan
		Lokos
		Wasai
		Puhus
		Lok Nunuk
		Bambangan (Tuaran)
Kota Belud	Taburan	Lahanas Datap
		Lahanas
		Tiong Kamburon
		Lobong-Lobong
		Kiau Satu
		Tintapon
		Podi Bolobog
Ranau	Kirokot	Niasan
	Togob Darat	Tiang
	Torontongon	Paus
Beaufort		
Sipitang		Ulu Bole
		Kabawang
		Long Pasia
		Meligan
Kuala Penyu		
Kudat	Bambangan	Teringat Laut Darat
	Ladang Pituru	
	Induon	
	Pamudahan Jambu	
	Marimbau Darat	
	Muhang	
Kota Marudu	Bombang I	Talamason
	Bombang Tiga	Bambangan
	Malangkap	

	Lingkabong I Lingkabong II	
Pitas	Marigan Bongkol Naradang Kanibongan Kabataban Darat Mankabusu Salimpandon Darat Mankapon Darat Sinukap	
Keningau	Lanas Sinua	Malaing Bonor Dalit Senamgang Baru Pohon Baru
Tenom		Tilis Katubu Magunsob
Tambunan		Sinung Kalagan Kuala Namadan Sintudong Tuong Kumawanan Kusob Monsok Tengah
Pensiangan		Saliliran Salarom Saliku Samuran Kabulintang
Sandakan		
Labuk Sugut	Berayong Tanjong Nipis Maidan Kaidingan Golong Kaidingan Lobang Buaya Pangarudan Waigon Lingkabau Obuan Tagapalang Karangasan Kawingan Mangkapoh Mile 54 Jalan Lubu, KORAS Project	
Kinabatangan	Langga Balat Balit Kuala Karamuak Tangkulap	

Tawau
Lahad Datu

Semporna

Simpang Tiga
Ulu Segama
Barigas
Tanjong Labian
Beningod Tungku
Talisai Tunku
Lihak-Lihak

HOUSING IN SABAH – 1881–1981

by
Verus Aman Sham

Introduction

The provision of housing as a major social objective of state development is rather new in Sabah. Under the Chartered Company rule, housing development, as a concept, policy, plan and programme generally known today, did not exist. After the Japanese occupation some form of housing development was initiated by the British colonial government as a matter of necessity. Provision of housing was then an essential part of the reconstruction programme. It was only in the early 1960s that housing development, began to take shape.

With the formation of Malaysia in 1963 and the establishment of the Housing Commission in 1967, a start in the right direction in the development of public housing was made. However, it was only a decade later that the fulfilment of housing needs for all Malaysians living in Sabah, in particular the lower income groups, has become a major concern of the State Government. With the reorganisation of the Housing Commission into the Housing and Town Development Authority in 1979, the Sabah Government, recognising "Shelter" as the third basic necessity to human beings after "Food" and "Clothing" has begun accelerating its housing development programmes into the 1980s.

The Housing Situation Under The Chartered Company Rule, 1881–1946

During the Chartered Company rule, housing development,

as a concept, policy, plan and programme generally understood in the present-day world, was unknown. Housing development was nothing more than the provision of housing accommodation or quarters for the convenience of the administration. It was only after the Japanese Occupation (1941–1945), during the reconstruction period, that some form of organised housing development programme was begun, by the British colonial government.

However, while organised provision of housing only started after the Japanese occupation, the necessary legislation, under which planned and programmed housing development by both the public and private sectors was possible, already existed under the Sanitary Board Ordinance, 1901 and the Town Planning Ordinance, 1927. The Sanitary Board Ordinance, 1901, which was revised in 1931, established Sanitary Boards for each town which dealt with building regulations.¹ The Town Planning Ordinance, 1927, the first legislation in Town and Country Planning in Sabah provided for, amongst other things, lands *for residential purpose*.²

The Housing Situation Under The British Colony 1946–1963

Housing Development by the Public Sector

In the operations immediately preceding the liberation from the Japanese, Sandakan and Labuan were completely destroyed. Kota Kinabalu was severely damaged.³ Many small towns were also either destroyed or extensively damaged.⁴

The homeless made make-shift shelters from whatever materials that were available. Out of necessity, the British colonial government had to provide an immediate and short-

¹ Baker, M. H., *Sabah – The First Ten Years as a Colony, 1946–1956*, Malaysia Publishing House Ltd., University of Singapore, 1965, p. 50.

² *Unpublished Report by Wan, Michael, Lapuran Latihan Amali di Pejabat Perancang Sabah, Jabatan Tanah dan Ukur, Sabah, 1978*, p. 2

³ *North Borneo Annual Report, 1948*, p. 37

⁴ *North Borneo Annual Report, 1952*, p. 82

term solution to the acute housing problem in the war-devastated towns. The government had to build quickly temporary houses and shophouses with *kajang* (palm-leaf matting) walls and *attap* (palm-leaf thatch) roofs⁵ for these people.

Pending the preparation and completion of new town plans and the allocation of land for more permanent forms of building, the construction of temporary buildings had to be permitted for a period of time after the war. In the 1950s, there arose the need to replace the temporary buildings which did not conform to modern building standards and which were, in any case, in a state of near collapse.

In the early 1950s, new and improved legislation was introduced to ensure that new town plans were prepared properly and building by-laws enforced accordingly. In 1950, the Central Town and Country Planning Board was set up to advise on all major matters of policy affecting town planning under the Town and Country Planning Ordinance, 1950⁶. In 1951 and 1953, the Rural Government Ordinance and the Municipal and Urban Authorities Ordinance were enacted, and provided for the establishment of local authorities in the rural and urban areas respectively.⁷ The first local government to be formed in the rural areas was Kota Belud in 1952. The Jesselton and Sandakan Town Boards were the first two town boards to be set up in 1953. These local authorities were responsible for the enforcement of building by-laws.

During the reconstruction period, housing accommodation was also required for the increasing number of government officers who were initially involved in the reconstruction programmes. As there was an acute shortage of private housing in the urban areas, the colonial government started to build government quarters for all categories of government

⁵ *Ibid.*, p. 82

⁶ *North Borneo Annual Report, 1951*, pp. 1-2

⁷ *Ibid.* p. 1 and *North Borneo Annual Report, 1954*, p. 83

employees. The quarters were of permanent, semi-permanent and temporary houses for the senior and junior officers and other employees respectively. This policy was meant to be a temporary measure only, but due to the shortage of private housing, the policy was continued even to the 1960s. With the implementation of the Suffian Report on salaries and scheme of service for the Government service, the Government was no longer obliged to provide quarters for Government servants. All Government employees were encouraged to purchase and own their own houses.

Housing Development by the Private Sector

In the rural areas, there was no apparent housing problem. The housing needs of the rural population during the 1940s and early 1950s were simple. Most of the natives who lived along the coasts and inland plains, other than the Muruts who lived in longhouses, lived in villages consisting of groups of simple detached houses raised above the ground on stilts. The construction of the houses was primitive — wooden posts, bamboo, bark, sago-leaf, or occasionally, plank walls and thatched *attap* roofs made from the leaves of the nipah or sago plam.⁸

However, the standard of building in the rural areas was improving all the time as the years went by. By the late 1950s and early 1960s, the standard had generally shown a remarkable change. Well-built timber houses raised on concrete columns were already quite common. In the suburban areas of the larger towns, dwellings were generally solidly constructed in semi-permanent materials on concrete columns with roofing of belian shingles, asbestos sheeting or corrugated iron.⁹

From 1946 to 1949, hardly any housing development was undertaken by the private sector in the urban areas. Practi-

⁸ *North Borneo Annual Report, 1948, p. 38*

⁹ *North Borneo Annual Report, 1961, p. 100*

cally all the development in housing was done by the British colonial government in the form of temporary houses and shophouses.

In the 1950s, the contribution by the private sector towards the provision of housing was mostly in the form of shophouses. During that period, most of the re-building of the war-damaged towns was carried out. Permanent shophouses utilising materials such as bricks, cement, concrete blocks, and reinforced concrete were built in the large towns particularly in Jesselton and Sandakan. Semi-permanent shophouses utilising timber, asbestos or corrugated iron sheeting were also built in the smaller towns and townships throughout the state.

In 1955, the colonial government established the Credit Corporation to provide financial credits to encourage private investment in Sabah. With the introduction of government sponsored loans in that year, construction of private building was stimulated.¹⁰

While individual private building began in residential areas in the 1950s, private housing estate development only began in the early 1960s. In 1961, Borneo Housing Development Ltd., a Colonial Development Corporation subsidiary in which the North Borneo Government had invested, opened a branch office in Jesselton. With the opening of that building society office which provided the means for financing home ownership, considerable progress was made in the development of private housing estates. During the year, more than 100 applications were approved for loans amounting to \$1.75 million, and seven housing estates were in the course of development.¹¹ By 1962, the Company provided loans totalling \$4.25 million to 250 families to purchase their own homes.¹²

Initially, the Corporation concentrated in assisting people in the medium income groups and mainly carried out its

¹⁰ *North Borneo Annual Report, 1956, p. 85*

¹¹ *North Borneo Annual Report, 1961, p. 10*

¹² *North Borneo Annual Report, 1962, p. 18*

operations in the capital. Later, its operations were to be extended to the other major towns such as Sandakan, Tawau and Labuan.

Housing Development From 1963–1980

Housing Development during the First Malaysia Plan (1966–1970)

Soon after joining Malaysia in 1963, Sabah embarked on its own Sabah Development Plan (1965–1970). However, when the Federal Parliament adopted the First Malaysia Plan (1966–1970), to ensure that State policies and programmes were formulated and implemented within the framework of an integrated national development plan, the Sabah Development Plan was integrated into the First Malaysia Plan.

The First Malaysia Plan (Sabah) was the start of proper development planning in Sabah.

Although housing development was not specifically mentioned in the principal development objectives of the First Plan, it was only a matter of time before it became part of the development programme of the Plan. During the course of implementation of the Plan, the Housing Commission Enactment, 1967, was passed by the State Legislative Assembly, and by 1968 the Housing Commission came into operation. Thus, a government agency was established to undertake the provision of public housing in particular for the low income people.

Role of the Public Sector

Before the establishment of the Housing Commission, a statutory body which came under the portfolio of the then State Ministry of Local Government, the State Government through the State Public Works Department, had started implementing two public housing projects. One of the projects consisting of 330 units of medium-rise, five-storey, walk-up, two bedroom, low-cost flats was at Tanjung Aru, Kota Kinabalu, and the other comprising of 300 units

of two-bedroom, low-cost timber detached houses raised on concrete over the sea was at Berhala Darat, Sandakan. Once the projects were completed, they were handed over to the Housing Commission to administer.

By 1970, the Housing Commission had completed its own first two low-cost housing projects at Kampung Likas, Kota Kinabalu. They consisted of 42 units of model timber detached houses of several designs. The most popular model houses were designed to be utilised in future housing projects. They were, in actual fact, widely used during the Second Malaysia Plan period.

These housing projects were really the first public low-cost housing projects undertaken by the public sector in Sabah. They marked the beginning of planned and programmed low-cost housing development in Sabah. In 1960, the Jesselton Town Board (now called the Municipal Council of Kota Kinabalu) built 30 units of low-cost detached timber houses over the sea at Kampung Sembulan, Kota Kinabalu and sold them on a hire-purchase basis over a period of fifteen years.¹³ However, that was a special project where all the houses were sold to families displaced by a reclamation scheme.

Role of the Financial Institutions

The number of housing units built by the private sector during this period is not available. However, private housing estates began in the early 1960s, and the opening of the Branch Office of Borneo Housing Development Ltd., in 1961, stimulated the progress of private housing development. The corporation provided the means for financing home-ownership on an increasing scale throughout the state. It provided more and improved housing for the needs of the medium and higher income urban population.¹⁴

¹³ *North Borneo Annual Report, 1959*, p. 103 and *North Borneo Annual Report, 1961*, p. 100

¹⁴ *Rancangan Malaysia Yang Kedua (Negeri Sabah)* p. 40

During the First Malaysia Plan (Sabah) a start was made by the Government itself to undertake public housing for the people, particularly the low income group. This was necessary as most of the houses provided by the private sector were medium and high cost. They were beyond the reach of the low income group.

Housing Development during the Second Malaysia Plan (1970-1975)

In the Plan, \$63 million was allocated for social and community services. Out of this allocation, \$20 million was provided to the Housing Commission for its programme of low-cost housing for the low-income group. With the \$20 million loan, the Housing Commission was expected to produce some 2,500 units of houses during the Second Malaysia Plan period. In addition, the Federal and State Governments were also expected to spend \$4.4 million on housing for Government employees.¹⁵

In the private sector, the Borneo Development Corporation Ltd., was expected to spend \$13 million for 870 units of terraced houses in the major towns, and to approve about 2,000 loans amounting to \$39 million mainly for residential houses for Government Officers and members of the public.¹⁶

Role of the Housing Commission

The tentative \$20 million state loan provision to the Housing Commission was a reflection of the initial good intention of the Government to develop public low-cost housing in the state. However, due to a change in Government priorities, soon after the \$20 million loan was approved, \$10 million was deducted from it. Under the circumstances, the Housing Commission had to tailor its low cost housing programme according to the size of the budget.

¹⁵ *Ibid.*, p. 50

¹⁶ *Ibid.*, p. 77

Before 1974, all the loans that the Housing Commission obtained were from the State Government. With a change in the State Government Strategy, during the Second Malaysia Plan Mid-Term Review, the Housing Commission bade for the first time for a Federal loan for its low-cost housing programme. During the Review, the Housing Commission was successful in securing the approval of an \$8.0 million Federal loan, out of which only \$4.5 million was released and received by the Housing Commission at the end of the Second Malaysia Plan period in 1975.¹⁷

Due to the financial constraint in the first half of the Plan and the consequent re-programming exercise, the Housing Commission managed to build a mere 731 units of houses during the whole of the Second Malaysia Plan period. Although the financial position improved in the second half of the plan, the Federal loan that was approved was released too late anyway.

The number of units built fell far short of the targeted number. The number hardly met the demand of the people for houses, especially in the urban areas, where the rate of population growth was rapid due to natural increase and migration from the rural areas. The demand for low-cost housing was accentuated by the high cost of land and construction as well as by inflation.

In 1972 the State Government appointed the Housing Commission as the implementing agent to build houses for sale to Government employees.¹⁸ This decision was made in order to exercise one of the recommendations made by the Suffian Report on salaries and scheme of service for Government employees.

The Government is no longer obliged to provide quarters for Government employees, they are encouraged to purchase and own houses.

By the end of the Second Malaysia Plan, the Housing

¹⁷ Source: *Lembaga Pembangunan Perumahan dan Bandar (LPPB)*

¹⁸ *Ibid*

Commission had implemented two housing projects at Jalan Kebajikan, Kota Kinabalu. One of the projects consisted of 22 units of three-storey townhouses and the other 15 units of permanent detached houses. These were the beginning of several housing projects for Government servants being proposed in the major towns of Kota Kinabalu, Sandakan and Tawau, and the other towns of Kudat, Lahad Datu and Labuan.

Role of the Financial Institutions

The contribution by the private sector towards housing development is reflected partly by the performance of Borneo Housing Mortgage Finance Bhd. (formerly known as Borneo Development Corporation Ltd.). During the Second Malaysia Plan period, the Corporation gave a total of 3,156 housing loans amounting to S83.75 million.¹⁹ It also continued to support the building industry and promoted orderly housing development in the form of housing estates.

In 1972, the Sabah Credit Corporation started financing housing loans of \$20,000 each for rural housing and \$30,000 each for Government housing programmes. By the end of the Second Malaysia plan period, the Corporation had given a total of \$6.449 million to build 427 units of houses of which 40% were for rural housing and 60% for housing for Government employees.²⁰

One of the main objectives of the Sabah Credit Corporation during the Second Malaysia Plan was:

"To encourage home ownership among the lower income groups who are mainly found in the rural areas and help solve the rural housing problems."²¹

In addition to the loans provided by the Borneo Housing Mortgage Finance Bhd., and the Sabah Credit Corporation.

¹⁹ *Third Malaysia Plan (Sabah), 1976-1980, Chief Minister's Department, Kota Kinabalu, Sabah, 1977 p. 124*

²⁰ *Ibid*, pp. 122-123

²¹ *Ibid* p. 122

several commercial banks also provided bridging finance for the development of private housing estates in the major towns of Kota Kinabalu, Sandakan and Tawau. They also provided for end-finance or mortgage financing for the purchasers of houses in those housing estates. Information on the actual number of existing or proposed housing units in the private sector is not easily available. However, the housing development by the private sector since the early 1970s is known to have been rapid, especially in the urban areas where the demand is acute.

It is also generally agreed that most houses in private housing estates tend to be expensive and are out of reach of the lower income groups. The private housing estates cater mainly for the middle and upper income groups.

Housing Development During the Third Malaysia Plan, 1976–1980

The Third Malaysia Plan period was a significant period in the development of housing in Sabah. It was a period when several important decisions were made by the State Government which have paved the way for a more rapid development of housing by the public sector. It was also a period when the Government introduced legislation which would in time enable the Government to supervise and control the development of housing by the private sector.

Creation of the State Ministry of Local Government and Housing

In 1976, the State Government created the Ministry of Local Government and Housing. The inclusion of "Housing" as a major portfolio under the Ministry shows the importance of housing development in the eyes of the Government of the day. It reflects the Governments's real concern to provide housing for its people particularly for the low income group.

Role of the Housing Commission in Low-Cost Housing Development

Mindful of the shortfall in the provision of housing, parti-

cularly low-cost housing for the low-income group in the earlier years, the State Government was determined during the Third Malaysia Plan period to find ways and means to correct and improve the situation which existed in the past. To begin with, the Government had to strengthen its main implementing agent, the Housing Commission. The efforts by the Government to strengthen the Commission culminated in the reconstitution and reorganisation of the Commission in 1979 under the Housing and Town Development Authority Enactment, 1979.

As a first major step, the Government provided the Housing Commission with a "Revolving Fund" of \$10.0 million in 1977.²² The Fund, in the form of a soft loan, was to provide the Commission with a revolving working capital. This enabled it to proceed without delay on the implementation of its approved housing programmes, while awaiting for the finalisation of each project financed by the Federal or State Governments, the banks or other financial institutions. During the Second Malaysia Plan period, delays in the finalisation of funding for each project each year, and delays in the actual releases of funds were one of the major causes of the delays in the implementation and/or completion of approved housing projects.

A second major step which partly helped solve the delays in implementation of housing projects was the decision by the State Government to establish the "Land Bank" for public purposes including public housing use. Through the "Land Bank" plan, several pieces of State Land were ear-marked and reserved for public housing use sooner or later. Through it, large areas of idle private land were also compulsorily acquired for public purposes, if negotiations to purchase such lands failed. With the introduction of the "Land Bank", the constant difficulty faced by the Housing Commission in getting sites for public housing in some of the major towns has been greatly alleviated.

22 Source: *Lembaga Pembangunan Perumahan dan Bandar*

Aided by the "Revolving Fund" and the "Land Bank", the performance of the Housing Commission in the implementation of its low-cost housing programme was greatly improved in the Third Malaysia Plan period. Before the Third Malaysia Plan Mid-Term Review, the Commission had almost expended all its Federal loan allocation of \$18.4 million leaving a mere \$300,000 more for the remainder of the Plan. Due to its good performance, the original Federal loan allocation was increased to \$22.109 million after the Mid-Term Review.²³

During the whole of the Third Malaysia Plan period, the selling price of each low-cost house in Sabah was fixed at \$10,000. Although the project development costs varied from district to district, a PAN-SABAH selling price was achieved by the Housing Commission. Although the building costs were higher in the second half of the Third Malaysia Plan period the PAN-SABAH selling price of \$10,000 per unit was maintained by the Commission.

The PAN-SABAH price was possible for two reasons. In the first place, the Commission standardised its low cost house design and utilised two types only throughout Sabah. Two standard plans were necessary to allow some choice to the buyers and for aesthetic reasons. In the bigger housing projects, the introduction of two types of house helped to break the monotony of a single house design.

Secondly, the State Government "Subsidised" the development of low-cost housing in Sabah particularly in the provision of land and basic infrastructure facilities to the extent that the house buyers are practically paying for the actual construction costs only.

In developing countries or states such as Sabah, the provision of infrastructure services almost always follows behind the implementation of projects. As such, the State Government, recognising this fact, willingly pays for the "normal public expenditures" as far as low-cost housing

²³ *Ibid*

development is concerned. The Government bears the cost of:—

- (i) "Capital Contribution" imposed by Lembaga Letrik Sabah for electrical supply lines up to the meter of each individual house;
- (ii) Water supply mains up to the water meter of each individual house, imposed by J.K.R.;
- and (iii) Provision of road access from the main road to the project site including road drains, foot-paths (where required), sewerage mains (where applicable), street lights (if required), etc. along the road access.²⁴

The Housing Commission will bear the cost of roads within the housing project site if these are up to "gravel road" standard. However, if higher a standard of roads is required then the Government will bear the costs of these. In this instance, it may be inferred that "Gravel Roads" will have earth drains for surface water drainage, and high standard roads will have concrete drains, and the cost of these will be borne by the party which is bearing the cost of the roads. Lastly, the Government pays for the cost of site preparation for low-cost housing projects, viz. the cost of site clearing, earth cutting and/or filling up to the required levels.

Parallel to the Federal Government's low-cost housing programme, the Housing Commission is also undertaking the State Government low-cost housing programme. Under this latter programme, which was re-introduced during the Third Malaysia Plan Mid-Term Review after it was earlier stopped in December 1973, the Housing Commission had obtained a State loan amounting to \$14.5 million. The State programme is expected to be intensified further in the Fourth Malaysia Plan.

²⁴ *Ibid*

The Housing Commission's Role in Medium-Cost Housing

Under the Third Malaysia Plan, the Housing Commission intensified further its policy-objective of house-ownership. However, during this period, the Commission did not only cater for the low-income group, it also extended its service to the middle income group. By providing some medium-cost houses to the middle income group, the Commission obtained some returns from its housing development investment which could be used to subsidise more low-cost housing development. By building medium-cost houses, cross-subsidisation was made possible.

To ensure that the Housing Commission did not lose sight of its main objective, viz, to provide low-cost housing for the low-income group, the Commission established in 1977 a wholly-owned subsidiary company, SUPERNESA Sdn. Bhd., to undertake the implementation of its medium-cost housing programme. This company, in turn formed a jointventure company, SUPERPANEL PRODUCTS Sdn. Bhd., with PERKASA REALTY Sdn. Bhd., a subsidiary company of Sabah Economic Development Corporation and PANELEX Sdn. Bhd., a subsidiary company of the Penang Development Corporation, to put up a factory at the Likas Industrial Estate to produce prefabricated panels for its own use initially and later on for other developers' use.

Presently, SUPERNESA Sdn. Bhd. is in the process of implementing its first superpanel housing scheme at Tawau Lama, Tawau, consisting of medium-cost single-storey terraced and semi-detached houses. In the near future it will embark on a number of medium-cost superpanel housing schemes consisting of mostly terraced and semi-detached houses and some detached houses in Kg. Likas, Jalan Kebajikan and Kepayan of Kota Kinabalu and also in Jalan Kuhara of Tawau.²⁵ If the system is successfully introduced in Tawau on the East Coast and in Kota Kinabalu on the West

²⁵ Source: *Supernesa Sdn. Bhd.*

Coast the system of construction will be extended to the other major towns.

Role of the Financial Institutions

The Sabah Credit Corporation's contribution to housing development in the Third Malaysia Plan period was to provide loans for 700 units of houses out of which 400 units were to be under its own projects, 100 units under the rural housing loan of \$20,000 each and 200 units under the Government housing loan of \$30,000 each. Its other contribution was to provide bridging finance of about \$15.7 million for low-cost housing scheme development.²⁶

Information on the actual role of the private sector in housing development during the Third Malaysia Plan in Sabah is still lacking. The number of housing estates implemented or being implemented by private housing developers in Sabah is unknown. What is known is that the development of private housing estates had been increasing throughout the 1970s until the "credit squeeze" was introduced recently by the banks. This "credit squeeze" will show a decline in the development of private housing estates in the next two years or so.

Other than the banks, Borneo Housing Mortgage Finance Bhd. was to be the main financier of private sector housing programmes. Its function is to provide bridging finance for the development of housing estates as well as to provide housing loans to house buyers in the middle income group.

Housing Challenges in the 1980s

Policy and Target

A recent announcement by the State Government to fix a target of 10,000 units of houses to be built by both the public and private sectors in Sabah from 1981 onwards reflects the seriousness of the Government to pursue further

²⁶ *Third Malaysia Plan (State of Sabah)* p. 124

its declared policy of "a home-owning democracy" in Sabah. Through its implementing agents, the Government will provide low-cost and medium-cost housing for the low and middle income groups. The private sector is expected to continue to provide medium and high-cost housing. The announcement also confirms that, by the size of the target and the enormous amount of money required to achieve it, the provision of housing has become a major social objective of State development. Assuming that the average cost of production of one house is M\$10,000.00 the total cost of producing 10,000 units per annum would be M\$100,000,000. Over a period of five years, the amount would be M\$0.5 billion.

Strategy

In order to achieve the proposed target of 10,000 units of houses per year from 1981 onwards, the State Government has issued instructions to the Housing and Town Development Authority to build 2,000 units of houses per year, and to the major local authorities to build 1,000 – 2,000 units of houses per year. The private sector, perhaps through the newly-formed Housing Developers' Association of Sabah, is expected to play a bigger part in helping to achieve the target.

Role of The Housing and Town Development Authority

The year 1981 coincides with the start of the Fourth Malaysia Plan, 1981 – 1985. The Authority's role in the next five years can therefore, be measured against its proposed plan and programme as envisaged in the Draft Fourth Malaysia Plan for Sabah.

Based on a projection by the Authority from figures obtained in the 1970 Population and Housing Census, the estimated total new housing needs in the urban/suburban areas in Sabah by 1985 is 20,000 units, out of which 10,000

units will be low-cost houses.²⁷ These estimates are confirmed in a similar finding by Hunting Technical Services in their Perspective Plan Report of the Sabah Regional Planing Study.

Under the Fourth Malaysia Plan, the Authority has proposed to build a total of 8,419 units of low-cost houses at an estimated cost of MS104,206,000 for the low income people. Out of this, 5,018 units have been submitted to the Federal Government for Federal Loan financing of MS60,296,000 and 3,401 units to the State Government for a State Loan of MS43,910,000. In accordance with the estimated total new housing needs of 10,000 units in 1985, the Authority's proposal is insufficient to meet the expected demand for new low-cost housing, let alone to meet replacements for the existing deteriorating and dilapidated houses.

Latest information from the Federal Ministry of Housing and Local Government indicates that only MS24.0 million will be approved to produce 2,000 units of houses under its Federal low-cost housing programme in Sabah to be undertaken by the Authority under the Fourth Malaysia Plan.²⁸ This supply of low-cost houses will fall far short of the demand.

Role of the Local Authorities

In 1979, Labuan Town Board was converted into a Development Authority by the State Government and given full powers as a public developer. This created a precedent, a good one, for the other major local authorities to follow. However, although the other major local authorities such as the Municipal Council of Kota Kinabalu, the Sandakan and Tawau Town Boards have not officially been declared as Development Authorities, they have been "authorised" through instructions to go into housing development for the low and medium income groups in their respective areas. With the State Government's financial assistance, either

²⁷ Source: *Lembaga Pembangunan Perumahan dan Bandar*

²⁸ *Ibid*

directly or through the State Government's own financial institutions, the major local authorities have been instructed to build from 1,000–2,000 units of houses from 1981 onwards.

These local bodies have to submit their proposals to the State Ministry of Local Government and Housing which will assist them in their new ventures. Given the necessary manpower and funds, these local bodies should be able to assist the State Government in achieving its target of 10,000 units of houses per year.

Role of the Private Sector

Through the newly established Housing Developers' Association, financial institutions such as the Borneo Housing Mortgage Finance Bhd., the banks and finance companies could play a bigger part in the financing of more and bigger housing estates in the urban/sub-urban areas for the medium and higher income groups. Through a responsible organisation dealing in housing development, these financial institutions could promote the development of properly planned and better quality houses within a reasonable period. With the necessary financial backing, the private developers would be able to effectively contribute towards the goal of the State Government.

Housing Concepts and Designs in Sabah

Public Low-Cost Housing Concept

The State Government's concept of public low-cost housing is translated into physical designs by the Housing and Town Development Authority and built accordingly. In accordance with the State Government's policy of providing land to the landless citizens, the Authority has adopted a Low Rise Low Density (LRLD) concept for its rural Low-cost housing programme.²⁹

²⁹ Unpublished Article by Aman-Sham, Verus entitled "Extendable Rural Housing – Sabah Experience", Kota Kinabalu, 1979

Since 1976, the Authority has designed and introduced two basic standard plans which can be modified to suit the particular locations. These are timber detached houses mostly on stilts with floor areas ranging from 425 sq. ft. to 450 sq. ft. on an average plot size of 3,500 sq. ft. The houses consist of 2 bedrooms, kitchen, and living cum dining area on one floor raised about 8' to 9' above the ground. The toilet/shower is built under the house.

The houses are so designed, utilising precut timber components to specified sizes produced on mass production techniques either on site or in local timber mills, that they can be extended easily when the need arises. As the floor level is high enough, the space below the house could be walled up to provide additional rooms. Also, as the plot size is large enough, the house could be extended externally to provide more space.

Most of the low-cost housing schemes are located outside the built-up areas of the major towns of Kota Kinabalu, Sandakan, Tawau, Lahad Datu and Labuan. They are sited on the fringes of the urban centres mostly in rural areas. They are usually located within the areas where the basic infrastructure services such as access roads, piped water and electricity are available, or, if they are not immediately available, they can be made available in time for the houses to be occupied.

During the Third Malaysia Plan, the selling price of each low-cost house had been fixed at M\$10,000. This was in accordance with one of the conditions of the Federal Loan for public low-cost housing in Sabah. In the Fourth Malaysia Plan, the ceiling price will be increased to M\$12,000 per unit.³⁰

Public Medium-Cost Housing Concept

Since the beginning of 1980, preparations have begun for the "kick-off" in 1981 of several Medium Rise High Density

³⁰ Source: *Lembaga Pembangunan Perumahan dan Bandar*

(MRHD) public housing projects to be undertaken by the major local authorities in the urban areas.

Sandakan Town Board is about to implement three medium-cost housing projects at Sim-Sim/Berhala Darat, Kam Chai Yen and Karamunting, consisting of several blocks of five-storey two-bedroom walk-up flats.³¹ It is understood that these flats will be sold between \$25,000 to M\$35,000 per unit or rented out at subsidised rates yet to be determined by the Sandakan Town Board. The Municipal Council of Kota Kinabalu and the Tawau Town Board will be implementing one such medium-cost housing project each at Jalan Bukit Keramat and Jalan Kuhara respectively.³²

In the major towns of Sabah, land suitable and available for public housing is in short supply. Thus, the State Government, through the major local authorities, is embarking on higher density public housing development in the urban areas in the 1980s.

Housing Concepts and Designs by the Private Sector

Most of the houses that were built or are being built by private housing developers in housing estates consist of a combination of permanent/concrete terraced houses, semi-detached houses and detached houses.

There is not much variation in the concepts or designs of houses so far mass-produced by the private housing developers.

However, in time to come, as buyers become more demanding, and as the housing industry becomes more competitive, coupled with more Government intervention, concepts and designs should change for the better.

Conclusion

The provision of housing to all citizens particularly the low

³¹ Source: Sandakan Town Board

³² Sources: Kota Kinabalu Municipal Council and Tawau Town Board

income groups has today become a major social objective of State development.

During the Chartered Company Rule, interrupted by the Japanese Occupation, and the British Colonial government, the basic requirements of the general populace in Sabah were food and clothing. During the Chartered Company rule and the Colonial period the provision of housing was directed mostly to provide housing accommodation for the convenience of the administration of the time.

To meet the requirement of its citizens, viz. proper housing, the State Government will have to ensure that sufficient funds are provided to meet low-cost and medium-cost housing demands. The State Government will also have to ensure that the financial institutions will provide sufficient funds to individuals or private housing developers to achieve a certain number of housing units within a planned period.

Lastly, in order to protect the interests of house buyers and housing developers alike, the State Government should enforce the Housing Developers (Control and Licensing) Enactment, 1979 as soon as practicable.

100 YEARS OF SOCIAL WELFARE DEVELOPMENT IN SABAH

by
David C. V. Wang and
Hee Qui Shing, Lawrence

Introduction

The tempo of social welfare development in the State of Sabah was slow and non-aggressive during the periods of British North Borneo Chartered Company's rule (1881–1946) and the Colonial administration (1946–1963). However, it gained momentum following Sabah's achievement of independence through the Federation of Malaysia in 1963, especially after 1967 when the Department of Welfare Services, Sabah was established. In meeting recognised social needs of the people there are (i) the informal system of social assistance; (ii) the commercial system; (iii) the voluntary system; and (iv) the statutory system. The Sabah social welfare development of the last century is described with reference to these systems with the political and socio-economical developments in the State as their background.

The Informal System of Social Assistance

During the rule of the Chartered Company the administrators were instructed to cultivate friendly relations with the local people under their control and any changes they might wish to introduce should be effected gradually with due regard to the existing customs and habits of the people. It has been customary for the Muslims (Bajau, Illanuns, Orang Sungei, Malays, etc.) and other natives (Dusuns, Kadazan, Murut etc.) to acknowledge the authority of the headman and the chief. Therefore, in the absence of organised Government provision for social welfare during this period the natives would solve

their family problems be it marital, adultery or divorce, within the kinship system. Arbitration for justice from the headman would be involved when such problems could not be solved. These traditional ways of problem solving have existed until today and the natives only sought assistance from a Government agency as a last resort.

On the other hand, the immigrants especially the Chinese faced different problems — a new environment, cultural dislocation, poor working conditions and a feeling of isolation. These problems were further aggravated by their indulgence in gambling and opium smoking which were sanctioned by the Chartered Company for revenue. Like the natives the immigrant Chinese would turn to their kinsmen, friends and neighbours for help. The Company administration, other than recognising the role of the Kapitan China as head of the Chinese community, took little notice of their social welfare needs.

The informal system of social help dominated almost 65 years of the Chartered Company's rule in meeting recognised social needs. The contributions included the provisions of care for the young, the weak, the sick, the handicapped and the elderly; the transfer of material resources, particularly between members of a family and the provisions of advice and psychological support. This pattern of meeting social needs has continued until today although many aspects of social welfare responsibility have been gradually taken over by the State.

Commercial System

In developed countries, the whole range of social welfare services can be bought on the open-market: professional counselling and advice service, residential care, insurance, pensions and social care. It is highly unlikely that this system will materialize here in the near future.

The Voluntary System

In our view the informal and voluntary system, taken together

constitute the principal alternative of meeting social needs in our society when the statutory social welfare services are not adequate or absent.

Following the influx of Chinese immigrants who were required to develop agriculture lands and because there was no government agency to cater for their social needs Chinese guilds, clan associations and mutual aid societies were established. These associations, other than maintaining the Chinese traditions and culture with which ceremonies of marriages and death were conducted, provided a meeting place of the Chinese.

After World War II as the first step on extending its participation and its responsibility for social welfare a Social Welfare Council was established by the Colonial Government in 1957. The Council was formed with the following terms of reference:—

- (i) to co-ordinate the social welfare work of the voluntary organisation;
- (ii) to review the social welfare work being done in the colony from time to time;
- (iii) to advise the Government on social welfare issues; and
- (iv) to advise on the appropriate distribution among various social welfare organisations in the colony of any funds which may become available for welfare purposes from Government revenue.

The Council was constituted under the Chairmanship of the Commissioner of Labour and Welfare and the membership was composed of the Directors of Education and Medical Services as official members, and 7 other unofficials.

Then in 1966 the Council was reconstituted as the Sabah Council of Social Service. The membership of this reconstituted Council included the Director of Welfare Services and his Deputy as Chairman and Vice-Chairman respectively. Other members included the Permanent Secretary, Ministry of Social Welfare and National Unity, two representatives

from each of the voluntary welfare organisations and professional social workers.

During this period with encouragement from the Social Welfare Council, a number of voluntary welfare organisations were established.

(i) **Malaysian Red Crescent Society:** This association was firmly established in 1948 and named as the British Red Cross Society. Then in 1965 it was renamed the Malaysian Red Crescent Society, Sabah Branch. The objects of this association, among others are:—

- (a) to maintain a permanent and active organisation in order to relieve sickness, suffering or distress especially in the casualties of war irrespective of race, creed, class or political affiliation;
- (b) to encourage and promote the Junior Red Crescent movement, the aims of which are to teach the formation of healthy habits of living, the importance of service to others, the development of a sense of social responsibility and the strengthening of the great bond of international friendship existing between Red Crescent members all over the world.

(ii) **Sabah Anti-Tuberculosis Association (SABATA):** The association began in 1952 and was known as the North Borneo Anti-Tuberculosis Association (NOBATA) helps to combat tuberculosis and provide cash and material assistance to the poorer tuberculosis patients in the State. Branches have been formed in almost all the main districts of Sabah. The association also maintains rest-houses and huts for tuberculosis patients especially those coming from rural areas for treatment.

(iii) **The St. John Ambulance:** This organisation first came to Sabah in 1952.

Its aims can be summarized as:—

- (a) the teaching of first aid and allied subjects to the public, preparing them to deal with accidents at home, at work or major disasters;
- (b) the maintaining of a uniformed organisation of men and women to serve the public in any place where accidents are likely to occur;
- (c) the maintenance of ambulance and ambulance services for the use of the public; and
- (d) to provide a reserve of stores and supplies for use in an emergency and to supply first aid kits to those requiring them.

(iv) **Sabah Catholic Welfare:** The Sabah Catholic Welfare Association was founded in 1961 for charitable purposes and as a counter agency of the Catholic Relief Services of the United States Catholic Conference. Its main object is to initiate, organise and assist relief activities for the people of Sabah irrespective of race and creed.

(v) **The Sabah Society for the Blind** was formed in 1963 at the instigation of the Royal Commonwealth Society for the Blind. Previously, the welfare work for the blind was done by the Sabah Branch of the British Red Cross Society.

Since taking over the welfare work of the blind people in Sabah the society has progressed steadily in promoting the education, training, employment and general welfare of blind persons and to prevent blindness in Sabah.

(iv) **Sabah Family Planning Association:** This association was formed in 1967 with the main purposes of disseminating knowledge of family planning by using scientific contraception.

The association has progressed rapidly and six branches — Kota Kinabalu, Sandakan, Tawau, Lahad Datu, Labuan and Kudat — have been established throughout Sabah for the

promotion of family planning services.

(vii) **The Leprosy Relief Association:** This association was established to look after the welfare of leprosy sufferers. They rendered assistance in three areas:—

- (a) to provide assistance to patients and their dependants while before and after treatment at Raja Charles Brook Memorial Hospital, Sarawak;
- (b) to provide financial aid to ex-lepers and their families;
- (c) to run a temporary transit hut for cured lepers at Sandakan; and
- (d) to help ex-lepers to return to their community life.

(viii) **The Sabah Cheshire Home** was officially registered in July, 1974 to care for the severely and permanently disabled — those for whom hospitals can do nothing further. It also looks after chronically ill persons.

Presently, this association is assisting the Government in looking after 28 children. A permanent home will be established soon.

(ix) **The Sabah Society for the Deaf:** The formation of this association received official sanction in January 1975. The main object of the society is to promote the education, employment and general welfare of deaf persons and to prevent deafness in Sabah.

(x) **The Sabah Mental Health Association** was established in 1975 to create concern for mental health; to disseminate information about origins of mental disorders; to inform the public of the various facilities available for mental health; and to help raise the standards of treatment and prevention of mental health.

Over the last 2 decades these voluntary welfare organisa-

tions have played an important and substantial role in contributing to the overall delivery system of social welfare in this state.

The Statutory System

For 82 years the Chartered Company and the colonial administration paid little attention on the social welfare needs of the people of Sabah. At the early stage of the Chartered Company's administration organised social welfare services were unheard of. But with the influx of Chinese immigrants a Chinese Protectorate was formed, charged with the responsibility of administering Chinese affairs, including protection of women and girls (Mui Tshai), matrimonial problems, property distribution and general supervision of Chinese guilds and associations. Then, in 1948 the Department of Immigration and Labour was established to provide social welfare services. It dealt with registration of societies, administered two pauper institutions, helped war victims and looked after Chinese affairs. This Department existed for six years.

In 1954, the Department of Labour and Welfare was set up which gave a boost on the social policy changes in the social welfare scene. A greater emphasis on social welfare was stressed and in 1954 a Social Welfare Council was established and some social welfare legislation was introduced.

Following independence in 1963 the Department was no longer capable of meeting the demand for social welfare services. Therefore, in 1967, the Department of Welfare Services was established to find measures to meet these demands. This marked the beginning of major social policy changes in the social welfare scene in Sabah.

Paupers Fund

The Paupers Ordinance was enacted in 1923 and made limited provision for the care of aged and destitute persons. The people under such a category, were mainly the impoverished aged immigrant Chinese labourers.

The Paupers Ordinance levied rates on selected classes of ratepayers, namely employers of 20 or more workers, owners or occupiers of country land other than held under native title, and owners of immovable property in urban areas. The immigrant Chinese labourers were then mainly employed by these classes of ratepayers.

The rates levied were paid into the Pauper Fund which was used to establish and maintain institutions for the accommodation of persons who are physically or mentally incapable of earning their living and have no other means of support. There were 4 such homes, one each in Kota Kinabalu, Sandakan, Tawau and Beaufort – accommodating a total of 380 persons at the maximum.

Until 1964, the Pauper Fund also made payment of "out door relief" to destitute persons for whom there was no place in one of the homes. Such "outdoor relief" payments had in the main been paid to the aged poor indigenous people living in the kampongs.

To accommodate changing social needs, it was considered best to abolish the Pauper Fund. Subsequently, the Pauper Ordinance 1923 was repealed by Enactment No. 7 of 1971 and the Pauper Fund was wound up on 31st. December, 1971 with the assets and liabilities taken over by the State Government.

War Victim Fund

This fund, began operation in 1948, was constituted under the War Victim's Fund Ordinance (cap 88) for the purpose of providing assistance to persons who were incapacitated by war injuries.

The fund was made up of the interest on capital grants from the British Government, the Lord Mayor of London's Fund for Empire Air Raid Distress and the Australian Red Cross, together with local donations and collections. It was administered by a Board of Trustees under the chairmanship of the Director of Welfare Services who was also responsible, as commissioner of the fund, for carrying out the Board's instructions. The relief given from the Fund had consisted

mainly of subsistence allowance to war widows and their families and payment of education expenses. The trust had also acquired five pieces of land on which houses had been provided for war victims.

At the end of 1966, the Board of Trustees had decided to recommend for the winding up of the fund as it had completed its work. The last of the children receiving educational assistance had completed their education. Accordingly, the State Government had endorsed the recommendation and the War Victims Fund Ordinance (cap. 88 of the Laws of Sabah) was repealed by the Emergency (Sabah) Ordinance No. 6 of 1970 on 16th September, 1970.

Public Assistance Scheme

As discussed earlier financial assistance, "out-door relief" was paid out of the Pauper Fund to the aged poor. However, by 1964, the demand for payments of this kind had reached the point where the annual income of the Pauper Fund was insufficient to meet them. In order to save the Fund from insolvency and to keep pace with modernization of social welfare provision, the Government established a scheme known as the Public Assistance Scheme in 1964. This scheme provides monthly assistance to deserving cases.

Under this scheme, five categories of applications can be considered:—

- (a) the aged (60 years for men and 55 for women) who have no source of income;
- (b) the sick;
- (c) the disabled, physically and mentally;
- (d) young dependants; and
- (e) widows with young children.

The present rates of payment are that the head of the household will receive \$60.00 per month while each dependant, \$10.00 per month, subject to a maximum of \$100.00 per family. In addition, a disability allowance of \$15.00 per

month per child is also paid out to the needy family.

During the early operation of this scheme, the number of Public Assistance recipients were fairly small. However, at the end of 1980 approximately four thousand families benefitted from this scheme. A total of \$3 million has been paid out to them annually.

Old Age Assistance Scheme

Unlike the Chartered Company or the Colonial administration, the present Government's policy is to provide assistance for every category of people and to ensure equitable redistribution of resources in the State. Thus, in 1979 a bold action was taken by the Government to pass an enactment, the Old Age Assistance Scheme Enactment, 1979 which came into operation on the 1st day of October, 1979. Under this legislation any Malaysian citizen above the age of 60 years resident in Sabah is entitled to apply for financial assistance under this scheme. The recipient should not be getting a disposable income and is not adequately provided for by his children.

Although this scheme is short of a social policy which provides universal coverage it has, in 1980 provided financial assistance of \$15 million to some 25,000 old persons in the State.

Special Relief Assistance Fund

This scheme was established in 1974 under Cabinet decision. Under this scheme the Government makes annual allocations to assist individuals or families in time of distress or in emergency need. This scheme however, does not cover applicants affected by major disaster, who are being assisted under a separate scheme. This scheme, different from the Public Assistance Scheme prohibits cash payment. However, merited cases can receive assistance in kind e.g. transportation warrant for the travel of stranded persons, food, clothing, bedding, cooking utensils, and burial costs.

Juvenile Justice System

Since 1954 there existed a rudimentary system of probation in Sabah. The duties of a probation officer were carried out by officers of the Department of Labour and Welfare.

None of these officers had specialized training in probation work. In cases under the Penal Code involving children under the age of 18 enquiries were made before the trial, both by the investigating police officer and by an officer of the Department of Labour and Welfare. Their findings were made known to the court and were taken into account in passing sentence. In most cases youthful offenders were bound over or released on probation, in which case the responsibility for looking after them was entrusted to the Department of Labour and Welfare. There were about 2 or 3 youthful offender cases a year. After the second or third offences the youths were committed to the Sarawak Boys' Home in Kuching and on their return they were committed to the care of the Department of Labour and Welfare.

The problem of juvenile delinquency in Sabah was of great concern to the Social Welfare Council which, since 1958 had pressed for the creation of a probation services system and a reformatory centre in the State. Although the government accepted this recommendation in principle there has been no concrete result.

Meanwhile, since independence, under the Constitution of Malaysia, the Reformatory Services including prisons, reformatories, remand homes, places of detention, probation of offenders and juvenile offenders are listed as Federal Government responsibilities. Three years after independence in 1966, the Federal Government extended to Sabah the probation of offenders services with the appointment of 3 probation officers. Then a reformatory institution for juvenile offenders that is the Remand Home/Probation Hostel/Approved School was established in 1971 in Kota Kinabalu.

The juvenile justice system in Sabah was firmly established with the extension of the Juvenile Courts Act, 1947 on 1st October, 1972. Under this legislation Juvenile Courts,

consisting of a magistrate of the First Class and two advisers, are established to try all offences except offences punishable by death, committed by juveniles under the age of 18. These courts are also empowered to deal with any child or young persons, brought before it by a social welfare officer or a police officer, in need of care and protection. Upon the establishment of guilt or in need of care and protection a juvenile will be dealt with either by way of admonish and discharge, placing him under the supervision of a probation officer, committing him into a probation hostel or approved school, or any other manner as considered appropriate by the juvenile courts.

Under the Third Malaysia Plan, (1975-80) an approved school costing \$2.795 million has been approved which will be incorporated into the Fourth Malaysia Plan (1981-85). It is expected that this project will be completed and become operational by 1983.

Rehabilitation of Women & Girls

It has been recognised that women become prostitutes through inclination, need or persuasion.

Records show that the earliest cases of prostitution in Sabah were as early as the 1880s. The first census in 1891 showed that there were 144 prostitutes and 24 brothel keepers in Sandakan alone.

The protection of women and girls, prior to 1948 had been the responsibility of the Department of the Chinese Protectorate. The Government's concern over suppression of brothels and the traffic of women and girls in Sabah culminated in the enactment of Women & Girls Protection Ordinance, 1951.

Other than the measures taken to suppress prostitution and trafficking the Department of Welfare Services recognised the need to rehabilitate young prostitutes. Thus, under the Third Malaysia Plan, Women and Girls Protection Centre, Kota Kinabalu was approved.

The Women and Girls Protection Ordinance, 1951 (cap

159 of the laws of Sabah) was enacted soon after the war. It contains provisions which may be obsolete and certain functions which may be more appropriately exercised by other Departments. Thus, the Women and Girls Protection Act, 1973, has been considered appropriate to be extended to Sabah for the purpose of uniformity and at the same time removing the weaknesses of the Sabah legislation.

Rehabilitation of Drug Dependants

Drug abuse is essentially a social problem with psychosocio and economic implications. It has also been regarded as a national security problem.

During the Chartered Company administration opium smoking was sanctioned by the Government and it was a great source of revenue for the Government. This lasted until 1939 when the Government prohibited the registration of new opium smokers due to European opposition to opium smoking. This social problem has been wiped out during the last 4 decades.

However in recent years the new breed of drug dependants prefer ganja, heroin and morphine rather than raw opium. This problem is difficult to control and eradicate.

The Dangerous Drug Ordinance, 1952 extended to Sabah in June, 1978 gives power to the Ministry of Welfare Services, Malaysia to provide rehabilitation facilities to assist drug dependants. Any drug dependant may seek treatment and rehabilitation on his own accord or he may be taken into custody by a social welfare officer or a police officer. The same facility is accorded to any drug dependant under 21 years found guilty of an offence under the Dangerous Drug Ordinance, 1952.

Presently, any drug dependant requiring treatment and rehabilitation will be sent to institutions in Peninsular Malaysia for a period of six months. Upon discharge he will receive aftercare by a social welfare officer for a period of 2 years. Those who do not require institutional treatment will be

given supervision by a social welfare officer for a period of 2 years.

Under the Fourth Malaysia Plan a Day-Care Centre for drug-dependants has been approved in principle. This project costs \$350,000.00 and has day-care facilities for 30 persons in the form of supervision, training and psychotherapy.

Rehabilitation of Disabled Persons

Prior to the establishment of the Department of Welfare Services in 1967 there was very little service provided for disabled persons. The Malaysian Red Crescent Society supported a few blind students to study in special schools outside Sabah. This activity was later taken over by the Sabah Society for the Blind.

Following its establishment in 1967 the Department has paid equal emphasis on the welfare of all categories of disabled persons in Sabah. It seeks to provide training for and to discover any latent talent from all physically handicapped persons including the deaf, the blind and the orthopaedically handicapped and where necessary day-care residential institutions are provided for them. After-care, including placement is also given.

Education opportunities for the physically disabled such as the blind, the deaf and orthopaedically disabled are provided equal to that of normal children. Thus, the Department sends deaf and blind children to pursue their education in special schools in Peninsular Malaysia including the Federal School for the Deaf, Penang, the St. Nicholas School for the Blind, Penang, the Princess Elizabeth School for the Blind, Johore and the Integrated Secondary School Setapak, Selangor.

The Department administers a Sheltered Workshop at mile 7½, Tuanan Road in which training facilities in carpentry, motor mechanics, tailoring, television and radio repairs are provided.

The occupational centre, adjacent to the Sheltered Workshop provides physiotherapy and occupational activities for

mentally normal children with motor or muscular defects. Another two units of residential centres located in Sandakan and Kota Kinabalu provide for other more severely handicapped children.

The Department spends some \$200,000 annually for these rehabilitation services.

Services To the Aged

The number of old people in relation to the entire population is steadily increasing because of improved living conditions, sanitation, advances in medical sciences, nutrition and health education. But our society has yet to succeed in fulfilling sufficiently the lengthened life of older persons with useful activities and purposes.

Four Old People's Homes — Sandakan, Kota Kinabalu, Tawau and Beaufort were set up as early as 1948 under the Paupers Ordinance. The responsibility of maintaining these institutions was later transferred to the State Government in 1972 when the Pauper Fund was wound up. These homes have a total capacity of 340 persons.

In the past a home for the aged was considered the only place where an old person could find shelter when he could not live in his own home or with his family. However, social work agencies consider that institution is only one of the several alternatives to care for the old people. Perhaps it is possible to adopt the integration approach in which the aged people are housed and cared for by the community.

Counselling and Advice

Previously, family disputes including matrimonial troubles which required intervention from a Government agency were usually settled by the Colonial District Officers. However, as from 1948 this matter became the responsibility of the Chinese Affairs Officer. With the establishment of the Department of Labour and Welfare it was considered that family disputes did not necessarily happen along communal lines. Thus, Welfare Officers, although untrained at that time

were available to assist all people with family problems. When the Department of Welfare Services came into being in 1967 counselling and advice became professionalised.

Assistance to Orphans and other Children In Need

For some years prior to 1964 assistance to orphans by the government was in the form of grants-in-aid paid annually to the Roman Catholic and Anglican Missions to assist them in the work which they were already doing. This money was not from a Government vote for that special purpose but from the Social Welfare Fund which derived its income from subvention from the State Government and from the proceeds of the sales of social welfare lottery tickets promoted formerly by the Royal Sabah Turf Club but now promoted by the Malaysia Social Welfare Lottery Board.

In 1956, this was removed from the Social Welfare Fund and a special vote for the purpose was established in the annual estimates of the Department. In the following year the government accepted further responsibility of widening the scope to cover both orphans and other children in need. Thus, the Department operates a realistic and flexible policy in its assistance to poor children, covering the purchase of school books, payment of fares and essential school uniforms and clothing. The estimate for 1965 was only \$13,000. This has been increased to \$60,000 by 1980.

Other than financial assistance some orphans and children whose parents or parent are unfit to look after them are being admitted into the Princess Anne Children's Home, Likas.

Adoption and Guardian of Infants

To ensure that unwanted children are protected and suitable homes found for them, the Department of Welfare Services provides an adoption service.

The legislation covering the procedure for legal adoption in Sabah is the Adoption Ordinance, 1960 and the Adoption Rules, 1961. This legislation applies to all adoptions by any

person other than natives who may choose to apply for adoption orders in the native courts.

As provided by the Adoption Ordinance, 1960 the legal requirements state that the applicant must be 25 years of age and 21 years older than the infant or 21 years of age and a relative of the infant or is the mother or father of the infant and that the applicant and the infant reside in Sabah.

Adoption of children is fairly common in Sabah particularly among the Chinese community.

As early as 1946, the Guardianship of Infants Ordinance (cap. 54) came into being in Sabah. This provides that the father is ordinarily the guardian of the infant's person and property. Where an infant has no lawful father living the mother of the infant shall ordinarily be his guardian. The High Court is empowered to appoint a guardian should there be a dispute.

Disaster Relief

In cases where the loss is limited to single dwelling homes relief work in the form of food, clothing and cooking utensils is done by the Malaysian Red Crescent Society, Sabah Branch. Where several dwellings or a whole village are affected the Department of Welfare Services is, since 1967, the main agency to provide relief. For this purpose the Ministry of Community Services has a vote and in 1980 the allocation was \$250,000.

What Next?

Social welfare development, as reflected by what has previously been discussed is evidently a factor of political and economic consideration. The Chartered Company during its rule (1881-1946) paid little emphasis on social welfare needs. What was provided — pauper institutes and outdoor relief was a responsive remedial action and a responsibility enforced upon employers and land owners towards the welfare of their workers.

Thus, the informal and voluntary systems of meeting social needs were indispensable during the reign of the Chartered Company (1881-1946) and the Colonial Government (1946-1963). Further, the velocity and extent of the provision of social welfare services for the 82 years during the Chartered Company and Colonial Administration is hardly comparable to the 18 years since Sabah achieved independence, especially after the establishment of the Department of Welfare Services in 1967.

It is important that we should encourage the continued existence of the informal system of social help and the voluntary system which in our view have at least three kinds of contributions to make. First, it may be able to extend the scope of the existing provision of the State. Second, it may be able to improve the standards of statutory provision by providing alternatives and finally, it may be able to offer services where little or nothing is available through the State.

The future of the social welfare provision in the State should be very bright under the present Government. This is evident by the amount of money injected into the social welfare budget. In 1975, the budget for social welfare was only \$2 million. However, in 1981 a budget of \$42 million has been provided for social welfare purposes as compared to the national budget of \$54 million. Further, the Sabah Foundation is also providing free school uniforms and milk to all primary school children. This shows that the present Government recognises the importance of commitment to social welfare in the total development programmes of the State.

References

- | | | |
|---|--|------------------------------------|
| (1) K.G. Tregonning: | Under Chartered
Company Rule
(North Borneo
1881-1946) | University of Malaya
Press 1958 |
| (2) Department of Welfare
Services, Sabah: | Annual Reports
1967-1975 | Government Printers,
Sabah |
| (3) Wolfenden Committee
Report: | The Future of
Voluntary
Organisations | Croom Helm London,
1978 |
| (4) Department of Welfare
Services, Sabah: | Pauper Fund Winding
Up Report 1971 | Unpublished |
| (5) Department of Welfare
Services, Sabah; | War Victim Fund
Winding Up
Report 1970 | Unpublished |
| (6) Sabah Council of
Social Service: | Annual Reports
1968-1972 | Government Printer,
Sabah |
| (7) Sabah Council of
Social Service: | Annual Reports
1973-1980 | In Print |

HISTORICAL DEVELOPMENT OF EDUCATION

by
K. M. George

Section A

1. Pre-1881 Situation

Little is known about education in Sabah prior to the arrival of the British. However, there were some people literate in the Malay language in the country. Certainly among the indigenous groups there must have been non-formal types of education for the purpose of imparting instruction from father to son, and mother to daughter, these would be mostly oral. This type of education was manifested in their customs and ceremonies such as the ones performed at marriages, deaths, burial and harvest festivals. The Muslim communities imported education in the form of religious instruction which was carried out by Islamic teachers. They followed the 'pondok-pasaran' system, by which an Islamic teacher received boys and occasionally girls to teach them from the Koran, for which he did not charge any fees; but pupils contributed to his welfare.¹ As these teachers were generally qualified in the Koran, they gave lessons in reading and writing the Koran in Arabic, in addition to teaching the principles of Islam. The spread of Islam in the Borneo region was begun as early as the 13th. century by traders from the Middle East. Moreover, as Sabah was ruled for some time by the Sultan of Brunei, it was possible that religious teachers

¹ *Teacher Education in Asean - Indonesia*: edited by F. Wong. Heinmann 1976. p. 50.

from Brunei travelled from village to village along the coast of Sabah to instruct the people from the Koran. Therefore it is probable that there must have been some form of education centred round the *Madarasah* (Islamic religious school)

"scattered along the coast in the more populated areas, in places where the community was predominantly Muslim, very likely these were centred around a local mosque"²

The History of Education in Sabah between 1881 and 1981 is discussed in three aspects here – the chronological development, the development of a comprehensive educational policy and the sectional development. The section on the chronological development deals with growth of education under these time-periods: pre-Chartered Company rule, from 1881 to 1900, from 1900 to 1920, from 1920 to 1940, under Japanese Occupation, under British Military Administration, under the Crown Colony, and education since Independence.

The part on sectional development discusses the establishment and expansion of the various fields of education such as Female Education, Secondary and Higher Education, Technical Education, Teacher Training, Examination System and Scholarships.

It is not sure when Christian missionaries from Europe visited Borneo for the first time. Probably the first missionary to visit this region was Father Oderio, a Franciscan priest of Perdonone. He visited Borneo in 1322 and a Franciscan brother took down an account of Father Oderio's great journey. But this account was disbelieved, because many of the descriptions differed from those mentioned by Marco Polo. A few years later another Franciscan, John Marignolli, also visited Borneo. He called the place Sabah.³ It seems that the next visit by the Roman Catholics was in the year 1855, when a Roman Catholic priest was made Prefect Apostolic

² *State of Sabah: Annual Report of the Education Department, 1976, p. 3.*

³ *Fr. L.M. Parson: The Catholic Church in Sabah: Sabah Society Journal, Sept 1967, p. 139.*

of North Borneo and Labuan.

The Pope requested the Founder and Superior General of St. Joseph's Foreign Missionary Society, of Mill Hill, London to send priests.

A Mill Hill priest then serving as chaplain to the British troops on the North West Frontier of India, was appointed Prefect Apostolic. Three other Mill Hill priests, Father Gossons, Father Dunn, and Father Kilty were appointed to Borneo.⁴ They reached Borneo in the autumn of 1881.

While the Roman Catholic Mission started work in the Borneo region, the S.P.G. (the Society for the Propagation of the Gospel) also entered the field. On December 24, 1846, Captain Mundy commanding H.M.S. Iris hoisted the British flag at Labuan. In 1847, a Treaty of Friendship and Commerce was concluded between the British Government and the Sultan of Brunei, who ceded the Island of Labuan to the British Crown.⁵ The Island became a Crown Colony under the Straits Settlement Government and James Brooke, the white Rajah of Sarawak, was appointed the Governor of Labuan. This may be said to be the beginning of the modern history of Sabah. At the request of Sir James Brooke, the Church of England sent its first missionary in 1847. He was the Rev. Francis McDougall, a doctor-priest. Later in 1855, he was appointed as the Bishop of Labuan and Sarawak. He and his wife Harriette continued to work in Borneo till 1868. Other missionaries were sent to the country to teach and preach. Thus two Christian denominations – the Roman Catholics and the Anglicans – were already active in the field of missionary work and education when the Chartered Company was granted its charter in 1881.

2. Education Between 1881 and 1900

Efforts by the Government

On November 1, 1881, Queen Victoria, the Queen of United

⁴ *Ibid.* p. 141.

⁵ *Colony of North Borneo: Annual Report 1962*, p. 228.

Kingdom of Great Britain and Ireland granted the Royal Charter of the British North Borneo Company. Nothing very specific was mentioned about education of the inhabitants of North Borneo in the Charter. However, William Hood Treacher, the first Governor took an interest in education. Probably his interest in starting an Islamic school was a result of his knowledge of such a school in Brunei when he was Acting Consul General. One of the earliest appointments made by Treacher was that of an Imam as a "Malay school teacher at Sandakan, or Elopura as it was then called. After consultation with the native chiefs in the Sandakan area, Sheik Abdul Daluman was selected and urged to begin his traditional task of teaching the young, and to build a mosque. To assist him the government gave a block of land and a gift of money, while Treacher added his own personal donation when the building was begun".⁶ This small scale attempt did not meet with success, as it ceased to function after some time. A few years later another effort was made by William Pryer, the founder of Sandakan. "He asked the Chinese and Muslims in 1886 whether they desired a school and when they answered enthusiastically in favour, he endeavoured to form one. The Colonial Secretary gave a room in his house, the Governor gave his unnecessary Malay interpreter, and the European population gave eighteen dollars as a monthly contribution. Pryer secured books from Singapore and the school was opened on the 9th of August with nine pupils. But a voluntary effort such as this, even though organised by an enthusiast as Pryer, could not last".⁷ The British North Borneo Herald reported that a Free School (a private school) opened for the first time on 9th August 1886 with Encik Yusof as master had only nine pupils.

Efforts By The Christian Missionaries

The Christian Missions have played an important role in the

⁶ W. H. Treacher was later knighted and became the Resident General of the Federated Malay states.

⁷ K. G. Tregonning: *A History of Modern Sabah, 1881-1963*, Singapore University of Malaya Press. (K.L.) p. 173.

field of education in North Borneo. The Roman Catholics were the first group to enter this field. They started their work at Papar in 1881.⁸ In 1883, the Roman Catholics bought five acres of land at Sandakan. There they built an atap hut and on July 24, 1883, St Mary's Primary school the first school in North Borneo was opened, with an enrolment of five boys. Owing to the shortage of personnel, they closed the mission in 1884, but Father Byron reopened the school in 1886.

A Protestant school, St. Michael's Boys' school, was opened in 1888, in Sandakan. Mr. William H. Elton opened a school in the shanty where services were held. For two months there was only one pupil. He taught the pupil English and the pupil in turn taught him Malay and Chinese.⁹ In less than three months there were six boys in this school. In 1889, Fook Yee, a pupil from St. Thomas School Sarawak was sent by Bishop Hose to assist in the work of St. Michael's School.¹⁰

In 1891, a Convent School for girls' was started by the Roman Catholics in Sandakan with a staff of four sisters.¹¹ More or less about the same time, the Roman Catholics opened another school at a place called Inobong, about ten miles from Kota Kinabalu.¹² By the turn of the twentieth century, there were nearly 450 pupils in these schools, nearly all of Chinese stock.¹³ In 1897, the SPG mission started a school in Keningau,¹⁴ mainly for the Muruts. But the work was abandoned in 1899.

Not long after the establishment of the Chartered Company, the administrators became interested in getting labour

⁸ M. H. Baker: *Sabah: The First Ten Years as a Colony 1946-1956*, Singapore: Malaysia Publishing House 1965 P. 74

⁹ Elton Hill Diary, p. 5 (*The Story of the Founding of St. Michael's Church, Sandakan, Sabah*). Published by Diocese of Sabah.

¹⁰ Ibid. p. 6

¹¹ op. cit. Fr. L. M. Parson, p. 143.

¹² State of Sabah: *Annual Report on Education for 1976*, p. 3.

¹³ Colony of North Borneo: *Education Department Triennial Survey 1958-1960*, p. 1.

¹⁴ Borneo Chronicle Vol. 41, No. 4, May 1947.

from China. The first such attempt was made as early as 1883. The settlers from China lived mainly in Kudat. They started a school for their children, St. Peter's School, Kudat in 1888.¹⁵

The period of 1881–1900 can be considered the period of 'sowing the seed' of education, including female education, by the missionary bodies.

3. Education Between 1900 And 1920

The two principal missionary societies working in the country at the start of the twentieth century were the Society for the Propagation of the Gospel (Anglican) and the St. Joseph's Foreign Missionary Society, Mill Hill Fathers (Roman Catholic).

A third missionary society, the Borneo Basel Self-established Church (Lutheran), a Swiss Christian Society, also entered the scene.

In 1887 Sir William Treacher had offered incentives for interested Chinese settlers by offering them one acre of land for each man or woman and half an acre for each child; to be cultivated within five years, and to be leased after that time without premium for 999 years at an annual rent of 10 cents an acre.¹⁶ The Chinese with a long-established respect and fervour for education, opened their own schools, bringing teachers from China and preferring to continue a traditional form of education.¹⁷ The Chinese were the first group of people in North Borneo to run their missions and schools without foreign assistance, hence the name Borneo Basel Self-established Church. The Mission bodies continued to progress in the field of education. The following tables give an idea of the rate of expansion.

15 *State of Sabah Education Department: Statistics Division, 1977.*

16 *British North Borneo: Administration Report 1911, Chapter 15, p. 55.*

17 *op. cit. Education Department Triennial Survey, 1958–60, p. 1.*

Number of pupils in Mission Schools in 1905

	Town	Boys	Girls	Total
Roman Catholics				
	Sandakan	43	39	82
	Jesselton	32	..	32
	Papar	36	21	57
	Putatan	60	..	60
				231 ¹⁸
S. P. G.				
	Sandakan	49	11	60
	Kudat	35	13	48
	Jesselton	17	..	17
	Labuan	27	..	27
				152
Basel				
	Kudat (old settlement)	17	7	24
	Kudat (Harbour)	13	3	16
	Papar	15	.	15
	Jesselton	12	.	<u>12</u>
				67

By 1920 there was rapid improvement as seen from the following data.

¹⁸ There was a Roman Catholic Mission School in Labuan in 1905, but data was not supplied by the Mission. Reference to this is made later.

English Teaching Schools:—

Mission	No. of pupils on 31.12.1920
S.P.G.	244
R.C.	354
Basel	16
Chinese Teaching Schools	
S.P.G.	67
Basel	163
Dusun Teaching Schools	
R.C.	140
	984

Comparison of the number of schools according to the Missions

Mission	No. of Schools		
	1918	1919	1920
S.P.G.	10	9	8
R.C.	7	7	7
Basel	9	10	7
	26	26	22

During the period of expansion of both missionary and private schools the Government of North Borneo also entered the educational arena. It opened its first Government School in Jesselton in 1915. The main purpose of this school was to train the sons of native chiefs so that they would eventually participate actively in the administration of the state. The school followed a three years' course in Malay on a

syllabus suggested by the Straits Settlement Education Department. The pupils were chosen from villages as far away as Tawau and Lahad Datu on the east coast, Rundum in the interior, and Kota Belud on the west coast. They were provided with free education, food and clothing. But the Native Affairs Department did not give its full support, lack of any teaching of the Koran was also resented by the chiefs. As a result of this lack of cooperation, by 1921 there were only six pupils attending the school, all pagan Muruts from the interior.¹⁹ This school was finally closed in 1930.

According to the agreement concluded with the Chinese Government in 1913 regarding the proposed immigration of Chinese settlers to British North Borneo, schools were to be provided for the children of the settlers.²⁰

On March 1, 1913 a school was started for 30 boys between the ages of 6 and 16, and the teaching was confined to the National Chinese Reader.²¹ The Government decided to support this school. In 1917, the Government established the first Government Chinese School, a few miles from Jesselton on the Penampang Road, at the 'Shantung Settlement' as the old generation of today calls it. (Other writers give the year 1915 instead of 1917). As there was no specific mandate regarding education in the Royal Charter, the Government was not very active in promoting education in the country. Depending on the interest of officials in the government, there was sporadic efforts at promoting native education. The first proposal to establish a government vernacular school had been made at the beginning of the century by Governor Ernest W. Birch who was the Governor from 1901 to 1904. He had visualized as a beginning six government schools on the west coast with Malay, Dayak and Chinese teachers. Lessons would be given in agricultural pursuits; trades such as boat-building and

¹⁹ *op. cit.*: K. G. Tregonning, p. 176.

²⁰ Government Secretary's Order 3440/13 of 1913. Sabah State Archives

²¹ Letter of the Inspector of Schools to the Government Secretary dated 6/4/1917. Sabah State Archives

carpentry would be taught; and personal and school cleanliness would be insisted on.

He had requested a grant of \$5,000 with which to begin the work. It was refused by William Clarke Cowie, the Managing Director of the Company as a project that would not be immediately profitable.²² When Sir West Ridgeway became the President of the Company in 1911 he was not at all satisfied with the educational policy of North Borneo. But the 1914–1918 War put a brake on all such enthusiasm for the time being. As there were three agencies in the education field, the pattern of education can be classified into three categories:—

- (1) Fee-paying mission education, where the language of instruction was usually English;
- (2) Fee-paying mission education, which were basically run by Chinese communities who wished to safe-guard the traditional Chinese culture, although they were Oversea Chinese; and
- (3) Free Government Education, which was provided as a civic duty, teaching to be mainly in the vernacular language (Malay).

In 1907, the Government of the Straits Settlement, which had jurisdiction only over Labuan in the Borneo region, opened the first government school. Victoria Town Malay school in Labuan thus entering in the education field.²³

4. Education Between 1920 and 1940

The Census of Population taken on 24th April, 1921 showed that out of a total population of 257,344 people, 203,041 were classed as indigenous, 79% of the population.²⁴ The system of education in the state during the period 1920 to

²² *op. cit.* K. G. Tregonning: p. 177.

²³ R. E. Perry: *The Colony of North Borneo: A Five – Year Plan of Educational Development for the Year 1947-51*. Jesselton 28/8/1946.

²⁴ *State of North Borneo: Census Report 1921*. Sabah State Archives

1940 was undertaken mainly by three different agencies, namely the Government, the Mission bodies and private agencies.

Before the introduction of Government Primary Schools in 1920's, there were some individuals who had attempted to start native schools. The attempt made by school master Enche Yusof has been reported earlier.²⁵ During the year 1918 a small school was established at Mesapol²⁶ with Abdul Razak as owner and teacher. But it was closed down in 1922 as there were only 3 boys left.²⁷

A very interesting development in local participation was seen in relation to the first school established in Semporna. When the Governor visited Semporna on 23.6.1918, the local chiefs reported that they wanted a native school for boys.

The Resident later informed the Governor that the District Officer reported that 10 Chinese children could be promised, paying \$2 a month and five Bajau children paying \$1 a month. The Chinese agreed to build the school, the natives supplying all the timber required. The Government was asked to provide a teacher and to pay him. The Resident felt there was little doubt that once a school was established, many more pupils would be added gradually.²⁸

The Resident in a later letter to the Governor²⁹ pointed out that on one of his visits to Semporna, Panglima Udag had asked him if the Government would give some assistance to the school. It was built near the mosque and the building was the usual native type with a large verandah as a school room and quarters for the master. There were 17 pupils in the school, 13 boys and 4 girls. The master was a Filipino from Silimpopon who received about \$30 a month as salary from the fees collected. There were 16 pupils – 12 boys and

²⁵ *British North Borneo Herald*, Vol. IV 1886, p. 171 *Sabah State Archives*

²⁶ *op. cit.*: Inspector's letter dated 21/10/1922. *Sabah State Archives*

²⁷ *op. cit.*: Inspector 21/10/1922. *Sabah State Archives*

²⁸ Resident's letter to the Governor dated 8/11/1918. *Sabah State Archives*

²⁹ *Ibid.*: Resident. dated 25/6/1919 *Sabah State Archives*

4 girls between the ages of 9 and 14.^{28b}

Though capitation grants were given out to schools run by Missionary Bodies from 1907, the first time a capitation grant was given to Semporna School was in 1919, the sum of \$100 being given. Semporna school was the first non-mission school to receive such a grant.

The school seems to have progressed well as a private school for quite some time. In 1935, the Native Chiefs passed a resolution suggesting that a vernacular school be opened. Abu Bakar, a Brunei Malay and a businessman from Sandakan, who had business connections in Semporna was prepared to supply a house free of charge for the school and Panglima Udang guaranteed 30 pupils. The Principal Medical Officer also recommended to build a new school on the same site as the said private school. A couple of years later the Government found out that the land on which Abu Bakar had erected the building belonged to the Government. However it was felt that Abu Bakar should be given some compensation for his house which was used as the school.

Education for the Natives by the Government

The beginning of the 1920s saw a radical change in the attitude and role of the government in relation to the education of the natives. The government was no longer satisfied with the idea of leaving the education of the people entirely to the missions and to the private agencies.

In addition to the 22 mission schools there were 11 private schools in 1920 supported or owned by groups of people or philanthropists. But, with a few exceptions, the value of those private schools was small. The government therefore felt that the problem of education would more likely be solved by the expansion of mission schools and the creation of Government schools.²⁹

^{28b} Resident's letter to the Governor dated 4/9/1919 Sabah State Archives

²⁹ British North Borneo: Administration Report 1920. Sabah State Archives

The first two government vernacular schools, where the medium of instruction was Malay, were established in 1921. These schools were at Papar and Kota Belud. They were under the supervision of the Resident.

The Papar school had at one stage 22 pupils which had fallen to 15 at the end of the year while the number in Kota Belud school varied between 10 and 17. The pupils were charged a nominal fee of twenty-five cents per month.³⁰ Early in 1921 four Malay teachers were recruited from the Federated States and were sent to these two schools.

In 1922 the control of the government vernacular schools at Papar and Kota Belud was handed over to the Education Department and two more schools were opened at Keningau and Menumbok.

The school at Menumbok was opened at the request of the local people who provided a school house and rough furniture.³¹ The subjects taught in the schools were reading and writing Malay and Arabic and Roman characters, and arithmetic.³² In the same year the Inspector of Schools recommended to the Government Secretary the abolition of the Training School for the sons of Native Chiefs which had been valuable before the vernacular schools were established. Also recommended was the establishment of vernacular schools in Bundu Tuhan, Sipitang and possibly Tambunan and that the government should arrange for a small number of scholars who showed special promise to be chosen from the sons of Native Chiefs or influential men, to be given secondary education at the S.P.G. school, Kuching until similar facilities existed in North Borneo.³³ The vote for the native schools for 1922 was \$2,500 and there was a balance of \$777.22 left at the end of the year.³⁴

³⁰ *Ibid*: 1921. Sabah State Archives

³¹ *Ibid*, 1922. Sabah State Archives

³² *Ibid*, 1922. Sabah State Archives

³³ Inspector's letter to Government Secretary dated 21.10.1922. Sabah State Archives

³⁴ Court Despatch No. 338 dated 18.5.1922. Sabah State Archives

The Court of Directors of the British North Borneo Company in one of its despatches made it clear that the main responsibility of the Government was Primary Education and additional expenditure should be in that direction. The question of secondary education should be deferred until primary education had been adequately provided for.

In 1923 no additional schools were opened. There was a decrease in the number of students in Kota Belud and Papar schools. The reasons were that in Kota Belud, the effective radius from which pupils could be drawn was not more than 1½ miles and the population itself was small, while in Papar the mission schools drew more students.

The year 1924 saw the opening of a new school in Tawau which was promising. There were demands from the natives of various places such as Tambunan, Bengkoka and Sipitang to open new schools, but they did not materialise that year, due to financial difficulties. Of the five schools, Keningau seemed to be the most satisfactory, mainly due to the keen interest taken by the District Officer. The Medical Officer, Interior, had also done excellent work in affording regular medical attendance. Thanks to his efforts, hookworm was almost entirely eradicated and the general health of the pupils maintained a high standard.³⁵

In the following year two new schools were opened one in May at Sipitang and the other in September at Bundu. The Kota Belud school was closed in February owing to lack of support.³⁶ A local man was appointed school master in Papar and as a result the attendance in the Papar school improved considerably.

In the following year, a school was opened at Bandau in June and another at Sandakan in July. The new school at Bandau was built on semi-permanent lines at a cost of

³⁵ *Op. cit.* Adm. Report, 1924. Sabah State Archives

³⁶ *Ibid.*, 1925. Sabah State Archives

\$735.³⁷ At Sandakan the school was temporarily lodged in an empty shop lot, not altogether a satisfactory type of building, until it could be decided whether the attendance warranted the erection of a permanent school-building.³⁸ During the year 1927, the Keningau school and the Sandakan school made good progress. There was a set-back in the daily attendance in Papar and Tawau, but both schools were well-established and the set-back was only temporary. The resignation of the school-master in November due to illness was a handicap to the Sipitang school. At Pengkalan Bandau the number of pupils decreased due to the reduced labour force at Ranau Estate.³⁹ During 1928 and 1929 there was no alteration in the number of schools. The schools were as usual supervised by the respective District Officers.

In August 1930, two more schools were opened, one in Tambunan and the other in Jesselton. The cost of the Tambunan building and the equipment were met from Departmental votes.⁴⁰ During the years 1931, 1932 and 1933 no new schools were opened and no new teachers were engaged. The Sipitang school was closed in August 1931 when attendance did not warrant maintenance of a teacher.⁴¹ Bundu school was closed at the end of May 1932, since attendance did not justify its continuation.⁴² In 1933 an experiment of waiving the school fees of 25 cents per month was made.

The Pimping school, which had shown a consistent fall in attendance was closed on 31st December 1933. A new school at Pensiangan was opened in August 1934, while no new school was opened in 1935, though two new school buildings were being constructed in Tuaran and Semporna. In 1936 there was a sudden increase in the number of schools, from 9 to 13. The Tuaran school was opened in February;

³⁷ *Ibid.* 1926. *Sabah State Archives*

³⁸ *Ibid.* 1926. *Sabah State Archives*

³⁹ *Ibid.* 1927. *Sabah State Archives*

⁴⁰ *Ibid.* 1930. *Sabah State Archives*

⁴¹ *Ibid.* 1931. *Sabah State Archives*

⁴² *Ibid.* 1932. *Sabah State Archives*

Semporna in May; Ranau and Bingkor in July. The Kota Belud school which was closed in February 1925 was reopened in May. At nine of these schools, gardens were maintained by the pupils, who were taught gardening and primary agriculture by their masters⁴³ and each pupil was supplied with two suits of school uniforms yearly.⁴⁴ In 1937, two new schools were opened in Tuaran and in Sandakan. The one in Bandau was reopened after it had been closed for five years. The charging of fees was discontinued after November 1937. Interest in gardening was increased. There were 14 schools with gardens.⁴⁵ Two new schools were established during the year 1938 in Bongawan and Kinarut while during 1939 new schools were opened at Tenom, Buit Hill and Mengkabong. In 1940, Menumbok in Mempakul district was a place where, unlike Jesselton or Sandakan it was impossible to get an English education although Government had a vernacular school there. The Chiefs were unanimous in asking for better facilities for the natives to learn the English language. The Chairman remarked that if the Government appointed as Vernacular school masters, men who were able to instruct in English, Romanized Malay and Jawi, no increase in Education Department personnel would be necessary. The Council passed the following resolutions; (a) that English teachers be provided at the Government schools far away from Jesselton and Sandakan, (b) that kampung children should have to attend schools where English is taught.

The acting Government Secretary in his letter to all the Residents dated 26.6.1935, said that⁴⁶ the Government did not belong to that school of thought that regarded knowledge of English as necessarily demoralising for a native. Nevertheless, he considered the resolution passed by the

⁴³ *Ibid.* 1936. Sabah State Archives

⁴⁴ *Ibid.* 1936. Sabah State Archives

⁴⁵ *Ibid.* 1937. Sabah State Archives

⁴⁶ Acting Government Secretary's letter to all Residents 27th June, 1935. Sabah State Archives

Advisory Council which amounted to a request for compulsory education in English as being altogether premature. He did not believe that it would be either practicable or desirable to introduce universal education into North Borneo within any period of time that one could foresee.

The Governor in his address to the Native Chiefs Advisory Council⁴⁷ stated that he did not agree with the suggestion of the Council. He stated that the mission schools were producing more boys fitted for clerkships than the country required and that natives were new to education and like children they should learn to walk before they could run. However he promised that native pupils would be given scholarships to a mission school and if they proved satisfactory they would be given preference for Government Scholarships.

Schools were started in Kudat, Weston, Membakut and Darau. Thus before the Second World War began, there were already 25 vernacular schools in North Borneo and four in Labuan. The extension of vernacular education was indicative of the increasing desire felt by native parents for education of their children.⁴⁸

The following Inspection Report made between 23.3.1939 and 7.6.1939 gives the following information on the schools.

Place	No. of pupils
Jesselton	50 to 60 pupils
Menumbok	60 boys
Sipitang	60
Bingkor	120
Keningau	60
Tenom	30
Papar	150
Kinarut	30
Tuaran	61
Kemabong	being started
Kota Belud	70

⁴⁷ Extract of the Governor's address to Native Chief Advisory Council, 11th May, 1937 (GO. 01968). Sabah State Archives

⁴⁸ *Op. cit.*: Adm. Report 1939. Sabah State Archives

Though the emphasis of the government was on the introduction of vernacular education throughout the country, some of the native leaders felt it was time to start English education as well in the rural areas.

Apart from academic teaching the government encouraged the teaching of agriculture and hygiene. In a report, the Principal Medical Officer, Tawau⁴⁹ stated that he visited the Semporna school and the pupils were underweight and recommended the free supply of milk to the children.

The expansion of Mission Schools between 1920 and 1940

Great strides were made by the Mission schools in the field of education during the period 1920 to 1940. The Mission schools were more or less independent of Government control, as there was no educational ordinance in the State. The only power the Government held over the mission schools was the withdrawal of the capitation grant. In many schools the medium of instruction was not confined to one language. Some of the S.P.G. Schools used both English and Chinese, while a number of the R.C. Schools taught in English as well as Dusun⁵⁰

Mission Schools also had their share of financial difficulties. The S.P.G. School at Jesselton received less and less support and before the end of 1920 was compelled to close down temporarily, as the number of pupils did not justify retaining an efficient school teacher.⁵¹ The Basel Mission English school at Papar was closed down in October 1922.⁵² Two S.P.G. Schools, one in Kudat and another at Tawau and the Jesselton Basel Mission Boys' School were closed down during the year 1923.⁵³ In 1926, St. Peter's School (R.C.)

⁴⁹ Principal Medical Officer's letter on 10/8/1939. *Sabah State Archives*

⁵⁰ *Op. cit.*: Adm. Report, 1921. *Sabah State Archives*

⁵¹ *Ibid.*, 1920. *Sabah State Archives*

⁵² *Ibid.*, 1922. *Sabah State Archives*

⁵³ *Ibid.*, 1923. *Sabah State Archives*

at Putatan was closed down.⁵⁴ As the financial situation improved all these schools reopened.

A study of the following data will show the progress of Mission Schools in the two decades of 1920's and 1930's.

Year	R.C.		S.P.G.		Basel		Total	
	Schools	pupils	Schools	pupils	Schools	pupils	Schools	pupils
1920	7	494	8	311	7	179	22	984
1925	n.a	1007	n.a	315	n.a	427	n.a	1749
1930	18	1359	8	439	14	571	40	2369
1935	21	1735	9	653	17	710	44	3098
1940	27	2304	8	807	17	807	52	3918

(compiled from the various reports: Sabah State Archives).

Private unaided schools

Apart from the government and mission schools, there was another type of school, namely the private unaided schools. Most of these schools were run by Chinese communities or individuals. The medium of instruction in these schools was mainly Chinese. In 1920 there were only 11 private schools with 380 pupils.⁵⁵ By 1940 the number of schools rose to 65 with 4779 pupils.⁵⁶ The considerable increase in the number of pupils studying in these private unaided schools was additional evidence of the demand for education.

A fourth Missionary Society, the Seventh Day Adventists also entered the educational field. They were financed entirely by their Society in the United States. Their work was mainly among the Kadazans of Jesselton, Tamparuli, Kulilu and Sandakan. By 1940 they had established 6 unaided schools in the country.⁵⁷

⁵⁴ *Ibid.* 1926. *Sabah State Archives*

⁵⁵ *Ibid.* 1920.

⁵⁶ *Ibid.* 1940.

⁵⁷ A.A.A. *Regis: The development of education in Sabah, Masters Thesis, University of Birmingham 1978, p. 21.*

Estate Schools

Estate schools were maintained by the estate companies for the children of workers in the estates. Records of 1926 showed that several employers of labour had maintained schools for their children.⁵⁸ By the end of 1940 there were four estate schools in the state, three Japanese primary schools in Tawau and a Malay school on Sapong Estate.

5. Education Under Japanese Occupation (1942–1945)

The presence of Japanese civilians in North Borneo began to be felt as early as the 1920s. They were much involved in the fishing, pearling and rubber industries. In 1939, they also showed interest in rice cultivation and experimental planting of "Ichibi Grass". To look after the welfare of the children of the labourers working in their companies and estates, the Japanese started three schools.

During the Japanese Military Occupation, education in the country was allowed to continue, but with a different emphasis. The system of education was under the direct control of Japanese philosophy of the time, termed 'co-prosperity'.⁵⁹ The Japanese aimed to achieve two objectives. The first was to eradicate all forms of western influences and the second was to instil complete loyalty to Emperor Hirohito. One of the methods adopted to achieve the first objective was to close all the English schools. A few months later these schools were reopened with an entirely different emphasis. The teachers had been indoctrinated in Japanese ideology and language. In order to encourage the teachers to master the Japanese language, Nippon-Go, they were sent to Brunei for a short intensive course. Classes were conducted for two hours a day, the rest of the day being spent in cultural activities. Japanese education officers in army uniforms supervised the work.

⁵⁸ *Op. cit. Adm. Report, 1926.*

⁵⁹ *Education in Malaysia: Prepared by the Educational Planning Division, Ministry of Education Malaysia.*

To achieve the second objective of implicit loyalty to the Japanese Emperor, the authorities taught the Japanese language and the Japanese style of self-discipline. As part of the inevitable destruction of war, education too had its share of calamities. At the outbreak of the war, there were 142 schools with 10,444 pupils.⁶⁰

In a Post-war Survey it was reported that 86 school buildings were completely destroyed while 46 were damaged, which meant only about 25 percent of the school buildings escaped the war without damage.

6. Education Under The British Military Administration (1945-1946)

North Borneo was liberated from the Japanese Occupation in September 1945. Major R.E. Perry, Captain Paisley and Lt. A.N. Ritchie were assigned to restore the educational system of the Borneo region. The Headquarters of the Education Department was first accommodated in tents in Labuan.⁶¹ The Headquarters office of the Education Department in Labuan was closed on February 6, 1946, and four days later it was opened in temporary quarters at the S.P.G. Vicarage in Jesselton.⁶²

A great deal of preliminary work had to be done as soon as it was transferred to Jesselton.

The British Military Administration formulated its own educational policy in October 1945 outlining the guiding principles of education. The basic principles of the policy were (i) to foster a sense of common citizenship among all the communities in the country, (ii) to provide free primary vernacular education to all pupils and (iii) to secure accommodation, the equipment and staff required.⁶³

The B.M.A. had an uphill task to restore education. In

⁶⁰ *Op. cit. Educational Survey, 1958-60, p. 1.*

⁶¹ *R. E. Perry: op. cit.*

⁶² *Ibid.*

⁶³ *Ibid.*

1941 there were 142 schools in the country with an enrolment of about 10,000 children.⁶⁴ But by May 1946, 102 schools with an enrolment of 8543 pupils were functioning.⁶⁵ The Administration had to face many problems. Out of the enrolment of 8543 pupils there were only 1661 girls which meant that only about 25 percent were girls. So it was necessary to consider the possibility of appointing a woman specialist to meet the special needs of girls in all schools. Education beyond the primary level was practically non-existent and a new system with more emphasis on English was being demanded in many quarters. There was a general lack of equipment, stationery and textbooks, the syllabus needed revision and technical education was unheard of.

The British Military Administration (B.M.A.) was in control of the country until midnight of 14/15th April 1946 when it was officially handed over to the British Government. North Borneo together with the island of Labuan then became a British Colony.

7. Education Under The Crown Colony (1946-1963)

North Borneo became a Crown Colony on 15th July 1946. The devastation of war left the post-war leaders with the dilemma of whether to reconstruct or develop the country. Though plans had been afoot in the late 1930s, for the Government to take a more active role in education, it was compelled to give only second priority to education, the first priority being repairs and reconstruction of general amenities such as roads and communications.

One of the first steps taken by the Crown Colony was the appointment of the first Director of Education Mr. R.E. Perry. Under instructions from the Government he prepared a five-year plan of educational development (1947-51) which formed the basis of the educational pattern of the state. He submitted the plan on 28th August 1946. The five-year

⁶⁴ See footnote 60.

⁶⁵ R. E. Perry: *op. cit.*

plan of educational development was based on the need for the education of a whole community which meant education of the adults as well as the children. In order to achieve this, the government recognised the need for close cooperation among all sections of the community.

Another important development in the history of education in the State was the Education Ordinance enacted on 17th April 1947. Some of the significant clauses were the definition of various types of schools, the establishment and constitution of an Advisory Committee for Education and the registration, inspection and control of schools and teachers. In 1948 three Senior Officers were appointed a Senior Education Officer, a Woman Education Officer and an Education Officer who was mainly responsible for the inspection of schools.

The year 1952 saw a further development in the field of education namely the opening of the first Teachers' Training College in the state. It was temporarily accommodated in the Trade School at Menggatal and was later moved to Tuaran, a place 21 miles from Kota Kinabalu. The College was officially opened by the Duchess of Kent on the 18th October, 1952.⁶⁶

In 1953 a new type of school entered the educational scene, the Local Authority Native Voluntary Schools. Local authorities were encouraged to establish such schools. The first such schools were established under the Kota Belud Authority where they constructed three new schools and five teachers' quarters.⁶⁷ In these schools there were 140 boys and 15 girls in 1953.

The uniqueness of this system was that building materials were partly from central and partly from local funds, but the local inhabitants supplied voluntary labour for the construction work. The government provided grants for books and equipment and sometimes provided government

⁶⁶ *Op. cit: Annual Report, 1952.*

⁶⁷ *Op. cit: Annual Report, 1953.*

trained teachers. To raise the standard of the teachers in the N.V.S. schools, the government initiated training courses. With the introduction of native voluntary schools there were four separate school systems, largely independent of each other.

Two important documents relating to education were published during 1955. The first was the Woodhead Report.⁶⁸ The other document was a Government Paper containing proposals for a new approach to educational policy,⁶⁹ which eventually became an Educational Ordinance, 1954. By then education was established on a firm footing and various sections of the department such as the Inspectorate, Training Programmes, Kindergartens and Technical Education took their rightful places. With the formation of the Board of Education, the Government brought all these sections under its control in an attempt to co-ordinate policy, activities, expansion, curricula and planning. By 1963, when Sabah joined Malaysia there were 519 schools compared to the 144 schools in 1946.⁷⁰

8 Education Since Independence (1963–1981)

Sabah became a State of Malaysia on September 16, 1963. The Sabah Education Department became part of the Federal Ministry of Education. But through an agreement, arrangements were made for the department to continue under State finance until January 1964. From then on, funds for education in Sabah have been voted annually from the Federal Parliament.⁷¹

⁶⁸ E. W. Woodhead the chief Education Officer for the Country of Kent submitted an Educational Survey of North Borneo in 1955. (Some of the important aspects of the Report are reported in the section Policy, Legislation and Administration)

⁶⁹ Ibid.

⁷⁰ The data prepared by the Statistics Division of the Education Department gives the number of schools in 1963 as 520, with a student population of 70,057 compared to 10,268 in 1946

⁷¹ Education in Malaysia: Prepared by the Educational Planning Division, Ministry of Federation Malaysia.

The educational policy since independence has been designed to provide the maximum educational opportunity to all children. In order to achieve this goal, secondary schools were increased in number both in urban and rural areas, technical and vocational facilities were expanded, teacher training programmes were extended by the establishment of teacher training colleges at Kota Kinabalu and Sandakan and more scholarships were provided for higher education.

In accordance with the national policy, the medium of instruction in schools was gradually changed to Bahasa Malaysia from English beginning with primary one in 1970. By 1980, all secondary classes up to Form V had Bahasa Malaysia as the medium of instruction.

The increase in the number of schools, the number of children both in primary and secondary levels made between 1963 and 1980 can be seen from the tables given below.

TABLE 1⁷²

NUMBER OF SCHOOLS OPEN (1946-1963)

YEAR	GOVERNMENT	MISSION	CHINESE	OTHERS	TOTAL
1946	48	43	51	2	144
1947	60	45	52	8	165
1948	66	56	63	8	193
1949	65	58	73	8	204
1950	70	59	77	12	218
1951	71	58	82	8	219
1952	73	62	86	7	228
1953	70	68	81	14	233
1954	80	67	81	21	249
1955	84#	69	79	30	262
1956	86#	69	81	46	282
1957	87#	70	82	49	288
1958	90	81	88	74	333
1959	92	87	89	86	354
1960	95	91	89	104	379
1961	98	118	86	130	432
1962	116	121	90	158	485
1963	146	121	116	136	519

"Including Kent College and The Trade School"

Source: State of Sabah; the Annual Summary Report of the Department of Education 1963 p. 33.

⁷² *State of Sabah; Annual Summary Report of the Department of Education 1963, p. 33.*

TABLE II⁷³

NUMBER OF SCHOOLS IN SABAH, 1963-1980

YEAR	PRIMARY	SECONDARY	TECHNICAL & VOCATIONAL	TOTAL
1963	489	30	1	520
1964	527	36	1	564
1965	556	42	1	599
1966	590	55	2	647
1967	623	62	2	687
1968	652	75	2	729
1969	674	84	2	760
1970	695	85	2	782
1971	704	93	2	797
1972	738	100	2	840
1973	759	100	2	861
1974	775	88#	2	865#
1975	780	91##	2	873##
1976	803	94##	2	899##
1977	811	96##	2	909##
1978	818	97##	2	917##
1979	825	100##	2	927##
1980	840	103##	3	946##

NOTES: # Out of this figure, 13 Secondary schools which used both Bahasa Malaysia and English as separate mediums considered themselves as 26 schools; but now they are considered 13 schools only.

Out of this figure, 33 Secondary schools still run two medium of instruction. Bahasa Malaysia and English.

Section B

Policy, Legislation And Administration

For nearly a quarter of a century after the formation of the Chartered Company, the Government of North Borneo left the missions and private agencies to run their own educational

⁷³ Education Department Statistics Division, 1980.

institutions. Financial assistance to the mission schools was introduced in 1907 and the Government adopted a more positive approach to education. Taking the policy of the Straits Settlements as its guide, the Government decided to engage directly in education. In 1909, an Education Department was formed. This department was under the supervision of the "Protectorate and Secretary of Chinese Affairs". Inspectors of schools were appointed for the east and west coasts, to ensure that government grants were properly used.⁷⁴ In 1913 a person with a Cambridge M.A. degree who was fluent in Chinese was appointed Chief Inspector of Schools for the State.

The Government gradually began to establish control over education. In 1919, the Government enacted the "Supervision of Alien Missionaries Ordinance". Aliens in this Ordinance referred to any person other than a British subject or a citizen of North Borneo. By this Ordinance, special restrictions were enforced on aliens engaged in missionary or educational work in the State. Subsequently, this Ordinance was repealed in 1932 by the "Registration of School Teachers Ordinance". The new ordinance meant that admission of alien missionaries to the State and their subsequent movements and activities were governed by the ordinary laws of the State only. This also put an end to the discrimination which had existed between the missionaries and other members of the community in matters of administration. The main features of this Ordinance were the appointment of a Registrar of School Teachers, registration of schools and the powers of the Inspectors.⁷⁵ Another feature of the Ordinance was the provision that all persons who were already holders of a teaching permit could at the time of the implementation of the ordinance be issued with a valid permit to continue teaching.⁷⁶

⁷⁴ Tregonning, *op. cit.* p. 175.

⁷⁵ Ordinance No. 4 of 1932, Aug. 5, 1932. *Sabah State Archives*

⁷⁶ *Ibid.*

In 1922, D.R. Maxwell, the Inspector of Schools submitted a report on extension of educational facilities in North Borneo. He divided the problems of education in North Borneo into two sections:

- (a) Education of the Natives and
- (b) Education of others, mainly Chinese.

Maxwell reported that other than the work done by the Roman Catholics on the West Coast very little had been done among the natives. Since the Government had then only opened a few vernacular schools, Native Education should be of a primary and elementary nature to start with,⁷⁷ but increased facilities could be obtained from private enterprise, mission and government.

Maxwell further suggested that it would be advisable to concentrate on the Interior, West Coast and Kudat Residencies, the reasons being that the large majority of indigenous natives were there and that the population of the Sandakan and East Coast Residencies was largely composed of Sea Bajaus and Sulus who were of migratory instincts. Maxwell felt that the secondary education, even though far from advanced, was a more expensive undertaking, but a strong plea for its consideration should be given when the Government was considering increased expenditure on education, as the indirect benefit to the State from such an institution would be considerable.

Different people held different views on the need and growth of native education in North Borneo. Sir Richard Dane in his report on education in 1911⁷⁸ had the following to say, "I am not making any proposal for the formation of an Education Department. So much expenditure is necessary to develop the country and promote the material welfare of the native, that I am doubtful if the Court will be able to afford the expense that will be involved in the establishment

⁷⁷ D.R. Maxwell's Report 29/5/1922. Sabah State Archives

⁷⁸ Richard Dane: Report on Education 1911. Sabah State Archives

of a separate and expensive department. The missionaries have established schools in Sandakan and Jesselton, which are assisted by Government grants. If enquiry shows that the demand for English education at these places is insufficiently met by these, schools should be placed under the supervision of the District Officer. It will show that there is a genuine demand if parents are willing to pay moderate fees to have their children taught".

Following the pattern adopted by the Government of North Borneo before the Second World War, one notices the keenness of the Government to take a leading role in education. The Court of Directors in their various despatches had expressed their deep regret and disappointment with the backward condition of the education in the country.⁷⁹ Education of the natives was given the first consideration by the Government and the non-native education was only given secondary importance.

After North Borneo became a Crown Colony one of the first steps taken for education was the appointment of the first Director of Education, Mr. R.E. Perry. The next major step taken by the Government was the enactment of the Education Ordinance on 17th April 1947⁸⁰ to provide for the development and regulation of education. Some of the important clauses included in the Ordinance are the definition of the various types of schools, establishment of an Advisory Committee, registration of teachers and schools, inspection and Control of Schools.

The administration of the Education Department was increased in the early 1950s. The Department had a Director of Education, a Senior Education Officer, Inspector of Schools, a Woman Education Officer, three Supervisors of Vernacular schools and two Supervisors of Chinese schools.

A new Education (Amendment) Ordinance came into force in 1956. In addition to the various clauses of the

⁷⁹ *Court of Directors: Despatch No. 754 of 21. 7. 1921. Sabah State Archives*

⁸⁰ *Colony of North Borneo: The Education Ordinance 17/4/1947. Sabah State Archives*

1947 Ordinance, some of the important aspects were the duty of the Director of Education to superintend education in the Colony, and the establishment of a Board of Education and Local Education Committee. Among members on the Board of Education were the Secretary for Local Government, the Financial Secretary, the Director of Education, the Residents, three Nominated Members of the Legislative Council (appointed by the Governor) and three Representatives of Missions operating in North Borneo (appointed by the Governor on the nomination of the Head of each Mission). The Board of Education was set up to co-ordinate all factors of educational activities, expansion and planning. The Board of Education was encouraged further by the work of the Local Education Committee. The Colony was divided into fourteen School Areas each of which had a Local Education Committee, comprised of persons able and willing to work to overcome the problems of education in their respective locality.

The Governor referred in the Legislative Council to the formation of the Board as a step forward in the sphere of education. The Board of Education functioned effectively and contributed to the development of education in the State. The Chairman of the Board, (the Secretary of Local Government) Mr. G.L. Gray at the inaugural meeting⁸¹ stated, "The needs of the Colony could best be met by a system under which a Board of Education as the chief instrument of Government in the field of education informed by and operated through the Department of Education on the one hand and the Local Educational Committee on the other, could itself evolve, and modify from time to time, the particular arrangements which the conditions at any given period might require". The main responsibility of the Local Education Committee was to advise the Director of Education on matters concerning the promotion, administration

⁸¹ *Minutes of the Board of Education First Committee meeting held on 5 December, 1956.*

and management of schools and the welfare of pupils. Both the Board of Education and the Local Education Committees were well received by the general public especially in the districts, as the local dignitaries, Native Chiefs and headmen contributed valuable suggestions for the improvement of education.

In reviewing the education system of the 1950s, it is probably correct to say that the Government made efforts to bring into closer relationship the five facets of education, namely:—

- (a) Government schools in which, with few exceptions, the medium of instruction was Malay;
- (b) Mission schools, most of which used English as the medium of instruction;
- (c) Chinese schools run independently by the Chinese communities with the intention of preserving and fostering their traditional culture;
- (d) Native voluntary schools which were sponsored by the Government;
- (e) Estate schools provided by large estates for the children of their employees, the languages used being Malay or Chinese.

To keep abreast with the demand for education among the indigenous races, the Board of Education recommended the recruitment of experienced teachers from more advanced countries in South-East Asia. The duties of these specialist teachers included both the teaching of English in Malay medium schools, and the training of locally trained teachers in the English Language and teaching methods.⁸²

The Board also recommended that the teaching of English should begin in Primary I instead of Primary III in Malay Medium Schools. By 1960 there was growing demand for English as the medium of instruction. Many of the local

⁸² *North Borneo Annual Report 1958*, p. 25.

people even sent their children overseas for education. The Board of Education at one of its meetings⁸³ recommended that consideration should be given, where possible to the teaching of certain 'key' subjects through the medium of English from Primary IV onwards in Malay medium schools. Arithmetic and other subjects which require the use of a technical vocabulary might on an experimental basis, be taught through the medium of English.

The separate streams of Malay and Chinese at the Primary school level were united, through a transition or 'bridge class' system for pupils who wished to enter English secondary schools. This was started in 1957 with the intention of unifying the three different streams. By this system, depending upon their proficiency in English, pupils spent one or two years in such classes, after which they entered the English medium lower secondary schools. The Chinese schools were allowed also to carry on in Chinese medium in the lower secondary classes and pupils, after having obtained the Junior Certificate in Chinese, were permitted to enter the 'Remove Class' for a year and then join the upper secondary in English.⁸⁴

The Board of Education in 1960 made the following recommendations to the government for implementation.⁸⁵

- (a) the early introduction of a unified salary structure for all teachers in grant-aided schools;
- (b) greater security in teachers' appointments;
- (c) the introduction of retiring benefits;
- (d) the establishment of standard rates of school fees and of remissions;
- (e) an effective grant-aid scheme to meet deficiencies and guarantee the payment of the new salaries;

⁸³ *Op. cit.* Board Meeting 14/12/1964.

⁸⁴ Wong Hoy Kee, Francis: *Perspective. The development of education in Malaysia and Singapore*, p. 48.

⁸⁵ *op. cit.* Triennial Survey 1958-60, p. 4.

- (f) the levying of an education rate, or cess on land;
- (g) the establishment of a Central Education Fund, into which these rates would be paid, to provide for the development of primary education.

These recommendations were for the improvement of conditions affecting teachers in grant aided schools and financing of primary schools. In 1962, arrangements were introduced to provide standard scales of salaries for all teachers in grant aided schools, and to grade the teachers according to their qualifications, length of experience and responsibilities.

Sabah was perhaps the only State in Malaysia which had its own state Board of Education and Local Education Committees to advise the Government on various aspects of education. When Sabah joined Malaysia in September 1963 the Sabah Education Department became part of the Federal Ministry of Education. The Sabah Education Ordinance Cap 164 of 1956 was subsequently replaced by the Sabah Education Ordinance No. 9 of 1961. But under the inter-Governmental Agreement on the formation of Malaysia, Sabah retained interests in educational policy for some time. The Sabah Education Ordinance No. 9 of 1961 was declared a Federal Law in 1965.⁸⁶

In the First Malaysia Plan (1965-70) the State Government laid out a fivefold objective for expansion of education. These were to provide primary school education for all children, build more secondary schools in rural areas, provide for technical education and to extend facilities for teacher-training. Objectives of the Education Policy of Sabah under the Second Malaysia Plan (1971-1975) were the same as the FMP with emphasis on Bahasa Malaysia as the medium of instruction.

The Third Malaysia Plan was a period of consolidation,

⁸⁶ *Education in Malaysia 1974: Prepared by the Educational Planning & Research Division, Ministry of Education, Malaysia, p. 51.*

with the need for national integration and unity.

When Malaya achieved independence in 1957, one of the stipulations made in the constitution was that English would be replaced by the Malay language as the Official Language in 1967. When Sabah joined Malaysia in 1963, the question of the Official Language was discussed and it was resolved by an Act of Parliament that Sabah and Sarawak could continue to use English as the Official Language till 1973. However, in 1969 a circular from the Chief Minister's Department Sabah, addressed to all heads of departments, instructed that English was to be replaced by the National Language with effect from 31st August 1973. When Peninsular Malaysia was preparing to introduce Malay as the medium of instruction in primary one in 1970, the then Chief Minister of Sabah decided to follow suit in Sabah also. This was officially announced in 1969.⁸⁷

The year 1976 saw a further integration of the education system within the national framework. The Education Act of 1961 was extended to Sabah as on January 1, 1976. With this, the (State) Public Services Commission ceased to be responsible for the control of posts and promotions of staff in the Department and the Director of Education became an Officer who was directly responsible to the Federal Ministry of Education. The power which was originally vested with the Public Service Commission (State) was transferred to the Education Service Commission, but the Board of Education and the local Education Committees continued to function on an advisory level.

The administrative and supervisory staff of the department now consists of the Director of Education, the Deputy Director, eight Assistant Directors, six Regional Education Officers, and twenty six District Supervisors of Schools.

⁸⁷ *Sabah Times*, 23/12/1969.

Section C

1. Female Education

In 1891 the Roman Catholics started a girls' school, St. Mary's Convent⁸⁸ in Sandakan, while the SPG mission in Sandakan opened a girls' school, St. Monica's in 1903. From the records, out of a total number of 450 students in mission schools in 1905 there were 94 girls.⁸⁹ The educational reports for 1911 show that in Sandakan these were still the only two girls' schools — St. Monica's School and St. Mary's Convent.⁹⁰ These schools were periodically inspected by R.G.L. Horton, the then Inspector of Schools. In his report of 1912 Horton stated that at "St. Monica's Girls School there were present 21 infants, 8 in standard I, 13 in standard II, 7 in standard III and 4 in standard IV, 6 were absent. One Miss Butcher was in charge, assisted by one Miss Tildesley. The teaching throughout and the general standard of knowledge is good. She had gained the absolute confidence of her girls and their parents, who were almost entirely Chinese. The school was very cleanly kept, but the sanitary arrangements left much to be desired."⁹¹ At St. Mary's Convent "there were three girls in class IV, three in class III, twelve in class II, ten in class I and thirteen infants.

On a visit to Semporna in 1919 the East Coast Resident inspected the school, which was built near the mosque. It was a building of the usual type with a large verandah as a school room and quarters for the master. There were 17 pupils, 13 boys and 4 girls.⁹²

In his letter on 25.7.1929 to the Government Secretary the Resident reported that he had received applications from

⁸⁸ *The date of opening of St. Mary's Convent was 1887. The list of schools in Sabah, published by the statistics Division of the Educational Department 1980.*

⁸⁹ *op. cit. Triennial Survey 1958-60*

⁹⁰ *North Borneo Official Gazette, Dec 3, 1912, p. 363. Sabah State Archives*

⁹¹ *Ibid, Sabah State Archives.*

⁹² *Resident's letter dated 25/6/1919, No 264/18. Sabah State Archives.*

Tawau that girls be admitted to Government vernacular schools. The Menumbok school also attracted girl pupils.

There were very divergent views on the whole question of female education in the State. Very few girls were privileged to study in boys' schools.

The Resident of the West Coast in his letter to the Government Secretary, Sandakan⁹³ in 1936 disclosed that there were only very few girls who were pupils of vernacular schools in the Residency. At Tambunan there was one, at Papar one, and at Jesselton four. "Girls have been admitted to the Jesselton Vernacular School on the condition that they may not remain beyond the age of 12 years. Of the four girls at the school one was said to be 14 years, two nine years, and one eight years. The one aged 14 years had been at the school for 3½ years and would leave that week". He further reported that the old women of the villages were a great obstacle to change. "In many ways the women can and do lead; it is therefore apparent that it is important to educate them". But he had a word of advice not to have native girls educated along-side boys under male teachers. The objections raised by a Senior School Master of that school, were "(a) it is very difficult for him to judge the age of a girl; (b) puberty is sometimes reached early and may not be known to the master; (c) an accident would greatly damage the school and the school master would be blamed and probably accused; (d) the constant presence of girls, however young, is liable to arouse 'dirty talk' (his impression) among the boys; and (e) he thinks that some of the boys' parents dislike the presence of girls in the boys' school". In the light of these objections, the Resident suggested that "no girls may enter the Vernacular Schools for boys in future and that all the present entrants must leave the school at the end of 1936".⁹⁴

⁹³ *West Coast Resident's letter to Hon. Government Secretary No. 565/36/2 dated 14/9/1936. Sabah State Archives.*

⁹⁴ *West Coast Resident's letter, 14/9/1936. Sabah State Archives.*

He also suggested that a feasibility study be made for opening a girls' school when funds were available.

Though the admission of girls to boys' schools was done with his knowledge and consent, the Government Secretary felt it was not possible to override the objection of Mr. Smith (Resident, West Coast) to the system of co-education. The Government Secretary thus instructed the Resident to take necessary steps accordingly so that the existing girl pupils may be told to leave by the year and no more may be admitted until further notice.⁹⁵

In a despatch dated January 29 1937⁹⁶ the Governor stated that "I am fully alive to the importance of female education marching *pari passu* with male education for, quite apart from the all-important health considerations involved, I have seen elsewhere the unhappiness which results when the male receives some education and female none. The chiefs and people also seem to be alive to the importance of the girls receiving some education as I am often asked for a girls' school, and, in the absence of any such institutions, girls were occasionally admitted to the boys' schools – a very undesirable arrangement which I have stopped with effect from the 1st January last. Given the necessary funds, I have no doubt that suitable school-mistresses could be obtained from Malaya; and that such schools would be of inestimable benefit to the rising generation more particularly if hygiene, child welfare, and the cultivation and preparation of food-stuffs were leading features of the curriculum."

But in spite of the definite instructions from the government, some girls still continued to study in the boys' schools. During the Governor's inspection of the Sandakan Vernacular School in May 1937, he noticed that there were a number of girl pupils still attending it. He ordered that "instructions given may be now modified to the extent that girls can be

⁹⁵ Government Secretary's letter to Resident West Coast No. 1704/9/8 dated 28/9/1936. Sabah State Archives.

⁹⁶ H. E.'s Despatch No. 47, dated 29/1/1937. Sabah State Archives.

allowed to attend the Vernacular Schools up to the ages of 10 or 11, but that after that age they must not be permitted to attend in any circumstances".⁹⁷

It should be noted that this special privilege of admitting girls to boys' schools was not extended to the West Coast Residency. Thus the Government Secretary in 1937 instructed the Inspector of Schools that the practice of admitting girl pupils to vernacular schools should for the present be confined to the Sandakan and Tawau Schools only.⁹⁸ The Inspector of Schools in his reply⁹⁹ stated that "all the girl pupils formerly in Jesselton and Papar Vernacular schools were discharged before the receipt of your letter".

The Inspector of Schools as per instructions from the Governor submitted to the Government Secretary estimates for opening a Vernacular School for girls at Papar in 1941.¹⁰⁰ By 1940 it was estimated that there were 20,000 boys and 19,000 girls of school age.

"At the end of 1930 there were 21 Government Vernacular Schools in the State and these provided elementary education for some 1,000 native boys. Facilities for this form of elementary education are being increased annually but it is evident that for a long time to come the funds that are likely to be available, from the Chartered Company's resources, for education, will be required for continued expansion of Vernacular schools for boy pupils. It is very desirable, however, that a commencement be made, if financial assistance can be obtained, in the education of native girls without diverting funds from the steady programme of expansion of Vernacular Schools for boys".¹⁰¹

97 *Government Secretary's letter, No. 1704/29/11, dated 21/5/1937 to East Coast Resident. Sabah state Archives.*

98 *Government Secretary's letter No. 1704/29/16, dated 13/9/1937 to Inspector of Schools, Jesselton. Sabah State Archives.*

99 *Inspector's letter to Government Secretary E. D. No. 138/37/5. Sabah State Archives.*

100 *Ibid.*

101 *Governor's letter No. 04561/35 to the President B. N. B. Co. dated 18/9/1940. Sabah State Archives.*

The Governor proposed that "if assistance can be obtained from the Colonial Development and Welfare Fund, Vernacular schools for girls be established at five selected places in the State over a period of five years, that is to say, one such school a year. The capital cost of each school is estimated at \$1,000 and the annually recurrent expenditure at \$2,000 a year for each school."¹⁰²

The question of the place where the first girls' school should be opened evoked great interest and difference of opinion. The Education Officer expressed his opinion that "While I in no way opposed the establishment of a vernacular girls' school at Bingkor, yet I am still of the opinion that the initial girls' school should be opened in a coastal area, where conditions are not very dissimilar from those prevailing in Malaya. Once experience had been gained about the practical working of such a school, expansion in the Interior would not be difficult."¹⁰³

But the Resident, West Coast held a different view¹⁰⁴ "I am in favour of a girls' school being opened in 1941 and recommend that the initial school be opened at Bingkor. After discussion with Native Chief Majakir I am of opinion that the Muhammedans of Papar do not wish to have their girls educated as Majakir informed me that at the most ten girls might attend if a school is provided. OKK Sedoman has a list showing a total of 63 girls would be forthcoming if a school is opened at Bingkor . . . The girls would all be pagans and quarters for a school mistress would be available".

As a result of further enquiry by the Resident, he sent a subsequent letter to the Government Secretary,¹⁰⁵ in which he said: "I informed His Excellency that since the despatch of my letter of the 24th April 1940, when I reported that

¹⁰² *Ibid.*

¹⁰³ Education officer's letter to Government Secretary E. D. No. 32/40/14 dated 25/4/1940. Sabah State Archives.

¹⁰⁴ Resident's letter to Government Secretary ROWC No. 177/40/8 dated 24/4/1940. Sabah States Archives.

¹⁰⁵ *Ibid.* No. 177/40/14, dated 13/6/1940. Sabah State Archives.

Native Chief Majakir had advised me that a girls' school at Papar would not be welcomed by the natives, enquiries have been made direct from village headmen that as a result I have received a list of 37 names of girls who wish to attend the school. In view of this interest I now consider that the initial school be at Papar instead of Bingkor as if the school mistress is a Malay it is unlikely she would be content to remain at Bingkor. Of the 37 names submitted 31 are Muslims and 6 are Pagans. A suitable site for a school is available, and if the wife of Che' Ismail is appointed I presume Che' Ismail would be transferred to Papar where there are teachers' quarters".

The Native Chiefs were keen to get something initiated and passed the following resolution:¹⁰⁶ "That Government should be asked to consider the provision of schools for native girls with women teachers and that, if this is not practicable girls between the ages of 7 and 12 should be permitted to attend Vernacular Schools".

Great strides were made in female education after the Second World War. The Roman Catholic Mission built some more convent schools while the other missions and private agencies continued to admit girls in co-educational schools. The Government schools also admitted girls in all schools.

The following data gives an indication of the rapid growth in the field of female education in the State.¹⁰⁷

Year	No. of pupils	No. of boys	No. of girls
1905	450	356	94
1947	14,052	10,579	3,473
1963	70,057	42,881	27,176
1980	204,377	109,801	94,576

¹⁰⁶ *Extract of Minutes of Native Chief Advisory Council held at Sandakan on 2/11/1941. Sabah State Archives.*

¹⁰⁷ *Compiled from data available at Education Department, Sabah, Statistics Division.*

2. Secondary And Higher Education

The first formal school of any kind in North Borneo was started in 1883. By the turn of the century there were well established primary schools run by mission bodies. But it took nearly fifty years after the granting of the Charter before secondary education made a beginning in the State. In the 1928 Report mentioned earlier¹⁰⁸ it was stated that education was entirely primary and that no secondary schools existed at that time although the Roman Catholic Mission had erected a building that year in Sandakan in which it was hoped to provide facilities for secondary education. By the start of the war there were seven mission schools with secondary classes up to Overseas Junior Certificate level in addition to the primary schools.¹⁰⁹ Chinese-medium schools of that period also had four junior secondary classes.¹¹⁰

Even as late as 1937, the Government authorities were not very keen to teach English in Government vernacular schools. In 1937, the Governor stated¹¹¹ that the mission schools were producing more boys fitted for clerkships than the country required.

As soon as the war was over, mission bodies resumed secondary classes and opened new ones. In 1948 there were 242 pupils including 48 girls studying in the mission and Chinese secondary schools.¹¹² After 1952, secondary schools were required to provide a five year course leading to Cambridge Overseas School Certificate Examination,¹¹³ and these schools became full secondary schools. In 1957 the Government opened the first Government Secondary

¹⁰⁸ *State of North Borneo, Administration Report, 1928.*

¹⁰⁹ *Ibid.* 1947.

¹¹⁰ *Ibid.* 1947.

¹¹¹ *Extract of H.E.'s Address to Native Chiefs (Council held on 11/5/1937)*
Sabah State Archives.

¹¹² *op. cit. Administration Report, 1948.*

¹¹³ *Colony of North Borneo, Annual Report 1953, p. 76. Sabah State Archives*

School with a science bias, in Jesselton.¹¹⁴ Records show that there were 15 boys and 6 girls in the Form VI class.¹¹⁵ This was Sabah College. In 1962 another Form VI class started at All Saints' School, Jesselton, with an enrolment of 16 students. The La Salle School, Jesselton, and St. Mary's Sandakan, also started Form VI classes. Several Chinese-medium schools also started Senior Middle (Secondary) courses. By 1980 there were seven Form VI schools in the state.

For a very long time there were no facilities for post-secondary education in the state. Students requiring university and allied courses went to Peninsular Malaysia or overseas. Different agencies such as the Colombo Plan, the Colonial Development and Welfare Fund, the Asia Foundation and the British Council assisted in giving aid to selected people. At present there are two institutions, branch campuses of the Mara Institute of Technology (YS-ITM) and University Kebangsaan which provide higher educational facilities for a limited number of students. Others desiring higher education still go overseas.

3. Technical Education

Technical Education is a relatively new phenomenon in the State. The first trade school, the Government Trade School, was started in Menggatal in 1949,¹¹⁶ offering a two year course in carpentry. In 1954 the Trade School was moved from its *kajang* and *attap* premises at Menggatal in to permanent accommodation at Batu Tiga, Jesselton.¹¹⁷ In 1955 in addition to the carpentry course, a motor mechanics course was also introduced.¹¹⁸

In 1961 the Jesselton Trade School introduced an electrical installation course and in 1962 two more courses. Fitting

¹¹⁴ *Ibid* 1958, p. 80. Sabah State Archives

¹¹⁵ *op. cit.* Educational Survey 1958-60, p. 42.

¹¹⁶ *op. cit.* Annual Report 1950, p. 70. Sabah State Archives

¹¹⁷ *Ibid*: 1945, p. 74. Sabah State Archives

¹¹⁸ *Ibid*: 1955, p. 65. Sabah State Archives

and turning, welding and blacksmithing were introduced. A Specialist Trade Centre was established in Sandakan in 1965 to provide courses for local tradesmen. The Likas Vocational School was opened in 1969, an upgraded replacement for the former Trade School. It was established with assistance from the New Zealand Government under the Colombo Plan. The Specialist Trade Centre in Sandakan was also upgraded to Vocational School in 1976 to cater for full time trade courses. A third vocational school was opened in Keningau in 1980.

The schools provide a three-year course in seven trade areas:— electrical installation, motor mechanics, heavy plant fitting, building, construction (Carpentry), fitting and turning, radio and TV servicing, and welding/sheet metal work.¹¹⁹ All are full time three year courses. The Sandakan school also provides a two year course in commerce. The minimum entry qualification is a pass in the Sijil Rendah Peperiksaan (equivalent of Sabah Junior Certificate Examination). At the end of these courses students normally take school examinations and more of them appear for the Sijil Peperiksaan Vocational Malaysia (equivalent of a secondary school certificate).

4. Teacher Training

In the early 1920s, when the Government decided to take a more active role in education, the Governor A. C. Pearson requested Dr. R. C. Winstedt, the then Director of Education for the Federated Malay States to induce a few teachers from Malaya to be recruited to North Borneo. He recruited two young teachers in 1921 and two more teachers were brought the next year. Till the beginning of the Second World War, the main source of recruitment of trained teachers was from the Sultan Idris Training College, Perak. Some of the local vernacular-school teachers were also trained in Sarawak.¹²⁰

¹¹⁹ *Op. cit. Education in Malaysia 1974*, p. 62.

¹²⁰ *op. cit. M. H. Baker*, p. 77.

At the end of 1940, there were only 53 Government Primary School teachers, of whom approximately one-third was recruited from Malaya, the rest being natives of North Borneo. Many of them were ex-vernacular school boys without teacher training.¹²¹

The acute shortage of trained teachers after the Second World War made the Government realise the urgent need of starting a scheme for training primary school teachers in the Colony. In 1952, the Government built a teacher's Training College, with money from the Colonial Development and Welfare Fund, at Tuaran, twenty two miles from Jesselton. Initially the college was accommodated at the Government Trade School, Menggatal in April 1952. Later it was shifted to the new site in Tuaran and was formally opened in October 1952 by H. R. H. the Duchess of Kent, who named it Kent College.¹²² The college was originally intended to provide accommodation for 72 men and 24 women students, selected from Primary V and Primary VI of the Government Primary schools, who would undertake a two-year course and finally graduate as teachers for the Government vernacular schools. But the first intake was of untrained but experienced teachers, mostly head teachers or teachers with more than five years' experience. They were provided with a one-year special course, but this course was discontinued in December 1956. The training course was then extended to a three year course for Government Primary School graduates.

In the middle of 1953, Chinese-medium students were enrolled for a training course which was open only to those who had at least a three-year secondary education. The courses for teachers in English schools began in 1958. The minimum qualification for entry was a North Borneo Junior Certificate or its equivalent.

In order to train the staff of Chinese secondary schools, some young men who had completed their middle school

¹²¹ *op. cit.* Administration Report, 1940. Sabah State Archives

¹²² *op. cit.* Annual Report, 1952. Sabah State Archives

education (6 years of secondary education) in North Borneo were sent to Chung Chi College, Hong Kong. After training at Chung Chi College they were required to enroll in a teacher training programme for one year at Northcote Teacher's Training College.¹²³ Professional training for secondary school teachers had been obtained from overseas. Scholarships were offered to students to pursue their diploma or degree programme in the teaching of English in Australia, New Zealand, Canada or the United Kingdom under the sponsorship of the Colombo Plan or Colonial Development Fund.

In June 1962, a training centre for teachers in Native Voluntary schools was opened in Jesselton. The centre provided intensive courses in basic teaching for a period of six months for these teachers. The successful teachers were absorbed into the Government Service but they were posted to the schools from which they had come. These Native Voluntary Schools eventually became Government Schools.

A new Teacher Training College, Gaya College, Jesselton was officially opened by the last British Governor of North Borneo, Sir William Goode.¹²⁴ Originally the College was planned to admit 120 students a year, 90 for the General Primary Course and 30 for the Junior Secondary Course. Students holding a North Borneo Junior (English) Certificate were admitted to the General Primary Course while the Junior Secondary Course was intended for students holding the Cambridge School Certificate or its equivalent.

A significant development took place in 1971 when the college also started a Malay Medium Unit with 30 students with Sijil Pelajaran Malaysia (SPM) qualifications. They were trained as General Purpose teachers for the Junior Secondary Schools in the Malay-medium classes. In 1972

¹²³ Dr. Hasbullah Mohd. Taha, *"The Perceptions of Educational leaders in the State of Sabah, concerning Teacher Education. A thesis submitted for his Doctoral Degree at the Graduate School, Southern Illinois University, Carbondale, p. 43.*

¹²⁴ *op. cit.* Annual Report 1963.

an intensive in-service course in Bahasa Malaysia lasting six months was conducted for 30 students, who were already trained to teach in English-medium Primary schools, to train them to be able to teach in the medium of Bahasa Malaysia. From 1975 onwards this course was conducted in Kent College, Tuaran, for Secondary School teachers. From 1975 the medium of instruction in Gaya College for Junior Secondary school teacher trainees was changed to Bahasa Malaysia.

To enable untrained teachers with a few years teaching experience to undergo teacher training, a special programme was introduced in 1977. Under this programme such teachers were given training during each of the three school holidays for three consecutive years.

A third training college was opened at Sandakan in May 1974 with a similar training programme to that in Gaya College.

In addition to these three training colleges, the Department at present organises in-service courses of short duration in different subjects such as modern mathematics and integrated science, as and when it is necessary.

5. Education System

The Education System in the State has passed through a series of evolutions over the last century. When the Chartered Company started its activities in the State, mission bodies from Europe also sent their missionaries to the country with the idea of teaching and preaching.

In the schools run by missionaries, both English and Chinese were taught, whilst Chinese schools taught only in the Chinese medium.

The Government schools used Malay as the medium of instruction. By the 1920s, there were three media of instruction, English, Chinese and Malay.

This pattern continued till 1957. With the intention of unifying the three systems, a transition of 'bridge class' system was introduced.

After Sabah obtained its independence in 1963, this system was changed gradually. As Bahasa Malaysia became the official language of the country, the teaching of it was intensified. In 1970, all primary one classes in the English-medium schools used Bahasa Malaysia as the medium of instruction for the first time. Subsequently, by 1975, all English primary schools had completely become Malay medium schools. In 1976, Bahasa Malaysia was introduced as the medium of instruction in all Form I classes, thus continuing the process of changing all English medium schools to Malay medium schools by 1980. In 1980 in Form 5 all students sat for the SPM (Sijil Pelajaran Malaysia). In 1982, instead of the Higher School Certificate Examination, students will appear for the Sijil Tinggi Persekolahan. At present Chinese-medium primary schools continue to teach in the Chinese medium. Thus the 'bridge class' system still functions in the case of students from Chinese medium primary schools.

The present school system can be divided into the following sections, pre-school education, primary education, secondary education. The pre-school education was very much left to private agencies for a very long time. After the Education Act of 1961 was extended to Sabah, it became necessary for kindergarten and nursery schools to be registered.

6. Examination System

For a very long time after the introduction of formal education by mission bodies and private agencies, pupils were assessed by internal examinations conducted by the respective schools. There was not much uniformity in the setting or marking of papers. It is not sure when the common examinations were started in the State. But there were competitive examinations ever since the inception of the Chee Swee Cheng Scholarship.¹²⁵ Records show that in the 1915

¹²⁵ Extract of letter from Labuan and Borneo United Opium Farm dated 21/1/1913.

examination for this scholarship, there were 18 entries. The same system of competitive examinations applied to the other three types of scholarships viz. Government Scholarships, Government Native Scholarships and the Wee Guan Toh Scholarship. There was another examination conducted by the government, the 'Government Learners Examination' as early as 1919. In that examination of 1919, 14 candidates appeared out of which 5 passed. These were appointed to the clerical service of the government.¹²⁶ This examination was conducted twice a year, usually in July and December. Owing to the lack of vacancies in government service, no examination was conducted in 1932 or 1933.¹²⁷

One notable progress made by the mission schools before the Second World War was the submission of candidates for the Cambridge University Syndicate Examination. Records show that between 1933-39, 75 passed the preliminary examination, 46 passed the Junior Examination and one the Overseas School Certificate Examination.¹²⁸

In 1949, five of the mission schools entered pupils for the Junior Cambridge Examination, the first time it was held since the war.¹²⁹ The Overseas Junior certificate Examination was continued till 1953.¹³⁰ This examination was discontinued after 1953, after which students sat for the Overseas School Certificate Examination (Form V). Though there were no Form Six classes in any secondary school in the state in 1957, 37 ex-pupils took the General Certificate of Examination of the University of London that year as private candidates.¹³¹

In 1957, the Department introduced an examination for pupils who completed the third year of their secondary education in Chinese Schools.¹³² Also the North Borneo

¹²⁶ *Op. cit. Administration Report 1919. Sabah State Archives*

¹²⁷ *Ibid. 1933.*

¹²⁸ *Overseas Education Vo. 28 No. 4, 1957.*

¹²⁹ *op. cit Annual Report 1949.*

¹³⁰ *Ibid. 1953.*

¹³¹ *Ibid. 1957.*

¹³² *Ibid. 1958.*

Examination Board was formed and the control of this examination, the North Borneo Junior Certificate, passed into the hands of this body. Students in Chinese and English-medium schools entered for the examination on completion of the Junior Secondary course.¹³³ After the introduction of Form VI classes in secondary schools, pupils sat for the General Certificate of Education Examination.

Since the formation of Malaysia, the system of examination in Sabah also followed the Malaysian pattern. The North Borneo Junior Certificate Examination ceased to exist after 1972. From 1973 LCE/SRP (Lower Certificate of Examination/Sijil Rendah Pelajaran) examinations were conducted. From 1974 only SRP examination has been offered for the Junior Secondary school level. For the Primary school level the Government Primary VI examination continued till 1978, after which the primary V assessment examination replaced it. In the Senior Secondary schools pupils sat for the Overseas School Certificate Examination till 1977 and during the years 1978 and 1979 Malaysian Certificate of Education examination was conducted. In 1980 the Sijil Peperiksaan Malaysia became the school leaving certificate examination. At the Form VI level the Higher School Certificate Examination still continues till 1981, after which Sijil Tinggi Persekolahan will take its place.

The department continues to supervise and conduct all external examinations of various universities, both academic and professional.

7. Scholarship

The idea of scholarship was mooted by Mr. Chee Swee Cheng,¹³⁴ as early as 1913. Mr. Chee Swee Cheng sent an

¹³³ *Ibid.* Annual Report 1958.

¹³⁴ Mr. Chee Swee Cheng was a philanthropist, banker and businessman. He was the Chairman of the Overseas Banking Corporation Ltd., Singapore and Manager of General Spirit and Opium Farm in North Borneo.

amount of \$1,000 to the government as an endowment to the English schools at Sandakan, the interest from which there was to be awarded yearly a scholarship, called the 'Chee Swee Cheng Scholarship' to the best scholar under competitive examination, either boy or girl irrespective of nationality, and barring previous winners.¹³⁵ Subsequent to this endowment, he made further endowments of \$500 and \$2,000 in 1917 extending the facility to the West Coast and Interior Residencies. The value of the scholarship was \$120 per annum.

The first examination for a Government scholarship was held in January 1930. The value of the scholarship was \$240 per annum which was tenable for not less than one year at an approved school, after which the holder, at the option of the government, might be required to join the Government service.¹³⁶ In 1933 the government introduced a new system for the award of Government Scholarships whereby a sum of \$180 was payable for the first year, the grant being increased to \$240 if the scholarship was extended for a second year. The scholars were required to pass the Cambridge Preliminary Examination towards the end of the second year.¹³⁷ In 1935 the government introduced another type of scholarship, the Native Scholarship, which was first awarded to a pupil from the Jesselton Vernacular School for three years, to attend All Saints' School, Jesselton.¹³⁸

Thus before the beginning of the Second World War, there were four types of scholarship, namely the Government Scholarship, Government Native Scholarships, the Chee Swee Cheng Scholarship and the Wee Guan Teh Scholarship.

The Native scholarship continued to be awarded only to native students. There are now other scholarships such as the Shell Scholarship Bank Negara Scholarship, the Kwan

¹³⁵ Extract of letter sent from Labuan and Borneo United Opium Farms dated 21/1/1913.

¹³⁶ *op. cit.*: Administration Report 1933. Sabah State Archives

¹³⁷ *Ibid.* 1935. Sabah State Archives

¹³⁸ *Ibid.* Sabah State Archives

Hui Sheung Scholarship and the Petronas Scholarship, for secondary education. Some of the many scholarships awarded for higher education were from the Colombo Plan, the British Council, and the Colonial Development and Welfare Fund.

As a result of the Liberation Educational Trust Ordinance of 1953,¹³⁹ Liberation Educational Trust Scholarships were made available to citizens who were born in the State of Sabah. The scholarship was awarded annually and was given for every year of Secondary School education from Bridge class to Form VI. The Sabah Foundation which was established in 1966 offers many scholarships.¹⁴⁰ These include secondary school scholarships for needy students in Sabah schools, scholarships to selected Sabah students who are then sent to Peninsular Malaysia for their secondary education and scholarships and loans for higher education in Malaysia and overseas.

8. State Aid For Education

It would appear that from the beginning the Chartered Company decided to give State Aid only to those schools run by the S.P.G. They received subscription or educational grants from the Government but the schools run by the Roman Catholic and other missionary bodies received no such aid.

The Government of North Borneo used to ask the missions to supply the Government with the numbers of students attending their schools.¹⁴¹ The Roman Catholic Mission in Labuan was not keen to supply this information on the grounds that the mission was not receiving any grant from the government.¹⁴² As a result of petitions from the Roman

¹³⁹ *Liberation Education Trust Ordinance of 1953.*

¹⁴⁰ *Sabah Foundation in the Development of Sabah; published, Sabah Foundation 1979. p. 3.*

¹⁴¹ *The Government Secretary's Letter No. 1074/05 to the missions.*

¹⁴² *Letter from Roman Catholic Mission, Labuan 3/7/1905.*

Catholic and other missions, a new method was devised for the distribution of Capitation Grants. The implementation of this system was sometime in 1907.

One of the reasons for the Capitation Grant Aid was the desire on the part of the Government to avoid charges of partiality or, probably more properly to aid the educative work performed by missionary bodies of different denominations. So with the introduction of the Capitation Grant System the principle of equality of all Christian denominations for the purposes of subsidies was adopted.¹⁴³

The Capitation Grant then was distributed from a total for the state amounting to \$1,140. In 1911 the Court approved fixing the Grant per head at \$1.50 per half-year but limited the amount payable in 1911 to \$1,800.¹⁴⁴

On October 6, 1913 the Governor decided to increase the grant to English schools for boys in the higher standards (VI and VII). The Inspector of Schools was asked to state his views which he submitted as a proposal on 24.3.1914. This was approved by the Governor on 27.4.1914. The approved rates, payable half-yearly, were:—¹⁴⁵

	In English schools
Below Standard II	50 cents per 100 attendances ¹⁴⁶
Standard II	\$2 per 100 attendances
Standard III	\$3 per 100 attendances
Standard IV	\$4 per 100 attendances
Standard V	\$5 per 100 attendances
Standard VI	\$6 per 100 attendances
Standard VII	\$7 per 100 attendances

¹⁴³ *Borneo Despatch* 144 para 4 dated 11/3/1911.

¹⁴⁴ *Report on State Aided Education prepared by D. E. Ingle dated 27/6/1939.*

¹⁴⁵ *op. cit.* *State Aided Education Report* para 4.

¹⁴⁶ *Payment per 100 attendance is based on the annual attendance. For e.g., a class with 12 pupils working for only a month receives the same amount of grant as a class with one pupil working for twelve months of the year.*

But the rates payable to mission schools teaching only Chinese or Dusun was \$1.50 per 100 attendances.

1922 saw a slight change in the rates paid. Monsignor Dunn petitioned that "the Government Capitation Grant be doubled in respect of the two Junior Classes vis. Primary and 1st Standard." This was approved on 21.2.1922.¹⁴⁷ The payment was half-yearly.

A further change took place in 1928, it was as follows:

Standard I	\$1.25 per 100 attendances
Standard II	\$2.00 per 100 attendances
Standard III	\$3.00 per 100 attendances
Standard IV	\$4.00 per 100 attendances
Standard V	\$5.00 per 100 attendances
Standard VI	\$6.00 per 100 attendances
Standard VII	\$7.00 per 100 attendances

Chinese and Dusun \$1.25 per 100 attendances.¹⁴⁸

The Capitation Grant system was again revised and the Inspector of Schools recommended a return to a system of Block Grant payments. On 10.9.1930 the Governor fixed the amounts of the Block Grants as follows:—¹⁴⁹

S.P.G. Mission	\$2,000 per annum
R.C. Mission	\$3,600 per annum
Basel Mission	\$2,000 per annum
Others	\$ 250 per annum
	<u>\$7,850 per annum</u>

This method was agreed upon as a 'trial of the Block Grant system'. After the first trial period of three years on

¹⁴⁷ *op. cit.* State Aided Education Report, para 6.

¹⁴⁸ Though the new suggestion was approved, the grants for 1929 and the first half of 1930 were calculated at the old rates vis. \$1 for English standards below II and \$1.50 for Chinese and Dusun schools.

¹⁴⁹ *op. cit.* State Aided Education Report, para 7.

September 25, 1933 it was extended for a further period of three years. The Government gave the approval on 3.10.1933.¹⁵⁰

At the conclusion of the second three years period, the Block Grant system was extended for another period of three years as from 3rd October 1936.¹⁵¹

Before the next revision which took place before 2nd October 1939, the Government decided to withdraw the second half year grant to Ping Ming School, Jesselton. The amount voted for 1939 was \$8,000.¹⁵²

The summary of payments by the Government whether in the form of Capitation Grants or Block Grants is given below.¹⁵³

The above figures do not include the special payments of \$1,714 (£200) made to the S.P.G. School at Sandakan and, since 1935, to the R.C. school at Sandakan, nor do they include ex gratia donations made by the Government from time to time to school building funds or for purchase of school books.

After the Second World War, the pattern of giving grants to schools was changed. R. E. Perry in his report¹⁵⁴ made the following recommendations:-- (i) that the principle of paying grant-in-aid to mission English schools based on Teachers' salaries on approved scales be recognised, (ii) that each mission should appoint an educational secretary who would act as the mission's representative in all educational matters and, (iii) that the principle of paying non-recurring grants towards capital expenditure on approved buildings should be recognized. He further recommended that Chinese Public Schools also should be included in this scheme.

With the implementation of the 1961 Education Ordinance¹⁵⁵ a unified salary scheme for teachers in grant-

¹⁵⁰ *Ibid.* para 8.

¹⁵¹ *Ibid.* para 11.

¹⁵² *Ibid.* para 12.

¹⁵³ *Op. cit.* Perry, paras 135-137.

¹⁵⁴ *Perry op. cit.*

¹⁵⁵ *Op. cit.* Annual Report 1961. p. 179.

SUMMARY OF GRANTS FROM THE GOVERNMENT
1908 - 1940

Year	Total paid	R. C. Mission	S.P.G. Mission	Basel Mission	Others
1908	1,140.00	598.54	340.82	200.64	-
1909	1,140.00	558.48	366.12	215.40	-
1910	1,140.00	534.20	335.44	270.36	-
1913	2,314.76	899.34	550.49	864.93	-
1914	3,061.36	1,002.52	832.84	1,226.00	-
1915	3,153.72	1,037.02	1,006.07	1,110.53	-
1916	3,245.28	1,059.33	1,001.41	1,184.54	-
1917	3,461.61	1,255.82	1,179.13	1,026.66	-
1918	3,440.38	1,267.28	1,246.66	926.44	-
1919	3,554.74	1,416.68	1,219.68	818.38	100.00
1920	3,176.36	1,451.90	1,090.27	639.19	-
1921	3,353.39	1,543.69	971.99	787.93	49.78
1922	5,005.06	2,605.21	1,337.56	932.18	130.11
1923	5,694.68	2,986.17	1,601.02	999.91	107.58
1924	6,103.30	2,966.39	1,515.77	1,472.66	148.48
1925	6,084.11	2,913.09	1,287.14	1,769.01	114.87
1926	6,332.54	3,206.03	1,218.49	1,773.49	134.53
1927	6,095.41	3,162.31	1,454.78	1,363.99	114.33
1928	6,852.14	3,334.23	1,743.09	1,498.92	275.90
1929	7,728.18	3,537.56	1,957.91	1,946.07	244.64
1930	7,980.57	3,788.82	1,944.88	2,079.83	167.04
1931	7,700.00	3,600.00	2,000.00	2,000.00	100.00
1932	7,700.00	3,600.00	2,000.00	2,000.00	100.00
1933	7,700.00	3,600.00	2,000.00	2,000.00	100.00
1934	7,700.00	3,600.00	2,100.00	2,000.00	-
1935	7,800.00	3,600.00	2,100.00	2,000.00	100.00
1936	7,800.00	3,600.00	2,100.00	2,000.00	100.00
1937	7,800.00	3,600.00	2,100.00	2,000.00	100.00
1938	7,800.00	3,600.00	2,100.00	2,000.00	100.00
1939	7,750.00				
1940	10,750.00				

Note: Information regarding 1911 and 1912 not available.

aided schools was introduced. This legislation included new salary structures, standardised fees and remissions and grant-aid regulations concerning the disbursement of the Central Education Fund. After Sabah joined Malaysia in 1963, financial administration of the department came under the Federal Ministry of Education from 1965. However, between 1965 and 1976 the State Government gave financial

subsidies for native scholarships and purchase of primary school text books. Also at present Sabah Foundation is supplying free school books, stationery and school uniforms to all school pupils in the State.

CULTURAL PROGRESS AND THE ARTS

by
Johan M. Padasian

WHEN we talk or write about the social progress of any community or nation, there seems to be a tendency to make certain evaluations based mainly on our own personal concept of 'progress'.

To those of us who have been brought up under Western influence, as most of us are today, progress can mean an evolution towards a more civilised way of life with all its antecedents and attendant connotations. And yet, what do we actually mean by "civilised"?

Are we more civilised today because we wear shirts and trousers made of fine cloths and drive cars than were our ancestors who, a century ago, were said to have worn loin-cloths made of the bark of trees and walked barefooted across roadless mountains? Even today most of the indigenous people still walk barefooted across mountains without roads.

It has been a great tragedy for Sabah to have had no local writers among its indigenous population to record the history of their people with their own perceptions and interpretations of events as they witnessed or saw them. What materials we have today are all written by Europeans whose value judgments are undoubtedly coloured by their own preset views and idiosyncracies. We have to rely heavily on narratives of events or incidents as seen through the eyes of Europeans who might or might not have obtained first hand information. In some cases, it is possible that the European writers' interpretation of events might have been inaccurate owing to problems of translation. It is perhaps worth noting here that some Kadazan or Murut or even Bajau words simply

do not have their precise equivalent in Malay or English – hence the infusion of Malay words in the Kadazan and Murut vocabularies today.

Nevertheless, in this paper I shall attempt to evaluate our social progress based on information recorded by such authors as Owen Rutter as well as on oral narratives by elderly people. Thus this article will be a review of certain social practices, customs and beliefs held mainly by some of the major tribes of Sabah as these can be of some assistance in enabling us to draw certain conclusions on the major social changes which may be interpreted as progress or otherwise for our people.

Social practices, customs and beliefs

Long before the arrival of the Europeans on our shores, the people of Sabah were already a potpourri of many races, each living within its own communal system and environment. As the colonialists were wont to remind us, there was in fact no system of government although some of the various native tribes, mainly coastal and riverine, were nominally tributaries of either the Sultan of Sulu or the Sultan of Brunei. Hostilities among and between some of the various tribes seemed to be rampant and the practice of head-hunting the order of the day.

Owen Rutter made a convenient distinction between the various native tribes by calling one group "pagans" and the other "non-pagans". The latter were the coastal inhabitants, the chief of whom were the Bajaus, the Illanuns, Obians and Suluks. Although they were often described as pirates and marauders who preyed on the vulnerable shipping lanes around Borneo, they were nevertheless, the first to have been converted to Islam which was brought to our shores probably in the 14th Century by Arab traders from Sumatra or Malacca. Thus they could be said to have been the first group of tribes in Sabah to have had some concept of a social order based on Islamic teachings. Many abandoned their sea-faring way of life for the more peaceful pursuit of agriculture on the

plains of the Tempasuk Valley near Kota Belud and along the coastal areas from Kumanis to Tawau. The more adventurous of the group, however, continued their sea-going way of life, landing intermittently to plunder for food or for slaves. Even today Sabah waters are still not completely free of these pirates and attacks are still being made by them despite the presence of marine and naval patrols.

Under Owen Rutter's classification of "pagans" are the two major tribes of Sabah today namely the Dusuns or Kadazans and the Muruts. While most of the Dusuns/Kadazans lived on the coastal plains and the hills along the West Coast of Sabah, the Muruts were mostly confined in the interior around Keningau and Pensiangan. They were described as "pagans" because they had no religion as the Europeans knew it. In fact, of course the Dusuns/Kadazans and the Muruts did have their respective "religions" but their concepts would have been completely different from those of the Christian or the Muslim religions.

The environment under which both the Dusun/Kadazans and the Murut tribes lived appeared to have been crucial factors in determining their social pattern and mode of living. On the coastal areas where the Dusuns/Kadazans had more frequent contacts with foreigners including Chinese traders and where the land was fertile and easily cultivated, they appeared to have grouped together under a closely-knit family unit where they could not only help each other with the daily chores but also for their collective protection.

On the other hand, the Kadazans/Dusuns and Muruts who lived in the hills and in the interior areas of Sabah's vast jungles pursued a more adventurous type of existence. They subsisted on what the jungle could provide in the way of fruits and wild game and practised rice cultivation on a shifting cycle. Later on, both of these tribal groups would form themselves into a community and build longhouses for mutual help and more importantly, for protection against other tribes or groups who might have been hostile to them.

Headhunting

Perhaps the most important social practice that distinguished the Kadazan/Dusun and the Muruts from the non-pagans and earned them the distinction of being called "pagans" which was synonymous with being "uncivilised" was headhunting. This was an essential adjunct to the social and communal life of both these tribes. It was a test of a person's manhood to be able to hunt down or overpower an enemy and to cut off his or her head as a trophy or proof of his prowess. Apparently no Kadazan/Dusun or Murut maiden would marry a man unless he could produce a head or better still a number of heads. These heads that were collected were carefully preserved either by boiling or by smoking. These were then hung up on rafters in the house after appropriate rites have been performed by priestesses accompanied by much drinking of *tapai*.

There has been no evidence to indicate that the Kadazan/Dusun or Murut headhunter practised cannibalism. Nevertheless, there is evidence to show that sometimes the Kadazan/Dusun headhunter would buy a slave from the Sulu pirates for sacrificial purposes or just for his head with which to impress or to win the hand of a maiden. The purpose of the sacrifice apparently was to appease the various gods in which the Kadazan/Dusun or Murut believed, such as the god of padi, the god of diseases, and so on. There appeared to be a certain brutality in the way victims were used for sacrifices. The unfortunate victim was tied to a pole and to the rhythm of gongs and drums, the Kadazan/Dusun men and women apparently poked sticks or spears at the victim each time uttering messages for the victim to carry to their departed relatives.

After repeated beatings and poking with spears, the victim would die and his head would be cut off. There appears to be no record on what happened to the body after the head had been taken but it can probably be safely assumed that it was buried with appropriate rites being performed again by the priestesses.

The Priestesses

An important member of the Kadazan/Dusun or Murut society was the priestess. Even today they are still available, albeit in diminishing numbers, for consultations on all kinds of human problems or illnesses. They are to the Kadazan/Dusun or Murut what the witchdoctors are to the Africans or the Red Indians.

The priestess held sway in all ceremonies concerning birth, death, illness, planting or harvesting. After birth the priestess is called in to invoke the blessings of the Almighty and to provide appropriate "barriers" against any untoward events or unfriendly ghosts that might conceivably harm the child. After death, she is called upon to provide guidance to the departed soul for the long trek to Mount Kinabalu, the resting place of all souls. No planting could be started unless the priestess had made all the necessary invocations and "blessed" the padi or the plant. Similarly, no harvesting could begin unless she had offered a noisy prayer of thanks and cut the first padi-stalk. On occasions when a person was sick, she was called upon to find out from her friendly spirit what caused the sickness and what appropriate gifts or rites could be made to appease the offended and malicious spirit. Sacrifices would be the order of the day and the evil spirit would be exorcised.

The incantations and invocations had all been learned through apprenticeship. A high priestess would start teaching her understudy by reciting lines that were handed through generations by word of mouth. Since the Kadazan/Dusun or Murut people did not have a written language, this was the only effective way. A promising pupil would be one who could not only recite the incantations accurately but also one who could be "possessed" through what seemed to be a self-hypnotic trance quickly.

An apprentice might take between three to seven years before she could "perform" on her own. During these years she would accompany the high priestess on all major occasions where the high priestess would need one or two assistants.

The apprentices would oversee the preparations for the prayers, briefing the family who called in her high priestess to do the performance, on what to do, what materials were needed, when to beat the gongs and so on. Sometimes, the high priestess would also ask one of the apprentices to "start" the ceremony so as to pave the way for her to communicate with the departed soul or the guardian of the family concerned. The language used by these priestesses appears to be different from normal Kadazan/Dusun dialects. Some say it is the ancient Kadazan/Dusun language; others claim it is the language of the "spirits".

Nonetheless, the priestesses often interpreted them for the people who called them in. In cases where a family may wish to communicate with a dead relative, the dialogue between the priestess and the spirit of the dead could be clearly understood although certain words would be in spirit language. Metaphors were also often used and the dead spirit more often than not did not refer to himself as having been dead but as someone who had taken a long journey to another world in another dimension.

It is interesting to note here that in communicating with the dead, the priestess would appear to "travel" a long way by boat, by rafts or on foot over hill and dale. The priestess would also appear to be guided by her own "friendly spirit" who would also ensure her safety along the rough road to wherever the place was. It would appear that some mischievous "spirit" also often put obstacles in her way while in some cases there appeared to be other spirits of the dead who were wandering about aimlessly unable to find peace and rest. Hence if you were to witness a *bobohizan* in action you would hear a lot of crying in different voices.

It is interesting to note also that the priestess would carry on a dialogue with a number of "spirits of the dead" in different voices. Some priestesses do it so well that one would think that the person "speaking" were different although one knew very well that the priestess herself was

the "medium" through which the "spirits of the dead" spoke.

The priestesses are not paid any fixed "fees" for their services. However, they may be given "donations" in cash or in kind. For short incantations to help exorcise evil spirits from, say, a sick person, the "donation" may be a few dollars or one or two gantangs of rice. For a ceremony lasting the whole night, she may be given more rice and portions of the pig or chicken that have been slaughtered. For *Magavau*, the Head priestess may be given one bandu of padi and a leg of pig or buffalo while her assistants may each be given half of this. Normally the gifts to the Head priestess and her assistants depend very much on the generosity of the person or family who called them in to perform.

Religious Ceremonies

There used to be three great religious ceremonies which the pagan Kadazans/Dusuns used to observe. The highest order was the *Moginakan* which was celebrated after completion of a longhouse or, as they progressed towards a less communal way of living, a big individually-built house. The house-owner or the owners of the longhouse usually were people of substantial means or property with an abundant supply of buffaloes, pigs, chickens and rice. The writer himself had the privilege to attend probably one of the last *Moginakans* observed in the Penampang district in 1953. The occasion was observed for seven days and seven nights and food and tapai flowed freely.

Where a longhouse or an 'ordinary' house occupant might not be a person or persons of substantial means, there was lesser-scale celebration which he was obliged to observe. This was called *Magaang* and might last only a day and night or at the most three days and three nights. The reason for these celebrations was the same — to give thanksgiving to the Almighty Creator and the *Bambaazon* (spirits) — for the successful completion of the house/longhouse and for the abundant harvest of the preceding years as well as to seek

blessings for a peaceful life in the house and a bountiful harvest during the succeeding years. It is actually the equivalent of today's housewarming party. Housewarming parties nowadays which are observed by almost every house-owner entering a new house are less significant than the *Moginakan* or the *Magaang*.

Harvest Festival

The second important ceremony which was observed was the annual harvest festival called *Magavau* which was also held to give thanksgiving to the *bambaazon* (spirit) of the rice. This was also a traditionally religious ceremony although, since 1954 when the late Tun Fuad Stephens successfully sought and obtained recognition for a Kadazan harvest festival, the priestesses who took part in the public government-sponsored celebrations were more or less decorative and did not actually perform any religious rites although they went through the "routine" of it.

Nonetheless, the *Magavau* is still an important event among the Kadazans/Dusuns for it evolves around the padi, their staple diet. In the Penampang area, there is a traditional head person who must start all padi planting and harvesting. He is not the ketua kampong but it has been a tradition that he and only he had the right to decide when to start planting and when to start harvesting. When he starts harvesting, he has to call in a priestess to go to the rice field and say prayers to the spirit of the rice. The priestess starts with incantations which in effect tell the spirit or *bambaazon* of the rice that she had come to reap the padi and to take home the *bambazon*. She would start by taking seven stalks of padi which she would carefully tie together and toss behind her for the other "spirits". Then she would take another seven stalks, tie them together with a padi straw, and place them on a bamboo stick. She would then plant the stick with the padi stalks in the middle of the padi field and there form a circle of padi around the stick. This circle may not be harvested until the whole rice-field has been reaped.

In the old days, Kadazans/Dusuns in the Penampang and Papar districts used to harvest their padi on a gotong royong so that in one day they may harvest a whole field. Thus when the field has been harvested, the circle of padi is also reaped while the stick on which the stalks of padi are placed is taken home. While doing so the priestess would inform the *bambaazon* that she was taking it home to the granary. The padi that was used to circle the stick in the first instance is normally separated from the rest of the harvest because the padi derived therefrom is used for "planting seeds" to be used in the next rice planting season. The significance of the seven stalks of padi which the priestess takes home and places in the family granary is based on the belief that the *bambaazon* would oversee the padi in storage and ensure that the family has enough to eat for the rest of the year.

Nowadays, it has been noted that the age-old tradition of mutual self-help (*Mogitanud* in Kadazan) or gotong royong has been largely abandoned, thus making it difficult for the small family with a large holding of rice-fields to get its padi harvested quickly. Although the introduction of mechanisation by the Government has to some extent alleviated this problem, there are limitations to the application of mechanised harvesting or planting.

An important feature of all these religious ceremonies was the tremendous amount of tapai that was made freely available. The orgy of drinking would go on even after the ceremonies had been completed and while the tapai was still potent and available, very few would think of going home. In the Penampang and Papar districts, tapai drinking was not as refined as it was in the interior such as in Keningau. The tapai on the plains and coastal areas were generally diluted with water and served in either bamboo cups or glasses. The Kadazans/Dusuns of Penampang and Papar also distilled the diluted tapai to make "arak" or samsu — a more potent and almost 100 per cent proof spirit. The tapai in Keningau, on the other hand, is tapped directly from the bottom of the jar through bamboo reed through which one had to suck

until the water level at the mouth of the jar reaches the mark of the tarap leaf which is placed just about three inches below the mouth of the jar. This form of tapai drinking is still practised in Keningau and other areas in the interior.

Because of their drinking sessions, the Kadazans/Dusuns and Muruts were often found to be indolent and sometimes neglected the family padi plot. It was said that the Kadazans/Dusuns and Muruts often used up to three quarters of their rice for tapai and had to supplement their diet with tapioca or yam and sago. In some cases this often resulted in hardship for the family, especially those with young children who more often than not suffered from malnutrition due to low protein diets.

The end of World War II and the handing over of the State by the Chartered Company to the Colonial Office, however, seemed to have changed the social habits of the Kadazans/Dusuns and Muruts insofar as they appeared to have kicked the hard-drinking habit. This could probably be attributed directly to the spread of education and the work of the Christian missionaries who were able to convince them that drinking was a social evil. Nowadays, very few Kadazans/Dusuns or Muruts can really be described as hard drinkers.

Although the Kadazans/Dusuns and Muruts sometimes were under the jurisdiction of and paid tributes to the Sultans of Sulu and Brunei respectively, it would appear that they were quite isolated from the coastal tribes, who, as mentioned earlier were already converted to Islam.

Nevertheless, there was also considerable friction between them not only because the coastal tribes used to make raids on their villages for slaves and exacted tributes and taxes from them but because the Kadazans/Dusuns and Muruts were rather fond of hunting the heads of the raiders. However, during the early days of the Chartered Company, it would appear that the Kadazans/Dusuns and the Muruts were not adverse to joining forces with the Muslim coastal group to fight against what they considered were injustices perpetrated by the White Man. Thus, we know that out hero Mat

Salleh, for instance, was able to recruit a large number of Kadazan/Dusun and Murut warriors who travelled with him throughout the length and breadth of North Borneo, as Sabah was then called, to fight the Chartered Company.

There were also occasions when both groups wanted to meet in peace in order to barter trade. The Kadazans and Muruts had jungle produce such as damar, fruits, tobacco, vegetables and rice which were needed by the coastal tribes while the latter have salt, salted or fresh fish, cloths and other "luxuries" from the outside world.

"Tamu"

Thus "tamus" were organised where each group could meet for a day or two to barter trade at some designated place. Apparently there was an inviolate agreement between them not to fight during the designated period and place. This agreement was made during a solemn ceremony where the leaders of both parties swore on a "Batu Sumpah" or Oath Stone where sacrifices in the form of buffaloes and pigs were slaughtered and where prayers were performed. There is much evidence of these batu sumpahs which are also known as megaliths in the Penampang, Kota Belud and Papar districts. Some can still be seen right in the middle of rice-fields in Penampang although the present generation do not seem to know what they were erected for, nor what significance they hold in their history. At some period of time, these megaliths must have been erected on the wide open space where the tamus were held because in this way neither party would be able to surprise the other if, for instance, someone thought of betraying the other. This is probably indicative of the deep distrust that each held for the other. On the other hand, there has been no stories of betrayals or double-crossing by either party. Indeed, it would appear that for a few days before and after the tamus "safe-conduct" or "safe passage" was guaranteed to both groups of traders. After this it must have been open season for headhunting or slave-raiding again.

The tamu has continued to be an important commercial event especially for the kampong folks who often find good bargains from Chinese, Bajau or Pakistani traders who may also buy their produce. Although the tradition of the tamus remains insofar as the peace is always upheld, the transactions have progressed very far from the barter-trading of the old days. In fact tamus are now so commercialised that some feel that it is cheaper to buy one's vegetable requirements from the supermarket than to buy at the tamu. But, believe it or not, tamus are fun to see and watch and there is always the off-chance that one may be able to get some really rare jungle produce such as wild honey or a good chunk of wild game. These are much sought-after both by the natives as well as the Chinese who live in the town areas and have very rare opportunities of finding them anywhere else. Needless to say all transactions at these modern tamus are strictly on cash basis. Whereas the Kadazan/Dusun might have traded his padi or chicken for salt-fish or a few yards of cloth from the Bajau or Chinese tamu vendor and vice-versa, nowadays both parties have to use cash. That is how far we have progressed in this field. One thing we can readily discern from the tamu is the fact that the natives have learned to count and to counter-bargain for anything that they may purchase. An important social consequence of the tamus has been the tremendous amount of goodwill and racial harmony that was generated by and within their confines. Hence the complete social and racial integration and the peaceful and friendly atmosphere that exist among the various races of Sabah today. There is no doubt that the "tradition" of the tamu, the friendly atmosphere that prevailed and the give and take attitude of the barter-traders have all contributed towards elimination of hostilities, distrust and ignorance.

It has been noted earlier that the megaliths were oath stones which were used to mark the sites of the tamu. Apparently oath stones were not confined to tamu. They were erected also to mark the end of hostilities between tribal groups. The British apparently took advantage of the natives'

deep-rooted awe for an oath, which, once taken, were binding on and deeply respected by all parties taking it. Thus, the Chartered Company officials made sure that when two hostile parties agreed to sue for peace and end their wars, the parties took an oath and the megaliths were erected to mark the occasion. It is interesting to note here that as recent as 1967, the Kwijaus and Muruts of Keningau took an oath to swear allegiance to the King and the nation of Malaysia. The oath stone marking this occasion stands almost right in the heart of Keningau town today.

An oath made by a Kadazan/Dusun or Murut was apparently taken very seriously and bound the oath-taker to refrain from carrying out anything which would cause him to break his oath. If any person doubted his word, he could also be challenged to undergo a test of water whereby he must be challenged by the strongest and most experienced diver who would stay under water for several minutes. If he were telling the truth, he would be vindicated by defeating the local kampung champion. On the other hand, if he told lies, he would either die or he would be defeated in which case justice would be meted out to him according to the local custom.

Today, this supposedly fool-proof test of a person's integrity has been replaced by justice at the native court or the Magistrate's court. Occasionally there are also oaths taken by cutting the head of a cockerel and drinking the blood but what effect this had on the person taking the oath is not quite clear. "Potong ayam" is, however, accepted as proof that a person is telling the truth and the person taking the oath can be vindicated. For the non-pagans such as the Muslims, besides taking the oath at the oathstone, they also took their oaths on the Holy Quran.

It is a tribute to the foresight of the British colonisers that they insisted from the very beginning on preserving the local social and religious customs of the native tribes of Sabah.¹

¹ *Clauses 7, 8 and 9 of the North Borneo Charter.*

As Professor K. G. Tregonning noted 'the pattern was set from the beginning' by Baron Overbeck in his instructions to William Pryer when the latter landed in Sandakan on 11 February 1878 which read, inter-alia as follows: "It will be your duty to cultivate friendly relations with the native authorities as well as with the people under your control, and any changes you may introduce should be effected gradually and with due regard to the existing customs and habits of the people. Conciliate them and secure their goodwill".²

Thus, while promoting their own self-interests which were to secure profits for the shareholders of the North Borneo Chartered Company, the colonisers were careful not to over-exert their influence lest the social order of the period were disturbed. As a matter of fact they introduced measures which were not only abhorrent to the natives but actually caused severe hardships such as the poll tax, the rice tax and so on.³ Nonetheless, the British tried to give the impression that they worked under the existing order of things by so-called consultations with or giving orders through established native headmen. By this method, they deflected direct responsibilities from themselves to the poor headmen on whom the onus of collecting the hated taxes etc rested. On the other hand, this indirect rule through the village headmen, ensured for the natives some control over their social customs and progress and thus we were spared some of the humiliations that were the hallmark of colonies elsewhere. The North Borneo Chartered Company even introduced the Native Advisory Council to advise the government on native affairs. The social progress of the natives of Sabah was therefore carried out at a slower pace and in accordance with what the village headmen felt they could concede to the colonisers.

However, by far the most potent and effective way of changing the social pattern of the natives, had been the intro-

² K. G. Tregonning: *Under Chartered Company Rule*. University of Malaya Press (1958) p. 103.

³ *Ibid* p. 59

duction of religion by Christian missionaries who managed to penetrate through the social barriers and age-old customs of the pagan Dusun/Kadazan and Muruts. Since the pagans were more numerous than the Muslims, the Christian missionaries concentrated their efforts towards spreading the Christian faith, its concepts and prohibitions to the Dusun/Kadazan and Muruts. These missionaries wisely left the Muslims alone since they were not only strong in their faith but were also fierce in their own way. Professor Tregonning in fact described them as already "more civilised than the pagans".⁴

The influence of the Christian missionaries, notably of the Roman Catholic and the Society for the Propagation of the Gospel (SPG) faith has indeed been tremendous in the overall social progress of the people of Sabah. These two, but especially the R. C. mission, were responsible for introducing not only religion but also education to the native pagans. In fact the R.C. Church on New Year's Day 1981 celebrated the Centenary of its establishment in Sabah which coincided with the Centenary Celebrations organised by the State Government of Sabah to commemorate the establishment of a social order and the formation of an orderly administration in Sabah.

The Christian missionaries, in order to spread their faith, had to communicate with the people. Hence it was necessary that in order to communicate, they had to organise some form of education which would enable the natives to understand and absorb their concepts of the Christian faith. For a long time, the R.C. Church, also took in a large number of orphans and taught them well not only in religion but in education. Thus the natives' social progress was quite fast as new horizons were opened to them through their education. It is not surprising, therefore, that the product of the mission schools today form the political leadership of the State as well as the backbone of the civil administration. On the other hand, the progress of the Muslim community had been some-

⁴ *Ibid* p. 103.

what slower owing to the absence or small number of schools which they could afford to attend. Government Primary Schools which were organised by the Chartered Company did not materialise until 1921. These were attended mainly by the Muslim children not only because they were free of charge but because they were not forced to study other religions as in the case of the missionary schools. Hitherto, the Muslim children were taught to read the Quran by their parents who probably taught them by rote from the original Arab traders who first spread the Islam religion to Sabah.

Until Independence through Malaysia in 1963, the mission schools played an important part in the education of Dusun/Kadazan and Murut students. In 1966 primary education became free and thus enabled every child of school-going age to obtain at least a primary education without cost to the parents.

Until Independence through Malaysia in 1963, the mission schools played an important part in the education of fine Dusun/Kadazan and Murut students. In 1966 Primary education became free and thus enabled every child of school-going age to obtain at least a primary education without cost to the parents.

Education has brought many social changes to the natives of Sabah. It brought about not only understanding of the ways of the world, but also led to the erosion of many of the social patterns of native life just as religion has also brought about a change in social values.

This is not a criticism of nor a lament for the changes. Some of these changes are inevitable in man's evolution to a so-called civilised pattern of living and are for the good of the community. Headhunting for instance was a social evil which was better abandoned than preserved. Awareness of and the adoption of moderation in drinking was another improvement. On the other hand, there has been a greater tendency for the family to break up into smaller units and the influence of the parents greatly eroded by independence of spirit and the need for sons or daughters to set up separate homes

with their respective families. Even marriage has become extremely personal. Even as late as twenty years ago, sons and daughters depended on their parents to find suitable life-partners. A young girl would not dream of going out with a young man without a chaperon or without a relative close at hand. I remember, just after the War, an incident where a distant cousin of mine had to marry a young man, even though she said she did not like him, because he held her hand and was seen by one of her relatives. Today such a gesture is considered common and would not merit a second glance. But in those days, it was considered the equivalent of "outraging" her modesty and the man had either to pay a "sogit" of one buffalo or to marry the girl. He chose the latter since the "sogit" was no less than what he would have had to pay to marry her. It was of course, possible that they set up the charade just so that they could get married without all the preliminaries required by Kadazan custom or adat. Today the pattern of courting and marriage has changed considerably. The concept of "going steady" before getting engaged is quite common. Some even set up home without going through the ceremony of marriage emulating the extreme in Western culture. On the other hand, some change seems good. In the old days, for instance, it was considered quite in order for a young girl to take up betel-nut chewing (siri, pinang and kapur) just as her mother and grandmother used to. Nowadays, we find very few young girls taking up this pre-occupation although some still take up smoking as a matter of course.

The social changes described are just brief outlines of the overall pattern of life that has been evolved during the past 100 years. These outlines are in fact sketchy but it is hoped that it will give readers an idea of the enormous change that has taken place over the century since the British came to Borneo and especially after the independence of Sabah through Malaysia.

As far as the arts are concerned, there seems to be no specific progress especially in the area of paintings among

the indigenous population. There does not seem to be any evidence to suggest that the Kadazans/Dusuns have taken up painting as a serious occupation. There are, however, some very fine works of weaving and wood-carvings utilising bamboos, rattan or the fronds of the sago palm. The *siriung* (siung) hat of the Papar Kadazans are artistically made and have splashes of colour. The *niru*, the flat circular tray for winnowing padi is also quite well made and in the case of the Muruts are woven in a distinctive and attractive patterns — consult the cheque or logo of the Sabah Bank! The Runggus and the Muruts seem to have taken up very seriously the art of beadwork which they incorporated in their dress but these were probably copied from the sea-faring people such as the Bajaus and the Suluks. The Bajaus have a thriving weaving industry especially in the Kota Belud area where they make colourful patterns for their *dastars* and jackets. These same *dastars* are also used by the Kadazans/Dusuns for their *siga* headgear. The Muruts also have some artwork for their headgear which was made of pinang frond and painted in bright colours with intricate patterns. It seems that the art of the Muruts has been heavily influenced by those tribes along the border between Sabah and Sarawak and Indonesia.

In the Sipitang — Sindumin area, the Brunei Malays have been engaged in producing very fine silver and copper jewelry pieces and ornaments. Even today, this industry is thriving although it is now feared that because of the few apprentices who are interested to take up this tradition, the industry may face extinction. There has been evidence of heavy foundry works carried out in the area too — perhaps producing the gongs which the Kadazan/Dusun, Murut, Runggus, Bajau and other indigenous tribes value so highly.

Although the Kadazan/Dusuns were fond of earthenware jars especially for brewing tapai and, in the old days, for burying their dead, there seems to have been no evidence that they had ever taken up the art. In this instance, we are quite separate from the Sarawak native tribes who appear to have made some interesting production of jars and vases.

The introduction of education to Sabah has brought with it vast opportunities for artistic creation but the real works of art either in painting, weaving or ornamental creations have been few and far between. The immigrant groups such as the Chinese, the Malays and the Indonesians (from Java) of course brought with them great artistic talents. We have such outstanding sons of the soil as Tuan Haji Murshidi Nambi, Mohd. Yaman Ahmad Mus and others but generally speaking the arts seem to have been relegated to a lower priority and hence the incentive for really creative works has not been conducive to warrant a full-time occupation by our artists. The only person who has taken up fulltime painting is Datuk Simon Yew. It is to be hoped that the rising generation of artists will carry on the tradition and bring about greater interest in the arts in all their forms.

CHAPTER 5
DEMOGRAPHY

by
Anwar Sullivan & Patricia Regis

DEMOGRAPHY

by

Anwar Sullivan and Patricia Regis

Background

The human race has a long history of continual migration. These migrations over thousands of years have changed man, his culture, and his environment.¹ In southeast Asia by the first millenium B.C., Malay peoples along with other related Mongoloids were established throughout the archipelago, having moved down from the East Asian mainland.

Migration, both recent and in the past, has played an important part in shaping the history, composition and growth of Sabah's population. Sabah's early immigrants settled on the coasts but were slowly driven inland by later arrivals of other settlers. The descendants of these displaced groups are probably the broadly classified Murut and Dusun/Kadazan groups. (Whether these early settlers came directly from the mainland or via the Philippines is uncertain. According to Hose & McDougall there are similarities between the Muruts and some tribes in the Philippines. The Tagals, for instance could be the Tagalas of the Philippines).²

Over the years these displaced people particularly the Murut groups remained isolated and primitive, insulated from outside influences.³ Later colonists, mainly mariners from Malaya and neighbouring islands settled on the coastal and riverine areas.⁴ Sabah's coasts were influenced on the west

¹ *Time Life Books, The Life and Wildlife of Tropical Asia*, p 172.

² *Hose & McDougall, The Pagan Tribes of Borneo, Vol II* p 47, 1912.

³ *O. Rutter, The Pagans of North Borneo*, p 32 1929, Y.L. Lee, North Borneo, A Study in Settlement Geography p 66, 1965.

⁴ *Ibid* p 66.

by Malaya and in the north and east by Sulu. But the remote tribes in the interior remained free from these incursions and invasions on the coasts.

Sabah's geographical and physical characteristics also discouraged subsequent conquests suffered by neighbouring islands. Although the State's long indented coastline provided easy entry by sea the difficult terrain and forest environment daunted any invasion. It also lay on the periphery of the main sweep of conquests from mainland Asia. Other islands in Southeast Asia however, were long and narrow that even the most remote areas were accessible from the coasts.⁵

When the Europeans arrived they found a heterogeneous often mobile coastal population though similar in culture and predominantly Muslim (such as Malays, Bajaus, Sulus, Bruneis, Illanuns, Indonesians), but who had little contact with the interior people who had remained largely pagan.

China has had contacts with Borneo for centuries through trade and diplomatic links. Numerous references in Chinese dynastic histories between 600 AD and 1500 AD report of embassies from Borneo. In Brunei annals there are also records of a Chinese colony/principality on the Kinabatangan River in the 14th Century. According to the genealogy of the Sultans of Borneo, the son of the first Sultan of Borneo (the term Sultan was used only after Brunei's conversion to Islam) either married a princess from the Kinabatangan or a prince from the Kinabatangan married the daughter of the first Sultan of Borneo and later became the second Sultan.⁶

The Chinese influence, however, remained largely secular, artistic and economic making little impact on the local population until the late 19th century and early 20th century.⁷

5 O. Rutter, *op. cit.*, p 33.

6 H. Low, *Selefilah (Book of Descent) of the Rajahs of Brunei*, Journal of the Straits Branch Royal Asiatic Society, No. 5 June 1880 p 1 - 33.

7 T. Harrison, *Gold and Indian influences in W. Borneo*, Journal Malayan Branch Royal Asiatic Society, Vol 22, pt 4, September 1949.

Even before the Chartered Company rule and the subsequent Chinese immigration there had been some intermarriage between the Chinese and various indigenous and indigenised immigrant groups. Spenser St. John in the 1860's found his guide to be a mix of "Baju (Bajau), Lanun (Illanun), Malay and Chinese".⁸ He also discovered "... many Bisayas, Muruts of Kalias, Padas, Membakut and Patatan who could speak Chinese fairly well, and who acknowledged their mixed descent from the Chinese and the Aborigines".⁹

By the 19th century the ethnic complexity of Sabah's population was already apparent. Intermarriage whether by force or voluntarily was common amongst the various ethnic groups on the coasts and on the plains. In raids pirates took many pagan women as wives. Slavery too promoted movements between groups. All these eventually led to shifts in ethnic boundaries.¹⁰ The difficulty in ethnic classification was already expressed by Spenser St. John when he saw people of mixed parentage "many intermarry, which renders it difficult to give a particular type for one race".¹¹

Ethnic differentiation among these groups was further complicated by changes at the socio-political level. Before the Chartered Company rule various ethnic and linguistic groups had been integrated at regional levels of Sultanates* — on the west coast, Brunei, and on the east coast, Sulu.¹²

Under the Chartered Company administration, the area was welded together as a geopolitical unit and was administered directly for the first time. As interest in the area was

⁸ S. St. John, *Life in the Forest of the Far East*, Vol 1, p 247, 1863.

⁹ *Ibid.*, Vol 11, p 239.

¹⁰ C. Sather, *Social rank and marriage payments in an immigrant Moro community in Malaysia*, *Ethnology* 6 : pp 97 - 102.

¹¹ S. St. John *op. cit.*, Vol 1, p 378.

¹² C. Sather, *op. cit.*

Writers Note: *The level of integration was very flexible depending upon the power of individual Sultans and seldom did it include the interior peoples.

mainly economic subsequent Chartered Company immigration policies for the purpose of exploiting the State's resources further contributed to the present ethnic complexity.

The First Census 1891

In 1887, the Acting Governor, William M. Crocker, in his report (dated November 1, 1887) estimated Sabah's population to be "150,000 people, some living absolutely in a state of nature, others cultivating the ground in a fugitive manner, whilst amongst the inhabitants of the East Coast were the pirates . . ."¹³

Four years later in 1891 the first official census was taken but was incomplete. The influence of the Chartered Company rule had yet to reach the remoter parts of the State. The interior was relatively unknown and had claimed the lives of two Chartered Company mineralogists and explorers, Frank Hatton and Franz Wittl.

The Census recorded 67,062 people but the actual population then was estimated to be between 110,000 and 130,000 people.¹⁴ However, from the 1911 results 20 years later the total in 1891 could have been as much as 150,000.¹⁵ A total of 208,183 people was recorded in 1911.

A cosmopolitan population was already evident. Migrants accounted for the large number of foreigners present in the towns. The Chartered Company's economic policy encouraged immigrants, particularly Chinese, for their "money making propensity would help to spell progress for the country".¹⁶

The tobacco boom in the 1890s had also brought in large numbers of Chinese labourers to work in the tobacco estates. The capital had by this time been moved from the sleepy hollow at Kudat to the bustling Sandakan, on the east coast.

¹³ *British North Borneo Handbook 1890* p 166.

¹⁴ *1891 North Borneo Census Report; Official Gazette, 1st February, 1892, p 23, Sabah State Archives.*

¹⁵ *L. W. Jones, The Population of Borneo, 1966* p 20.

¹⁶ *North Borneo Census Report, 1951, p 22, Sabah State Archives.*

Signifying the importance of Chinese immigration a group of Chinese Commissioners visited Sandakan in December 1887. Suitably impressed with the progress of the State and its close proximity to China, one member, a General Wong, stated that the main obstacle to a more rapid influx of Chinese labour in order to assist development was a lack of direct communication. After this Mr Crocker arranged for the establishment of a regular steamship connection with Hong Kong.¹⁷ Among the other immigrant population described in the 1890 British North Borneo Handbook were the Bajaus, or the Seagypsies, Sooloos, Bugis and Illanuns. Balagnini was a sub-division of the Bajaus. The indigenous groups were listed as Booloodoopy, Doompas, Eraans, Dusuns or Sundyaks divided into many tribes including the Roongas, Kooroories, Umpoolooms, Saga Sagas, Tambunuas, Tingaras, Roomanows and Tegaas. The book also recorded remnants of a tribe, "plentiful in bygone days", called the Sabahans who inhabited the region at Darvel Bay. They no longer exist as an independent ethnic community today "as by 1890 they had so mixed with the Eraans (Idahans) as to be almost indistinguishable".¹⁸

The 1981 Census was fairly detailed and revealed intriguing aspects of the population. The immigrant population was largely male. The male/female ratio for the Chinese population in the State was 6,474 males to 682 females. Few Chinese women had been brought in, so in the early days there was a certain amount of mixed marriages with native (indigenous) women.

In Sandakan, the chief port of entry for the immigrants, there was one woman for every three men (1517 females to 4833 males). Of the 129 Japanese in the State, 90 of them were living in Sandakan, and all but 15 of them were either prostitutes or brothel-keepers (4). There were also 73 Chinese prostitutes, 20 Chinese brothel-keepers, and 69 Chinese

¹⁷ British North Borneo Herald, 1888, May 1st, Sabah State Archives.

¹⁸ Handbook of British North Borneo, 1890, p 37.

TABLE 1

1891 CENSUS

Analysis of Nationality Age and Sex for the whole of the Territory reached by the Census

Nationality	Age.			Sex.			Total
	Under 15	Over 15	Not recorded	Male	Female	Not recorded	
British	23	137	...	122	38	...	160
Other Europeans	9	76	...	70	15	...	85
Eurasians	16	38	...	33	21	...	51
Africans and Arabs	1	8	3	8	1	3	12
Native of Northern Indian	3	253	...	250	6	...	256
" Southern "	6	57	...	54	9	...	63
Siamese and Kalantan . . . . .	...	27	...	25	2	...	27
Malays	79	1,388	21	1,272	195	21	1,188
Brunei Malays	1,319	2,185	42	1,805	1,699	42	3,546
Banjermassin Malays	26	348	...	306	68	...	371
Javanese	38	924	...	793	469	...	962
Bugis and Tidong Men	407	489	...	488	408	...	896
Dyaks . . . . .	...	435	...	133	2	...	135
Dusuns, Muruts, Kadayans, Bisayahs etc. }	10,765	17,143	6,258	14,079	13,742	6,345	34,166
Bajows	3,979	5,414	1,757	4,574	4,819	1,757	11,150
Sulu	966	2,312	455	4,790	4,488	455	3,733
Manilla	2	72	...	71	3	...	74
Chinese	441	6,742	...	6,474	682	...	7,156
Japanese	2	127	...	18	111	...	129
Not recorded	9	63	2,524	69	3	2,524	2,596
Total	18,061	37,938	44,060	32,434	23,481	44,147	67,062

TABLE 2
SANDAKAN (TOWN AND SUBURB) CENSUS 1891

Nationality	Age.		Sex.		Occupation																									Read & Write Total								
	Under 15.	Over 15.	Male	Female	Professional	Civil Service	Police and Watchmen	Traders	Clerks	Shipmen	Hawkers	Printers	Actors	Blacksmiths	Goldsmiths	Tailors	Shoe Makers	Carpenters	Block Layers	Sewers	Barbers	Butchers and Bakers	Dishies	Attap Makers	Fishermen and Boatmen	Seamen, Enginemen & Firemen	Prisoners	Charcoal Burners	Agriculturalists	Coolies	Servants, Gamblers	Brethel Keepers	Prostitutes	No occupation or no return.	Yes	Total		
British	17	97	86	28	8	18	3	15	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-	5	-	-	-	-	-	47	107	7	114
Other European	2	11	10	3	1	-	-	1	3	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	5	9	4	13
Eurasians	16	36	31	21	1	4	-	9	-	-	-	3	-	-	-	3	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	30	30	22	52
African and Arab	-	3	3	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	3
Northern Indian	2	139	136	5	1	-	85	11	2	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	5	-	2	10	4	-	-	-	8	22	119	141
Southern Indian	6	51	49	8	-	-	-	16	7	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	9	-	-	4	7	-	-	-	-	12	28	29	57
Saimen and Kalantan	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1	2
Malays	41	272	223	90	-	-	18	11	8	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	56	9	-	-	55	25	-	-	-	130	55	258	313
Brunei Malay's	83	310	224	169	-	-	7	5	3	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	21	12	6	-	94	8	-	-	-	232	25	368	393	
Banjermaesen	6	89	83	12	-	-	1	4	2	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	23	1	-	-	44	-	-	-	-	19	33	62	95
Javanese	10	229	196	43	-	-	3	21	-	-	-	-	-	-	-	4	-	1	-	-	-	-	-	-	3	24	9	-	-	65	45	-	-	-	64	23	216	239
Bugis	-	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	3	3	3
Dyaks	-	34	33	1	-	-	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	3	-	-	-	-	1	2	32	34	
Dusun Kadayans Muruts	-	26	31	3	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	2	10	-	-	-	9	9	25	34	
Bajows	54	113	28	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	7	-	-	62	-	-	-	-	97	-	167	167	
Sulu	364	997	771	590	-	-	52	1	-	-	-	-	-	-	-	33	-	33	-	2	-	-	-	235	75	9	6	-	202	5	-	-	-	739	16	1,345	1,361	
Mandila	1	43	42	2	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	5	3	-	-	-	8	5	-	-	6	4	-	-	-	6	3	41	44	
Chinese	167	3,028	2,797	398	10	-	6	273	122	88	29	-	47	35	15	57	16	303	4	78	27	13	23	-	57	23	81	12	178	1,018	241	69	20	73	277	1,494	1,701	3,195
Japanese	2	88	15	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	8	-	4	71	3	76	14	90	
Total:	779	5,571	4,833	1,517	21	22	156	409	165	91	34	3	47	35	15	104	16	310	4	80	33	13	27	235	117	188	144	12	185	1,569	357	69	24	144	1,681	1,934	4,416	6,350

SOURCE: OFFICIAL GAZETTE 1892

TABLE 3

Nationality, Age and Sex for the whole Territory
reached by the Census 1901

Nationality	Age.		Sex.		Total
	Adults	*Children	Males.	Females	
Europeans . . .	152	43	127	68	195
Eurasians . . .	31	9	24	16	40
Chinese . . .	10,830	1,452	9,758	2,514	12,282
Japanese . . .	135	14	35	114	149
Siamese . . .	13	—	11	2	13
Arabs . . .	19	10	25	4	29
Malays . . .	877	194	751	320	1,071
Natives of India	418	24	401	41	442
" of N'ds India	3,004	956	2,499	1,461	3,960
" of S. A'lago .	4,212	2,161	3,536	2,837	6,373
" OF BORNEO:-					
Bajau . . .	6,984	3,901	5,800	5,085	10,885
Brunei . . .	3,924	2,843	3,837	2,930	6,767
Dusun . . .	19,784	13,672	18,252	15,204	33,456
Dyak . . .	399	143	453	89	542
Idahan . . .	546	316	493	369	862
Illanun . . .	231	89	207	113	320
Kedayan . . .	1,405	1,207	1,312	1,300	2,612
Murut . . .	7,723	4,507	6,242	5,988	12,230
Orang Sungei . . .	3,149	1,635	2,344	2,440	4,784
" Padas . . .	3,966	2,818	3,358	3,426	6,784
Sarawak Malay	45	22	42	25	67
Tangaras . . .	419	55	315	159	474
Tutong . . .	141	49	114	76	190
Total . . .	68,407	36,120	59,936	44,591	104,527

SOURCE: BRITISH NORTH BORNEO HERALD 1901

gamblers, all plying their trade catering for the large transient male population. The 37 Japanese residing in Kudat were either prostitutes or brothel-keepers.

Population 1901 – 1951

When the second Census was taken in 1901, the Chartered Company was in the throes of stamping out local opposition (rebellions) originally led by Mat Salleh, which had continued after his death. The disturbances had prevented enumerators from reaching Kota Belud and Tuaran Districts, part of Darvel Bay, Upper Kinabatangan and the remote Interior, resulting in an incomplete census.

However, the 1901 Census did yield figures which satisfied the Administration. A total population of 104,527 was recorded while the North Borneo Herald said "we may safely give 150,000 as an approximate actual size of the figure for the total population of North Borneo".¹⁹ The semi-official estimate was even higher at 160,000.²⁰

The Dusuns and Muruts were tabled separately. Chartered Company officials were optimistic about an export trade in rice when they saw that the Dusuns constituted a large proportion of the population and that many of them were padi farmers.²¹

As the Chartered Company was geared to an agro-based export economy the problem of finding workers to produce exports set the immigration policy for the next 30 years. Positive immigration measures were taken. Suspension of the rice tax in 1903 and direct assistance by the Chartered Company brought an influx of agricultural workers including the Hakkas who arrived and stayed. They set a rural and urban pattern which still exists today. At present less than half of the Chinese population are urban.

¹⁹ *British North Borneo Herald*, October 1st, 1901, p 307 Sabah State Archives.

²⁰ *Ibid* p 307.

²¹ *British North Borneo Census*, 1951, p. 22, Sabah State Archives.

The Hakka people had been coming to the Colony since the early 1880s and by 1888 there was already a sizeable community at Kudat reaping small crops of coffee, pepper and garden vegetables. Money was sent back to China to pay for relatives to join them.²² And by 1894 the success of Hakka colony at Kudat was receiving favourable comments in major Hong Kong newspapers.²³ The need for agricultural labour was so great that the State looked to the Netherlands East Indies for supply. In 1907 the first Javanese workers arrived. Between 1907 and 1931 when recruiting ceased some 10,000 Javanese workers had come to work in the State. Those who did not return home at the end of their 3-year contract stayed and became a small but permanent component of Sabah's population. By 1928 the Javanese constituted 42% of the labour force working for major employers.²⁴

In 1901 the Chinese population had risen by 41% which the company described as gratifying. By 1911 it had more than doubled. More than 6000 indentured Chinese workers had arrived in 1910 alone. The government was also importing Chinese settlers through the Basel Mission which were responsible for the large numbers of Hakkas from the Canton province.

The sex ratio within the Chinese community was improving but still imbalanced. Inter-marriage between the Chinese and native women was fairly common. This inter-action is shown by the appearance of the "Sino-Native" sub-group for the first time in the 1951 Census. As more Chinese women came in, inter-marriage became less frequent. The Chinese sex ratio steadily improved from 367 females to 1,000 males in 1921 to 565 to 1,000 in 1931 and 795 to 1,000 in 1951.²⁵

Not all the Muruts were counted in the 1901 Census nor

²² *British North Borneo Herald*, 1st May, 1888.

²³ *British North Borneo Herald*, September 1st, 1894.

²⁴ L. W. Jones, *op. cit.*, pp 43-44.

²⁵ Y. L. Lee, *op. cit.*, p 64.

the 1911 Census but they still outnumbered the Bajaus. By 1951, the Bajaus outnumbered the Muruts by six to one.

The 1911 Census was more reliable though still incomplete. Enumeration was carried out in the whole State except for the Pensiangan District. The population had by this time passed the 200,000 mark.

The Dusuns still constituted 1/3 of the total population and were by far the largest group. The Chinese had by this time become the second largest ethnic group with Muruts third and Bajaus, fourth. The Bajau numbers taken at face value had more than doubled since the previous Census.

The 1921 Census was the first reliable count of Sabah's population, as a comprehensive and full scale survey was carried out. The economic importance of the Chinese was underlined by their sub-division into dialect groups. The Hakkas were by far the largest at 18,153.

The intervening years between 1900 and the Depression saw changes in agricultural activities which affected both the composition and the distribution of the population. The tobacco industry which had set the settlement patterns on the east coast, declined. Taxes imposed (1898 and 1903) to help finance the railway were lifted to encourage agricultural settlers. But it was the railway, completed in 1905, which gave the State new economic life. The railway opened up the interior of the west coast and ensured the rapid development of the rubber industry. Large numbers of foreign workers from China and Indonesia were brought into work on the estates which also attracted indigenous labour from the interior.²⁶

By the 1930s the Depression was showing its effects—recruitment of foreign labour ceased and the Government took measures to control immigration.

Up till 1931, the intervening years were economically satisfactory. But the results of the Census that year were alarming. While the Chinese population increased steadily the

²⁶ *Y.L. Lee op-cit p. 29.*

TABLE 4
ANALYSIS OF POPULATION 1911

DISTRICT.	European.	European.	Chinese.	Japanese.	Siamese.	Arabs.	Sindians.	Somali.	Philippine.	Malays.	Natives of India and Ceylon.	Natives of Netherlands East Indies.	Natives, South Africa.	Bajans.	Bruahs.	Deans.	Dyaks.	Jahs.	Bahns.	Kelangs.	Murks.	Orang Pulas.	Orang Seang.	Tagals.	Tachans.	Tidings.	Tuwangs.	TOTAL.
Sandakan Town	66	28	5,942	77	2	12			101	332	169	258	528	128	372	32	6				15	35	156				9	8,256
Sandakan Harbour & Islands	8	2	487	11		3			71	81	3	599	1,929	745	280	20	4				2		222			4	7	4,485
Jessellton Town	33	14	1,604	20					33	84	235	43	12	316	50		8				12	13	18					2,686
Kinahatangan	21		1,003	10	1				1	159	17	290	86	36			2				2	80		2,479	1,369		8	8,873
East Coast ex. Tawao	33	1	2,341	22	5		2	1	11	185	79	1,160	1,143	4,367	29	893	15	945	185				1	20				11,473
Tawao	19		1,344	53	3	10			21	185	28	421	810	138	68	279	60	2			4		10	1				3,857
Lahuk, Sugut, & A. C.	6		226						14	25		289	319	1,260	121	9,353	46				65	137	5	5,338				18,402
Kudat District, & Islands	31		1,628	10					15	48	51	32	152	1,509	38	3,586	2			55	1			13			4	7,175
Marudu	39	1	2,554	12	5	1			7	221	34	838	284	1,556	85	10,777	9			60	2	9	8	925		27	3	17,437
Tempasuk	1		62						3	1	2	15	21	3,448	8	10,256	26			1,299		6		4				15,152
Tuaran	3		495	1					6	4	2	9	5,683	54	15,785	14				7		3				1		23,067
Jessellton Suburbs	9	4	784						1	30	22	26	7	1,550	93	5,931	1			1	3						8	8,470
Papua	23	3	2,758	3					30	38	116	2	1,383	2,392	3,974	5				163								10,934
Province Deut	33	2	3,562	15					2	155	126	457	12	406	1,678	1,637	25				592	563	1,898	9			84	11,257
Province Clarke (Sipitong)			46		1						1	1	1		2	507	8	19			1,217	1,140	91		1,912		20	4,966
Mempakul	8		226	2					5	35	5	26		148	1,042	1,671	12				386	2	2,740	1			64	6,381
Interior Tawao	20	1	1,035	10			64			41	63	930		10	35	43	107				2	4,852	76				3	7,292
Kanigas	1	1	73							4	3	1	1	16		151	50				11,341	1						11,646
Tambunan	1		22									1	1	4		19,068	14					104						19,225
Randun			12									4			5	20	56				7,047	5						7,149
TOTAL	355	57	26,002	246	17	35	66	1	291	1,612	902	5,511	5,503	22,587	6,877	87,951	505	947	1,641	2,455	25,314	4,878	9,168	1,912	1,369	1,777	204	208,183

SOURCE : OFFICIAL GAZETTE 1912

Indigenous population rose by only 1.1%, 2.6% after adjustment for classification changes. Worse, the Muruts who constituted an important component of the population were sharply declining in numbers.

The results of the 1931 Census alarmed and prompted the Chartered Company to investigate the health of the Indigenous population. The figures revealed only a negligible increase in the total Indigenous population. The Murut population had dropped by 1/5 from 30,355 in 1921 to 24,444 in 1931, and further declined to 18,724 by 1951 (a 23.4% decrease).

TABLE 5

Indigenous peoples	Adjusted Figures because of changes in classification
1911 — 172,584	1911 174,770
1921 — 203,041 + 17.7%	1921 204,333 16.9%
1931 — 205,218 + 1.1%	1931 210,057 2.6%
1951 — 243,009 + 18.4%	1951 243,009 15.7%
1960 — 306,489 + 26.1%	1960 306,498 26.1%

Labuan was not included in any North Borneo Census before 1951. Before 1931 all Bajaus and Sulus were classified as indigenous whether born locally or abroad.

Source: Report on the Census of Population 1960

At least nine investigators between 1931 and 1960 examined the problem which was considered peculiar to the Muruts. But their conclusions were dubious as the Muruts were assumed to be homogeneous, socially and culturally.²⁷ The investigators had not considered whether the communities which made up the Murut population were differently affected.²⁸

²⁷ G.N Appell, *A Survey of the Social and Medical Anthropology of Sabah: Retrospect and Prospect 1968* pp 27-42.

²⁸ *Ibid* p 7.

The term, "Murut" literally "hill people"²⁹ is referred to various communities of hunters and shifting agriculturalists living in the Interior, in the remoter parts of the State. They constitute a major demographic category. Most of them lived and still do, in three districts—Tenom Pensiangan and Keningau.

Many reasons were given for their decline—diseases, low fertility, infant mortality and malnutrition coupled with a low standard of living. A new malaria strain introduced by Indonesian immigrant labourers in the 1920s was said to have been responsible for debilitating the population which had little resistance to it. The Muruts went down to the estates to work, contracted the disease, became too ill to work, went home and spread it.

In breeding of small isolated groups was also said to have caused sterility but Appell pointed out that when this observation was made (Ride 1931) depopulation could have been the cause of the small-sized groups.³⁰

The Murut population could have reached its peak well before 1911 matched perhaps, only by the 1978 figure of 39,282 (Statistics Department). The 1911 Census of Pensiangan was incomplete so the increase in the Murut population between 1911 and 1921 could have really been a decrease instead.

A recent theory suggests that the Murut depopulation could have resulted from maladjustment to social changes.³¹ At least three investigators blamed socio-cultural changes as a result of the British Administration for the decline.³²

Evidence for this appears to be borne out by the millenarian movement of 1915, otherwise known as the Rundum Rebellion. The movement was a social protest against the Chartered Company rule. The rebels known to the Chartered

29 J.D Prentice, *Murut Languages of Sabah* 1971.

30 G.N Appell *op. cit.* p. 29.

31 I. Black *The Rundum Rebellion of 1915 in Sabah: Millenarianism and Social Protest. Paper presented at the Seminar Sejarah dan Masyarakat Sabah, 12-16 August 1981 Kota Kinabalu.*

32 G. N Appell *op. cit.* p. 31.

MURUT POPULATION – TABLE 6

YEAR	MALES	FEMALES	TOTAL	PERCENTAGE INCREASE/DECREASE
1891	n.a.	n.a.	n.a.	
1901	n.a.	n.a.	12,230	—
1911	13,699	13,517	27,226	—
1921	15,222	15,133	30,355	+ 11.4
1931	12,090	12,354	24,444	— 19.4
1951	9,192	9,532	18,724	— 23.4
1960	10,920	11,218	22,138	+ 18.2
1970	15,425	15,483	30,908	+ 39.6

* As the 1901 and 1911 Census were both incomplete therefore % increase or decrease would be misleading

Company as Muruts, came from the Pensiangan region, and where the rebellion started, Rundum, was one of the most inaccessible parts of the State. Between 1900 and 1915 the region felt the sudden impact of the Chartered Company policies which had been introduced gradually in other parts of the State. The influence of this alien administration had penetrated the interior with the completion of the railway, the installation of the telegraph station at Rundum, and access by bridle paths.

The policies were imposed with little understanding of the people's customs. The Government was seen as attacking their basic sources of livelihood, their rituals and their amusements by demarcating and titling permanently cultivated indigenous land holdings, restraining shifting cultivation, imposing taxes to restrict tapai-making and banning warrior activity.³³

³³ *I Black op. cit.* pp 9-23.

Distraught at the undermining of their valued institutions, the people rebelled. The rebellion was suppressed but the costs must have been catastrophic and long-term both in terms of physical and psychological loss. Casualties were probably high, depleting the adult male population in many communities. The disruption probably caused starvation and disease but worst affected was their valued institutions. Their beliefs and value-systems were shattered. "In various ways a declining birth rate can result from community bewilderment and disillusionment".³⁴ The decline in population in the aftermath of the Rundum rebellion may not just be a coincidence.

Perhaps, other interior peoples also suffered depopulation at least in the early phases of the Company's occupation of Sabah,³⁵ indicated by the low Indigenous population increase in 1931.

By the 1950s the numbers had improve, but the population was still lower than the 1921 figure. Social adjustment, better medical and social services, better standards of living and increased contact with other people probably contributed to the improvement.

Plans for the Census of 1941 were abandoned due to the out-break of war. The population in 1941 was estimated to be 309,618. In 1947 for food control purposes the population was estimated at 331,361 with the Chinese community totalling 59,610.³⁶

By 1951 Sabah had become a Crown Colony and the economic preponderance of the Chartered Company ceased.

Classification

A constant feature of all censuses since the second census taken in 1901 is the reclassification of the various Indigenous groups. Sabah's ethnic diversity particularly in the indige-

³⁴ *Ibid* p 26.

³⁵ *Ibid* p 23.

³⁶ *North Borneo Annual Report 1947* p 6.

TABLE 7

RATE OF GROWTH SINCE 1891.

The following table gives the population by Race, showing the rate of growth from 1891 to 1931 :-

Race.	Persons					Rate of Increase or Decrease Per Cent.				
	1891	1901	1911	1921	1931	1891 to 1901	1901 to 1911	1911 to 1921	1921 to 1931	1891 to 1931
European	345	195	355	415	340	- 20.40	82.00	16.90	- 18.07	38.78
Eurasian	54	40	57	210	236	- 25.92	42.50	268.07	12.38	337.04
Chinese	7,156	12,282	26,002	37,642	47,799	71.63	111.70	44.76	26.98	567.96
Japanese	129	149	246	441	450	15.50	65.10	79.26	2.04	248.84
Natives of India and Ceylon	319	442	902	1,185	1,298	38.55	104.07	31.37	9.54	306.90
Natives of Netherlands East Indies	2,232	3,960	5,511	11,223	9,854	77.41	38.86	103.64	- 12.20	341.49
Philippine Islanders	74	-	291	449	2,849	?	?	54.29	534.52	1,750.00
Malays	1,488	1,138	1,612	1,837	953	- 23.52	41.65	13.95	- 48.12	- 35.95
NATIVES OF BORNEO										
Bajau, Sea				10,748	13,095					
Bajau, Land	11,150	10,885	22,587	20,600	18,545	- 2.37	107.50	38.78	0.93	187.77
* Dyak	135	542	505	654	687	323.93	- 6.82	29.50	5.05	408.89
Brunei	3,546	6,767	6,877	8,728	10,507	90.83	1.62	26.91	20.38	196.31
Beaya		6,784	4,878	7,092	7,061		- 28.09	45.38	- 0.44	4.08
Kedayan		2,612	2,455	2,770	3,157		- 6.01	12.83	13.97	20.87
Tutong		190	204	255	387		7.89	25.00	51.76	103.68
Dusun					97,862					
Bulu-dapi		33,456	87,951	99,229	199		162.76	12.82	- 1.18	193.10
Idahan		862	947	1,031	2,960		9.86	8.87	187.10	243.38
Orang Sungai		4,784	9,168	7,422	6,999		91.63	- 23.52	- 5.70	46.30
Tambora	+34,166	-	1,369	3,118	4,923	1133.87	?	127.75	57.89	?
Kwijau		-	-	1,487	4,539		?	?	205.25	?
Ilau		320	1,641	1,722	2,459		412.81	4.93	42.80	668.44
Murut					14,959					
Peluan		12,230	25,314	28,400	4,008		106.98	12.19	3.33	139.96
Timogun					380					
Tagal		-	1,912	1,955	4,470		?	2.24	128.64	?
Tengara		474	-	-	627		?	?	?	32.28
Tidong		-	1,777	1,847	2,315		?	3.93	25.34	?
* Salun	3,733	6,373	5,503	6,637	5,766	70.72	-13.65	20.60	-13.12	54.46
Others	39	42	119							
Unrecorded	2,596	-	-	-	-	?	-	-	-	?
Whole State	67,062	104,527	208,183	257,344	269,969	55.86	99.14	23.81	4.91	305.57

* Merged in one total in 1891 Census

* Not included as Natives in 1931 Census

* Not included as Natives in 1921 Census

TABLE B

POPULATION OF WHOLE STATE BY RACE AND SEX 1931

Nationality		Adults		Children		Total		Population
		M	F	M	F	M	F	
British -	Australian	10	7	2	2	12	9	21
	English	151	50	7	7	158	57	215
	Irish	10	5	1	-	11	5	16
	New Zealanders	5	2	-	-	7	2	9
	Scottish	32	9	3	5	35	12	47
European -	Austrian	5	1	-	-	5	1	6
	Dutch	13	8	-	-	13	8	21
	German	3	2	-	-	3	2	5
	Spanish	-	8	-	-	-	8	8
	French	1	-	-	-	1	-	1
American -	Italian	3	3	3	3	6	6	12
	Latvians	30	16	61	69	111	125	236
African -	Africans	2	-	-	-	2	-	2
	Arabs	74	54	62	54	136	108	244
Chinese -	Cantonese	7,754	2,238	1,242	1,228	8,996	3,466	12,462
	Hakka	1,277	119	141	175	1,418	294	1,712
	Hokkien	11,208	6,361	4,668	4,398	15,876	11,239	27,115
	Hokkien	1,707	641	608	584	2,315	1,223	3,538
	Shantung	156	14	12	14	168	28	196
	Tsachow	1,641	294	272	1,534	4,75	2,461	7,211
	Unspecified	403	162	133	123	536	285	821
	Cebuano	41	14	17	23	58	37	95
	Perlan	290	64	164	127	454	191	645
	Wah	127	26	13	15	140	41	181
Indian -	Tamil	124	36	36	44	162	80	242
	Gilani	79	14	28	33	107	47	154
	Others	23	4	1	2	24	6	30
Javan -	Javanese	250	112	61	27	311	139	450
	Indonesian	293	147	136	117	429	264	693
Malay Race -	Dravid	5,364	2,680	1,021	1,021	6,385	3,692	10,077
	Netherlands East Indians	131	176	140	137	271	313	584
Philippine Islands -	Protestant and others	1,200	1,114	264	269	1,464	1,383	2,847
	Others	5	5	-	1	5	2	7
Native of Borneo -								
Borneo -	Land Borneo	5,162	5,375	3,289	3,619	8,451	8,994	17,445
	Sea Borneo	3,244	3,609	1,091	2,645	4,335	6,254	10,589
	Shan	677	709	565	508	1,242	1,217	2,459
	Burmese	3,148	3,047	2,228	2,064	5,176	5,111	10,287
	Betawi	2,268	2,272	1,407	1,314	3,675	3,586	7,261
Dusun -	Kendayan	1,033	1,007	578	539	1,611	1,546	3,157
	Talung	122	128	73	64	195	192	387
	Dusun	28,563	31,617	19,712	18,010	48,275	49,627	97,902
	Bukitragai	63	75	36	37	99	110	209
	Melau	830	942	636	552	1,366	1,474	2,840
Melayu -	Korow	1,613	1,557	793	776	2,306	2,333	4,639
	Chang Bengat	2,099	2,273	1,401	1,227	3,499	3,500	6,999
	Tarakan	1,437	1,501	1,068	877	2,505	2,378	4,883
	Melayu	4,676	5,330	2,523	2,230	7,199	7,560	14,759
	Palau	1,365	1,393	645	565	2,010	1,910	3,920
Sulu -	Tagul	1,397	1,602	713	718	2,110	2,320	4,430
	Tungas	212	234	88	93	300	327	627
	Tungas	130	140	61	61	191	199	390
	Sulu	1,643	1,636	1,167	1,121	2,810	2,757	5,567
	Talung	703	730	435	427	1,138	1,157	2,295
TOTAL		62,878	60,627	30,321	26,199	143,399	126,826	270,225

SOURCE: NORTH BORNEO CENSUS REPORT 1931

nous category poses profound problems for the census taker because ethnic boundaries have always been and are still so fluid.

So far no perfect classification system has been found although a comprehensive coverage by increasing and changing the sub-divisions for each census has been tried. Fewer headings have been favoured because detailed classification though excellent in theory was impractical.

New sub-groups tabulated sometimes had no adherents or had so few that the returns distorted the reality. The Sakai and the Semambuq are cases in point. In 1921 not a single Sakai was enumerated and only seven claimed to be Semambuqs.³⁷ In the 1931 Census the Semambuqs were classified as Muruts, along with the Peluans, Sakais, Timogun, Tenggara and Tagal. Again in 1921 the Census showed no Tagals were living in Tenom but in 1931 they were one of the main tribes in the district.³⁸ The Indigenous people also did not conform or even relate to the classification set by the various censuses. The constant changes in classification meant that returns were inconsistent as people classed themselves differently. This was shown by the Tambunuas who declared themselves in 1921 partly as Dusun, partly as Orang Sungei and partly as Tambunuas. Also in 1931 the Buludupis, Tambunuas, Kwijaus and Idahans were tabled as independent sub-divisions under Dusun, but in 1951 only Kwijau remained, the rest being classified as Dusuns. So one group appears in one census and disappears in the next. In both 1911 and 1921 Census all Bajaus were classified as "Natives of Borneo", and all Sulus as "Natives of the Malay Archipelago" In subsequent censuses a distinction was made between foreign born and local born. Only Sulus, Tidongs and Sea Bajaus who were born in Sabah were tabled as Indigenous.

³⁷ *North Borneo Census Report 1931* p 35.

³⁸ *Ibid* p 21.

The 1931 and 1951 Censuses also altered the structure by omitting the Dyaks and increasing the sub-groups of Dusuns and Muruts in the Indigenous section.

By the late 1950s, the term "Kadazan", an autonym (a term by which a community consciously calls itself) usually associated with the Penampang groups became established and was used in preference to "Dusun". In the 1970 Census it was used for the first time as a demographic category. This reclassification resulted in a broad category which included Kadazan sub-groups and Kwijaus. The related groups previously assembled under Dusun became "Other Indigenous", retaining the Dusun 'label' such as the Lotuds of the Tuaran District and the Rungus of the Kudat District, or maintaining their own separate identities. The choice between these categories is subjective as the official use of the autonym is recent, because some individuals have resorted to a compromise by calling themselves "Kadus". The Summer Institute of Linguistics has identified a Central Kadazan-Dusun dialect which shows what the speakers call themselves.³⁹

Another exonym* *Idaan*, was used by the Bajaus to describe people living inland to them. This term also included the Muruts. Today, the Idahans refer to a specific ethnic community living in the Lahad Datu area on the east coast, and are associated with the bird's nests collectors at the Madai Caves.⁴⁰

The use of exonyms and autonyms, interchangeably, or otherwise often confuses the division of the groups in question. The variety of names in published literature also refers to the same group of people using different names

39 P. A. DUNN, "Who's Who in Sabah", to be published.

* A term for a community used by other people and not acknowledged by the group themselves.

40 M. Piper, *Field Report, Madai Caves, Sabah Museum 1979*.

or to different groups using the same name.⁴¹ For example, in 1931 the headman of a village in the Tenom District insisted that his people were all Muruts while they claimed to be Peluans.⁴²

People use multiple references based on religion, class cultural ecology, language and ethnic grouping,⁴³ to identify themselves. In mixed-marriages, kinship and affinal (in-laws) affiliations as well as residential ties all play an important part in determining the offspring's identity. For example, a Suluk married to an Orang Sungai woman and living with her family may call his children Orang Sungei, an indication of his assimilation with his wife's community. He could call his children Suluk if he wished. The question of correct community may not be so clear cut for children of several generations of mixed ancestry, the same problem encountered by Spenser St. John in the 1860s.

Members of the same family have been known to be classified under different groups. In the 1951 Census enumerators were told to record children of mixed marriages according to the community he or she selected or the parents' choice if the child was too young. However, the possible ethnic computations arising from mixed marriages are almost unlimited. But in Muslim groups, parents facing this dilemma can now opt for the convenient category, "Malay", provided for by the Malaysian Constitution. In behavioural terms they qualify, because the Constitution (Article 160(2)) defines a Malay as a person who professes the Muslim religion, habitually speaks the Malay language, conforms to Malay customs, and was born before or living on Merdeka Day in the Federation or in Singapore, or is the child of such a person.

This change in classification invariably contributes to the rise in Malay numbers which cannot be accounted for by

⁴¹ P.A. Dunn *op. cit.*

⁴² North Borneo Census Report 1931, p.21.

⁴³ C. Sather *op. cit.*

immigration from other parts of Malaysia and natural increase.

Names are also no true indication of an individual's ethnic group or his religion. A Chinese name for instance may probably be the only indication of a person's Chinese ancestry. In appearance, behaviour and residence but for a Chinese great-grandfather he is as Kadazan as his full-blooded Kadazan neighbour.

Muslims as a rule have Muslim names but in Sabah they do not necessarily coincide. Rather, the names reflect the ethnic diversity of the population. There was a clear religious differentiation between the Muslim coastal dwellers (Bajaus, Bruneis, and Kedayans) and the non-Muslim Indigenous groups living in the Interior. Even community and religion do not strictly coincide, if the 1970 Statistics are taken at face value. Some Bajaus and Malays, traditionally Muslim communities have classified themselves as Buddhists and Christians. These are exceptions, and again illustrate, the problem of identification and classification. Over time this dichotomy has and will continue to cut across ethnic and regional divisions as missionary activity particularly Islamic becomes more organised, and as development progresses and communications improve. For instance the Tambunua become Orang Sungei on their conversion to Islam and some people living on the East Coast on conversion to Islam even declared themselves as Bruneis.⁴⁴

Between 1921 and 1951 the composition of the Indigenous population was influenced mainly by changes in classification and by immigration. The 1951 Census reversed previous trends and reduced the number of indigenous groups to 12, under four categories. For the first time the Census included a sub-group of Sino-Natives showing the Chinese interaction with the local population. The figure 6,468 was sufficiently large to warrant an independent sub-group.

⁴⁴ *North Borneo Census Report 1960* p 50.

TABLE 9
POPULATION BY RACE SHOWING GROWTH 1951 TO 1960

COMMUNITY	1951			1960			PERCENTAGE OF INCREASE OR DECREASE 1951-1960		
	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
European	1,213	681	532	1,896	1,023	873	+ 56.31	+ 50.22	+ 64.10
European	706	426	280	1,124	640	484	+ 59.21	+ 50.23	+ 72.86
Eurasian	507	255	252	772	383	389	+ 52.27	+ 50.20	+ 54.37
Desani	117,867	58,107	59,760	145,229	71,757	73,472	+ 23.21	+ 23.49	+ 22.95
Desani	116,889	57,648	59,241	Not Stated			-	-	-
Kwajalein	978	459	519	Not Stated			-	-	-
Murut	18,724	9,192	9,532	22,138	10,920	11,218	+ 18.23	+ 18.80	+ 17.69
Bojau	44,728	22,389	22,339	59,710	29,872	29,838	+ 33.50	+ 33.42	+ 33.57
Rajau	41,421	20,712	20,709	55,779	27,922	27,857	+ 34.86	+ 34.81	+ 34.52
Ilamun	3,307	1,677	1,630	3,931	1,950	1,981	+ 18.87	+ 16.28	+ 21.53
Other Indigenous	61,690	31,020	30,670	79,421	40,330	39,091	+ 28.74	+ 30.01	+ 27.46
Itonos				23,450	11,995	11,455			
Kelayan	22,312	11,400	10,912	7,871	4,059	3,812	+ 40.38	+ 40.82	+ 39.91
Orang Sungen	13,697	6,768	6,929	15,112	7,559	7,553	+ 10.33	+ 11.69	+ 9.01
Itasaya	7,866	3,935	3,931	10,053	5,101	4,952	+ 27.80	+ 29.63	+ 25.97
Sulu	7,866	3,908	3,958	11,080	5,530	5,550	+ 40.86	+ 41.50	+ 40.22
Idong	3,481	1,831	1,650	4,417	2,363	2,054	+ 26.89	+ 29.06	+ 24.48
Samo-Native	6,468	3,178	3,290	7,438	3,723	3,715	+ 15.00	+ 17.15	+ 12.92
Chinese	74,374	41,427	32,947	104,542	55,589	48,953	+ 40.56	+ 34.19	+ 48.58
Hakka	44,505	23,895	20,610	57,338	29,760	27,578	+ 28.83	+ 24.54	+ 33.81
Cantonese	11,833	6,838	4,995	15,251	8,342	6,909	+ 28.89	+ 21.99	+ 38.32
Hakkien	7,336	4,262	3,074	11,924	6,462	5,462	+ 62.54	+ 51.62	+ 77.68
Tocheu	3,948	2,386	1,562	5,991	3,249	2,742	+ 51.75	+ 36.17	+ 75.54
Italam (Hainanese)	3,571	2,224	1,347	5,270	2,941	2,329	+ 47.58	+ 32.24	+ 72.90
Other Chinese	3,181	1,822	1,359	8,768	4,835	3,933	+175.64	+165.37	+189.40
Others	15,545	9,537	6,008	41,485	27,125	14,360	+166.87	+184.41	+139.01
Native of Sarawak	1,022	693	329	1,911	1,441	470	+ 86.99	+107.94	+ 42.86
Malay	1,934	1,102	832	1,645	902	743	- 14.94	- 18.15	- 10.70
Uluu Islander	Not Stated			1,909	1,009	900	-	-	-
Indonesian	7,961	5,179	2,782	24,784	16,860	7,924	+211.32	+225.55	+184.83
Indian, Pakistani, Ceylonese	1,692	1,023	669	3,180	1,796	1,384	+ 87.94	+ 75.56	+106.88
Native of Philippines	1,910	976	934	7,473	4,624	2,849	+291.26	+373.77	+205.03
Others	1,026	564	462	583	493	90	- 43.18	- 12.59	- 80.52
TOTAL	334,141	172,353	161,788	454,421	236,616	217,805	+ 36.00	+ 37.29	+ 34.62

Source: Report on Census of Population 1960

Changes in classification, though confusing to the enumerator and the people themselves, are really reflections of changes in the population structure. Ethnic divisions are created or disappear as people intermarry or assimilate.

Distribution Patterns

Sabah's ethnic communities continue to follow the traditional patterns of distribution. The Chinese are found in large numbers in large towns with more than 10,000 people and constitute the major population there. Overall, however, more Chinese live in rural areas and towns having less than 10,000 people. In 1970, 53.17% of the Chinese lived outside the large towns, but generally in areas accessible by road or rail. (See table 10).

The Kadazan still remain the largest Indigenous group and are concentrated on the plains of the west coast while the Muruts are found in numbers only in the Interior districts.

The Bajaus are Sabah's second largest Indigenous groups after the Kadazans. The classification in the 1970 Census again does not do justice to this group, tabling them as an undifferentiated category. Only a small sub-group of Illanuns are included. The Bajaus are found in concentrated numbers on the coasts especially at Semporna on the east and at Kota Belud on the west. Over the years they have evolved into two quite distinct groups. The Bajaus on the east coast are traditionally coastal dwellers and fishermen while those from the Kota Belud area are usually padi and cattle farmers. The latter are also Sabah's famed Bajau horsemen who go on parade for State occasions.

The communities which make up the "Other Indigenous" (1970 Census) category continue to occupy areas of their traditional residence. For instance the Sulus, Tidongs and Idahans are found mainly on the east coast and the Orang Sungeis in the Kinabatangan districts. The Bruneis, Kedayans and Bisayas are confined largely to the south-west coast near Brunei.

TABLE 10
DETAILED COMMUNITY GROUPS BREAKDOWN OF TOTAL POPULATION BY SEX & TYPE AND SIZE OF LOCALITY SARAH 1970

Community	Collected towns with population of 10,000 - 14,999 persons			Collected towns with population of 1,000 - 9,999 persons			All areas gathered or inferred with population of 499 persons and below			Total		
KADAZAN	3,337	2,976	6,312	2,768	2,608	5,182	85,335	86.37%	171,971	91,496	91,914	183,414
Kadazan Women	3	1	1	6	1	7	55	57	112	61	59	120
Total Kadazan	3,337	2,979	6,313	2,750	2,609	5,159	85,450	86.653	172,083	91,557	92,017	183,574
MURUT	289	319	508	345	343	400	14,891	15,023	29,914	15,425	15,483	30,908
BAJAU												
Bajau (Bumak)	2,176	1,768	3,947	1,862	1,518	2,780	32,793	33,043	63,836	36,434	36,129	72,563
Bajau Women	33	24	57	31	9	40	2,463	2,428	3,091	2,531	2,661	5,192
Total Bajau	2,210	1,792	4,004	1,893	1,527	2,820	35,256	35,611	70,927	38,965	38,790	77,755
MALAY	1,037	1,867	4,904	1,669	991	2,660	6,426	6,234	10,660	11,132	7,092	18,224
OTHER INDIGENOUS												
Orang Melayu	1	1	2				55	41	96	56	42	98
Orang Melayu	16	11	27	16	9	25	5,564	5,269	10,833	5,627	3,279	10,906
Orang Melayu							1,162	2,260	4,362	2,172	2,212	4,384
Orang Melayu				9	6	15	521	328	1,039	340	527	1,077
Orang Melayu	1		1				307	306	613	308	306	614
Orang Melayu	6	3	9				168	171	339	194	176	370
Orang Melayu	14	5	19	50	25	75	999	1,037	2,036	1,053	1,089	2,122
Orang Melayu	3		3				293	463	756	363	404	767
Orang Melayu							251	254	505	254	254	508
Orang Melayu	1	1	2	1		1	436	523	959	418	524	942
Orang Melayu	976	979	1,957	213	183	396	4,264	4,268	8,532	5,487	5,430	10,917
Orang Melayu	483	433	915	63	66	129	6,413	6,096	16,511	9,918	8,817	17,735
Orang Melayu	1,969	1,816	3,786	823	715	1,538	11,246	11,562	23,808	14,057	16,095	28,152
Orang Melayu	97	51	148	68	48	116	4,408	4,512	9,360	4,973	6,851	11,824
Orang Melayu	206	67	273	184	119	294	6,741	6,686	13,427	7,131	7,063	14,194
Orang Melayu	407	393	800	20	15	35	5,619	5,303	6,922	4,066	5,069	7,555
Orang Melayu	874	962	1,716	612	613	1,225	5,724	5,646	7,376	5,280	5,181	10,461
Orang Melayu	352	273	625	54	62	116	2,616	2,585	5,201	2,967	2,920	5,887
Total Other Indigenous	5,263	6,891	15,264	2,517	1,676	4,033	56,363	55,836	111,977	63,803	62,471	126,274
CHINESE												
Chinese	35,821	35,578	71,400	3,452	3,518	6,770	21,076	19,155	40,231	40,449	34,251	74,700
Chinese	6,952	6,571	13,403	1,639	1,516	2,955	2,793	2,114	4,907	11,384	9,981	21,365
Chinese	3,621	3,252	6,853	2,111	1,915	4,106	1,090	2,637	5,767	8,862	7,846	16,708
Chinese	2,654	2,371	5,025	517	491	1,038	899	659	1,558	4,110	3,421	7,531
Chinese	1,963	1,843	3,806	686	652	1,368	1,576	1,576	3,646	2,951	4,420	7,371
Chinese	1,783	1,683	3,466	501	445	946	1,967	1,689	3,656	4,273	3,617	7,890
Total Chinese	52,836	50,816	101,712	6,976	6,127	12,183	36,715	36,982	73,697	72,567	63,965	136,532
INDONESIAN	4,762	5,889	8,211	1,125	458	1,763	17,517	15,624	29,541	25,456	15,751	39,131
OTHERS												
Native of Sarawak	213	179	392	97	50	107	1,977	790	2,767	2,247	1,019	3,266
Native of Philippines	2,247	1,933	4,482	675	740	1,615	8,194	8,194	15,983	11,838	8,442	20,280
European	275	246	521	43	30	73	124	96	224	446	372	818
European	241	231	472	63	99	162	127	115	242	411	443	854
Indian	925	717	1,642	595	558	1,153	2,554	2,041	4,595	3,964	3,516	7,480
Chinese Indonesian	176	154	324	61	62	123	1,266	1,097	2,313	1,413	1,297	2,710
Others	304	366	672	139	83	193	341	364	907	1,133	617	1,752
Total Others	4,881	3,814	8,895	1,734	1,422	3,156	14,799	10,272	25,071	21,576	15,588	36,882
GRAND TOTAL	166,577	166,993	346,670	29,172	17,011	37,294	261,377	266,813	507,430	318,227	313,077	631,304

Source: 1970 Sarawak and Brunei Census.

TABLE 11 -- Total State Population x Administrative Districts x Community x Sex : Sabah 1970

Administration	Kadazan			Murut			Rajus			Malays			Other indigenous		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Beaufort	2,351	2,398	4,749	453	451	904	142	139	281	252	224	476	9,454	9,574	19,028
Keningau	7,467	7,670	15,137	3,297	3,209	6,506	188	169	357	53	38	91	555	422	977
Kinahatangan	305	205	510	170	178	348	33	29	62	10	9	19	5,626	5,530	11,156
Kota Belud	8,500	8,922	17,422	19	25	44	7,822	8,342	16,164	223	22	245	387	398	785
Kota Kinabalu	5,871	5,806	11,677	209	152	361	4,043	3,766	7,809	1,393	979	2,372	2,789	2,540	5,329
Kuala Penyu	2,496	2,400	4,896	16	9	25	496	461	957	42	29	71	2,712	2,770	5,482
Kudat	13,675	12,967	26,642	28	12	40	3,405	3,226	6,631	260	164	424	10,572	10,243	20,815
Labuan	203	229	432	40	25	65	44	40	84	2,400	1,868	4,268	2,919	2,846	5,765
Labuk/Suput	4,189	4,140	8,329	14	6	20	742	678	1,420	779	510	1,289	4,970	4,850	9,820
Lahad Datu	1,434	1,241	2,675	57	55	112	1,732	1,703	3,435	573	280	853	2,037	1,918	3,955
Papar	5,529	5,742	11,271	26	29	55	2,259	2,372	4,631	351	307	658	4,882	5,193	10,075
Penampang	7,743	8,347	16,090	47	40	87	1,300	1,327	2,627	566	237	803	1,014	993	2,007
Pemunggon	37	8	45	2,666	2,922	5,588	5	1	6	-	-	-	30	38	68
Ranau	11,057	10,897	21,954	5	7	12	46	19	65	24	20	44	135	115	250
Sandakan	1,493	1,289	2,782	69	52	121	1,532	1,416	2,948	1,989	1,118	3,107	7,294	6,991	14,285
Semporna	81	58	139	4	-	4	9,147	9,041	18,188	154	55	209	338	287	625
Sipitang	174	163	337	1,398	1,428	2,826	12	8	20	24	12	36	2,894	2,822	5,716
Tambunan	5,834	5,867	11,501	10	3	13	11	10	21	6	3	9	122	116	238
Tawau	745	610	1,355	372	347	719	674	594	1,268	1,554	791	2,345	4,058	3,873	7,931
Tenom	1,064	1,024	2,088	8,485	6,504	12,989	90	65	155	331	276	607	236	205	441
Tuaran	11,509	12,034	23,543	40	29	69	5,242	5,384	10,626	168	150	318	779	747	1,526
Total	91,557	92,017	183,574	15,425	15,483	30,908	38,965	38,790	77,755	11,152	7,092	18,244	63,803	62,471	126,274

(Table 11 Cont.)

TABLE 11 - Total State Population x Administrative Districts x Community x Sex : Sabah 1970

Administration	Chinese			Indonesian			Other			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Beaufort	2,274	2,083	4,357	788	562	1,350	246	206	452	15,960	15,637	31,597
Keningan	1,476	1,149	2,625	237	128	365	144	99	243	13,417	12,884	26,301
Kinabatangan	358	69	427	654	268	922	537	160	697	7,693	6,448	14,141
Kota Belud	525	485	1,010	43	32	75	69	37	106	17,588	18,263	35,851
Kota Kinabalu	14,651	13,646	28,297	760	433	1,193	1,842	1,502	3,344	31,558	28,824	60,382
Kuala Penyu	113	78	191	16	5	21	20	15	35	5,911	5,767	11,678
Kudat	4,935	4,507	9,442	407	272	679	779	801	1,580	34,061	32,192	66,253
Labuan	2,763	2,486	5,249	363	210	573	432	305	737	9,164	8,009	17,173
Labuk/Sugut	727	269	996	1,365	733	2,098	1,873	911	2,784	14,659	12,097	26,756
Lahad Datu	3,184	2,698	5,882	2,596	1,453	4,049	4,635	3,539	8,174	16,248	12,887	29,135
Papar	2,732	2,680	5,412	785	487	1,272	435	369	804	16,999	17,179	34,178
Penampang	2,115	1,899	4,014	233	143	376	269	215	484	13,287	13,201	26,488
Pensiangan	20	10	30	-	1	1	6	2	8	2,764	2,982	5,746
Ranau	155	84	239	23	11	34	88	14	102	11,533	11,167	22,700
Sandakan	18,867	17,781	36,648	3,743	2,501	6,244	3,696	2,556	6,252	38,683	33,704	72,387
Semporna	888	729	1,617	678	374	1,052	1,505	1,271	2,776	12,795	11,815	24,610
Sipitang	414	383	797	98	56	154	105	59	164	5,119	4,931	10,050
Tambunan	53	29	82	6	-	6	32	11	43	5,874	6,039	11,913
Tawau	11,116	10,243	21,359	9,777	7,510	17,287	4,345	3,169	7,514	32,641	27,137	59,778
Tenom	3,137	2,805	5,942	583	455	1,038	151	125	276	12,077	11,459	23,536
Tuaran	2,044	1,852	3,896	249	117	366	165	142	307	20,196	20,455	40,651
Grand Total	72,547	65,965	138,512	23,404	15,751	39,155	21,374	15,508	36,882	338,227	313,077	651,304

SOURCE. 1970 Population and Housing Census.

The main immigrant groups tend to converge on their areas of entry—the Indonesians in the Tawau area and the Filipinos on the east coast at Sandakan, Semporna, Lahad Datu and also Tawau.

Between 1951 and 1970 most of these immigrants were transient workers voluntarily coming for jobs in the booming timber industry on the east coast and estates. Movement of people between Sabah and the Philippines for trade and other reasons has taken place since the earliest times. In the 1970s due to the Moro rebellion Sabah received a massive influx of refugees from the southern Philippines. (The official immigration figure given by the UN Commissioner for Refugees in Sabah was 72,000.⁴⁵ A Reuter's report put the total as one tenth of the population.⁴⁶). These people swelled the population on the coasts and the towns. In the process of being resettled in other parts of the State they are still concentrated in large numbers on the east coast.

The early 1950s also saw the permanent settlement of another small group of immigrants, the Cocos Islanders, who now are associated with the area between Tawau and Lahad Datu. In 1970 they numbered 2,700. Immigrant Malays from other parts of Malaysia are more evenly spread throughout the urban areas.

Changes in the European category reflect shifts in the agricultural and political scenes. In the early days their numbers were closely allied with the fluctuations of the agricultural economy (for instance, their numbers dropped when the tobacco estates closed). In the post-war era many came as administrators and professionals when Sabah became a Crown Colony. In 1970 "Europeans" previously constituting an independent category were tabled under "Others", but in the 1980 Census classification they were classed again as an independent category.

⁴⁵ *Daily Express* June 30th 1981.

⁴⁶ *Ibid* June 27th 1981.

The Indians have always been a small minority, there being no significant migration of this group. In the early days Sepoys were recruited for the Chartered Company Constabulary, returning home after their tour of duty, and were replaced mainly by Sikhs and Pathans. The few that remained have been joined by recent immigrants from Peninsular Malaysia and elsewhere. In 1889 the Indian Government had considered sending Indian labour to Sabah.⁴⁷ A North Borneo government agent was as appointed in Madras. It is not known how many, if any, Indian workers were recruited in North Borneo as negotiations broke down.⁴⁸

In the 1890s there was small-scale recruitment of Sulu families to open up the forested lands for later settlement by Chinese.⁴⁹ The Chartered Company as well as advertising in China and India for workers also advertised in Japan. In June 1894 eight Japanese men landed at Lahad Datu for estate work,⁵⁰ followed by nineteen more later in the year and thirty-two arrived in April 1895, all were estate workers.⁵¹

The Japanese became a small but important economic community until the war. Japanese investments in the fishing and canning industry (at Si Amil and Banggi) and the Manila hemp and rubber estates had brought Japanese migrants. At the outbreak of the war they numbered some 2000.⁵²

Immediately after the war the shortage of food caused an urban population movement to food growing areas. At the start of post-war reconstruction employment opportunities and better social and medical amenities drew interior peoples to the coasts. They tended to converge on centres of trade and industry and land for food production. Depopulation of the interior had occurred much earlier. In 1921, 25% of

⁴⁷ *British North Borneo Herald*, 1888 pp 42-3.

⁴⁸ *Ibid* 1894.

⁴⁹ *Ibid* 1898 p 132.

⁵⁰ *Ibid* 1894 July 1st.

⁵¹ *Ibid* 1895 May 1st.

⁵² L. W. Jones *op. cit.* p 44.

the Indigenous people lived in Tambunan, Ranau, Keningau and Pensiangan.

By 1951 this figure had been reduced to 16%. In 1951 the total Indigenous population in the four districts was 29, 391. By 1960 the total had risen to 44,370, all but Pensiangan showing a gain. Given natural increase these three districts showed a significant gain in 1970 when the Indigenous population totalled 62,882, Pensiangan showing only a slight increase.

The continuing rise in the Indigenous population in these four districts coincides with the development of the Interior. In the past 15 years access roads connecting the Interior and the coast have been built, agricultural land and settlement schemes opened, and more recently timber operations have been extended to these areas. These factors tend to arrest the outward migration and induce people to stay. Ranau, for instance, is accessible by road and lies close to the development of the tourist resort at Kinabalu National Park. Keningau has become the main commercial centre for logging operations and agricultural schemes in the area. Tambunan is within easy reach of Kota Kinabalu because of the completed asphalt highway.

The 1970 Census defined the urban population as people living in towns with a gazetted population of more than 10,000. According to this definition only Kota Kinabalu, Sandakan, and Tawau were classed as urban. In 1970 only 16.5% of the population was classed as urban while according to 1978 estimates⁵³ this figure has risen to 25.7%, the towns of Lahad Datu and Labuan rising to over the 10,000 mark.

The 1980 official Census figure was 1,002,608.⁵³ As yet the official Census figures for the 1980 town populations are unavailable but again using the 1978 estimates the towns of Kota Kinabalu, Sandakan, Tawau and Labuan have all about doubled their populations since 1970 while

⁵³ *Population Census and Housing, Malaysia, Sabah Preliminary Field Count Summary, Population by District.*

TABLE 12

Population Census and Housing, Malaysia, 1980 SABAH
Preliminary Field Count Summary Population by District

State and District Administration	Living Quarters			Household	Population		
	Total	Occupied	Vacant		Total	Male	Female
SABAH	188,690	167,325	21,365	184,613	1,002,608	524,319	478,289
Kota Kinabalu	19,825	18,401	1,424	20,914	112,750	58,294	54,464
Kota Belud	8,929	8,640	289	8,795	46,727	22,909	23,818
Penampang	6,812	6,743	69	7,016	39,338	20,515	18,823
Papar	8,262	7,390	872	7,708	41,908	21,167	20,741
Ranau	8,003	5,372	2,631	5,713	31,110	15,990	15,128
Tuaran	9,214	8,639	575	8,942	49,821	24,896	24,925
Kudat	8,034	7,043	991	7,891	41,872	21,717	20,155
Kota Marudu	6,517	5,396	1,121	5,631	26,249	14,528	13,721
Pitas	3,744	3,366	378	3,499	17,164	8,863	8,301
Keningau	9,341	7,320	2,021	7,859	43,476	22,747	20,729
Nabawan/Pensiangan	1,464	906	558	1,589	8,288	4,246	4,042
Tambunan	2,727	2,579	148	2,683	15,004	7,461	7,543
Beaufort	6,908	6,260	728	6,820	37,126	19,421	17,705
Tenom	5,667	4,462	1,205	4,941	27,772	14,401	13,371
Sipitang	2,684	2,296	388	2,399	12,360	6,420	5,940
Kuala Penyu	2,870	2,368	502	2,522	13,193	6,701	6,492
Labuan	5,549	4,585	964	4,816	26,453	14,561	11,892
Sandakan	19,935	18,876	1,059	21,113	118,417	61,951	56,466
Kinabatangan	4,354	3,878	476	5,087	26,656	15,642	11,014
Labuk & Sugut	6,584	5,692	892	6,811	32,476	17,987	14,489
Tawau	23,382	21,293	2,089	23,252	121,736	65,144	56,592
Lahad Datu	9,881	8,740	1,133	9,558	54,212	29,321	24,894
Semporna	7,924	7,072	852	9,054	56,484	29,437	27,047

SOURCE: Preliminary Field Count Summary.

the population of Lahad Datu had tripled compared to the total population increase (actual) of 53.94% between 1970 and 1980. The change in the size and character of the five major towns can be largely attributed to migrants, particularly Filipinos and Indonesians.

Sabah's population is still largely rural based. Improved communications and the attendant benefits of the Government's aggressive agricultural policies will continue to ensure a sizeable rural population, especially in the interior.

The 1980 Census Classification

The 1980 Census saw yet another change in the method of classification. Where previously the Indigenous groups were classified under various headings they now come under one code, 01 'pribumi' which appears to include all the peoples of the so-called Malay and related stocks. The list includes all the groups mentioned in the 1970 Census plus Indonesians, Natives of Sarawak, Natives of the Philippines and Cocos Islanders all previously classified as "Others". Each of the Chinese groups listed in 1970 has its own code.

As the Sino-Native category only appeared in 1951 and Kadazan in 1970 it is quite plausible, therefore, that 'Kadus' might appear as a category in future censuses.

The codes range from one to thirteen and for the first time "Vietnamese" and "Other Asean" groups are included. This classification appears to make sense. The structure appears flexible enough to include other Indigenous groups presently classified as "Other Indigenous" when numbers are sufficiently large enough to table them independently.

The addition of new groups such as "Vietnamese" and "Other Asean" reflect both the economic and political changes in the State and abroad. Rapid economic development has drawn a kaleidoscope of workers from abroad, further increasing the ethnic mix.

Language still provides the most satisfactory criteria for

⁵⁴ *Sabah Regional Planning Study, Final Report, 1980 Sabah Government.*

TABLE 13
CLASSIFICATION SYSTEM IN THE 1980 CENSUS

01	-	PRIBUMI	<ul style="list-style-type: none"> Kadazan Kwijau Murut Bajau Illanun Lotut Rungus Tambanuo Dumpas Maragang Paitan Idahan Minokok Rumanau Mangka'ak Sulu Orang Sungai Brunei Kedayan Bisaya Tidong Malay Indonesia Sino - native Native of Sarawak * " " Filipina * Cocos Islanders Other Indigenous
02	-	Hokkian	
03	-	Cantonese	
04	-	Kek (Hakka)	
05	-	Teochew	
06	-	Hainanese	
07	-	Other Chinese	
08	-	Indian/Pakistan/Bangladesh/Sri Lanka	
09	-	Vietnamese	
10	-	Other Asean	
11	-	Eurasian	
12	-	European	
13	-	Others	

classification. The Summer Institute of Linguistics (SIL) has identified four divisions of the Bornean stock of languages in Sabah—Murutic, Dusunic, Paitanic and Tidung. Under these divisions are many other distinct languages.

TABLE 14
LANGUAGES OF SABAH

Phylum 0-15%	Superstock 15-25%	Stock 25-45%	Family 45-60%	Sub-family 60-75%	Language 75-80%	No. Dialects 80-85%
I. Indo-European					Chabacano	1
II. Austronesian	A.				Butung	1
	B. Javanese stock				Jawa TM	1
		Javanese family			Jawa BT	1
					Jawa TU	1
			Javanese sub-family		Jawa SN	1
					Jawa LD	1
	C. Western Austronesian superstock 1.				Lundaya	1
		2.			Banggi	
		3.			Illanun	2
		4.			Suluk	1
		5. Bugis sub-family			Bugis TU	1
					Bugis LD/SN	1 2
		6. Ida'an sub-family			Ida'an/Bagehak	
					Ida'an Sungai	4
		7. Malayic family		a.	Iban	1
				b. Malayic sub-family	Cocos/Bahasa Malaysia	1
					Brunei/Kedayan	
		8. Bajau family			West Coast Bajau	chain
					East Coast Bajau	chain
						chain
	9. Bornean stock	a.			Tidung	
		b. Paitanic family			Lingkabau	
					Lobu	
					Abai Sungai	
					Tambanua	chain
					Upper Kinabatangan	4
		c. Murutic family		(1)	Kolod	1
				(2)	Gana	
				(3)	Apin-Apin Kujau	
				(4)	Kalabakan Murut	
				(5)	Sembakung Murut	1
				(6)	Serudung Murut	
				(7)	Tagal	2
				(8) Central Murut sub-family	Takapan	
					Timugon	
					Beaufort Murut	
					Dusun-Murut	
					Sook Murut	
					Baakan	
					Nabay	
		d. Dusunic family		(1)	Papar	
				(2)	Dumpas	
				(3)	Kadazan-Tamnanua	
				(4)	Lotud	2
				(5)	Bisaya	
				(6)	Tatana	
				(7)	Kujau	5
				(8)	Labuk Kadazan	7
				(9)	Rungus	
				(10)	Kadazan/Dusun	13
2	4	12	16	36	51	83

Source: Summer Institute of Linguistics 1980 Annual report to the State Government of Sabah 1980

(1) These languages are classed as non-indigenous to Sabah.

As well as the Bornean stock of languages which all fall under the phylum of Austronesian Languages there are other Austronesian languages spoken in Sabah which add further to the complexity of the situation. One Indo European language is also spoken in certain areas around Sandakan.

Not all the Austronesian languages as classed are indigenous to Sabah. On top of all this at least five major Chinese dialects plus three or four less important ones are spoken in the State. Various Indian languages are also spoken in Sabah but they are not used as a medium of communication except within families.

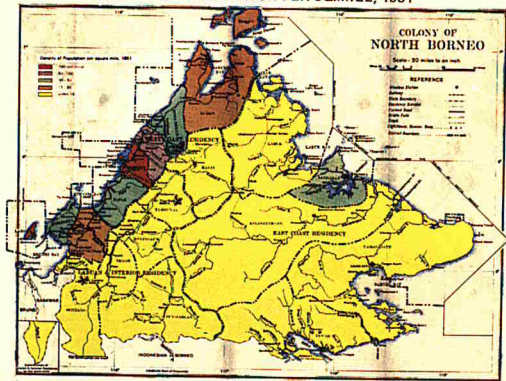
Research is still in progress but it is becoming clear that the linguistic divisions cut across the existing and accepted ethnic divisions. The complex language situation in Sabah shows that future classification may continue to be difficult.

Languages of Sabah

Not included on map:
Chinese & Indian Languages
Bahasa Malaysia/Cocos (Malayic)
Bugis
Butung
Chabacano
Iban (Malayic)
Javanese
Kolod (Murutic)
Sembakung Murut (Murutic)
Tidung

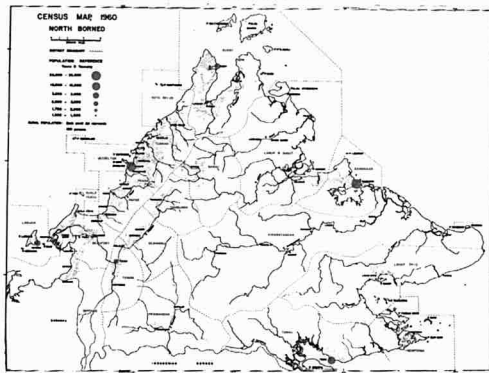


DENSITY OF POPULATION PER SQ.MILE, 1951



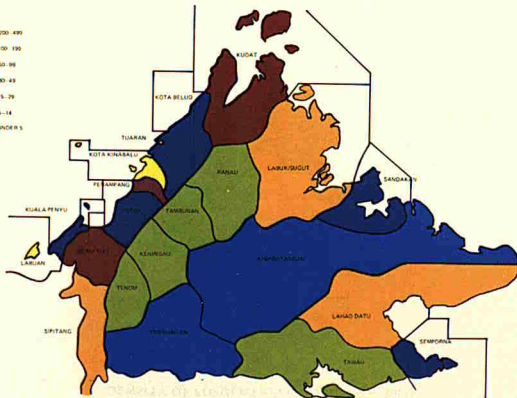
Source: 1951 Population Census.

CENSUS MAP, 1960



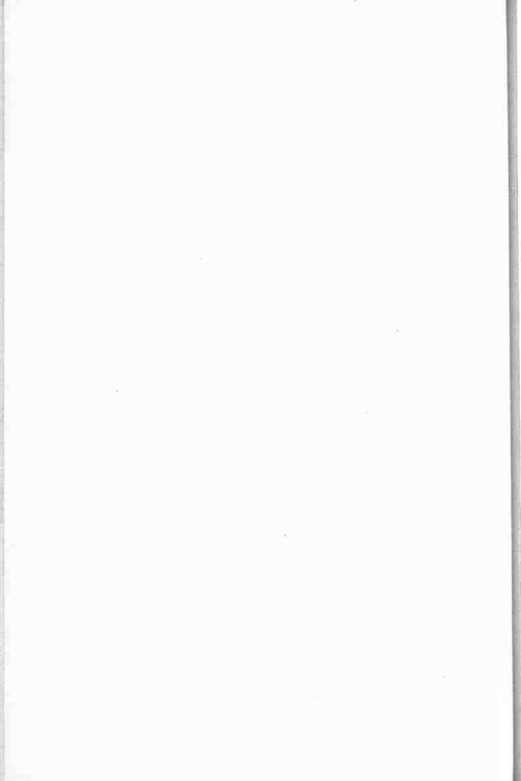
Source: 1960 Population Census.

DENSITY OF POPULATION BY DISTRICT, 1970



SOME THOUGHTS ABOUT THE FUTURE

by
Stanislaus Yee Fong Chun



SOME THOUGHTS ABOUT THE FUTURE

by

Stanislaus Yee Fong Chun

It remains now for me to pick up where history leaves off and to try and make out what the future holds for Sabah.

Sabah's history in the last 100 years is the product of many external forces and influences. Her future will likewise be greatly influenced by external factors. In a world made progressively smaller by high mobility and space-age telecommunications, and subjected to the dictates of the intricate mechanics of international trade and commerce, political and economic relations among nations, there are simply too many imponderables for anyone to speak of the 'normal course' of history. This fact, of course, makes it very difficult for anyone to make out what the future holds.

Be that as it may, events in the last 100 years, especially since 1963 when Sabah became an integral part of the Federation of Malaysia, give us a general indication of the direction Malaysia as a whole, and Sabah in particular, will take in the years ahead.

Some people hold the view that the future is prologue to all history because the actual future of a civilization — vigour and growth or decline and breakdown — is prefigured in the shared images of the future possessed by its people in the present. Such shared images and, more important, aspirations, are only possible when the people of a civilization identify with one another and hold their destinies in their own hands and are not subjected to the will and dictates of others who do not identify with their aspirations. It is in this light that we view Sabah's existence before 1963 as a passive era in

our history, and the future as prologue to our history — and destinies — of our own making.

Perhaps quite understandably political development in Sabah since 1963 has been dominated by the power struggles among the various factions in the State who, until 1975, had tended to appeal to ethnic and religious loyalties and sentiments as well as personal charisma of their leaders for mass support.

The multi-racial platform of PARTI BERJAYA which emerged as a crusading force towards the end of 1975 was accepted cautiously in the 1976 general election, but with sufficient credibility to win 28 of the 48 electoral constituencies, and thus bringing about a change of Government in Sabah.

The multi-racial philosophy of BERJAYA was again accepted, this time with great relish, in the 1981 general election when it won all but three of the 48 constituencies against the combined forces of three racially based parties. Perhaps the lesson to be learned from the overwhelming support for the multi-racial BERJAYA PARTY in the 1981 general election is that, here in multi-racial Sabah, non-communal politics backed by a strong and dedicated leadership of proven worth to the people has more than a fighting chance of success.

It should be remembered, however, that communalism still remains a force to be reckoned with. Even a multi-racial party such as BERJAYA must recognise and abide by certain policies and principles which owe their existence to communally inspired rationales. Some regard the New Economic Policy with its twin objectives of eradicating poverty irrespective of race, and obliterating the traditional association of race with occupation, as having some communal overtones. But the NEP has been well accepted by all the major communities in Sabah, including the non-Bumiputra investors and entrepreneurs, even though the extent and scope of their activities are likely to be circumscribed by Government imposed limitations and Government sponsored Bumiputra

entry in commerce and industry under the NEP. The non-Bumiputra have, by and large, accepted the special privileges and considerations accorded the Bumiputra as a transitional measure to help the 'disadvantaged group' catch up with the more progressive elements in our society.

The effect of the NEP will probably be that the coming decades will see the end of the less desirable communal attributes in the country. However, there is always a danger that the recipients of special help and consideration may fail to realise the essentially transitional nature of the NEP and may seek to prolong it beyond its *raison d'être*.

Hopefully, a more equitable economic relationship between the Bumiputra and non-Bumiputra and among the Bumiputra themselves, will have come into existence. As the years go by the Bumiputra will increasingly find themselves in a situation where they have to compete not only with the non-Bumiputra who have hitherto had to contend with a number of handicap rules, but also with other Bumiputra in trade and industry, and in the employment market. When competitions across non-ethnic lines become prevalent the people will become less susceptible to communal appeals. We may then see the emergence of non-communal interest-groups advancing non-communal causes in the political arena.

When communal politics loses its hold on the people the race factor which looms large in everyday life in this country today may, hopefully, recede into the background where it should belong.

Economically, agriculture is expected to replace the extraction industry as the mainstay of the State's economy. The State Government has in recent years geared itself to this reality and has placed greater emphasis on the rural sector of the State's economy than it has ever done in the past. This is well reflected in the Third Malaysia Plan budget allocations of which infrastructure development, agriculture and fisheries accounted for over 60%.

Under the Fourth Malaysia Plan agriculture and fisheries, and infrastructure development together account for over

55% of the total development allocations and are expected to be substantially increased at the mid-term review of the Plan. This indicates convincingly that both the State and Federal Governments fully realise the importance of the rural economy.

In addition to increased financial allocations to rural infrastructure facilities and agricultural and fishery development there has also been a concerted move to put the rural economy on a more organised footing. Rural credit facilities, agriculture extension services, crop output subsidies, marketing facilities and joint-venture activities between public sector agencies such as the Korporasi Pembangunan Desa, Ko-Nelayan and farmers and fishermen are all prerequisites of modern agriculture.

Agriculture development is of course inextricably tied up with other aspects of rural development, such as the development of townships and modern amenities, not only as a means to bridge the gap between the rural and urban areas, but also to cater to the demands of a rural middle class which a successful agriculture economy will bring into existence. There will be much closer relationship between our main urban centres and the small up-country towns. There will also be a greater degree of inter-dependence between rural and urban than there is now. Furthermore, as services and modern amenities are more readily available in rural areas and as urban congestion and unemployment worsen an increasing number of people may choose to remain in, or move to the rural areas, thus at least arresting the rural-urban drift which is so prevalent at the moment.

If agriculture is to be the mainstay of our economy, which it has to be, then the State's land use will have to undergo a drastic change. The future will require greater efficiency in farm management. This means that the Government will have to introduce stricter measures to ensure that land owners will develop their land in the most efficient manner instead of neglecting it as a great many do now.

The crop diversification programme which has been in existence for many years now will have to be put to good effect and there should be no more trial and error in choosing crops in the future. The years ahead will be years of consolidation in our agriculture sector. We should by then know where our strengths and our weaknesses lie, and be able to make the most of what we are capable of and avoid the pitfalls which have marred our progress in the past. If we develop our capabilities to the full and marshal up all our resources judiciously and to good effect there is little doubt that agriculture will achieve as much to bring wealth and comfort and economic security to ourselves and our future generations as the more developed agricultural countries.

Industrialisation offers an almost irresistible lure for many developing countries not only to solve the widespread unemployment problem, but also as possible steps towards self-reliance and away from over-dependence on the industrial powers to which they have been mere appendages economically. Industrialisation also carries with it much sought after status which appears to delineate a developed from a developing country.

Import substitution is of course a strong motivating force, but in the case of Sabah the relatively small market will probably not be able to support many such industries unless economies of scale are allowed to operate by a deliberate Federal Government policy and action not only within Malaysia, but also involving neighbouring territories.

In our eagerness to industrialise we must be wary of the price of industrialisation that we may have to pay within our own life time.

As we look over the past hundred years, we should not only look at our own past but also at the direction modern civilisation has steered itself into in the last century. Sabah is fortunate to be a young and sparsely populated country and is able to learn from the mistakes and perhaps avoid the pitfalls of the older countries which have got to their present degree of affluence through trial and error. Increa-

singly lawsuits, public opinions and discoveries of health hazards to man are pushing many industries to unsuspecting developing countries where they are awaited eagerly. In our eagerness to bring wealth and material advancement to our economy through whatever means, including industrialisation, we must take care not to compromise our quality of life and our environment for short term gains.

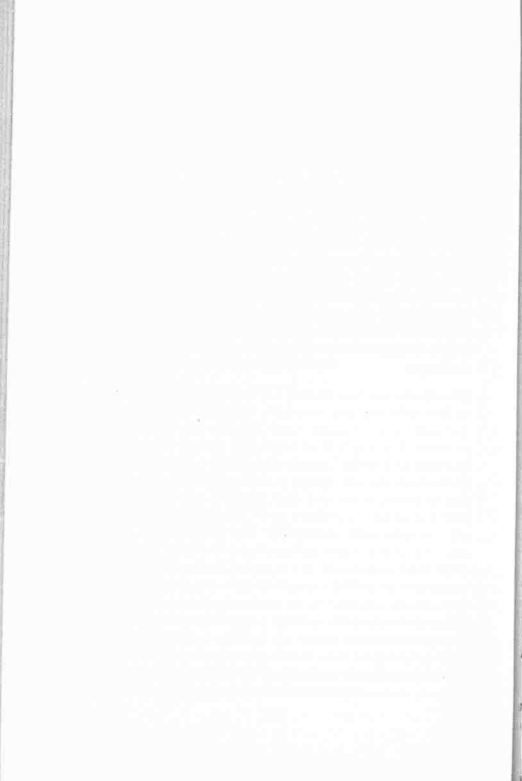
The future depends a great deal on the human factor which, unfortunately has not been altogether conducive to the degree of productivity and sophistication which the future demands of us. Human development is a very complex matter and our education system has been slow to respond to the challenges and economic needs of the future. While there is a concerted attempt to unite the many races in the State and to create national consciousness this has not been matched by similar efforts aimed at turning out more skilled tradesmen, technicians, well informed farmers and skilled personnel for all sectors of our economy.

The education system at the primary and secondary levels will have to be critically examined and probably reorganised to meet the nation's future needs in an increasingly more complex world. Education in Malaysia and Sabah in particular has many weaknesses which, if allowed to continue will almost certainly produce a people who are ill-equipped for the increasingly complex tasks they are expected to perform in the 21st century. These weaknesses can be put right without undermining the over-riding objectives of the Government to provide universal education and to promote the use of the national language. Our efforts to achieve these objectives should not deny Malaysian children of above average intelligence and aspirations of an opportunity for optimum development within the country. After all, education in Malaysia is still very much in the nature of a national investment aimed at increasing the trained work force of the country. Its social and political ramifications should not obscure its role as a vehicle to economic development.

Sabah faces the 21st century with monumental tasks which the more advanced states in Malaysia had faced a great deal earlier. Many of the problems that she will face are, however, 21st century problems, and she can ill-afford to walk the same path that others have walked in tackling these problems. Sabah will have to break new grounds, find alternative ways, and even take short cuts if and when necessary.

The 21st century will see new advances in science and technology and, hopefully, an abundance of new energy sources available to all nations. Before that, though, the energy shortage which has assumed crisis proportions in recent years will worsen and the protracted transition from petroleum based technology to other sources of energy will bring about further international tensions.

Malaysia will not be spared the traumatic experience of the transition, and how she will fare will depend greatly on how much foresight the present and future leaderships have in anticipating and coping with the present as well as future challenges.



THE AUTHORS

DATUK JAMES P. ONGKILI, 42, Sabah's Deputy Chief Minister and Minister of Industrial Development, is the Chairman of the Publications Committee who first put forward the idea for this book. Datuk James obtained his M.A. from the University of Queensland and has just recently completed his Ph.D. from the University of Malaya. He has written several books on Sabah and Borneo. He is a former senior lecturer in History at University of Malaya.

V. GABRIEL WILLIAM, 37, is presently the Deputy Director of the Establishment in the Chief Minister's Department. Mr. William obtained his B.A. (Hons) in Australia. He also has a Diploma in Development Administration from the United Kingdom.

D.S. RANJIT SINGH is a lecturer in the University of Malaya, in the Department of History. He holds a BA (Hons) in History and an M.A. as well as the Malaysian Certificate of Teaching.

CLARENCE D. BONGKOS MALAKUN, 28, holds a B.A. (Hons) in International Relations and Politics, an M.A. in Southeast Asian Politics and a Diploma in Law. He studied in England and is now an Administrative Officer in the Cabinet and Constitution Section in the Chief Minister's Department.

PETER S. GUDGEON, B.A. (Hons); M.A. (Econ); Diploma in Economic Development, has been the Colombo Plan Economic Adviser in the Economic Planning Unit, Sabah, since 1977. After education in the United Kingdom and Canada he undertook research at Oxford University for Professor Lauchlin Currie — Visiting Professor at St Antony's College. Nearly four years were spent in Uganda as a development economist under the ODI Nuffield Fellowship Scheme

and the U.K. Government's Overseas Service Aid Scheme. This was followed by a couple of years with an international firm of management and economic consultants.

DR. SHEILA VIRDI, 34, is the Assistant Director of Medical Services (Maternal and Child Health). Dr. Virdi has an MB, BS from Punjab, India and an MSc PH, Singapore.

DR. MECHIEL K.C. CHAN, the Director of Medical Services obtained his MB, BS from Australia and DTPH, London. He has written several articles on Public Health topics published in various medical journals.

VERUS AMAN SHAM is a BA holder in Administration and Political Science. Currently, he is the General Manager of the Housing and Town Development Authority. He is also Fellow of the U.N. Asian and Pacific Development Institute.

DAVID C.V. WANG is the Welfare Department Director. He holds an M.A. in Social Administration and a Diploma in Social Studies. He has been awarded the Bintang Setia Kinabalu by the State Government.

LAWRENCE HEE QUI SHING is a Social Administrator in the Welfare Department. He has an M.A. and a Diploma in Social Studies.

K.M. GEORGE has been a school teacher for 28 years. He holds a Bachelor of Training and a Teacher's Diploma.

JOHAN M. PADASIAN has a B.A. (Hons), a Diploma in Journalism, Melbourne and also a Diploma in Economic Development, Oxford. He was until January 1981 Director of Information Dept, Sabah. He has has written a number of books on Sabah.

ANWAR SULLIVAN, 29, the Keeper of the Sabah State Archives has a Diploma in Business Studies and a BSc in

Social Studies (History & Sociology) U.K. He edited the book Sandakan 100 Years and is one of the editors of the Sabah Society Journal.

Currently working in the Sabah Museum PATRICIA REGIS has a BA (Hons) in Social Anthropology (UK) and a Certificate in Journalism (New Zealand). She has also worked as a journalist for nine years in Sabah, Sarawak, Brunei, Australia and New Zealand.

STANISLAUS YEE FONG CHUN currently is the Principal Assistant Secretary in the Cabinet and Constitution Section in the Chief Minister's Department. He is a B.A. (Hons) holder from New Zealand. He has been in Government Service for 15 years.