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11

# MALAYAN FEDERALISM 1945-1963

*A Study of Federal Problems  
in a Plural Society*

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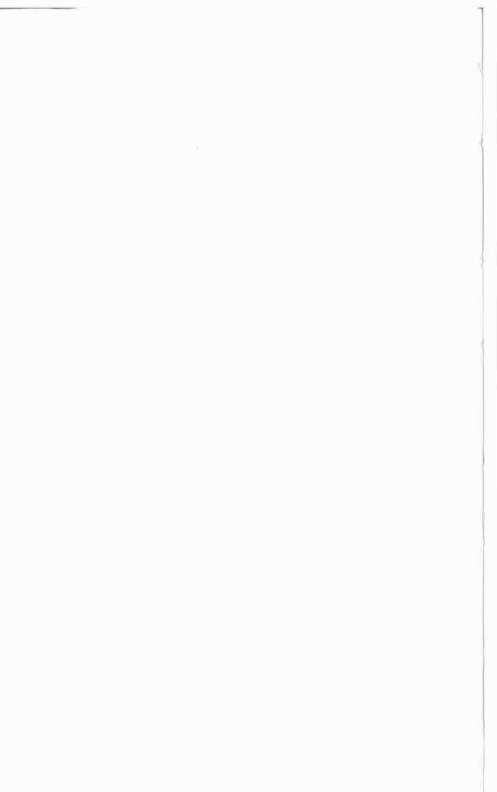
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Perpustakaan Negara

TO MY WIFE



## PREFACE

WITH the exception of slight modifications this book is based upon the research undertaken in the preparation of a thesis presented for the degree of Doctor of Philosophy to the University of Oxford in 1965.

It is concerned with the reasons for the introduction of the federal solution into Malaya and Malaysia, the working of the federal experiment up to 1963, and the problems posed by the plurality of Malaya's and Malaysia's society in the implementation of the federal idea. Politics in Malaya and Malaysia, as in other newly emerging countries, has been characterized by fluidity and rapid change. Therefore, in order to avoid continuous rewriting to include references to the latest developments, it seemed advisable to choose an arbitrary date, i.e. the establishment of Malaysia in 1963, to end both narrative and discussion.

I began to write in 1962, but even before half the work was completed 'confrontation' made it impossible to visit Malaya and Malaysia. As a result I had to rely upon Oxford University's immense collection of books, periodicals, and government papers for my source material, which fortunately contained nearly all the source material I needed.

Many have contributed toward the making of this book, but the responsibility for its failings and shortcomings must remain solely mine. I am very grateful to Oxford University, and more particularly to the librarians of Rhodes House and Queen Elizabeth House, both of which are divisions of the Bodleian Library, for the facilities they granted me so liberally. I feel especially indebted to the late Mr. F. G. Carnell, through whose encouragement, inspiration, and scholarly discipline this work has become what it is. His sudden death has meant a personal loss to me. I am very grateful that Dr. A. F. Madden of Nuffield College, Oxford, gallantly took over his supervisory duties and guided me successfully through my doctoral work. I also wish to thank Dr. J. B. Bamborough, Principal of Linacre College, Oxford, through whose kind offices the University provided financial assistance to make the completion of my work possible. To Professor L. Wasserman of San Francisco State College and to Mr. D. J. Wenden, Master of St. Catherine's College, Oxford, I wish to give special thanks for their combined efforts to intro-

duce me to Oxford. Last but not least, my deepest feeling of gratitude goes to my father-in-law, who unselfishly stood behind me during my studies, and to my wife who, throughout the long years of research, has remained faithfully by my side, helping and encouraging.

*Oxford*, 1965

B. Simandjuntak

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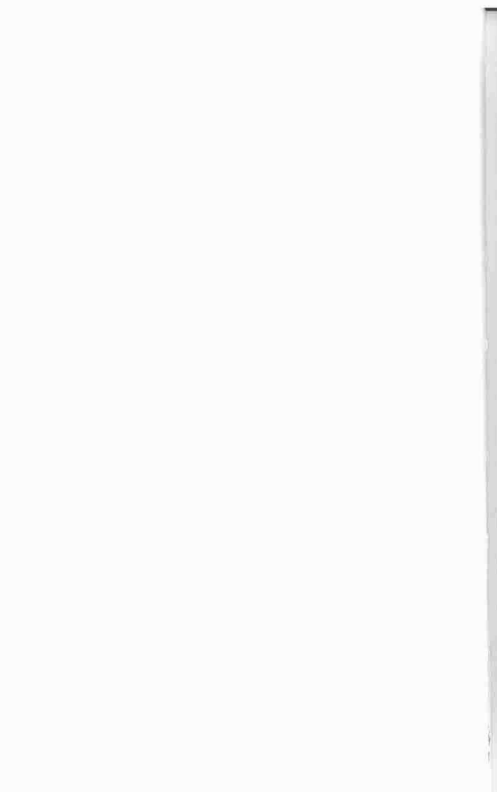
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PART ONE

THE EVOLUTION OF  
MALAYAN FEDERALISM



I  
HISTORICAL SURVEY

*Malaya's Earliest Political Unification  
under the Malacca Sultanate*

THE NAME 'Malaya' for the peninsula, which projects south-eastward from the south of Siam, was a European invention.<sup>1</sup> The Malays have always called this region 'Tanah Melayu' (land of the Malays). Both names would seem to suggest the existence of one country, but no country as a unit could be identified with either, and they were but new additions to the list of geographical expressions.

Within the untouched wilderness of Malaya were located in secluded isolation a number of petty feudal kingdoms: Kelantan, Trengganu, and Pahang were known to have existed on the east coast, while Kedah and Singora, both believed to have been part of the ancient Indianized kingdom of Langkasuka, were situated in the north. The west coast, however, knew only a number of Indian trading posts, while the central and southern sections persisted for centuries as a *terra incognita*.

It was Parameswara, a Palembang prince and the founder of the Malacca Sultanate, and his ambitious successors who brought these petty kingdoms under Malacca's control after a series of wars during the latter half of the fifteenth century.<sup>2</sup> Malacca could then boast of having been the first power to bring about a form of political cohesion in the peninsula. But great difficulties still had to be overcome. In the absence of land-routes the Malacca Sultans were completely dependent on riverine and ocean communications. Coupled with Malacca's peripheral location, this made the distances between the capital and the rest of the peninsula inconveniently long. As a result the states were more difficult to control and for all practical purposes the petty kings continued as independent rulers. Under these circumstances the key to a Malayan hegemony lay obviously in naval supremacy over the surrounding seas. During the first decade of the sixteenth century Malacca's naval

<sup>1</sup> R. O. Winstedt, *The Malays: A Cultural History* (London, 1950), p. 4.

<sup>2</sup> R. O. Winstedt, *A History of Malaya* (Singapore, 1961), chapter III, 'The Malay Empire of Malacca,' pp. 44-58.

strength was put to the test. In 1511 a detachment of Portuguese warships appeared before Malacca, defeated the forces of the Sultan, and established Portuguese rule over Malacca and the eastern seas. The newcomers, however, made no attempt to follow up the task of Malayan unification. Consequently the embryonic political unity went into oblivion and the feudal states reverted to their ancient status of separate, jealous, and independent kingdoms.<sup>1</sup>

### *Rationale of Malayan Fragmentalism*

The most immediate obstacle to the growth of a pan-Malayan way of thinking on the part of the inhabitants was, perhaps, geographical limitation. Mountain ranges clad with dense tropical jungle, and swampy plains, tended to inhibit popular movements. The Main Range, stretching as a solid backbone slightly west of centre, was of major significance as a single feature in determining Malaya's political division and human distribution into an east-coast and west-coast pattern. The narrower west coast, sheltered from the blast of the north-east monsoons, tended to become the natural gateway into the peninsula and to give rise to ports of some importance. The rough seas on the east coast, on the other hand, considerably restricted navigation during the north-east monsoons, limited population traffic, and prohibited the development of seaports of any significance.<sup>2</sup>

Next in importance was the Tahan Range with its subsidiaries, which combined to form a distinct east-west watershed and seriously impeded human movement. This group of mountain ranges isolated the north-eastern rice-growing alluvial plains of Kelantan and Trengganu from the rest of the peninsula, making them physically appear to be an integral part of the lowlands of Patani to the north rather than of the Malay states to the south.

At about six degrees North the Main Range became lower, allowing a relatively easy population movement from Patani into the alluvial regions of Kedah and vice versa. This facilitated early cultural, commercial, and political connexions between Kedah and South Siam.

<sup>1</sup> R. W. Steel and C. A. Fisher, *Geographical Essays on British Tropical Lands* (London, 1956), p. 279.

<sup>2</sup> *Ibid.* pp. 274-5.

In southern Pahang and in Johore the Main Range also gave way to an extensive peneplain, but, unlike its northern counterpart, the presence of wide swampy areas discouraged east-west population movements, and presented an extra natural barrier.<sup>1</sup>

These geographical characteristics produced a unique behaviour of the Malay states, described by Fisher as the 'centrifugal tendencies implicit in the geography of the peninsula'<sup>2</sup> or a looking away from rather toward one another in matters of politics. Thus, the northern states of Kedah, Kelantan, and Trengganu became politically engulfed by Siam or Burma, the states of Johore, Pahang, and Perak became entangled in the politics of the states on the north and east coasts of Sumatra, while the states that later came to be known as Negri Sembilan and Selangor were the creation of the agricultural Menangkabaus from the west coast of Sumatra and of the Bugis sea-rovers from south Sulawesi respectively.

Another problem of a more general nature was posed by the dense primeval jungle which covered four-fifths of the land. Although the undergrowth was nowhere as dense as popularly imagined, the increased amount of light admitted by the natural falling of trees or by clearings for cultivation made the jungle-edge undergrowth extremely dense and impenetrable. It was this self-generating fringe curtain and the gloom beyond that transformed the jungle and forest edges into hostile walls, encouraging the development of Malayan fragmentalism.<sup>3</sup>

The limitations placed on wet-rice agriculture by the absence of suitable sites for rice cultivation also contributed considerably toward the unsettled and fragmented character of the country, particularly in the south. Commenting on the civilizing forces inherent in this art of wet-rice growing, Winstedt wrote:

It must have been for want of rice-plains that until the rise of Malacca in the 15th century southern Malaya remained almost uninhabited except for a few posts for the collection of tin and jungle produce. Then the founding of Malacca brought the Menangkabaus, again expert rice planters, to Negri Sembilan and to Jelai in Pahang.<sup>4</sup>

<sup>1</sup> Ibid.

<sup>2</sup> Ibid. p. 281.

<sup>3</sup> Federation of Malaya, *Official Year Book 1961* (Kuala Lumpur, 1961), p. 7.

<sup>4</sup> Winstedt, *The Malays*, p. 125.

Broken into small valleys and covered with swamps or forests, the southern part of the peninsula had hardly any incentives for permanent agricultural communities to develop. So, while the north was gradually consolidating itself in the manner of the rice-producing countries, such as Burma, Siam, and Java, the south remained virtually an empty wilderness until the advent of the Indonesian Malays from the Indonesian Islands.

But even these new immigrants, who in the course of time made up the general community at the base of the pyramidal structure of riverine settlements, showed little inclination for unity. Within the same riverine community each village consisted of members of one cultural group and generally included no others.<sup>1</sup> The Malays in one state regarded their fellow Muslim Malays from another state as foreigners.<sup>2</sup> Their common Malay or Indonesian descent was made meaningless by zealous sub-racial, regional, occupational, and religious consciousness.<sup>3</sup>

The role of the Portuguese and Dutch traders amounted at best to the preservation of the *status quo*. Where their economic interests were not impaired, they remained disinterested on-lookers and refrained from altering the socio-political patchwork. The British, on the other hand, wrought a deliberate change in the sociological structure by officially sponsoring Indian labour immigration for purely economic reasons. These labourers were made to live in insular communities, concentrated in separate coolie lines in rubber estate pockets, and characterized by a decided absence of contact with the Malays. A rubber estate was in effect a miniature India, complete with its own temples and a rudimentary primary school system. The labourers led a life of isolation and occasionally looked to the mother country for moral and emotional support.<sup>4</sup>

Chinese immigrants had braved the untamed forest lands of Malaya in search of tin long before British intervention. With a co-ordinated plan these early pioneers could have easily overrun and taken the country. But they were a medley of disjointed rival bands and secret societies, following the tradition of their

<sup>1</sup> J. M. Gullick, *Indigenous Political Systems of Western Malaya* (London, 1958), p. 29.

<sup>2</sup> J. Kennedy, *A History of Malaya: A. D. 1400-1959* (London, 1962), p. 124.

<sup>3</sup> Gullick, *op. cit.* p. 25.

<sup>4</sup> Usha Mahajani, *The Role of Indian Minorities in Burma and Malaya* (New York, 1960), p. 117.

homeland, and would have been incapable of joint action.<sup>1</sup> Emerson wrote:

The Chinese form no single community which can be viewed as a political or social entity for other than statistical purposes. Even leaving aside the vital distinction which must be drawn on economic lines . . . there still remain two other cross-classifications of basic importance: the local born as against the immigrant Chinese, and the various stocks of Chinese as against each other.<sup>2</sup>

The sole concern of the Chinese was to make enough money to retire to China as soon as possible. Economic opportunity in Malaya, contrasted with the ever-present shadow of famine over densely populated China, provided powerful incentives for hard work, while the sacred ancestral ties with the homeland constituted an insurmountable barrier to the transplanting of the immigrant's loyalty to Malaya.<sup>3</sup> But with the passing of time and the growth of locally-born generations, there emerged a sense of local British consciousness, not Malayan, be it noted. As if to neutralize this development, there was a large inflow of conservative immigrants from China during the late nineteenth century and after. Divergence of outlook between the China-born and the Malaya-born generations escalated into sharp conflicts and added another variant to the already kaleidoscopically divided Chinese camp.<sup>4</sup>

*The Evolution of British Policy from  
Abstention to Centralism  
in Malaya*

The character of British policy in Malaya during the nineteenth century was dictated by one fundamental interest, viz., the safety and freedom of trade with China, Malaya, and the islands of Indonesia. It was as a link within this commercial chain that the Straits Settlements assumed importance. They had an excellent geographical location as trading posts and ports of victualling and refitting for the British commercial

<sup>1</sup> R. L. Wheeler, *The Modern Malay* (London, 1928), p. 113.

<sup>2</sup> Rupert Emerson, *Malaysia: A Study in Direct and Indirect Rule* (New York, 1937), p. 282.

<sup>3</sup> V. Purcell, *The Chinese in Malaya* (London, 1948), p. 8.

<sup>4</sup> Soh Eng Lim, 'Fan Cheng Lock: His Leadership of the Malayan Chinese', *Journal Southeast Asian History*, Vol. I, No. 1 (March 1960), pp. 29-30.



flect.<sup>1</sup> In particular, Penang, founded by Francis Light, was favoured as a naval base for the protection of commercial ventures, which were rendered unsafe by the wars against France, Holland and Hyder Ali of India.

From the beginning Light had been instructed to refrain from interfering in the affairs of the Malay States, and this policy had been maintained by the India Office (1858-67) and by the Colonial Office (1867-73). Events, however, were moving fast to rectify the anomalous India-centered existence of the Straits Settlements, which were administratively held as a Residency of the Indian Empire. With the loss of the monopoly in the China trade in 1833, the Company took very little interest in the Straits and refused to consider the reasonable wishes of the population.<sup>2</sup> At the same time, increasing Dutch and French commercial and political activities, to the exclusion of British traders from their spheres of influence, made the Straits merchants clamour for a severance of ties with India and a closer identification with the peninsula as a means of redressing their rapidly deteriorating trade position. As early as 1844 Singapore newspapers were advocating annexation of the Malay states. No extension of trade into the peninsula, however, could take place without British protection in view of the anarchical disorders in the Malay states. But the India Government was unalterably opposed to annexation and to any interference in the affairs of the native states.<sup>3</sup>

The imposition of the Currency Act in 1855 and of taxes on the ports in 1856 tipped the balance in favour of severance from India, and after protracted conferences in London the India government transferred the Straits Settlements to the Crown in April 1867. But the expected protection of trade with the Malay states was not forthcoming. 'The British government shut its eyes to conditions in the hinterlands of its settlements . . . refused to budge, and continued the non-intervention policy of the Indian Government.'<sup>4</sup>

Then, in the latter part of 1873, the Colonial Office drastically reversed this policy of political abstention, allegedly to safe-

<sup>1</sup> F. Swettenham, *British Malaya* (London, 1948), pp. 34-35.

<sup>2</sup> L. A. Mills, 'British Malaya 1824-1867', *Journal Malayan Branch Royal Asiatic Society*, Vol. XXXIII, part 3 (No. 191) (November 1960), pp. 34-35.

<sup>3</sup> *Ibid.* p. 313.

<sup>4</sup> C. D. Cowan, *Nineteenth Century Malaya* (London, 1961), p. 27.

guard the interest of the British Settlements, to save the fertile and productive Malay states from ruin, and to forestall foreign intervention.<sup>1</sup> Sir Andrew Clarke, the second Governor of the Straits Settlements after the transfer, was instructed to ascertain and to report to the Colonial Office the actual state of affairs in each of the Malay states and to consider the advisability of the appointment of a British officer to reside in them.<sup>2</sup> Carnarvon received with reservations Clarke's report of March 1874, which was in effect a defence of his actions exceeding his mandate, but expressed by the end of the year his complete approval of the plan for an advisory Residential system. Trouble arose when Jervois became Governor. Impatient with the slow progress, he threw the advisory system overboard and instituted rule by British Officers, styled Queen's Commissioners, acting in the name of the Sultans.<sup>3</sup> Outraged over this highhandedness Carnarvon reprimanded Jervois for his radical deviation from the established policy without consulting the Colonial Office, to which Jervois replied:

The Residents had governed from the beginning, because any other solution was impossible. . . . In none of the native States was there a Ruler with the power and machinery to carry out the 'advice' of the Residents. . . . Everyone in the Straits always knew that the Residents were actually ruling, hence it was surprising that the Colonial Office professed not to know.<sup>4</sup>

Jervois proceeded to urge outright annexation, which Carnarvon himself thought would at a later date be desirable and even beneficial for the Malays, but he believed that the time for such a step was still to come.<sup>5</sup> The Colonial Office then took the attitude that the Governor should train the Malay Rajahs, that they should be aided by a mixed Council to run the government, and that annexation should be resorted to only if a Rajah proved to be radically weak or vicious.<sup>6</sup> But this did not settle the question. The Governor, Sir William Robinson, admitted in April 1879 that the adviser system was unworkable,

<sup>1</sup> *Ibid.* pp. 165-6.

<sup>2</sup> For a text of the instructions, see Swettenham, *op. cit.* pp. 174-5.

<sup>3</sup> Emerson, *op. cit.* p. 126.

<sup>4</sup> Jervois to Carnarvon, 10 February 1876, in CO 273/83 No. 62. Cited in D. A. Calman, 'Indian Labour Migration into Malaya, 1867-1910' (Unpublished B. Litt. Thesis, Oxford University, 1954), p. 137.

<sup>5</sup> Arthur Hardinge, *The Life of Henry Howard Molyneux Herbert, Fourth Earl of Carnarvon* (London, 1925), pp. 137-8.

<sup>6</sup> Calman, *op. cit.* p. 141.

and he strongly advocated annexation as highly preferable to 'a British withdrawal as soon as the Malays were able to rule themselves'.<sup>1</sup> Weld, the next Governor, added: 'Nothing we have done so far has taught them to govern themselves, we are merely teaching them to cooperate with us and to govern under our guidance. To teach men to govern themselves you must throw them on their own resources. We are necessarily doing the very reverse.'<sup>2</sup>

Weld did not throw the Malays on their own resources; he discounted the advisability of a British withdrawal, but at the same time he viewed annexation as inappropriate for countries like the Malay states. Instead, he formulated a new idea, which was more flexible, more subtle, and more ingenious than any prior policy proposals. He said that: 'The residential system [should] be continued with an overt recognition that the advice given by the Resident meant more than advice and that the system be extended to the other Malay States as opportunity offered.'<sup>3</sup>

Here Weld provided tools *par excellence* for the extension of British control over the Malay states while maintaining the façade of the native political institution and without having to go through the complexities associated with outright annexation. The treaty system, incorporating the customary famous clause 'to follow his [the British Resident's] advice in all matters of administration . . .', supplied the instrument necessary for the transfer of effective power into the hands of the British Residents, thereby reducing the position of the Malay Sultans to that of mere priest-kings.

In May 1893 Sir Charles Lucas of the Colonial Office drew up a memorandum proposing a Federation of Malaya and sent it to the Governor, Sir Charles Mitchell, with instructions to investigate the possibilities of success for such a plan.<sup>4</sup> After nearly two years Mitchell recommended the implementation of the scheme, if the Malay Sultans could be persuaded to agree. Swettenham enthusiastically offered his services to do the per-

<sup>1</sup> *Ibid.* p. 147.

<sup>2</sup> Emerson, *op. cit.* p. 132.      <sup>3</sup> *Ibid.* p. 133.

<sup>4</sup> Swettenham claimed to have himself drawn up the scheme for the federation of the four Malay states, i.e. Perak, Selangor, Negri Sembilan, and Pahang. See Swettenham, *op. cit.* p. 272. But Colonial Office records show that the scheme originated with the Permanent Officials of the Colonial Office. See Calman, *op. cit.* pp. 185-6.

suading. In spite of objections raised by the Permanent Secretary, Meade, saying that 'those unhappy dummies will, of course, agree to anything that they are told to accept',<sup>1</sup> Swettenham was given the commission. He completed the task in the record time of one month. The Rulers and Chiefs of Perak, Selangor, Negri Sembilan, and Pahang agreed to constitute their countries a Federation, to be known as 'The Protected States' by Treaty of Federation of 1895. With the inauguration of the new creation on 1 July 1896, a new era of political centralization opened for Malaya. Swettenham himself became its first chief under the title of Resident-General, agent and representative of the British government under the Governor of the Straits Settlements.<sup>2</sup> It was this effort to achieve a wider and more efficient centralized control in the name of federalism that dominated Malayan politics until the eve of the Second World War.

It was during these years of political consolidation that the foundation of Malaya's destiny was laid. As modern methods were applied in the exploitation of Malaya's tin mines, and as the rubber tree was introduced into Malaya's agricultural economy, the British government sowed the seed of Malaya's plural society through the importation of Indian, Chinese and Indonesian labourers. Under the roof of *Pax Britannica* this seed grew and began to send its roots into the ground, but it failed to develop a Malaya-orientated consciousness. Nevertheless British Malaya looked unruffled, peaceful, and serene. Yet this efficient and uncorrupt administration was to be weighed in the balance and to be proven wanting in supplying an answer to the immediate future needs of Malaya. Corry observed: 'No real steps had been taken to create a Malayan Union, a spiritual amalgam of the diverse races in the country, without loss of their ancient individual cultures.'<sup>3</sup> On the inadequacy of the administration itself Corry further commented: 'The complicated constitutional pattern of the administration tended to make overall executive government difficult, and this became a great danger from 1939 onwards in a country at war, menaced by increasing

<sup>1</sup> CO 273/188 Confidential, cited in *ibid.* p. 187.

<sup>2</sup> W. G. Maxwell and W. S. Gibson, *Treaties and Engagements Affecting the Malay States and Borneo* (London, 1924), p. 23.

<sup>3</sup> W. G. S. Corry, *Malaya Today*, British Commonwealth Affairs No. 9 (London, 1955), p. 10.

aggressive and threatening enemies in north-eastern Asia.<sup>1</sup>

On 8 December 1941 the crucial test came. The Japanese invaded Malaya at Kota Bharu in Kelantan and by 15 February 1942, in a mere ten weeks' campaign, they had smashed the framework of colonial British Malaya into pieces. Once and for all their *Samurai* swords severed Malaya's ties with the tranquil, complacent, and politically backward past. But more important, perhaps, was the exposure of the hitherto concealed 'plural society with no corporate soul'.<sup>2</sup>

### *The Japanese Interregnum and the Three Communities*

With the British administrators gone, the Malays lost their paternal protection, and finding themselves suddenly thrown on their own resources, they were forced to think of the future in terms of themselves in a world of racial chaos. It has been suggested that the bulk of the Malays were not particularly hostile to the Japanese occupation, and that the Sultans had no objection to placing themselves under Japanese protection. Undoubtedly, the Sultans were prompted to do so by the example of their forefathers' protected-States relationship with the British.<sup>3</sup> As for the Malays in general, it is not difficult to understand them acting as they did. Loyalty to their Sultans was in their blood. Besides, the British policy never to arm or train the peoples of Malaya for military service could scarcely prepare the Malays for action against a force, before which even British might recoiled. Moreover, previous Sino-Malay economic conflicts contributed toward this attitude of the Malays. The Chinese traders, who controlled nearly all retail trade in Malaya, had undertaken to boycott Japanese goods ever since the invasion of China by Japan in 1937. This decision deprived the Malays of cheap goods which were in great demand with them. Not being in a position to comprehend the ramifications of the Sino-Japanese dispute, they could only show resentment towards the Chinese action and align themselves with the Japanese rather than with the Chinese.<sup>4</sup>

As soon as the Japanese military government was established

<sup>1</sup> Ibid.

<sup>2</sup> V. Purcell, *Malaya: Communist or Free?* (London, 1954), p. 12.

<sup>3</sup> Virginia Thomson, *Postmortem on Malaya* (New York, 1943), p. 311.

<sup>4</sup> 'Malays and Communists', *The Economist*, 8 January 1949, p. 46.

it released all the Kesatuan Muda Melayu (KMM) leaders, who had been arrested *en masse* by the British in 1940 for their anti-British activities.<sup>1</sup> Among those released were Ibrahim Yacoob, Ishak Haji Muhammad, Ahmad Boestamam and Sutan Djenain. In order to elicit their support and co-operation the Japanese encouraged patriotism and nationalism wherever they appeared to be pronounced. Ibrahim and his colleagues lost no time in making contact with the underground Malayan Communist Party (MCP) and with the Chinese-dominated Malayan People's Anti-Japanese Army (MPAJA). At the same time they followed Sukarno's example in Indonesia by appearing to collaborate with the Japanese in order to achieve independence for Malaya and unity with Indonesia.<sup>2</sup> By June 1942, however, KMM's undercover anti-Japanese moves alarmed the Japanese authorities and they decided to ban the party. They were, however, careful not to destroy its leadership, since it was needed in the Japanese war-effort. The Japanese went even so far as to appoint Ibrahim Commander-in-Chief of the newly-formed and Japanese-sponsored Pembela Tanah Ayer (PETA) with the rank of Lieutenant-Colonel. By this action the Japanese unwittingly resuscitated the KMM, since in his dual position as leader of the proscribed party and as Commander-in-Chief of PETA, Ibrahim was given the rare opportunity of using a section of the armed forces to work with the outlawed KMM and wrest independence for Malaya from the Japanese, within the framework of an independent Greater Indonesia. This plan for independence was agreed between a visiting Indonesian delegation and leaders of KMM in July 1945, and the agreement was ratified in August by Sukarno and Ibrahim at Taiping. In harmony with the sentiments of unity KMM was renamed Kesatuan Ra'ayat Indonesia Semenanjung (KRIS). But the atom bomb upset the projected time table, and when Indonesia proclaimed her independence on 17 August 1945, Malaya was left out. KRIS was then disbanded and the unfinished task was passed on to its successor, the Malay Nationalist Party (MNP).<sup>3</sup>

The three and a half years of Japanese occupation planted the seed of nationalism in the hearts of the younger generation,

<sup>1</sup> Radin Soenarno, 'Malay Nationalism', *Journal Southeast Asian History*, Vol. i No. 1 (March 1960), pp. 18-19. See chapter II for an account of Malay nationalism before the Second World War.

<sup>2</sup> *Ibid.* p. 20.     <sup>3</sup> *Ibid.* pp. 20-21.

and instilled a new political awareness. The wind of nationalism that swept over all parts of Indonesia was felt in Malaya, and even though Malayan political activities during this period were stage-managed mainly by Indonesian Malays, they affected Malaya in that they transformed the docile local Malay into a militant nationalist. It was a metamorphosis that dumbfounded the British.<sup>1</sup>

To the Malayan Chinese the Anglo-Japanese war was essentially an extension of the Sino-Japanese hostilities in China. It was, therefore, not surprising that the Chinese community was anti-Japanese even if they were not actually pro-British. The Japanese, too, had no time for the Chinese.

The Chinese beyond all others, the Japanese regarded as their implacable enemies, and of the Chinese the Communists stood first. The conquering army was obsessed with fear and hatred of the Communists. It was the Chinese Communist armies that in China had given them the most trouble, who had hindered their progress and killed the greatest number of their men. It was they who perfected the 'scorched earth' policy, it was they who created 'mobile guerilla warfare'.<sup>2</sup>

On the third day after the surrender of Singapore the elimination of anti-Japanese elements began in earnest. It was estimated that in the round-up between 40,000 and 100,000 perished.<sup>3</sup> The Chinese reacted by organizing resistance movements. An efficient and powerful 'three star' guerilla organization, the MPAJA, was set up. It was communist led, supported in the provision of food supplies and in the raising of funds by the Malayan People's Anti-Japanese Union (MPAJU), had liaison understanding with KMM and PETA, and made an agreement on joint military operations with Mountbatten's South-East Asia Command (SEAC).<sup>4</sup>

The Japanese also exploited the latent Malay resentment toward the Chinese and deployed the Malayan police force, which consisted mostly of Malays, to suppress this Chinese resistance movement. They even instigated racial clashes between the Malay and Chinese communities, e.g. near Batu Pahat in Johore.<sup>1</sup>

With KMM and PETA on the side of MPAJA, the Malays

<sup>1</sup> Harry Miller, *Prince and Premier* (London, 1959), pp. 77-80.

<sup>2</sup> Purcell, *The Chinese in Malaya*, p. 249.

<sup>3</sup> *Ibid.* p. 251.      <sup>4</sup> *Ibid.* pp. 259-60.

sometimes found themselves fighting against their fellow Malays of the police force. While this was admittedly a deplorable situation, the emotional experience and the sense of self-reliance in the fight provided the Malays with the stamina needed in their post-war political battle against the British, when they were eventually to take their place, not as subordinates, but as partners.<sup>2</sup>

By force of circumstances the Chinese acquired the art of jungle guerilla warfare, which in due course they used to great advantage against their tutors, the British. But more important than anything else for the future of Malaya was, perhaps, the conspicuous apathy of the Chinese towards Malayan politics, in spite of the fact that the disruption of normal communications with China had increased the number of local-born Chinese.

The Indians offered somewhat more pliable material for the Japanese. Capitalizing again on the appeal of nationalism, the Japanese sponsored Rash Bihari Bose at the Tokyo Conference of March 1942 to found the Indian Independence League (IIL). Branches of the League were set up in every major centre in Malaya for the dissemination of propaganda, the collection of funds, and the recruitment and training of workers and troops for the liberation of the fatherland from the British.<sup>3</sup> But the League floundered in dissension and recrimination on account of Bihari's unacceptability to the Indian community, because he was too closely associated with Japan.

Agreement was also reached at the Bangkok Conference of June 1942 to form the Indian National Army (INA) as part of the Liberation Army, but Mohan Singh refused to take command, since it was not large enough to take independent action, and also because it was intended to be used as another instrument of propaganda. The growing strains and stresses of the war-effort, however, called for all possible co-operation and the Japanese compromised by granting a measure of freedom of action. Colonel Bhonsale and a Council of Indian Colonels were charged with the organization of the army, while Netaji Subhas Chandra Bose was entrusted with its command on his arrival in

<sup>1</sup> Ibid. pp. 268-9.

<sup>2</sup> T. H. Silcock and Ungku Abdul Aziz, *Nationalism in Malaya*, Eleventh Conference Institute of Pacific Relations, Lucknow, India (3-15 October 1950), mimeographed, p. 18.

<sup>3</sup> Ibid. pp. 21-22.



Singapore from Germany in July 1943.<sup>1</sup> To crown the Indian nationalist movement in Malaya, a Provisional government of Azad Hind was inaugurated in October 1943 in Singapore.

Although eventually INA was defeated, the Japanese occupation was not without result. Like the Malays the Indians developed an acute feeling of nationalism and learned the art of political organization and political bargaining, which were soon to prove their value. But, as in the case of the Chinese, the emotional and political interests of the Indian community had not yet been transplanted to Malaya, in spite of the three and a half years' disruption of normal communication with India and the stabilization of the Indian population in Malaya.

The Japanese conquest of Malaya failed in disgrace. But by fatally wounding the British imperial lion it had shown the people of Malaya a vision of self-determination, self-government, and independence from all outside tutelage, whether British or Japanese.

#### *Post-war Federalism in Malaya*

After the war the British returned to Malaya with a proposal that the pre-war system of federated and unfederated Malay states should be replaced by a single centralized form of administration, called the Malayan Union, while a common citizenship was to be created for all races. The scheme, however, was never fully implemented on account of country-wide opposition from the Malays. In its place another federal scheme was drawn up by an Anglo-Malay Working Committee. But the new Federation of Malaya, which emerged in February 1948, was in essence not so very different from the Malayan Union plan.

Meanwhile the Malayan Communist Party (MCP) was concentrating its efforts on seizing power by constitutional means. Failing in these attempts, its members, under the able leadership of Chin Peng, retreated deep into the Malayan jungle, whence they organized a sustained programme of arson in factories, assaults and murders in estates and mines, and intimidation of the general public. The pan-Malayan character of these acts of terrorism had the effect of driving the federal units closer

<sup>1</sup> Willard H. Elsbree, *Japan's Role in Southeast Asian Nationalist Movements 1940-1945* (Cambridge, Mass., 1953), pp. 34-36.

together and of producing a measure of homogeneity among the communities. During these troublous times the communal coalition party, the UMNO-MCA-MIC Alliance, was born.

Notwithstanding the unsettled conditions the first Malayan general elections were held in 1955 and the Alliance won a sweeping majority on the platform of early independence for Malaya. A conference with the British government in London in January and February 1956 followed by several months' work by a special Constitutional Commission sufficed to attain the goal. The Federation of Malaya became a sovereign independent nation on 31 August 1957.

South of the Causeway, Singapore had by this time achieved the status of internal self-government. At the state elections held at the end of May 1959, the People's Action Party (PAP) scored an overwhelming victory. This party, left-wing in its general policies, made it clear from the beginning that it intended, during its term of office, to create conditions favourable to an early reunification with the Federation of Malaya.<sup>1</sup> The problem that had to be solved was to find a form of association that would be acceptable to Malaya.

The government of the Federation of Malaya was fully aware of the keen desire of the Singapore government to achieve independence through merger with Malaya, but whilst not averse to ending the unnatural division of the island from the mainland, it could not ignore the realities of the island's racial and political problems and their effects upon Malaya.

The growing pace of decolonization was being watched with close interest in the Borneo territories, the last remnants of British imperialism in South-East Asia. The speed of political advance in Malaya and Singapore had a marked influence on the leaders of these territories; the British government also realized that the day was not far off when independence must be granted to Singapore and the Borneo territories.

The concurrence of these problems provided an ideal climate for the realization of Tunku Abdul Rahman's Malaysia proposal of 27 May 1961. The Malaysia Solidarity Consultative Committee (MSCC) was formed to promote the speedy creation of Malaysia.<sup>2</sup> The Cobbold Commission was subsequently

<sup>1</sup> State of Singapore, *Annual Report 1959* (Singapore, 1962), p. 12.

<sup>2</sup> Federation of Malaya, *Report of the Commission of Enquiry: North Borneo and Sarawak* (Kuala Lumpur, 1962), p. 118.

appointed to ascertain the views of North Borneo and Sarawak on the question of Malaysia, and thereafter the Inter-Governmental Committee (IGC) was given the assignment of working out future constitutional arrangements for North Borneo and Sarawak.<sup>1</sup> These efforts culminated in the signing of the Malaysia Agreement in London in July 1963 and the inauguration of the Federation of Malaysia on 16 September 1963.<sup>2</sup>

<sup>1</sup> Great Britain, *Malaysia Report of the Inter-Governmental Committee 1962*, Cmd 1954 (London, 1963), p. 7.

<sup>2</sup> The original date for the inauguration of Malaysia was 31 August 1963, coinciding with the independence day of the Federation of Malaya. But it had to be deferred until the United Nations Malaysia Mission had completed its task of ascertaining the wishes of the people of Sarawak and North Borneo (Sabah) with regard to Malaysia. This was made necessary by the objections raised by Indonesia and the Philippines. The task was completed on 14 September 1963. See Malaysia, *Malaya/Indonesia Relations: 31st August 1957 to 15th September 1963* (Kuala Lumpur, 1963), Appendix XV, Tripartite Summit Meeting—Joint Statement, par. 4, and Malaysia, Department of Information, *United Nations Malaysia Mission* (Kuala Lumpur, 1963), pp. 2–3.

THE BRITISH COLONIAL  
FEDERATION*The Anglo-Malay Treaties and Federalization*

THE REJECTION by the British government of a policy of immediate annexation of the Malay states brought in its train an extremely complex system of government and made miserable the political life of not a few British administrators in Malaya who attempted a measure of administrative simplification. Abjuring the Crown Colony system, the British government chose the alternative of treaties of protection with the Rulers, thereby exchanging the right to administer for the right to advise. It appears that this was done because it suited the commercially-minded British to have it so. If they had preferred some other arrangement, nothing could have prevented them from translating it into reality, since British authority was then absolute. Hence, as in the case of eighteenth-century India, which was divided administratively into one section under direct British control and another composed of Indian princely states, Malaya was divided into two groups, the Straits Settlements under direct British administration and the Malay states. By treaty or usage the latter were, broadly speaking, autonomous regarding their internal affairs but they accepted the suzerainty of the British Crown and its control over their external relations.

The Anglo-Malay treaties were not identical in terms, but each provided for British protection and for assistance in administration by the appointment (made by the Governor of the Straits Settlements) of a British officer, styled Resident, to reside in each state. His function was to give responsible advice. He was to abstain from interfering more frequently or to a greater extent than was necessary in minor details of administration.<sup>1</sup>

By this time, however, the exploitation of Malaya's tin mines by foreign enterprises, chiefly Chinese, had resulted in a rapid opening up of the country, but the Malay Rulers and Chiefs

<sup>1</sup> Great Britain, *Report of Brigadier General Sir Samuel Wilson on His Visit to Malaya 1932*. Cmd. 4276 (London, 1933), p. 5. (Subsequently referred to as *Wilson Report*.)

lacked the administrative organization and personnel to exercise proper control. They were unable to adapt themselves to the sudden change, and their point of view continued to be feudal and conservative. Urgent problems kept crowding in on the British Residents thick and fast, and decision-making could not be deferred until the mediaeval-minded Sultans could be convinced of the necessity of twentieth-century solutions. The result was that the British Residents were forced to gather the reins of state governments into their own hands and to issue orders which the Sultans were bound by treaty to accept.<sup>1</sup>

As time went on, the states grew in importance, but they continued to go their own separate ways. The scope of administration expanded in every state with such rapidity that each Resident had to rely more and more on his own judgment in the advice he gave to the Ruler and in the steps he had to take to establish order and method. The differences in land-laws, mining rules, fishing regulations, the practices of law-courts, the native customs in different states, etc., led to grievances and complaints as people began, with the opening up of roads, to move from one state to another. In controversies involving two or more states it was not unusual for the authorities of one state to refuse to recognize the established laws and customs of another as a basis of settling the dispute, and the Governor of the Straits Settlements invariably became the court of appeal.<sup>2</sup> There arose an urgent need for administrative uniformity, if the overburdened Governor was not to leave the Residents to their own devices. A solution was sought in the idea of a federation.

The Treaty of Federation of 1895 was a document remarkable for its brevity. One fact that stood out immediately was that the use of the term 'federation' to represent the form of political association created by the treaty was a fiction, pure and simple, since the treaty completely disregarded even the broadest meaning of federal government, spelled out by Wheare as 'an association of states, which has been formed for certain common purposes, but in which the member states retain a large measure of their original independence'.<sup>3</sup>

The scheme was obviously an effort to recapture what had been lost by adopting a policy of non-annexation and to protect

<sup>1</sup> Ibid.

<sup>2</sup> Frank Swettenham, 'Malay Problems 1926', *British Malaya*, Vol. I (year ending May 1927), p. 8.

<sup>3</sup> K. C. Wheare, *Federal Government* (London, 1962), p. 1.

and advance the interests of the new alien population.<sup>1</sup> The nucleus of the treaty was the Resident-General, styled 'agent and representative of the British Government under the Governor of the Straits Settlements'. On him the treaty conferred the by now classic advisory powers, i.e. 'the Rulers agree . . . to follow his [the Resident-General's] advice in all matters of administration other than those touching the Mohammedan religion',<sup>2</sup> whereby virtually the entire substance of the legislative powers in the Malay states came within his control, and, in effect, resulted in a surrender by the Rulers of their political independence. Inevitably the administrative centre shifted away from the Sultans, the Residents, and the State Councils to the Resident-General and his Secretariat in Kuala Lumpur. The assurance spelled out in the treaty that 'nothing in this agreement is intended to curtail any of the powers or authority now held by any of the above named Rulers in their respective States'<sup>3</sup> became a farce.

Commenting on the overall effect of the federation set-up, Swettenham wrote: 'The Treaty of Federation' . . . was to make the States one for all general purposes of administration. . . . In agreeing to the appointment of a Resident-General it was for the first time plainly stated that he should have executive control.<sup>4</sup>

The reality of the situation was not lost sight of by the Sultans in spite of the careful attention given by the British to the observance of oriental pageantry and splendour at the Sultans' courts.<sup>5</sup> At the second meeting of the Conference of Rulers at Kuala Kangsar in 1903 there came a reaction against this policy of 'unite and rule'. While expressing his approval of the federal system and of the creation of the office of Resident-General, Sultan Idris of Perak protested against amalgamating the states into one, asked that the federal authorities should leave all state matters to be dealt with by the state authorities, and reminded the British that the Residents, and not the Resident-General, were their<sup>6</sup> advisers. It could, perhaps, be argued that the

<sup>1</sup> Emerson, *op. cit.* p. 176.

<sup>2</sup> *Wilson Report*. Appendix III, Treaty of Federation 1895.

<sup>3</sup> *Ibid.*

<sup>4</sup> Swettenham, *British Malaya*, p. 273

<sup>5</sup> Emerson, *op. cit.* p. 143.

<sup>6</sup> George Maxwell, 'Problems of Administration in British Malaya', reproduced from the magazine *British Malaya*, February, April, May, and June 1943 (New York, 1944), p. 11.

Rulers had agreed to having the Resident-General as another adviser along with the Residents, but the utterance nevertheless proved the unacceptability of the unified system of government and the presence of a genuine desire for a truly federal solution as in the case of the emirates of Nigeria. Unfortunately these appeals went unheeded and the trend toward centralization went on unrestrained.

### *Further Centralization of the Federation*

The Treaty of Federation of 1895 provided the machinery necessary for linking up the four Protected Malay States, making it possible to unite them by a road and railway system, and a telegraph and telephone network. As the country was thus systematically opened up, there was access to new tin fields and to millions of acres of forest land which were soon in demand for the newly-introduced rubber cultivation. Because of this economic expansion it was felt that a separate body was needed to take charge of 'the joint arrangement of all matters of common interest and the enactment of federal legislation'.<sup>1</sup> Sir John Anderson, who became Governor in 1904, put this idea into effect by asking the Rulers of the Federated Malay States (FMS) to sign the 'Agreement for the Constitution of a Federal Council, 1909'.<sup>2</sup> The High Commissioner became its President, and the members were the Resident-General, the four Rulers, the four Residents, and four unofficial members nominated by the High Commissioner with the approval of the British monarch.<sup>3</sup>

This agreement contained a number of inconsistencies, of which the most outstanding, perhaps, was the position of the High Commissioner as President of the Council. Neither in the Residential system, nor in the Treaty of Federation of 1895, had the High Commissioner ever been directly associated with the administration of the FMS. The High Commissioner had, in his capacity as Governor of the Straits Settlements, executive authority in the colony, but in Malaya he was only a representative of the British monarch. On this issue Swettenham wrote: 'In this capacity it is not quite easy to understand how the Governor of a Crown Colony can be also the President of a

<sup>1</sup> *Ibid.* p. 12.

<sup>2</sup> *Wilson Report*, pp. 41-43.

<sup>3</sup> *Ibid.* Appendix IV.

Council for making laws and otherwise controlling the affairs of a Federation of Protected States each of which has a Malay Ruler.<sup>1</sup> On the same subject Maxwell said that 'as representative of His Majesty a High Commissioner has no more right than His Majesty himself to preside over a Council of Malay Rulers'.<sup>2</sup>

Clearly, the High Commissioner's function should have been one of guiding and advising from without and not one of active participation in the Council's deliberations.<sup>3</sup> As it was, Sir John Anderson made a legislative coup by appropriating the chair of the Federal Council. In the process he removed top decision making from Kuala Lumpur to Singapore and brought the colony and the FMS under a much more unified control. At the same time, the Malay Sultans, who were again guaranteed that their powers would not be curtailed,<sup>4</sup> were stripped of much of their prestige by having to sit as ordinary members of the Council on the level of their own subjects. Except for the right to nominate one of his State Council members to represent him in case of disability,<sup>5</sup> the Rulers were no different from any other member. Moreover, it was the signature of the High Commissioner, and not those of the Rulers, that appeared on all bills passed by the Council.<sup>6</sup>

A distinct obstacle to Anderson's ambition was the Resident-General, who stood too high in his position as the chief executive authority in the FMS, and Anderson was determined to bring him down. Without any prior consultation with the Federal Council he made the announcement in November 1910 that the title of Resident-General was to be abolished and replaced by that of Chief Secretary to Government. This was in open violation of the 1895 treaty, which expressly provided for the office of Resident-General. In spite of an attack from the unofficial members that the new set-up would lead to a subordination of the interests of the FMS, especially finance, to those of the colony, the High Commissioner went ahead with the plan. Admittedly, he accepted a proposal from the unofficial members that the Council should have complete financial control in the FMS, but the fact that the Council had an offi-

<sup>1</sup> Swettenham, *British Malaya*, pp. 358-9

<sup>2</sup> Maxwell, *op. cit.* p. 12.

<sup>3</sup> Emerson, *op. cit.* p. 148.

<sup>4</sup> *Wilson Report*, Appendix IV, Clause (11).

<sup>5</sup> *Ibid.* Clause (6)

<sup>6</sup> Emerson, *op. cit.* p. 150.



cial majority was sufficient to make this agreement ineffective.

The story in the rest of the peninsula was twofold. First, as part of a bargain, Siam, by a treaty in 1909, transferred all rights of suzerainty, protection, administration, and control over the four northern states of Perlis, Kedah, Kelantan, and Trengganu. Each of them accepted a British Adviser, whose functions and powers were similar to those of the Residents in the FMS, but who did not directly wield executive power. Second, Johore also entered into treaty relations with the British government, and accepted in 1914 a General Adviser, whose status was similar to that of the British Adviser. These five states became known as the Unfederated Malay States, separate from the FMS, but under the aegis of the High Commissioner. They were outside the Federation, but they looked to it and to the Straits Settlements as models for their administrative machinery and as sources of supply for technicians and senior officials.

*The Decentralization Controversy under  
Sir Laurence Guillemard*

The years 1900-13 marked a great expansion in the rubber plantation industry, high prices in the tin-mining industry, and a phenomenal increase in government revenues, bringing with it a generally increased level of prosperity in which any discontent with the centralized bureaucracy in Kuala Lumpur tended to be forgotten.<sup>1</sup> Neither did the First World War years see any serious disturbances in Malaya; the people co-operated with the British in the prosecution of the war; the many difficulties in the FMS were ably handled by the Chief Secretary to Government; and the general extension of bureaucratic control went ahead unchallenged.<sup>2</sup>

But when Sir Laurence Guillemard became Governor of the Colony and High Commissioner of the FMS in 1920, he considered that the set-up of the FMS had become so complicated that the time had come for sweeping changes. With the authorization of the Colonial Office he made a statement in the Federal Council that it was not the policy of the Government 'to exert in any manner whatsoever, any pressure upon any other State to enter the Federation', but that 'a friendly co-operation was to be encouraged between the several Malayan units in all

<sup>1</sup> *Wilson Report*. p. 7.    <sup>2</sup> *Ibid.* p. 8.

matters of common interest, on the understanding that each party was free to act as it thought best in local matters'.<sup>1</sup>

Guillemard argued that the Federal Government Secretariat and departments had developed into a 'highly organized and most efficient bureaucracy . . . too rigid and detailed in control of the administration of all the four States'.<sup>2</sup> He pointed out that the Malay Rulers in the Federation had increasingly contrasted their position of subordination to the Federal Secretariat with that of their unfederated colleagues, where the Rulers, unaffected in their freedom and dignity, governed their states with the assistance of a British Adviser who did not intervene in the details of administration. These feelings had aroused among the Rulers and Chiefs in the FMS an inner disquiet which was obscured by the outward appearance of their loyalty and by the absence of visible discontent.<sup>3</sup>

In 1922 Guillemard announced in the Federal Council that a transfer of power from the centre to the units was under consideration, and that 'it was the intention of His Majesty's government to give effect to a policy of decentralization'.<sup>4</sup> But it was not until 1924 that the first step in this direction was taken, when it was enacted that the Residents—not, be it noted, the Sultans—could take action in certain matters without the customary prior approval of the Chief Secretary.<sup>5</sup>

In August, while on a visit to England, the Sultan of Perak called on Mr. J. H. Thomas, then Secretary of State for the Colonies, and asked for a restriction of federal powers and a restoration to the respective states of control over domestic affairs. The following year Guillemard was also in England to discuss what came to be known as a 'secret policy' with Mr. Amery, successor of Mr. Thomas. On his return to Malaya at the end of 1925, Guillemard issued an official declaration through the press that the government was to launch a policy of decentralization, the essence of which was a gradual devolution of the powers of the Chief Secretary, and its replacement at a later date by a Federal Secretary. Simultaneously he envisaged the restoration to the states of a fuller control of internal affairs, with emphasis on finance, by devolving certain powers

<sup>1</sup> Federated Malay States, *Federal Council Proceedings*, 13 December 1921, cited in Emerson, *op. cit.* p. 154.

<sup>2</sup> L. Guillemard, *Trivial Fond Records* (London, 1937), p. 103.

<sup>3</sup> *Ibid.* pp. 104-6.

<sup>4</sup> *Wilson Report*

<sup>5</sup> *Ibid.*

from the Federal Council to the State Councils. It was also considered necessary to reinstate the Rulers in their appropriate position of dignity by removing them from the contentious atmosphere of the Federal Council into a new Upper Chamber or periodical Durbar.<sup>1</sup> The scheme was enthusiastically welcomed by the Sultans. But Maxwell, then Chief Secretary, who was intensely hostile to the High Commissioner's plan for curbing his powers, condemned the scheme as one whereby the newly proposed Federal Secretary 'would be junior to the Residents, and a mere office boy between them and the High Commissioner'.<sup>2</sup> Opposition bordering on hostility also arose from the Chinese and European unofficial members, and in this they had virtually the entire business community behind them.<sup>3</sup> Whilst they supported the restoration of dignity, influence, and a measure of self-government to the Malay Rulers, they objected to the reduction of the powers of the Chief Secretary, since such a decision, they contended, would release the state governments and Residents from the control of federal authority and would shake public confidence in the financial stability of the FMS.<sup>4</sup> (They laid before the Council a resolution, supported by the main European and Chinese interests in Kuala Lumpur, explaining that the great agricultural, mining, and commercial progress of Malaya had been possible only because of investors' confidence in the Federation, and that, therefore, a strong Federal government, full and effective federal services, and a resident executive head of the Federation under the High Commissioner having a status at least equivalent to that of the Colonial Secretary in Singapore, were essential)<sup>5</sup> It was on the question of the Chief Secretary that the controversy raged. One Chinese unofficial member said:

We all agree that certain powers of the Chief Secretary to Government of a local character should be delegated to the State Councils as far as possible, but we are not in favour of transferring the power of the Chief Secretary to the High Commissioner which means centralization in Singapore, instead of devolution to the Rulers.<sup>1</sup>

Most extreme, perhaps, was the claim that 'the most efficient way of controlling this country would be to have one govern-

<sup>1</sup> Maxwell, *op. cit.* p. 14.

<sup>2</sup> *Wilson Report*, p. 9.

<sup>3</sup> Emerson, *op. cit.* p. 163.

<sup>4</sup> *Wilson Report*, p. 9.

<sup>5</sup> Emerson, *op. cit.* pp. 164-5.

ment and abolish everybody else and everything to do with the States'.<sup>2</sup>

The High Commissioner refused to budge, but the tide of economic interest was against him. When a division was called, the opposition won by one vote.<sup>3</sup> The question of the position of Chief Secretary was shelved, only to be revived by Sir Cecil Clementi. The battle was not completely lost for Guillemard, however. On two issues he could claim a measure of success. First, on the question of finance he succeeded in introducing a threefold division of annual estimates in the various Heads of Expenditures, (i) Federal Services to be provided for in the Federal Estimates, (ii) Reserved (State) Services to be shown in the State Estimates, and (iii) Unreserved Services to be regarded as not yet finally allocated, and, therefore, susceptible of allocation into either one of the two preceding categories.<sup>4</sup> It was also provided that the Federal Council, as the legislative authority for all Federal and State expenditures, might by resolution appropriate a lump sum to the States annually to be used by the States to finance their services without any further reference to the Federal Council.<sup>5</sup> Second, with regard to the position of the Rulers in the Federal Council, the Agreement for the Reconstitution of the Federal Council of 1927 set out that the Sultans be removed from the Federal Council. The idea of an Upper Chamber was rejected, but instead, the Rulers, the Residents, the Chief Secretary, and the High Commissioner were to have an annual Durbar, reminiscent of the Council of Princes in India, to discuss State matters.<sup>6</sup>

For the first time there was an explicit statement to the effect that the Council was to pass all laws intended to apply throughout the Federation. In addition, such laws were given legal force by the signatures of the four Rulers, and no longer by the signature of the High Commissioner.<sup>1</sup>

No further attempts were made under Guillemard's régime to enlarge State powers. The State Councils remained ineffective advisory bodies to the Rulers, who had agreed to accept the advice of the Residents. The Residents, however, were part of the official majority in the Federal Council, the law-making body for the Federation, against which the Sultans had no

<sup>1</sup> *Ibid.* p. 165.    <sup>2</sup> *Ibid.*    <sup>3</sup> *Ibid.*    <sup>4</sup> *Wilson Report*, p. 9.

<sup>5</sup> *Ibid.* Appendix IV (ii), Clause (12)

<sup>6</sup> Emerson, *op. cit.* p. 170.

<sup>7</sup> *Wilson Report* Appendix IV (ii), Clause (10).

power of veto. Thus decentralization and State financial autonomy were reduced in this vicious circle to mere political phrases, and the Malay States remained in effect subordinate to the Federal administration.

*The Decentralization Controversy under  
Sir Cecil Clementi*

The depression of the thirties transformed prosperity almost overnight into widespread poverty, and caused the general public, who hitherto had steered clear of politics, to question the policies of government, while at the same time racial suspicion, which had lain dormant in the climate of general prosperity, began to rise to the surface. To add to this tense atmosphere, Sir Cecil Clementi, who became Governor and High Commissioner in 1930, revived the controversial issue of Chief Secretary in connexion with his concept of a Malayan Union. He argued that it was anomalous for such a small country as Malaya to have no less than ten administrative units, i.e. the colony and nine Malay States, or at least seven, if one took the FMS as one unit, all of which were 'functioning with little collaboration and co-ordination, existing (as it were) in watertight compartments'.<sup>1</sup>

There seemed to be no doubt that the creation of a union of these states constituted the ultimate goal of British policy in Malaya. The successive steps to be taken for its implementation could be discerned in Sir Samuel Wilson's statement, which said that:

The maintenance of the position, authority, and prestige of the Malay Rulers must always be a cardinal point of British policy. . . . His Majesty's Government have no intention of requiring the Ruler of any Unfederated State to enter against his will into any kind of Malayan League or Union. On the other hand . . . there must be many questions on which joint discussion could not but be of advantage to every constituent part of Malaya.<sup>2</sup>

This was the theme upon which Clementi was basing his programme for a decentralization of the FMS and for the establishment of a general Malayan Union, both of which he unfolded (after consultation with Lord Passfield, the Secretary of

<sup>1</sup> Emerson, *op. cit.* p. 314.

<sup>2</sup> *Wilson Report.* pp. 12-13.

State for the Colonies) at the Sri Menanti Durbar of August 1931 and at the Pekan Durbar of April 1932. He emphasized that a serious error had been made by bringing the four Malay States into a virtual amalgamation, and held that: 'The four federated States should be placed on very much the same constitutional basis as their unfederated brethren, loosening the federal knot, which was now too closely tied, in order that its loops might be extended to include the other political entities of the peninsula'.<sup>1</sup>

Reduced to its simplest form, the political strategy was to defederate in order to refederate. As a preliminary toward this defederation, the High Commissioner adumbrated a plan for decentralization, i.e. the extension to the State Councils of power and control over a number of departments, Agricultural, Co-operative, Education, Electricity, Forestry, Medical, Mining, Public Works, and Veterinary.<sup>2</sup> On the important subject of finance the Sri Menanti Durbar said hardly anything. Instead, the High Commissioner appointed a local committee to study the financial implications in connexion with decentralization. Subsequently the Committee reported:

In no circumstances should a policy of decentralization be allowed to impair to any degree the financial stability and credit of the Federated Malay States. . . . Any changes made in the mutual relationship of the Federal and State authorities must not be such as to weaken that essential political cohesion and joint financial responsibility on which those who lent money to the Federation in the past confidently relied.<sup>3</sup>

One can hardly fail to see in this cautious approach an effort to win over the business community, which was responsible for the failure of Guillemard's efforts to decentralize.

Meanwhile the Secretary of State for the Colonies, Sir Philip Cunliffe-Lister, instructed Sir Samuel Wilson to proceed to Malaya to discuss the decentralization plan with the High Commissioner, the Rulers, and the leaders of public opinion. At the conclusion of his mission Sir Samuel Wilson recommended, amongst other things, a long-term multiple-stage devolution of financial authority from the existing situation of State financial dependence upon the Federation to one in which the States would control sufficient revenue and the right of taxation to

<sup>1</sup> Emerson, *op. cit.* pp. 314-5.

<sup>2</sup> *Wilson Report*, p. 14.      <sup>3</sup> *Ibid.*

meet all their expenditures without having to rely on subventions from the Federation.<sup>1</sup>

One would be grossly mistaken to assume that these transferred departments were to come completely under State control. It must be noted that for every department<sup>2</sup> there was to be a 'Director Straits Settlements and Adviser to the Malay States', who, as Director, had executive power in the Colony, as federal officer, had executive power over federal property and institutions, and as Adviser in a federal capacity, had advisory and inspectoral powers in the FMS and the Unfederated Malay States. In addition the Adviser possessed executive authority in the various States by written warrant from each State government under the hand of the Ruler-in-Council, and to make it abundantly clear that the Adviser was, in fact, the Chief Executive Officer in the States, the senior department heads in those States were styled 'Deputy'.<sup>3</sup>

But the crux of the decentralization programme was again the question of the post of Chief Secretary. Clementi insisted that it must be replaced by a Federal Secretary charged with purely secretarial duties and of a status decidedly lower than the Resident-Adviser. Strong resistance came from the entire business community, the official members, and a large number of the unofficial members. The free trade elements of the Colony revolted; practically all the non-Malay sectors of the Federation expressed disapproval; and the Unfederated States were apprehensive of getting swallowed up in the maelstrom of federalism.<sup>4</sup> A conference of delegates from Malayan public bodies said in a protest submitted to Sir Samuel Wilson that: 'If the Chief Secretary were to disappear . . . the executive headship of the Federation would pass to the High Commissioner who . . . would substitute government from Singapore in the interest of the Colony for the present government from Kuala Lumpur in the interest of the Federation'.<sup>5</sup>

A compromise settlement was eventually arranged by Sir Samuel Wilson. He recognized that the abolition of the post of Chief Secretary was an essential feature of any policy of decentralization, but at the same time he conceded that an exec-

<sup>1</sup> *Ibid.* pp. 16-19.

<sup>2</sup> The Medical and Public Works Departments constituted an exception. See *ibid.* p. 22.

<sup>3</sup> *Ibid.* p. 46, proposal (i) (d).

<sup>4</sup> *Ibid.* p. 19.

<sup>5</sup> Emerson, *op. cit.* p. 333.

utive head in Kuala Lumpur was not to be dispensed with as long as there were federal matters needing supervision.<sup>1</sup>

### *Sir Cecil Clementi's Malayan Union Proposal*

Clementi's crusade for decentralization achieved some degree of success, but his subsequent efforts to attain economic and political integration through a Malayan Union were a complete failure.

Undoubtedly, it would have been to Malaya's advantage to have one central government to take care of certain pan-Malayan matters. For example, the twin tin-rubber industry, the lifeblood of the people, had cut across state boundaries, and was drawing Malaya together as one economic entity. To ensure efficiency of operation pan-Malayan services were clearly essential, and these would be best in the hands of a central government. A good example was the system of communication and transport without which the pace of economic development would certainly slacken. Fisher pointed out that 'not the least among the causes leading to federation was the need for co-ordinating railway construction'.<sup>2</sup> By 1901 the Perak and Selangor State Railways had been amalgamated as the Federated Malay States Railways, which subsequently became instrumental in opening up the great rubber growing belt of west-central Johore by financing, constructing, leasing, and operating the Johore State Railway.<sup>3</sup>

The problems caused by the depression after the First World War would have been beyond the capabilities of the State governments to solve. The Stevenson rubber restriction scheme, which restored a near balance position to Malaya's rubber in the 1930's, resulted from the efforts of the central government in Kuala Lumpur in co-operation with the Dutch and other rubber producing areas in South-East Asia.<sup>4</sup> Likewise, when tin production exceeded world needs, it was the signing of the International Tin Agreement by Malaya's central government

<sup>1</sup> *Wilson Report*, p. 35.

<sup>2</sup> C. A. Fisher, *The Railway Geography of British Malaya*, Reprint from *The Scottish Geographical Magazine*, Vol. 64, No. 3 (1948), p. 126.

<sup>3</sup> *Ibid.*, pp. 128-9.

<sup>4</sup> Government of India, *Indians in Malayan Economy* (New Delhi, 1951), p. 8.



and other major tin producing countries of the world that brought a fair and reasonable equilibrium of supply and demand and a degree of price stability.<sup>1</sup>

In the recruitment of labour, particularly from India, both the privately operated systems, i.e. indenture and *kangany*, soon proved unsatisfactory. In 1907, therefore, the British government instituted the Indian Immigration Committee, chaired by the Commissioner for Labour, Malaya, to take charge of the immigration of Indian labour. During the depression years it was again the British government that eased the economic strain through the repatriation of Indian labour and the restriction of alien immigrants to Malaya.<sup>2</sup> From these examples it was clear that there were a number of fields which, on account of their pan-Malayan character, would be most appropriately entrusted into the care of a central government.

Clementi, however, envisaged as part of his Malayan Union scheme a pan-Malayan economic community based on the concept of a customs union that would remove all internal tariff barriers so as to allow a free flow of inter-state trade within the walls of a common external tariff.<sup>3</sup> But here he brought hornets' nests about his ears. The Chinese and European commercial communities in the colony refused to become part of a customs union that would put an end to their free port tradition and profitable entrepot trade. Johore considered a mainland customs union meaningless, since her economy was linked primarily with Singapore. The other Unfederated States felt no inclination to relinquish their profitable revenue derived from duties on export of rice, poultry and other food items to the FMS. The FMS themselves objected on the ground that since most of their export trade went by sea to the exporting ports of the colony, they had to climb only one tariff barrier, and a customs union would, therefore, serve no purpose.<sup>4</sup> Thus the union was strangled before it was born.

Clementi's more ambitious scheme of a political Malayan Union, whereby the colony, the FMS, and the Unfederated Malay States were to be linked together by the centralization of all advisory powers in Kuala Lumpur, was received with deep

<sup>1</sup> T. E. Smith, *Population Growth in Malaya* (London, 1952), pp. 97-98.

<sup>2</sup> India, *Indians in Malayan Economy*, op. cit. pp. 20-27.

<sup>3</sup> Emerson, op. cit. p. 315.

<sup>4</sup> *Ibid.* pp. 361-3.

suspicion and apathy. The Unfederated States were 'in mortal fear of the loss of their sovereign independence and the disruption of their more rural way of life'.<sup>1</sup> Kedah invoked her treaty with Britain which, amongst other things, stipulated that: 'His Britannic Majesty . . . will not merge or combine the State of Kedah or her territories . . . with any other State or with the Colony of the Straits Settlements without the written consent of His Highness the Sultan in Council'.<sup>2</sup> Kedah Malays wanted their State to remain a State, run by Kedah-born Malay officials to ensure that the Malay identity of the State was preserved and that the Malays would not be submerged by the swelling flood of alien immigrants, a situation which would inevitably come about in any kind of Malayan Union. These sentiments were shared by Perlis, Kelantan, and Trengganu. Johore felt that her entry into a political Malayan Union would mean a serious curtailment of her independence and declared that no benefit would accrue to her from such an association. In the FMS there loomed the old fear that Kuala Lumpur would be supplanted by Singapore as the centre of authority, whilst in Singapore there was a general feeling that the scheme was prejudicial to the interest of the island.<sup>3</sup> Tan Cheng Lock, speaking for the Chinese business community, said:

The scheme will tend to produce, develop, and perfect in the Federated Malay States a purely autocratic form of government based mainly on the taxation of the non-Malay people, whose energy, labour, co-operation and enterprise are the mainstay of these States without their adequate and effective representation therein as is largely the case in the Unfederated Malay States.<sup>4</sup>

Under these circumstances Sir Samuel Wilson felt that it was out of step with current public opinion to effect a closer approximation of the position of the Rulers of the FMS to that of the Rulers of the Unfederated Malay States as a preliminary to a scheme for promoting co-operation between the constituent parts of Malaya as a whole on matters of common interest. While the Rulers would all agree that there were many questions on which joint discussion would be desirable, any attempt

<sup>1</sup> *Ibid.* p. 344.

<sup>2</sup> See the Kedah Treaty of 1923, clause 3.

<sup>3</sup> Emerson, *op. cit.* pp. 344-7.

<sup>4</sup> Tan Cheng Lock, *Malayan Problems from a Chinese Point of View* (Singapore, 1947), p. 76.

to integrate the two sets of States should be deferred. As an alternative he suggested some system of periodic Durbars for the discussion of matters of common concern.<sup>1</sup>

### *Malay Nationalism and Federalism*

By the close of the nineteenth century effective political control had passed into the hands of the British, and economic control into the hands of the British, the Chinese, and the Indians. So weak had the Malay Rulers become that they had to give their consent to the formation of the FMS, and subsequently they had to acquiesce in any change as long as their traditional status, dignity, customs, and culture were preserved. To these demands the British agreed, and in addition they assured the Rulers and the Malay aristocracy a handsome revenue from the economic prosperity of the land. This new wealth enabled them to send their sons to study in Cairo, Beirut, and Mecca where they came in contact with Arab nationalists.<sup>2</sup>

But any spark of nationalism with which returning students from the Middle East might have been inspired met with frustration, since the government prohibited open political activities. Hence, whatever nationalist aspirations there were, they had a limited outlet, such as literary associations, small debating circles, and privately circulated magazines, waiting for the dawning of a more sympathetic political morning.<sup>3</sup>

No less inimical to the growth of Malay nationalism was the British policy of paternalism. Illustrative of this policy was the foundation of the Malay College at Kuala Kangsar in 1905 to prepare the sons of the Malay aristocracy for the Malayan Civil Service (MCS). But their small number was insufficient to have much influence on the course of events. This move coincided with the policy of excluding from the Malayan Civil Service, in 1904, all other non-European British subjects.<sup>4</sup> Preference was also being given to Malay boys in most government English and trade schools, especially in the award of scholarships and free

<sup>1</sup> *Wilson Report*, p. 34.

<sup>2</sup> Silcock and Aziz, *op. cit.* p. 13.      <sup>3</sup> *Ibid.*

<sup>4</sup> Letter from Tan Cheng Lock to F. G. Carnell, Malacca, 21 January 1954. Also letter from G. I. Taye to F. G. Carnell, Malacca, 16 January 1954, and Straits Settlements, *Proceedings of the Legislative Council* (14 April 1924), p. B 33.

places.<sup>1</sup> Obviously, these measures were means of guaranteeing jobs for the male relatives of the Sultans in particular, and for the Malays in general, and of making them active participants in the execution of the federal scheme.

As for the ordinary *kampung* dwellers, it would be no exaggeration to assume that they knew little, if anything, about affairs in high places, or that they would care much, if they did. They were contented people, largely self-supporting and un-specialized, living in village communities based on the tradition of mutual help and disinterestedness in excessive wealth. They lived a life of leisure and saw no attraction in the competitive middle-class world of trade, estates, and mines.<sup>2</sup> The whole picture was a complacent Malay society, polarized with an aristocratic ruling class at one extreme and the peasants at the other and a distinct absence of an articulate middle class in between.

Throughout Malaya there was no political cohesion among the Malays, no willingness to organize, and no spirit of co-operation among the States.<sup>3</sup> There was no Malay leadership, and no drive to form Malay political parties in spite of Chinese political and economic activities which were suspected of establishing an *imperium in imperio* in Malaya but with loyalties in China. Instead, the Malays placed their reliance on the British, who, under the High Commissioner, Sir Cecil Clementi, gave priority to the checking of the power of the Chinese community rather than to the promotion of communal co-operation in matters of politics and administration.<sup>4</sup>

But the 'winds of change' gradually awakened the Malay from his political slumber. The spread of Japanese pan-Asianism and the militant anti-colonial nationalism that inspired the Malays of Indonesia gave rise to the emergence of Malay associations and unions between 1937 and 1939. A Malay leader was found in the person of Tengku Ismail, a Malay lawyer, and under his chairmanship the first exploratory pan-Malayan conference of Malay associations and unions was convened in Kuala Lumpur on 6 August 1939. The second conference of December 1940 in Singapore marked a major milestone in the history of the Malays in politics, since it was the first Malaya-wide polit-

<sup>1</sup> Tan Cheng Lock, *A Collection of Speeches and Writings* (Singapore, n.d.), p. 2.

<sup>2</sup> Silcock and Aziz, *op. cit.* p. 2.

<sup>3</sup> Thomson, *op. cit.* p. 308.

<sup>4</sup> Purcell, *Malaya: Communist or Free?*, p. 40.

ical gathering. The Japanese invasion brought further political development to a temporary halt.<sup>1</sup> But with the return of the British and the re-introduction of the concept of a united Malaya in the form of another Malayan Union, the Malays plunged into politics in earnest under the leadership of Dato Onn bin Ja'afar.

<sup>1</sup> Radin Soenarno, *op. cit.* pp. 15-16.

*The Anglo-Malay Compromise*

At a meeting at King's House in Kuala Lumpur in July 1946 the Sultan of Perak, on behalf of the Sultans, handed to Sir Edward Gent a rough draft of constitutional proposals which had been jointly prepared by the Sultans and UMNO. A Working Committee was immediately organized on a tripartite basis with six representatives of the British government, four of the Rulers, and two of UMNO to examine these proposals in detail and to work out fresh constitutional arrangements that would be acceptable to the Malays, and which would also preserve the fundamental objectives of the British government, namely:

The establishment in Malaya of a strong central government with control over all matters of importance to the progress and welfare of the country as a whole, and the creation of a form of common citizenship which will be open to all those who regard Malaya as their real home and as the object of their loyalty.<sup>1</sup>

The non-Malay communities were not represented in the discussions. It was argued that the Malays were the indigenous inhabitants of the country, and that they had no other homeland than Malaya. To invite representatives of other bodies or communities, which contained very large numbers who might not qualify even for the liberal Malayan Union citizenship, would have been not only unjust, but would have also made it more difficult, if not impossible, to reach agreement. There was also considerable doubt about the workability of a government drawn from the various communities. Moreover, any attempt to replace the traditional government machinery of the Malay States by a new one based on elections in order to accommodate the non-Malays was to court disaster and chaos from which only the communists would benefit.<sup>2</sup> Nevertheless it was recognized that since Malaya was not the result of the efforts of the Malays alone, it would be equally unjust to make final decisions without prior consultations with representatives of the Chinese, Indian, and other communities, who had made Malaya their permanent home and the object of their loyalty.<sup>3</sup>

<sup>1</sup> *Ibid.* No. 9 (January 1947), p. 137.

<sup>2</sup> Silcock and Aziz, *op. cit.* pp. 33-34.

<sup>3</sup> *British Malaya*, Vol. XXI, No. 8 (December 1946), p. 118.

The Working Committee met for the first time on 6 August 1946, and sat until the 16th of the same month. It went into recess over the Hari Raya holidays, reconvened on 6 September, and continued in session until the 28th of that month when another recess was taken to enable the Malay representatives to consult their principals. The third meeting lasted from 11 October until 1 November. During the succeeding ten days' interval all the parties concerned had a final opportunity to give full consideration to the Committee's recommendation as a whole. On 11 November the Committee met for the last time, and concluded its discussion with the signing of the Report on the 18th.<sup>1</sup>

From the outset it had been agreed by the Committee that no interim or progress reports were to be issued. It was, therefore, not until the publication of the new Constitutional Proposals on 24 December 1946 that the terms were publicly known.

Briefly, the Malayan Union was to be abandoned for a federation, called 'Persekutuan Tanah Melayu' or 'The Federation of Malaya'. Its territorial extent was that of the Malayan Union. The document recognized the central government authority in all matters of importance to the country as a whole, but at the same time it preserved the individuality of the Malay States and of the Settlements, and respected the dignity, prestige, and jurisdiction of the Rulers in all purely Muslim and local affairs. The British government and each one of the Rulers were to enter into new State Agreements which would supersede all previous agreements and restore to Their Highnesses internal sovereignty in their respective States. In place of a Governor acting under the jurisdiction of the British monarch, the chief British official was to be a High Commissioner acting under the authority of the Rulers-in-Council. He was to have an Executive Council with administrative functions throughout Malaya in federal matters. The Central Legislature, comprised of 14 official and 34 unofficial members besides the High Commissioner as President, was to have power to legislate on all matters of policy or administration common to the States

<sup>1</sup> Malayan Union, *Constitutional Proposals for Malaya: Report of the Working Committee Appointed by a Conference of His Excellency the Governor of the Malayan Union, Their Highnesses the Rulers of the Malay States and the Representatives of the United Malays National Organization* (Kuala Lumpur, 1946). (Subsequently referred to as *Constitutional Proposals for Malaya*.)

and Settlements. The unofficial members, representing economic and racial interests, would be nominated by the High Commissioner until a system of elections could be established. Each State was to have a Legislature, called the Council of State, with powers to legislate on all matters not reserved to the central authority. An innovation was that each State was to have a State Executive Council on the Johore model to advise the Ruler. There would also be a *Majlis Raja-Raja Negeri Melayu* or Conference of Rulers, which was to meet whenever necessary to enable the Rulers to keep in touch with important federal problems, to consult with one another, and to have regular exchange of views with the High Commissioner, particularly on matters of immigration.<sup>1</sup>

The Malayan Union citizenship proposal was withdrawn and replaced by a new Federal citizenship which was decidedly in favour of the Malays.<sup>2</sup>

For the British government the Report of the Working Committee was a resounding victory. The old distinction between the FMS and the Unfederated Malay States was at last resolved. The federation plan gave the central government of Malaya nearly all the wider powers needed for a strong and efficient administration conferred by the Malayan Union plan, and yet it respected the personality of the States as distinct federal units. The novelty of this system was that the British government would still rule supreme over a unified Malaya through the 'Adviser' system and the executive powers of the High Commissioner.<sup>3</sup> The pity was that this sensible and practical outcome should not have been reached amicably, by adequate consultation with all concerned, instead of using dictatorial methods to rush through a ready-made plan.

### *The Left-Wing Parties and the Constitutional Proposals*

In default of even lukewarm support from the non-Malay communities who stood to benefit from the Malayan Union proposals, the British government yielded to the pressure of the Malays and their European supporters. The Malayan Demo-

<sup>1</sup> *Ibid.* *passim*.

<sup>2</sup> *Ibid.* p. 23.

<sup>3</sup> *Ibid.* p. 91, par. 4 and clauses 6, 8, 17, 55, 57, and 58 of Appendix A, Draft Federation Agreement.



cratic Union (MDU), formed by the Chinese professional class in December 1945, even opposed the plan on the ground that its proposals were undemocratic and that Singapore should not be excluded from the Union. There was a marked apathy towards backing up the British government against the Malays. The non-Malays felt that it was against their interest to get involved in the dispute, they must have failed to see that, in this difficult situation, the British government had offered them the most advantageous proposition.

But the formation of the Working Committee and the subsequent publication of its Report changed these attitudes. The chief weight of the opposition came from the MDU-backed Council of Joint Action (CJA), formed in Singapore in December 1946 with Tan Cheng Lock as its President, and John Eberhart a young Singapore Eurasian lawyer, as its Secretary. It established as the basis of its policy and aims:

(i) A united Malaya inclusive of Singapore, (ii) Responsible self-government through a fully elected central legislature for the whole of Malaya, (iii) Equal citizenship rights for all making Malaya their permanent home and the object of their undivided loyalty.<sup>1</sup>

While leaders of the CJA were touring the country to condemn the Working Committee and all its deliberations, MDU principals were negotiating with spokesmen of the Malay Nationalist Party (MNP), an extreme left-wing Malay party founded by Dr. Burhanuddin in November 1945, to unite with the CJA in the struggle against the implementation of the constitutional proposals. The MNP assented on condition that the following principles were added to the objectives of the CJA:

(i) The Malay Sultans to assume the position of fully sovereign and constitutional Rulers, accepting the advice not of the British Adviser, but of the people through democratic institutions, (ii) Matters of the Muslim religion and Malay custom to be under the sole control of the Malays, (iii) Special attention to be paid to the advancement of the Malays.<sup>2</sup>

At a conference in Kuala Lumpur two days before the publication of the Report of the Working Committee, the All-Malaya Council of Joint Action (AMCJA) was formally inaugurated with the six principles outlined above as its platform.

<sup>1</sup> Tan Cheng Lock, *Malayan Problems*, op. cit. p. 166. Also Ch'en S. Ching, 'The Chinese in Malaya', *Pacific Affairs*, Vol. XXI, No. 3 (September 1948), pp. 291-5.

<sup>2</sup> Silcock and Aziz, op. cit. p. 36.

Almost immediately, however, dissension arose when Tan Cheng Lock was elected chairman. The Malay element in the MNP resented the leadership of a Chinese and broke away, leaving the AMCJA with some 400,000 members. This number represented the MDU, the Malayan Indian Congress (MIC) formed in August 1946, the Malayan Democratic League, twelve Women's Federations in Malaya, the Malayan People's Anti-Japanese Ex-Service Comrades' Association, and the 300,000-strong Pan-Malayan Federation of Trade Unions (PMFTU).<sup>1</sup>

Meanwhile the dissenting MNP had found an ally in the extremist, communist-dominated Angkatan Pemuda Insaf (API). Together they travelled throughout Malaya to register as many associations as they possibly could under a Malay banner in order to be in a bargaining position in a new Malay Council-AMCJA alliance. Their efforts resulted in the formation of Pusat Tenaga Ra'ayat (PUTERA) in February 1947. Among its members were the MNP, API, the Peasants' Union, the Angkatan Wanita Sedara, and eighty other smaller associations. Besides the six principles of the AMCJA, PUTERA had four other points in its operational policy. These were:

(i) That Malay should be the official language of the country, (ii) That foreign affairs and defence of the country should be joint responsibility of the Government of Malaya and of His Majesty's Government, (iii) That the term 'Melayu' should be the title of any citizenship or national status in Malaya, (iv) That the national flag of the country should incorporate the Malay national colours (i.e. the Indonesian red and white).<sup>2</sup>

The PUTERA-AMCJA alliance estimated their total membership at about 600,000<sup>3</sup> representative of all of Malaya's political bodies outside the aristocratic UMNO and the MCP, and on this basis they claimed to be the rightful representatives of the people. They announced that the constitutional proposals were not acceptable to them in view of the undemocratic manner in which they had been drawn up.

But the Working Committee had promised that 'before final conclusions are reached, there will be consultations with repre-

<sup>1</sup> For party-membership see PUTERA and AMCJA, *The People's Constitution for Malaya* (Kuala Lumpur, 1947), p. 3.

<sup>2</sup> Silcock and Aziz, *op. cit.* p. 37.

<sup>3</sup> PUTERA and AMCJA, *op. cit.* p. 4.

sentatives of all those . . . and only . . . those, who regard Malaya as their real home and the object of their loyalty'.<sup>1</sup> In order to implement this provision the government appointed a Consultative Committee of ten unofficials under the chairmanship of H. R. Cheeseman, the Director of Education. It was instructed to receive representations either verbally or in writing, and not to make any decisions. Its function was to serve as a 'means of communication between interested individuals or groups in Malaya and the Governor of the Malayan Union and his Advisory Council'.<sup>2</sup>

The PUTERA-AMCJA alliance, however, raised objections to these measures. They took the promised consultations to mean 'direct and full discussions' with the government, and rejected as a channel of communication this small sub-committee of unofficial members of the Advisory Council, who had neither executive authority nor any influential voice in the shaping of government policy. In these circumstances they considered it useless to present their views to the Committee. They called upon the British government to dissolve the Consultative Committee and to replace it by an elected constitutional council to draft and to submit to the government a new democratic Malayan constitution.<sup>3</sup>

But the government did not dissolve the Consultative Committee, and PUTERA and AMCJA, therefore, withheld their views. The result was that very little criticism on the Report of the Working Committee was received.

After the Advisory Council was satisfied that the pledge to have 'full and free consultation with all interested parties' had been complied with, certain amendments were proposed to the original tripartite Working Committee. In turn this Committee reported their decisions to a Plenary Conference of the government, the Malay Rulers, and UMNO. Lastly, the approval of the British government was sought, and the *Revised Constitutional Proposals* was published in July 1947.<sup>4</sup>

From the Malay point of view the new constitution was 'the crowning glory of the Malays' eighteen months' struggle to pre-

<sup>1</sup> Malayan Union, *Constitutional Proposals for Malaya*, p. 10, par. 27.

<sup>2</sup> *British Malaya*, Vol. XXI, No. 1 (February 1947), p. 150.

<sup>3</sup> Tan Cheng Lock, *Malayan Problems*, op. cit. pp. 134-5, 174.

<sup>4</sup> Great Britain, *Federation of Malaya: Summary of Revised Constitutional Proposals*, Cmd. 7171 (London, 1947).

serve their own country'.<sup>1</sup> To the non-Malays, particularly the Chinese, it meant a continuation of the discredited imperialistic policy of divide and rule, which was aimed at separating the racial parts of the plural society into antagonistic camps of Malays versus non-Malays with the British holding the balance. They demanded that a constitutional assembly elected by the people or a royal commission be charged with the framing of a new constitution.<sup>2</sup>

In April 1947 PUTERA and AMCJA appointed a committee to draw up their own version of constitutional proposals. The committee produced a document, called 'The People's Constitution for Malaya', which was presented and unanimously accepted at two full conferences of the two organizations. The document contained a number of noteworthy features. Of particular significance was the substitution of the Working Committee's citizenship by a nationality, termed 'Melayu'. It was argued that the Working Committee's citizenship was deficient, because it declared allegiance to Malaya to be out of place,<sup>3</sup> and this would make it possible for the Consul of a foreign state to sit in the Federal Legislature as a citizen.<sup>4</sup> Melayu nationality, however, would preclude such a situation from occurring, because it would carry with it the duty of allegiance to the Federation of Malaya.<sup>5</sup> The Chinese-Eurasian concession to the choice of 'Melayu' as the name of the proposed nationality and the retention of the Malay Rulers as joint constitutional monarchs with the British Crown seemed to be more than offset by the omission of any reference to immigration, and by the agreement for an elected and sovereign Federal Legislative Assembly, whereby the Malays would certainly be squeezed out of any effective say in the government.<sup>6</sup>

As a further protest against the Federation proposals Tan Cheng Lock staged a one day *hartal* in Malacca on 9 September 1947. Apparently pleased with the result, he persuaded the Chinese Chamber of Commerce to stage an all-Malayan *hartal* to draw the attention of the British government to the defects of the proposals. The 20th of October, the date of the reopening

<sup>1</sup> *British Malaya*, Vol. XXII, No. 5 (September 1947), p. 254.

<sup>2</sup> *The Times* (London), 27 August 1947.

<sup>3</sup> Malayan Union, *Constitutional Proposals for Malaya*, p. 25, par. 89.

<sup>4</sup> PUTERA and AMCJA, *op. cit.* p. 17.

<sup>5</sup> *Ibid.* p. 11, Section 2.

<sup>6</sup> *Ibid.* p. 32, Section 24.

of the British Parliament, was chosen as *hartal* day. The Malayan Communist Party (MCP) with its usual adaptability came forward in support of the People's Constitution and by 'coincidence' it decided to stage a protest against the Federation proposals on the same date as that of the Chamber of Commerce's *hartal*. This collaboration contributed a great deal to the success of the operation 'hurt-all', the name by which this incident became popularly known. A general fear of future reprisals forced even the Muslim Association in Kuala Lumpur to close its shops. But in Johore the *hartal* failed, while on the east coast it was a complete fiasco. The Indian Muslim community in Penang sided with the Malays, and continued to work on *hartal* day. Nevertheless it was an established fact that the combined MCP-Chinese Chamber of Commerce action inflicted a great loss on Malayan trade.<sup>1</sup>

As the announcement was made in the British House of Commons that the Federation of Malaya would be set up soon after January 1948, Chinese hopes of changing the constitution rapidly faded away, but Tan Cheng Lock was still highly optimistic. As late as 18 January, after a stormy meeting of representatives of the Chinese Chamber of Commerce from all over Malaya, he announced that the Chinese would boycott both the State and Federal Legislative Assemblies under the new Federation.<sup>2</sup>

In this ominous atmosphere a solemn ceremony took place at King's House in Kuala Lumpur on 21 January 1948. The Malay Sultans, and Sir Edward Gent on behalf of the British government, placed their signatures on the treaties which ended the ephemeral life of the much maligned Malayan Union, and prepared the way for the emergence of the new Federation on 1 February 1948.

<sup>1</sup> *British Malaya*, Vol. XXII, No. 8 (December 1947), pp. 302-3.

<sup>2</sup> *Ibid.* Vol. XXII, No. 10 (February 1948), p. 334.

#### IV

### THE FEDERATION OF MALAYA

#### *The Federation of Malaya Agreement*

THE NEW political superstructure raised by the Federation of Malaya Order in Council of 1948 in Malaya covered the nine Malay States and two of the three Straits Settlements, Penang and Malacca. Singapore remained a separate Crown Colony outside the Federation in deference to the fears of the Malays that they would be dominated by the Malayan Chinese if Singapore's one million Chinese acceded to Malaya.

The dominant single feature of the new constitution was the provision of a strong central government with very wide legislative powers. The machinery to implement this consisted of a British High Commissioner appointed by the British Crown, a Federal Executive Council, and a Federal Legislative Council.

The High Commissioner was to preside over both Federal Councils. It was his special responsibility to protect the rights of the Federation, to safeguard the finances of the Federal government and the special position of the Malays, and to exercise the prerogative of pardon in respect of the Settlements. He was given the power to delegate federal executive functions to the Settlement governments, and, with the consent of the Rulers, to the State governments. He also had 'reserved power' to give effect to any Bill which the Federal Legislative Council might fail to pass in reasonable time, whenever he might consider it necessary to do so in the public interest.<sup>1</sup>

The Federal Executive Council was there to aid and to advise the High Commissioner in the exercise of his functions, and the High Commissioner was free to act contrary to its advice.<sup>2</sup> Following the colonial tradition the Council consisted of 3 *ex-officio* members, i.e. the Chief Secretary, the Attorney-General, and the Financial Secretary, a maximum of 4 official members, and a minimum of 5 and a maximum of 7 unofficial members;

<sup>1</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Statutory Instruments 1948, No. 108 (London, 1948), Second Schedule, Parts II, III, IV, and V.

<sup>2</sup> *Ibid.* Second Schedule, clause 32.

all the official and unofficial members were appointed by the High Commissioner.

The Federal Legislative Council was another colonial relic. The 3 *ex-officio* members of the Executive Council were among its members; the 9 Presidents or Mentri-mentri Besar of the State Councils and the 2 representatives of the Settlement Councils were State and Settlement members; and the remaining 11 officials and 50 unofficials were all appointed by the High Commissioner. In the first Federal Legislative Council all the 11 officials were Europeans, and of the 50 unofficials 22 were Malays, 14 Chinese, 7 Europeans, 5 Indians, 1 Eurasian, and 1 Ceylonese.<sup>1</sup> This distribution gave the Malays an overall total of 31 seats, i.e. 22 unofficials plus 9 Council of State representatives, and thus the largest racial minority in a Council of 75 members.

There was a curious provision that, without being a Federal citizen, a British subject was eligible for membership in the Federal Legislative Council, whenever the High Commissioner considered such an appointment desirable.<sup>2</sup>

The colonial practice of appointing members of the Councils became the chief target of the critics of the Federation Agreement. To Tan Cheng Lock such members were mere 'hirelings and darlings of King's or of Government House',<sup>3</sup> since they represented nobody but themselves, and as appointees of the High Commissioner it was natural that they should become mouthpieces of the High Commissioner and function as members of the government. Tan Cheng Lock also deplored the absence of any organic connexion between the two Federal Councils. He said that the Executive Council should reflect the voice of the people and that it should be capable of developing into a Ministerial system, whereby the political responsibility for administrative departments of government could be progressively granted to the elected members of the Legislative Council.<sup>4</sup> Admittedly this would be the ideal arrangement, and the progress of political advancement was, perhaps, disappointingly slow. But the Federation of Malaya Agreement did stipulate at least that 'as soon as circumstances and local conditions will

<sup>1</sup> *British Malaya*, Vol. XXII, No. 11 (March 1948), pp. 352-3.

<sup>2</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, clause 40.

<sup>3</sup> Tan Cheng Lock, *Miscellaneous Speeches* (Malacca, n.d.), p. 14.

<sup>4</sup> *Ibid.* p. 15.

permit, legislation should be introduced for the election of members to the several legislatures'.<sup>1</sup>

Citizenship, which is discussed in greater detail below,<sup>2</sup> was made available to all who regarded Malaya as the object of their loyalty, but under stiff qualifications, distinctly in favour of the Malays.

Immigration was made a federal subject, but it was also agreed that the High Commissioner should consult the Rulers-in-Conference on immigration matters, particularly when any 'major change in policy' was contemplated by the Federal government. If the majority of the Rulers objected to such a change, and if the High Commissioner disagreed with such a decision, the question would be referred to the Federal Legislative Council. In a debate on such a resolution the *ex-officio* members were free to participate, but only the unofficial and State and Settlement members were allowed to vote.<sup>3</sup> Since the racial composition of those allowed to vote had been so designed that the Malays had a slight preponderance over the non-Malays, the Malays could accept or reject a resolution on a major change in policy on immigration, if they voted unanimously.

On closer examination, however, the real power over immigration seemed to rest with the High Commissioner, because the constitution gave him discretion to determine what constituted a 'major change in policy' on immigration. The constitution defined it as 'any change in policy except a change which, in the opinion of the High Commissioner, is too unimportant to require consultation with Their Highnesses the Rulers'.<sup>4</sup>

But the decisive factor in relegating the States and Settlements to a subordinate position in the federal structure was the important field of finance, in which, according to Wheare, 'both general and regional governments must each have under its own independent control financial resources sufficient to perform its exclusive functions. Each must be financially co-ordinate with the other'.<sup>5</sup> The Federation of Malaya Agreement could not be said to contain financial provisions on these lines.

<sup>1</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, Preamble, p. 46.

<sup>2</sup> See Chapter VII.

<sup>3</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, clauses 72 (3) and 38 (2).

<sup>4</sup> *Ibid.* clause 72 (8).

<sup>5</sup> Wheare, *op. cit.* p. 97.



Instead, it ensured the financial supremacy of the central government by the continuance of the colonial system of unified finance.<sup>1</sup>

### *Centralizing Tendencies of the Emergency.*

By the end of 1947 it was apparent that political opposition to the new Federation of Malaya Agreement had failed to materialize in any strength and that the glittering prizes that were almost in the hands of the MCP in September 1945 had faded into the limbo of an indefinite future.

Early in 1948, therefore, the MCP decided to resort to open war to overthrow the government and to attempt to set up a Malayan Communist Republic in the name of national liberation. This decision was reached after the Communist parties of Asia held three conferences in Calcutta in February and March 1948. There were delegates from Malaya, Russia, Australia, and many other countries. It appeared that there were instructions from Moscow to synchronize communist action in South-East Asia with the final communist assault in China.<sup>2</sup>

The MCP strategy in Malaya followed the general pattern of Mao Tse Tung's tactics against the Kuo Min Tang in China, i.e. to spread communism first among the peasantry, and then to conquer the towns from the countryside.<sup>3</sup> A supply of food was, of course, essential and its obvious source was the thousands of Chinese who were scattered all over the countryside and at the jungle fringes, growing rice and vegetables, and rearing pigs and poultry. Active support from this squatter population was indispensable to the success of the communist campaign.

It was clear that the danger did not involve the States individually, but the Federation and Singapore as a whole. It was also clear that the threat did not come from merely some 5,000 communists or bandits, but from a worldwide insidious movement bent on the destruction of democracy. The struggle against the terrorists was not simply a military problem, but one which embraced the entire civil administration and the whole

<sup>1</sup> See Chapter IX.

<sup>2</sup> Great Britain, *The Fight Against Communist Terrorism in Malaya* (London, 1953), pp. 7-8. *The British Survey*, Main Series No. 39 (June 1952), pp. 7-10. J. H. Brimmell *A Short History of the Malayan Communist Party* (Singapore, 1956), p. 19.

<sup>3</sup> Corry, *op. cit.* p. 28.

To wean the China-born Chinese from China and Chinese politics and encourage them to transfer their love, for the good of all concerned including themselves, to Malaya, which should aim at attaining to full dominion status within the British Commonwealth and Empire, through the organization of the Malayan Chinese League . . . , with a view ultimately to merging it in or affiliating it with a Malayan National Unity League . . . to embrace all races.<sup>1</sup>

But before the plan could crystallize, a group of twenty-one communal leaders met at Dato Onn's residence in Johore Bahru in December 1948. Among those present were Dato Onn himself, Tan Cheng Lock, Thuraisingham, Malcolm MacDonald, and Roland Braddell. The meeting adopted a resolution to appoint a committee, subsequently known as the Communities Liaison Committee, composed of leaders of the communities, to examine the sources of racial antagonism, and to recommend ways and means whereby racial harmony could be promoted.<sup>2</sup>

To Tan Cheng Lock the question was a straightforward one. He said: 'One of the principal objects of the Communities Liaison Committee is to bridge the yawning gulf that now exists between the communities . . . Obviously then we shall have to face squarely the causes for this gulf, one of which, I take it, is the present Constitution of the Federation of Malaya.'<sup>3</sup> The Chinese had been dissatisfied with the political dominance given by the Federation of Malaya Agreement to the Malays, a race on whom the Chinese looked down as an ill-educated and backward race. The Malays, on the other hand, deeply resented the part the Chinese were playing in the Emergency. They looked upon the Chinese as 'birds of passage' without permanent roots and abiding loyalties to the country which they desired only to exploit.<sup>4</sup>

This was the substance of the problems which faced the Communities Liaison Committee when it met for the first time in Penang in January 1949. The Malay community was represented by Dato Onn bin Ja'afar, President of UMNO and Menteri Besar of Johore; Dato Panglima Bukit Gantang, Menteri

<sup>1</sup> Tan Cheng Lock, *A Collection of Correspondence* (Singapore, n.d.), pp. 18-19.

<sup>2</sup> Ishak bin Tadin, 'Dato Onn, 1946-1951', *Journal of Southeast Asian History*, Vol. I, No. 1 (March 1960), p. 71.

<sup>3</sup> Letter from Tan Cheng Lock to the Chairman of the Communities Liaison Committee at Kuala Lumpur, Malacca, 6 May 1949.

<sup>4</sup> *The Times* (London), 21 September 1949.

Besar of Perak; Inche Saleh Hakim, member of the Selangor Legislative Council; Dr. Mustapha bin Osman, a Malay leader in Kedah; and Inche Zainal Abidin bin Haji Abbas, Secretary-General of UMNO. The Chinese side was represented by Mr. Tan Cheng Lock of Malacca; Dr. Lee Tiang Keng of Penang; Mr. C. C. Tan, a member of the Singapore Legislative Council; and Mr. Yong Shook Lin, a member of the Federal Legislative Council. Other members were Sir Roland Braddell, and Mr. E. E. C. Thuraisingham, who acted as chairman of the Committee. Mr. Malcolm MacDonald, the British Commissioner-General for South-East Asia, attended as an observer.

Following a series of meetings in Johore Bahru, during which the political aspects of the communal problems were discussed, the Committee issued a statement of agreed views that 'the aim of the Federation of Malaya should be the attainment of self-government with sovereign status, and the creation therein of a Malayan nationality'.<sup>1</sup> As the first step towards this goal the Committee agreed that early consideration should be given to implement the desire of the British Crown and the Malay Rulers as expressed in the preamble of the Federation of Malaya Agreement, i.e. that as soon as circumstances permit legislation should be introduced for the election of members to the several legislatures within the Federation.<sup>2</sup>

In order that the significance of elections be properly comprehended and understood by the people, the Committee urged that as far as possible elections to the Federal Councils should be preceded by elections to the local, State, and Settlement Councils. Further, it recommended that the teaching of the Malay and English languages should be made compulsory in all government and government-aided schools. On the thorny subject of citizenship it was agreed that the citizenship provisions in the Federation of Malaya Agreement should be reconsidered in order that all those who would subscribe to the building of a Malayan nation be brought within the fold of Federal citizenship.<sup>3</sup>

*Communal politics I.* In January 1949 Tan Cheng Lock announced a plan for the formation of a Malayan Chinese Asso-

<sup>1</sup> Ibid. 19 September 1949.

<sup>2</sup> Ibid. 20 September 1949. For the provision for the election see Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, Preamble, p. 46 and above, p. 00.

<sup>3</sup> *The Times* (London), 19 September 1949.

ciation (MCA) on a pan-Malayan basis.<sup>1</sup> The government welcomed the idea, since such an organization would be of great value in fostering a feeling of cohesion among the scattered Chinese population, in effecting a working link between the government and the Chinese community as a whole, and in helping to solve the difficult but important squatter problem.<sup>2</sup>

At the inaugural meeting of the proposed association in Kuala Lumpur the following month, Tan Cheng Lock declared that the MCA was established to bring about a feeling of unity among the Malayan Chinese of all classes and to promote inter-racial goodwill, harmony, and co-operation.<sup>3</sup> He emphasized that it was a matter of supreme significance and indispensable necessity that inter-communal understanding and friendship be established, particularly between the Malays and the Chinese.<sup>4</sup>

At the next inaugural meeting of the Malacca branch of MCA he re-enunciated the non-political basis of the organization when he said that, apart from the single-minded purpose of accomplishing the exclusive good of Malaya and its inhabitants as a whole, the MCA was to leave no stone unturned in endeavouring to alleviate the misery of the 500,000 generally poor, wretched, landless, and shamefully neglected squatters throughout the country, who fulfilled an important role in Malaya's economy by materially contributing to its subsistence production in a land which imported more than two thirds of its essential foodstuffs.<sup>5</sup>

Recognizing the great importance of having the government's confidence in these troublous times, the MCA stipulated in its constitution that the Chinese members of the Federal Councils, who were then nominees of the government, should become automatically officers of the association. It also gave

<sup>1</sup> The idea of a grouping of the Chinese in Malaya is generally associated with Leong Yew Koh, a former administrator and General in China, who was convinced by his own experience in working with the Chinese in Perak that the Chinese could be made politically conscious after they had been given a sense of unity through social work. See Soh Eng Lim, *op. cit.* p. 45.

<sup>2</sup> Federation of Malaya, *Proceedings of the Federal Legislative Council*, 17 February 1949, p. B 771.

<sup>3</sup> Speech made by Tan Cheng Lock on 27 February 1949 at the inaugural meeting of the MCA at Kuala Lumpur.

<sup>4</sup> *Ibid.*

<sup>5</sup> Speech made by Tan Cheng Lock on 11 March 1949 at the Inaugural Meeting of the Malacca Branch of MCA.

the government assistance in the immense task of resettling the thousands of Chinese squatters in the 'New Villages'. Gradually the MCA became the vocal instrument of Chinese defiance of communism, and attracted to itself right-wing and KMT support. But the association had to struggle against the odium incurred by the Chinese community from the fact that 90 per cent. of the terrorists were Chinese, and that so many Chinese civilians were still 'sitting on the fence'. It had to fight the monopoly in government favours claimed by the Malays as loyal sons of the soil. Thus the MCA became more and more a political instrument of the Chinese community.

Meanwhile Dato Onn was undergoing a conversion from a communal politician to a conservative nationalist with inter-communal views, and he advocated, like MCA's Tan Cheng Lock, the creation of a Malayan nationality. This concurrence of views seemed to be one of the major factors that led to the formation of the Communities Liaison Committee. At the pan-Malayan Congress of UMNO, held at Arau in Perlis in May 1949, the party adopted a new constitution. It was resolved to allow non-Malays to become associate members so as to promote the political, social, cultural, and economic advancement of all the peoples of Malaya, and to co-operate with other organizations to foster and cultivate communal harmony. Dato Onn expressed his conviction that it was time for the Malays 'to take the view wider than the *kampung* view', unless they wanted to be losers.<sup>1</sup>

Dato Onn's rising star was given added brilliance by the role he played in the debate over the appointment of a Malay instead of a European to the post of Deputy High Commissioner. Seven of the nine Sultans rejected Dato Onn's proposal of having a Malay, because they thought it was anomalous to place a Malay Deputy High Commissioner over the heads of the Rulers.<sup>2</sup> But UMNO and the Asian members of the Federal Legislative Council supported Dato Onn in the controversy, and although the British government decided to fill the post with a European, Dato Onn had won the position of the acknowledged leader of the Malays.<sup>3</sup>

Undaunted, Dato Onn stepped up his campaign for the

<sup>1</sup> *British Malaya*, Vol. XXIV, No. 3 (July 1949), p. 266.

<sup>2</sup> *The Times* (London), 29 August 1949.

<sup>3</sup> Ishak bin Tadin, *op. cit.* p. 74.

realization of non-communalism in Malaya. In May 1950 he presented to an Emergency General Assembly of the UMNO a resolution from the Communities Liaison Committee to bring about a uniform nationality legislation throughout the Federation. It failed to receive approval. A second attempt one month later also fell through, whereupon Dato Onn resigned as President of UMNO. His example was followed by the entire Central Executive Committee of the party. He allowed himself, however, to be persuaded to return to the party-presidency on the condition that he should be free 'to play my part, and you play yours' in the implementation of UMNO's plans for the good of the Malays.<sup>1</sup>

Immediately Dato Onn was back on the trail of non-communalism. He proposed to replace UMNO's communal slogan 'Hidup Melayu' (Long live the Malays) by the non-communal 'Merdeka' (Freedom) and the racial 'United Malay National Organization' by the non-racial 'United Malayan National Organization'.<sup>2</sup> But his good intentions failed to win support from his fellow-Malays. It seemed that the time was not ripe for the acceptance of non-communal thinking.

Dato Onn, who was the Member for Home Affairs in the newly created Member System, appeared to have considered himself candidate-premier of a future Malayan Dominion. He was aware of the fact that the British government would not transfer power in Malaya to a Malay communal organization. Thinking that the British might do so to a Malay-dominated national party, he pressed for the admission into UMNO of non-Malays who were (i) at least sixteen years old, (ii) Federal citizens, and (iii) determined to work for Malayan independence.<sup>3</sup> He warned that if UMNO refused to endorse these proposals, he would form another political party, completely non-communal, to fight for an independent State of Malaya, inclusive of Singapore, aiming at the well-being and advancement of the people based on the equality of opportunities and of political, social, and economic rights.<sup>4</sup>

In order to remove doubt about his real intentions, Dato Onn affirmed that under no circumstances would he serve another

<sup>1</sup> Miller, *op. cit.* p. 102

<sup>2</sup> *The Economist*, 9 June 1951, p. 1381. Also Ishak bin Tadin, *op. cit.* p. 78.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Straits Times*, 6 June 1951.

term as UMNO-President after August 1951, and that he was prepared to split the Malays, if the communal-minded ones chose to rally around the Sultans, from whom he expected determined opposition to his plans.<sup>1</sup> UMNO accepted the challenge of its leader and refused to concede his demands. Dato Onn kept his word, and left the organization. In the course of his parting speech he said that while UMNO chose to remain a communal organization, there must be co-operation with other communities to win independence, and he suggested that his new Independence for Malaya Party (IMP) should become the rallying point.<sup>2</sup>

At the inaugural meeting of the IMP in September 1951 Dato Onn reiterated that unity through communal co-operation was the only road to independence for Malaya. Immediately the party received an impressive backing. Six of the 14 members of the Federal Executive Council and 30 of the 75 members of the Federal Legislative Council joined the party. Many Europeans were sympathetic, but some were rather cautious for fear that Dato Onn might favour Malaya becoming part of a Greater Indonesia.<sup>3</sup> The MCA and the MIC stood solidly behind him. It is well to remember that, as noted above,<sup>4</sup> the MCA was formed primarily to protect the interest of the Chinese community and to look after its welfare, to preserve good inter-communal relations and to support the government in its efforts to maintain law and order. Clearly the organization was still non-political in character. It was in this vein that Tan Cheng Lock, who was the chairman of the Inaugural Meeting, declared in his speech:

I wish to make an earnest personal appeal to the members of the Malayan Chinese Association throughout All-Malaya and generally to all Chinese domiciled in this country to give their full and active support and render all help in every way to the Independence of Malaya Party in co-operation with the members of the other communities to make the newly-formed party a real success and a living and effective force in the shaping of Malaya's destiny on the basis of the fundamental principles underlying its avowed primary aims and objectives.<sup>5</sup>

<sup>1</sup> *The Times* (London), 13 June 1951.

<sup>2</sup> *Ibid.* 28 August 1951.

<sup>3</sup> *Manchester Guardian*, 17 September 1951.

<sup>4</sup> Above, p. 00.

<sup>5</sup> Address by Tan Cheng Lock (Chairman of the Inaugural Meeting of the Independence of Malaya Party), 16 September 1951 at Kuala Lumpur.

As for Tunku Abdul Rahman, the new UMNO-President, he did not seem worried about the competitive impact of the IMP on the Malays and the effect it would have on UMNO. He declared that the policies of the IMP were diametrically opposed to those of UMNO, and made it clear that no UMNO member could join the IMP without running the risk of getting expelled from the party.<sup>1</sup>

COMMUNAL POLITICS II. The IMP soon lost the momentum it gathered at the time of its inauguration. In spite of its non-communal appeal, it failed to attract the support of the non-Malay communities, and was disappointingly unpopular with the Malays. It had been suggested that this failure was due to Dato Onn's leadership and to the dual allegiance of other leaders in the party. This was obviously a reference to Tan Cheng Lock, President of the MCA.<sup>2</sup> Carnell believed that the difficulty stemmed from IMP's official label provided by Dato Onn's position in the government as a nominated Member for Home Affairs. This discredited him and the party he led in the eyes of the politically conscious, to whom the movement was suspect by reason of its official backing.<sup>3</sup>

As for the lack of response from the Malays, it seemed that Dato Onn's chief handicap was the fact that he was being remembered in the remotest *kampung* as the founder of UMNO, and not as its opponent. Moreover, by sheer coincidence the name 'IMP' conveyed the idea of 'fear' to the politically unsophisticated *kampung*-dwellers, since, translated from English into Malay, the word 'imp' means *peri* or *mambang*.

Paradoxically IMP functioned as a catalyst in welding MCA and UMNO together into an Alliance Party. To the country there seemed nothing unusual about the fact that Tan Cheng Lock, the President of the communal MCA, should be on the platform to announce the inauguration of IMP, or that the Malays were members of both UMNO and IMP, or that members of MCA were also members of IMP. Dato Onn must have been disappointed, however, at the small number of Malays who came across to him from UMNO. As months passed by he also found that he was not receiving the promised Chinese sup-

<sup>1</sup> Miller, *op. cit.* p. 110.

<sup>2</sup> Purcell, *Malaya: Communist or Free?*, p. 102.

<sup>3</sup> F. G. Carnell, 'Communalism and Communism in Malaya', *Pacific Affairs*, Vol. XXVI, No. 2 (June 1953), p. 115.



port. Bitterly he reverted to Malay nationalism and began to hit out at the Chinese describing them as 'a community which desires to control the destiny of this country on the ground of its economic and financial influence'.<sup>1</sup> Chinese members of IMP objected strongly to these remarks, retorted that Dato Onn was hostile to the MCA, and returned to the MCA where they became active in linking the MCA with the UMNO and in wrecking Dato Onn's political<sup>2</sup> future. The stage for the eventual emergence of an UMNO-MCA Alliance, which turned the MCA into a political party, was subsequently provided by the Kuala Lumpur municipal elections of February 1952. The driving force behind the political alignment was the latent hostility between the local branches of UMNO and MCA on one side and the local branch of IMP on the other. So Colonel H. S. Lee, the President of the Selangor branch of MCA, approached Dato Yahaya bin Abdul Razak, chairman of an UMNO sub-committee in the Kuala Lumpur elections, to join forces in the fight against IMP. Dato Yahaya viewed the wisdom of the proposal with considerable concern, because he was not sure whether the Malays were ready to walk together with the Chinese on the political highway. But after a joint committee meeting of the two parties it was resolved to try the experiment.<sup>3</sup>

The essence of the strategy was the recognition of the hard facts of communal living and communal thinking. Both in the cities and in the countryside the Malays and the Chinese were living in distinctly segregated localities. It was, therefore, correctly assumed that voting would follow the line of communalism. All that was needed then was to put up MCA candidates in predominantly Chinese wards and UMNO men in predominantly Malay wards.<sup>4</sup>

The outcome was a resounding victory for the communal experiment. Of the twelve UMNO-MCA candidates nine were returned. Three MIC candidates contested on IMP tickets, and two were elected. The twelfth seat went to an Independent, a Sinhalese, who contested in a strong Indian ward. Not one IMP candidate was successful. UMNO and MCA were confounded

<sup>1</sup> Miller, *op. cit.*

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.* pp. 112-15.

<sup>4</sup> F. G. Carnell, 'Constitutional Reform and Election in Malaya', *Pacific Affairs*, Vol. XXVII, No. 3 (September 1954), p. 222.

by the success and their leaders wondered whether the same system would not also work on a Federation-wide basis.

To Dato Onn and his IMP this triumph of communalism meant a reappraisal of the party's policy of non-communalism and its acceptability to the people as a whole. The Kuala Lumpur test could have been a representative sample of the opinion of the communities throughout the Federation. Should this prove correct, then IMP was on its way out.

To UMNO this victory marked the beginning of a new era. Since Dato Onn's defection from the party the Malays had been as good as leaderless, divided, and perplexed, for the new leadership in the person of Tunku Abdul Rahman was still vacillating and uninspiring.<sup>1</sup> To the MCA and the Chinese community an UMNO-MCA partnership might well be the gateway to Chinese participation in the administration of Malaya.

Following a series of talks between Tunku Abdul Rahman and Tan Cheng Lock, by February 1953 the two parties came so close that an agreement was reached to set up liaison committees between UMNO and MCA branches throughout the Federation to plan a common strategy for the 1955 general elections. Hitherto the MCA had shown no enthusiasm toward elections, because any system of voting under the restrictive citizenship laws would result in political subordination of the Chinese to the Malays. But the Kuala Lumpur experiment struck a new note of optimism in the hearts of Chinese political leaders.

It was at this time that Dato Onn launched a bitter attack against the Chinese. Speaking at a meeting of the IMP in Kuala Lumpur, he said that:

The Malayan Chinese Association and the Chinese Chamber of Commerce were carrying out a plan to make this country the twentieth Chinese province—to owe allegiance to Formosa which was the nineteenth province. . . . The MCA had assumed the role formerly played by Chinese Consular Representatives and the Chamber of Commerce by becoming the underground Kuomintang Party and was now dictating the politics of the MCA.<sup>2</sup>

These words unleashed a violent political storm; in the Federal Legislative Council the issue became the subject of a heated and prolonged debate. Tan Siew Sin, backed by Tunku Abdul

<sup>1</sup> Carnell, 'Communalism and Communism in Malaya', p. 107.

<sup>2</sup> *The Malay Mail*, 28 March 1953.

Rahman, charged that the speech was a calculated effort to stir up inter-racial discord and hatred. But Dato Onn retorted that the record of his past was an indisputable testimony to his consistent non-racial activities, and that the speech in question was no exception to his non-communal principles. Dato Onn won the debate with forty against nine, but he lost a friend when most needed: once and for all he alienated the MCA from IMP. At the same time he contributed unwittingly to strengthening the cohesion within the embryonic UMNO-MCA Alliance, which was destined to become the most powerful political party in Malaya.<sup>1</sup>

### *Communalism and the 1955 Federal Elections*

Toward the middle of 1953 the Deputy High Commissioner, with the concurrence of Their Highnesses the Rulers, announced that he proposed to appoint a Federal Elections Committee to examine the question of elections to the Federal Legislative Councils. This was a complete reversal of General Templer's declared policy that truly responsible local government at the rural community and municipal levels should be firmly established before any political advance at State and Federal levels was undertaken. Political organizations and individuals were invited to submit proposals to this Committee for its consideration.<sup>2</sup>

Earlier the annual assembly of UMNO had met to draw up draft proposals in anticipation of Federal elections. The proposals called for a Council of thirty-one nominated and forty-four elected members, which meant a three-fifths elected Council. A resolution was also passed urging the government to hold the Federal elections in 1954, and added that if the government rejected the proposals, all representatives of UMNO and MCA would resign from the nominated Legislative Council.<sup>3</sup> Subsequently the Alliance planned to call a National Congress to which representatives of all parties would be invited, but was forestalled by an opposition group, which convened an all-party Malayan National Conference (MNC) in April 1953 in the

<sup>1</sup> For the complete debate see Federation of Malaya, *Proceedings of the Federal Legislative Council*, 6 May 1953, pp. 358-95.

<sup>2</sup> *Ibid.* 19 March 1952, p. 12.

<sup>3</sup> *Straits Times*, 8 April 1953.

Kuala Lumpur Town Hall. UMNO and MCA were among those invited, but they refused to attend.<sup>1</sup>

A Working Committee, appointed to consider all matters discussed at the Conference, recommended, among other points, the holding of elections to the State and Settlement Councils by 1955, and to the Federal Councils by the latter part of 1956, the enlargement of the Federal Legislative Council to ninety, and the setting up of a National Forum to consider steps for paving the way to unity and self-government. Although the recommendation called for sixty-four unofficial members to represent communities and special interests, the Committee was not specific about the method whereby these unofficials were to be elected.<sup>2</sup>

Early in 1954 the Federal Elections Committee—in which the MNC was in the majority and the UMNO-MCA Alliance in the minority—published its report. It left the issue of the elected element in the Council unsolved. The MNC majority wanted a Council of ninety-two with an elected minority of forty-four and a 'proper' date of election. The minority, consisting of the Alliance and the Pan-Malayan Labour Party, insisted on a Council of one hundred with a three-fifths elected majority, and November 1954 as the target date of elections.<sup>3</sup> They argued that a majority of three fifths was the minimum ratio which would enable any party or a coalition of parties, however successful at the polls, to form an effective government, and refused to accept any of the Elections Committee's proposals.<sup>4</sup>

In order to prevent the MNC proposals from being adopted, the Alliance exerted new pressure. They sent a telegram to Mr. Lyttelton, Secretary of State for the Colonies, asking for an opportunity to present their case. But Mr. Lyttelton refused, saying:

If I were to agree to receive the Alliance delegation, I should also have to give time and opportunity to others if they wanted to send delegations. . . . But once every opportunity had been given to all

<sup>1</sup> Purcell, *Malaya: Communist or Free?*, p. 105.

<sup>2</sup> Malayan National Conference, *Report of the Working Committee of the Malayan National Conference* (Kuala Lumpur, 1953), pp. 7-17.

<sup>3</sup> Federation of Malaya, *Report of the Committee Appointed to Examine the Question of Elections to the Federal Legislative Council* (Kuala Lumpur, 1954), pp. 3-8 and 23-24.

<sup>4</sup> *The Times* (London), 26 May 1954.

parties and sections of opinion in the Federation to make known their views the machinery will not function smoothly and effectively except by direct consultation restricted to Their Highnesses the Rulers and Her Majesty's Government whose agreement—and whose agreement alone—is constitutionally required for the introduction of legislation to amend the Federation Agreement.<sup>1</sup>

This rebuff made the Alliance leaders the more determined to fight, and at an emergency UMNO General Assembly in Malacca a resolution was adopted to demand a fully-elected Federal Legislative Council instead of a three-fifths majority. A similar resolution was passed by the MCA. An Alliance delegation sent to London was eventually received by Mr. Lyttelton, but its petition was not granted.<sup>2</sup>

Meanwhile General Templer and the Malay Rulers, in conjunction with the British government, decided to amend the provision of an elected minority to an elected majority of fifty-two, thereby giving the elected members a majority of six over the official and nominated members. Lyttelton himself expressed the opinion that:

There would seem to be advantage in taking some middle course between the proposals of the Majority of the Elections Committee for election of less than half the Council and of the Minority who suggested election of not less than three fifths of the Council. I think we should be mindful of the importance of creating conditions in which the elected members would feel fully conscious of their share of the responsibility for the government of the country.<sup>3</sup>

But the Alliance leaders were by no means content with this new concession. A majority of six was in their opinion still too precarious. Hence after the Alliance delegation's return from London they demanded the appointment of a Royal Commission forthwith to review the question of Federal elections, failing this they would boycott the elections. No Royal Commission was appointed, and the Alliance translated its threats into deeds by ordering all Alliance members to withdraw from the Federal, State, and local Councils, and to hold demonstrations of protest throughout the country.<sup>4</sup>

The government was naturally very concerned about this turn of events, especially when a united front was so essential in

<sup>1</sup> *Straits Budget*, 22 April 1954, p. 8.

<sup>2</sup> *Ibid.* p. 9.

<sup>3</sup> *Ibid.* 29 April 1954, p. 15.

<sup>4</sup> *Ibid.* p. 3.

the war against the communists. There was an urgent need for a speedy agreement. Through the mediation of J. P. Hogen, the Attorney General, a compromise agreement was reached following a dramatic and secret meeting attended by Donald MacGillivray, Tunku Abdul Rahman, Dr. Ismail bin Dato Abdul Rahman, and Colonel H. S. Lee on board H.M.S. *Alert* on the night of 1 July 1954. MacGillivray pledged that he would consult and act in agreement with the leader of the elected majority in filling five of the seven 'nominated reserve' seats in Council of fifty-two elected and forty-six nominated members. The Alliance accepted the proposal, and on 7 July 1954 the boycott was lifted.<sup>1</sup>

By this time the Constituency Delineating Commission, which was appointed in April, had completed its task. It created fifty-two single member constituencies as required by its terms of reference. Special care was taken that no constituency crossed State or Settlement boundaries and that the population in each constituency was about equal. The communal element was completely disregarded, because the Commission believed that such an arrangement would encourage the several races to form one single community.<sup>2</sup>

In August the Federation of Malaya Agreement Bill was passed to allow the introduction of Federal elections. This was good news to the Alliance, but Hogan's announcement that elections were unlikely to be held before the middle of 1955 was a disappointment.<sup>3</sup> Nevertheless, during the intervening period the ambitious political parties had a splendid opportunity to test their strength. At the State elections in Johore and Trengganu the Alliance swept the polls, to the consternation of its chief rival, Party Negara, which had been founded in March 1954 as a successor to Dato Onn's ailing IMP.<sup>4</sup>

The MIC was also anxious to take part in the Federal elections, not on its own, but in partnership with one of the major political parties. It approached Party Negara, but was refused unless it was willing to dissolve and to allow its members to be absorbed by Party Negara. MIC then turned to the Alliance

<sup>1</sup> Ibid. 15 July 1954, p. 9.

<sup>2</sup> Federation of Malaya, *Report of the Constituency Delineating Commission* (Kuala Lumpur, 1954).

<sup>3</sup> Federation of Malaya, *Proceedings of the Federal Legislative Council*, 18 August 1954, cols. 471-2.

<sup>4</sup> *The Times* (London), 1 March 1954.

and was welcomed as the third member in the communal coalition.

But this increase in membership also meant a corresponding increase in the complexity of party-problems. Dissatisfaction and painful breaches of party discipline grew more pronounced over the racial allocation of seats in the Federal elections. On the basis of voting strength UMNO demanded no less than 90 per cent. of the seats. Only Tunku Abdul Rahman's personal persuasion induced the Malays to drop their claim.<sup>1</sup> But in the election manifesto the Alliance partners pledged themselves to safeguard the special position of the Malays and to uphold the position of the Malay Rulers as constitutional heads of their respective States. The manifesto also recognized the existence of serious problems arising from the presence of a large alien population, and the necessity of creating unity and a common loyalty among the communities. But it was also felt that since a new constitution would have to be drafted for an independent Malaya, it would be better to leave the detailed study of these problems to a Special Independent Commission.<sup>2</sup>

In its election manifesto Party Negara also promised to retain the nine Malay Rulers as constitutional monarchs. It would introduce a single nationality law so that Malaya 'can sail forward as a compact unit and not like a convoy at sea'. It gave assurance that through appropriate alien immigration laws it would prevent the Malays from running the risk of becoming 'back numbers in their own country'. It lost quite a bit of thunder to the Alliance, however, by choosing a later target date for independence, and it did itself considerable harm by making no single reference to the Emergency.<sup>3</sup>

In the selection of candidates the Alliance took the middle position between communal expediency and communal harmony. Seventeen of its fifty-two candidates were non-Malays in spite of the fact that only in two of the fifty-two constituencies were the non-Malay electors in the majority. The Alliance was obviously trusting in non-communal thinking and voting in at least fifteen constituencies. But this risk was the price that had to be paid for a measure of communal co-operation.

<sup>1</sup> *Straits Times*, 16 June 1955.

<sup>2</sup> *Menuju Kearah Kemerdekaan (The Road to Independence): An Alliance Platform for the Federal Elections* (Kuala Lumpur, 1955), pp. 36-40.

<sup>3</sup> *Straits Times*, 25 May 1955.

Paradoxically Party Negara seemed to have less faith in communal voting: only one of its thirty candidates was a non-Malay.

The polling results gave the Alliance an overwhelming victory of fifty-one seats. The Malay UMNO candidate, Haji Suleiman bin Haji Ahmad, lost to his Pan-Malay Islamic Party (PMIP) opponent in the Krian constituency. All the Alliance non-Malay candidates were returned by handsome majorities, although many of them stood in predominantly Malay areas against Malay candidates. There were 1,280,000 names on the voting register, and more than one million cast their votes.<sup>1</sup>

In his first address in the Federal Legislative Council as Chief Minister, Tunku Abdul Rahman commented on the Alliance victory in the following words: 'In the village, town, State, and Federal elections, it was . . . nationalism that has carried the Alliance to unparalleled victory. The reason for it is obvious. Independence is what they want and our party is the only party that is fighting for it.'<sup>2</sup>

'Revivalist nationalism', invoking the memory of pre-colonial golden ages, could not bring Malaya's plural society together, because each community had a distinctly different golden past. But the issue of independence cut across racial diversities, and provided the deeply divided plural society with the feeling of homogeneity. This enabled them to rise above the narrow vision of communalism and to press on as a united front to win independence from their colonial masters.

### *The Merdeka Negotiations*

In consultation with the High Commissioner, Donald MacGillivray, the Tunku formed a racial cabinet of six Malays, three Chinese, and one Indian. The controversial subject of filling the five 'nominated reserve' seats was also amicably settled. The Tunku and the Alliance demonstrated sound judgement by presenting three Chinese and two Indians in order to achieve a more balanced racial picture in the Legislative Council.

When Lennox Boyd, the new Secretary of State for the

<sup>1</sup> *Straits Budget*, 4 August 1955, p. 11.

<sup>2</sup> Federation of Malaya, *Proceedings of the Federal Legislative Council*, 31 August 1955, col. 38.



Colonies, visited Kuala Lumpur at the end of August 1955, Tunku Abdul Rahman lost no time in beginning discussions about self-government and independence for Malaya. Before leaving, Lennox Boyd assured the Tunku that he would be ready to hold constitutional talks in London in early 1956, provided the Malay Rulers were also represented, because, constitutionally, they had to be a party to any constitutional reform.<sup>1</sup>

At the end of September 1955 the Conference of Rulers offered the first opportunity for Tunku Abdul Rahman to consult them on the question of independence. This was not an easy task on account of the apathy of the Sultan of Johore towards independence. The Sultan had previously declared in a speech from the throne: 'It is all very well to clamour for Merdeka and independence, but where are your warships, your planes and your armies to withstand and repel aggression from outside?'<sup>2</sup> Further, in response to Tunku Abdul Rahman's proposal to Lennox Boyd to abolish the posts of all British Advisers, the Sultan wrote to MacGillivray that he would keep the Adviser in Johore, no matter what other Rulers might do. He also wished Johore could leave the Federation and remain under British protection.<sup>3</sup>

Tunku Abdul Rahman reminded the Rulers that if they did not join in the move towards independence, they would be going against the wishes of their subjects who had put the Alliance into power on the platform of independence. He assured them that their position as constitutional monarchs would be safeguarded in an independent Malaya. Eight of the Sultans then assured him that their views on independence differed from those of the Sultan of Johore.<sup>4</sup>

Although the conclusion of the Emergency was not a condition to the opening of the London talks, Tunku Abdul Rahman placed it high on his list of priorities. In September he offered an amnesty to the MCP, and this led to the Baling talks in December between Tunku Abdul Rahman, Tan Cheng Lock, and David Marshall of Singapore on the government side, and Chin Peng, Chen Tien, and Abdul Rashid Mahidin on the communist side. The talks failed, because both parties refused to budge:

<sup>1</sup> *Straits Budget*, 8 September 1955, pp. 12-13.

<sup>2</sup> *Ibid.* 22 September 1955, p. 16.

<sup>3</sup> *Ibid.* 22 December 1955, pp. 10 and 13.

<sup>4</sup> *Ibid.* 29 September 1955, p. 8.

Chin Peng was unwilling to lay down his arms unconditionally, and Tunku Abdul Rahman would not consider giving recognition to the MCP and freedom for its members to pursue the party's aims.<sup>1</sup>

Meanwhile preparations for the London conference were under way. The Merdeka Mission, consisting of four representatives of the Rulers and four representatives of the Alliance, left Malaya in January 1956. In order to settle outstanding issues it was agreed that the two delegations were to travel by boat to Karachi, and thence by air to London. During the sea journey all differences were resolved, and the Merdeka Mission arrived in London as one delegation. This was the only condition which the British government had set before the final step to self-government and independence could be considered.

The constitutional talks lasted from 18 January until 6 February. Two stages of constitutional development were recognized, i.e. an interim period and independence within the Commonwealth. During the interim period the High Commissioner, on behalf of the British government, must act in accordance with the advice of the Executive Council except in matters of external affairs and external defence. Malayan Ministers would replace British officers as Minister for Defence and Security, Minister of Finance, and Minister of Commerce and Industry. The British also promised to continue financial aid both during the interim period and after independence. In return the Federation agreed to stay within the Sterling area. The Public Service was to be Malayanized, but until local men were available the Federation wished to retain and to recruit the services of qualified British officers. In order to mitigate any feeling of insecurity arising from the Malayanization programme, it was agreed to provide reasonable assurances of employment and compensation for loss of career.<sup>2</sup>

In the second stage a fully self-governing independent Federation of Malaya would be responsible for all functions of government. The classic office of British Advisers would be withdrawn subject to the concurrence of the Malay Rulers.

<sup>1</sup> Miller, *op. cit.* pp. 185-93. Also Federation of Malaya, *The Communist Threat to the Federation of Malaya*, No. 23 of 1959 (Kuala Lumpur, 1959), pp. 15-18.

<sup>2</sup> Great Britain, *Report by the Federation of Malaya Constitutional Conference Held in London in January and February, 1956*, Cmd. 9714 (London, 1956), pp. 4-6 and 9-17.

In order to examine the ramifications of all these changes it was agreed to appoint an independent Constitutional Commission.

### *The Penang Secession Movement*

Francis Light had bequeathed to Penang a free-port tradition which, with the passing of years, became so inextricably merged with the history, the economy, and the life of the Settlement and its people that the islanders could not be expected to acquiesce in the new policies of political and economic integration from Kuala Lumpur. When the British Military Administration (BMA), the Straits Settlements (Repeal) Act of 1946, the Malayan Union Order in Council of 1946, and the Federation of Malayan Union Order in Council of 1946, and the Federation of Malaya Agreement of 1948 progressively brought Penang and Malacca into one political and customs union with the mainland, Penang's reaction was swift. Strong protests came from Penang merchants about the new restrictions and impediments to their trade which they had never experienced before the Second World War. This prompted Sir Edward Gent, then Governor of the Malayan Union, to obtain the services of a neutral arbitrator, Dr. F. C. Benham, Economic Adviser to the Governor-General. On 12 December 1947 Dr. Benham met representatives of the Penang mercantile community. In his subsequent inquiries he discovered that it was the entrepot trade that bulked largest in the controversy.

As in Singapore there were no import duties on goods entering Penang, except on alcoholic drinks, tobacco, and petrol. A wide range of import duties was levied throughout the peninsula, but Penang was exempt. It appeared that the core of the problem lay in the imposition of export duties on rubber, copra, and coconut oil.<sup>1</sup> Those present at the meeting with Dr. Benham urged that the collection of export duties on rubber and copra coming from the peninsula into Penang should be done in Butterworth and Prai instead of in Penang. Such procedure would render unnecessary the weighing and checking of rubber and copra coming into Penang from Sumatra, Siam, and Burma. Under existing arrangements this weighing and checking had to be done in order to make sure that only those quantities,

<sup>1</sup> *Straits Times*, 5 June 1948.

no more and no less, were re-exported duty free. They argued that these procedures were highly detrimental to the efficiency and growth of the entrepot trade. Dr. Benham shared their views, and accordingly he stated in his report:

The entrepot trade does not form a large percentage of the total trade of Penang, but is a valuable trade from the standpoint of Malaya and the Empire. It is alleged that some of this trade may be driven away from Penang by unnecessary restrictions and formalities which cause delay, expense, and inconvenience.<sup>1</sup>

He recommended, therefore, that Penang should be restored to genuine free port status, enjoying the same privileges as Singapore. This meant the repeal of all existing export duties. With regard to locally produced rubber, the existing export duty and cess should be replaced by an assessment levy based on actual rubber produced in the case of estates of over one hundred acres, and on a tree basis in respect of smallholdings. No cess should be levied on locally grown coconuts, since it was found that local coconut production was about equal to local coconut consumption. As regards goods that were imported into Penang and subsequently exported to the mainland, duty should be paid on the Penang landed value, and not on the price which the mainland customer had to pay.<sup>2</sup>

In May 1948 Dr. Benham's report was tabled at the Federal Legislative Council together with a government statement on the proposed action to be taken, based on the report.<sup>3</sup>

By this time the Federation of Malaya had come into being, and the inclusion of Penang in the political association merely aggravated Penang's grievances. The people of Penang complained that throughout the lengthy negotiations Penang and its sister colony, Malacca, had been given no opportunity to air their views on the Federation plan. The constitutional position of the two colonies had been decided without any reference to the wishes of the population, just as Singapore was excluded from the Federation without any reference to that colony's desires. There was a general feeling that 'Penang had been shabbily treated' and that to break away from the Federation would be in the best interests of the Settlement.<sup>4</sup>

<sup>1</sup> Federation of Malaya, *Proceedings of the Federal Legislative Council*, February 1948 to February 1949, Appendix No. 17, p. C 189.

<sup>2</sup> *Ibid.* pp. C 190-1.    <sup>3</sup> *Ibid.* p. C 192.

<sup>4</sup> *Straits Times*, 12 December 1948.

At a public meeting in the Penang Town Hall in December 1948 community leaders from Penang and Province Wellesley agreed by a large majority vote to adopt all constitutional means for the secession of the Settlement from the Federation of Malaya. D. A. Mackay addressed the meeting, saying:

Penang was not consulted in any way when the Federation was formed. The Rulers of the Malay States were asked to give their consent, but no citizen of Penang, or any representative body was consulted. Penang was included without option, and one is forced to the conclusion that the inclusion of the Settlement of Penang and Malacca without Singapore was intended as an inducement to the Malay States to enter the Federation.<sup>1</sup>

A Penang and Province Wellesley Secession Committee was set up under the chairmanship of D. A. Mackay, then Chairman of the Penang Chamber of Commerce.

Following abortive talks with the Commissioner-General in January 1949 the Secession Committee decided to bring their case before the Settlement Council. An attempt was made by three Legislative Councillors from Singapore and Kuala Lumpur to persuade the Secessionists to defer their action. For this purpose they flew to Penang after a Liaison Committee meeting in Johore Bahru. The Secessionists listened, but half an hour before the Council was due to meet they decided to go ahead.<sup>2</sup>

There was an air of optimism among them. They decided that a number of the eleven officials would back up the movement, since it was thought to be in their interest to be relieved from the direction of Kuala Lumpur. They also expected the majority of the unofficials to lend their support. Discounting the votes of the three Malay unofficials, they counted on about twelve votes for secession. The official votes, therefore, would decide the issue. They did: all the official members voted against the resolution.<sup>3</sup>

Having thus failed in the Settlement Council, the Secessionists planned to appeal to London. After a prolonged period of drafting, the petition was ready in August 1949 for despatch to the Secretary of State for the Colonies through the High Commissioner. But there was to be a further period of delay. The High Commissioner, Sir Henry Gurney, asked that certain points in the petition be clarified, and requested the new chair-

<sup>1</sup> *Ibid.* 14 December 1948.

<sup>2</sup> *Ibid.* 21 November 1949.

<sup>3</sup> *Ibid.* 11 February 1949.

man of the Committee, Mr. J. P. Souter, and the Secretary, Mr. N. Ponnudurai, to come to Kuala Lumpur. For the sake of clarity the petition was re-drafted, and this task took several more weeks. It was not until October that the document was on its way to London.<sup>1</sup>

Meanwhile the Benham Report came up in the Federal Legislative Council. In February 1949 two Penang Bills were taken through their final stages. The first one constituted the Island of Penang a free port, and the second provided an assessment levy on all rubber produced in Penang. Both Bills were passed and accordingly Penang became a free port again from 1 April 1949.<sup>2</sup> Thus the economic argument was removed as a reason for secession. But the political argument was left unsolved and the secessionists exploited this to the full.

In September 1951 the Secretary of State for the Colonies, Mr. James Griffiths, rejected the two year old petition of the Penang and Province Wellesley Secession Committee. He said:

Penang's fate is indissolubly linked with the mainland of Malaya. It cannot exist in isolation. . . . It would, in my considered view, be a grave political error to attempt to sunder the close relations with the Malay States. . . . After the most careful study of the petition in the light of your comments I have come to the conclusion that the apprehensions of the petitioners are not well founded and that a case has not been established either for initiating action to change the status of Penang or for the appointment of a Royal Commission to investigate the question further.<sup>3</sup>

Answering the contention of the Secession Committee that the people of Penang had not been consulted on the constitutional arrangements embodied in the Federation of Malaya Agreement, Mr. Griffith pointed out that the Consultative Committee did give an opportunity for public opinion in Penang to express itself on the Federation proposals.<sup>4</sup>

This answer slammed the official door in the face of the petitioners, but it did not stop the movement towards secession. Admittedly secessionist activities declined during the following two years under the strain and stress of the Emergency. Then in September 1953 the Singapore Straits Chinese British Association (SCBA) President, Mr. T. W. Ong, declared that the

<sup>1</sup> *Ibid.* 21 November 1949.

<sup>2</sup> Federation of Malaya, *Proceedings of the Federal Legislative Council*, 17 February 1949, pp. B. 759-65.

<sup>3</sup> *Straits Times*, 19 September 1951.      <sup>4</sup> *Ibid.*

real answer to Penang's political unhappiness was secession of both Penang and Malacca from the Federation.<sup>1</sup> Mr. Heah Joo Seang, President of the Penang SCBA, also came out in support of secession, and said that no community would welcome a break more than the Queen's Chinese.<sup>2</sup> From Johore Major-General Sir Ibrahim, Sultan of Johore, declared that Malaya was happier when it consisted of the Straits Settlements, the Federated and the Unfederated Malay States, and that, therefore, 'Singapore, Penang, and Malacca should be Straits Settlements for ever'.<sup>3</sup> While the Merdeka Mission was in London in 1956, Penang's Sir Kamil Mohamed Ariff caused quite a stir when he announced that under any new Federal set-up the people of Penang wished to remain British subjects.<sup>4</sup>

But in spite of all these outbursts the secession movement was incapable of winning wide-spread support both on the island and on the mainland. The main reason for this lay, perhaps, in the fact that the fight against the communists provided such a strong motive for unity that the people had no time for secession. But it must be recognized that there were powerful forces of regionalism, and had it not been for the Emergency the secession movement could have been more popular and wide-spread. Federalism in Malaya might then have taken an entirely different course.

<sup>1</sup> Ibid. 22 September 1953.

<sup>2</sup> Ibid. 24 September 1953.

<sup>3</sup> Ibid. 25 September 1953.

<sup>4</sup> *Malay Mail*, 20 January 1956.

## THE MERDEKA FEDERATION

*Political Structure before Independence*

THE 1948 Federation of Malaya Agreement established a Federation with a strong centripetal bias. The States and Settlements which composed the Federation were the same eleven that were brought together in the Malayan Union, but at this time they were given functions on a federal principle of division-of-power basis. It must be noted, however, that power was constitutionally weighted in favour of the Federal government. The High Commissioner and the British Advisers were retained, and their advice had to be followed by the Rulers. But in practice the attitude of the British Advisers continued to be coloured by a romantic-chivalrous determination to preserve the time-honoured Malay feudal privileges and institutions. The result was the crystallization of ten separate miniature nations, each with separate criteria of citizenship. There were the subjects of the nine Malay Rulers in the nine British protected Malay States, and the subjects of the British monarch in the British Crown Colonies of Penang and Malacca.

In any important policy decision at Federal level the assent of twelve Legislative Councils was required, i.e. nine in the Malay States, one in Penang, one in Malacca, and the twelfth in Kuala Lumpur. Referring to this state of affairs, Lord Ogmore said that 'nobody can operate with twelve heads'.<sup>1</sup> He said that the set-up was unwieldy and suggested that an attempt should be made to get the Rulers to form an electoral college to elect one of their number as Ruler of the Federation for life. He also felt that the first step should be taken towards a closer association of Singapore and Malaya by making the High Commissioner also Governor of Singapore.<sup>2</sup>

Singapore, the Cocos Islands, and Christmas Island constituted a separate colony under the 1948 Federation of Malaya Agreement. Under the Cocos Islands Act of 1955 the Cocos Islands became part of the Commonwealth territories of Aus-

<sup>1</sup> Great Britain, *Parliamentary Debates* (Lords), 27 February 1952, col. 309.

<sup>2</sup> *Ibid.*



tralia. Christmas Island remained part of Singapore until the passage of the Christmas Island Act in 1958, which joined the Island to the Commonwealth territories of Australia.

In Borneo two Crown Colonies emerged at this time, i.e. Sarawak on 1 July 1946 and North Borneo with Labuan on 15 July 1946. The oil-rich State of Brunei remained a British protected State.

Over all these territories the British government hoped to establish a measure of uniformity by creating the office of a co-ordinating agent with the impressive title of 'Commissioner-General for the United Kingdom and South-East Asia'.

### *The Reid Constitutional Commission*

THE CONSTITUTIONAL INQUIRY IN MALAYA. Following the Constitutional Conference, which met in London in January and February 1956,<sup>1</sup> the proposed Commonwealth Constitutional Commission was appointed in the name of Her Majesty the Queen and in the names of Their Highnesses the Rulers. The Rt. Hon. Lord Reid (chairman) and Sir Ivor Jennings were nominated by the United Kingdom, the Rt. Hon. Sir William McKell was nominated by Australia, Mr. Justice B. Malik by the Government of India, and Mr. Justice Abdul Hamid by the Government of Pakistan. For medical reasons the member from Canada had to withdraw at the last moment.

The Commission was instructed to make recommendations for a federal form of constitution for the whole country as single, independent, self-governing unit within the Commonwealth with a bicameral legislature, and to ensure that the constitution provided for a strong central government with the States and Settlements enjoying a measure of autonomy, a common nationality for the whole Federation, and safeguards for the special position of the Malays without adversely affecting the legitimate interests of the other communities.<sup>2</sup>

With these instructions, Lord Reid arrived in Malaya in May and the other members in June 1956. Their first step was to invite memoranda from all organizations and individuals who

<sup>1</sup> Above, Chapter IV.

<sup>2</sup> Federation of Malaya, *The Constitutional Commission*, No. 15 of 1956 (Kuala Lumpur, 1956).

desired to submit information or views for the Commission to consider. Altogether 131 memoranda were received.<sup>1</sup>

That the question of citizenship was most passionately argued should surprise no one. The Associated Chinese Chambers of Commerce of Malaya charged that the principle of *jus soli* had been thrown overboard by the Federation of Malaya Agreement of 1948, and urged the Commission to make provision for citizenship by right of birth. It also appealed for a reduction of the qualifying period of residence from ten years to five for citizenship by application, the abolition of the language test, and parity between the Malay, English, Chinese, and Tamil languages.<sup>2</sup> But the All-Malay Chamber of Commerce said that the Federation citizenship laws should not be relaxed until the non-Malays had proven their loyalty to Malaya.<sup>3</sup> Malaya's 12,000 Eurasians claimed that economically they were no different from the Malays, and hence they also needed to have their rights safeguarded.<sup>4</sup> The Pan-Malayan Tamil Association also urged that all Tamils born in Malaya should be given citizenship automatically.<sup>5</sup>

Within the Alliance itself there were moments of difficult and hard bargaining, during which the unity of the party came under severe strain. Although in the end a spirit of compromise and goodwill prevailed, the memorandum to the Reid Commission showed the traces of racial conflicts.<sup>6</sup> To begin with, the principle of *jus soli* was accepted. This seemed to be fundamental. Every child born in the Federation after independence was to be a national of the Federation. But UMNO added a rider, saying that those born of alien parents in the Federation after independence should cease to be nationals at the age of twenty-one, unless they declared their intention to remain nationals of the Federation. However, this would not apply to those who would have no national status because of such cessation. MCA and MIC expressed their disagreement with this rider.

With respect to the large alien population the Alliance pro-

<sup>1</sup> For a complete list of those who submitted memoranda, see *ibid.* Appendix I, pp. 107-10.

<sup>2</sup> *Straits Budget*, 28 June 1956, p. 17.

<sup>3</sup> *Ibid.* 3 May 1956, p. 5.

<sup>4</sup> *Ibid.* 30 August 1956, p. 16.

<sup>5</sup> *Ibid.* p. 15.

<sup>6</sup> *Ibid.* 6 September 1956, p. 6.

posed that any alien was entitled to become a national, if (i) he was born in Malaya before independence, (ii) he had lived in Malaya for five out of the preceding ten years, (iii) he had reached the age of eighteen, (iv) he had a simple knowledge of the Malay language. For aliens who were not born in Malaya the period of residence should be eight out of the preceding twelve years, and the language requirement should be waived for the first year of independence. MIC wanted a waiver of two years.

Malay should be the national and the only official language in ten years after independence, but MCA stated that English, Kuo Yu, and Tamil should also be used in the Federal Councils for ten years with the permission of the Speaker.

The Alliance had also reconsidered its earlier suggestion that the independent Federation should be named Langkasuka. UMNO now wanted the name Malaysia, while both MCA and MIC saw no reason for changing the existing name.

The question about the special position of the Malays was amicably solved. No one questioned the need of the Malays for protection in order that they might approach economic equality with the other communities. Tunku Abdul Rahman himself had declared publicly that on this issue there could be no retreat.<sup>1</sup> Accordingly the memorandum proposed that a reasonable proportion of lands, scholarships, posts in the public service, and business permits should be reserved to the Malays, but without adversely affecting or diminishing the existing rights and opportunities of the non-Malays.

The Malay Rulers also submitted their own memorandum.<sup>2</sup> In it they proposed that the independent Federation should have a Head of State, styled Yang di-Pertuan Agong or Maha Besar. He should be elected by the Rulers from among themselves on the basis of seniority as Sultans in their respective States. If he refused to accept the conditions of office or was disqualified by age or incapacity, his name should go to the bottom of the list, and the Ruler next in seniority as Sultan should receive consideration.

After serving as Yang di-Pertuan Agong a Ruler would not be eligible for immediate re-election. His title would be placed in a second list in order of accession to the throne. When all the

<sup>1</sup> *Straits Times*, 28 September 1956.

<sup>2</sup> *Straits Budget*, 27 September 1956.

nine Rulers had received consideration, all of them would again be eligible for election to the post of Yang di-Pertuan Agong in order of their seniority as Sultans in their respective States.

They proposed that the term of office of the Yang di-Pertuan Agong should be five years, during which his duties in his own State should be carried on by a regent. The Yang di-Pertuan Agong would not be paid by his State, but by the Federal government on the recommendation of the Conference of Rulers. He could resign, and he could also be removed from office with the consent of the Conference of Rulers, if a two-thirds majority of either the Upper or Lower House declared that he was unfit to remain in office.

In addition to receiving memoranda the Commission examined the constitutional position of the units of the Federation, visited the States and Settlements, and conferred with the Rulers, the Mentri-mentri Besar, the British Advisers, the Resident Commissioners, and the State and Settlement officers. They held public hearings and numerous meetings of a less formal character.<sup>1</sup>

By the end of October 1956 the Commission considered that sufficient information had been obtained to prepare a report and to make recommendations. Fully aware of the tense feelings in Malaya, the Commission felt that it could not possibly undertake this part of its task without running into difficulties, and finding it also inadvisable to go to England or any Commonwealth country, it decided to go to Rome. About four months later the report and the recommendations for the future constitution of the Federation were complete. They were formally submitted for approval to Her Majesty the Queen and to Their Highnesses the Rulers, and then published in February 1957.<sup>2</sup>

THE REID RECOMMENDATIONS. The Commission adopted a large number of the proposals put forward by the Alliance and the Rulers, but it did not hesitate to suggest recommendations of its own. It accepted the Rulers' proposal to have a constitutional Malay Head of State, chosen from among the Rulers by the Rulers themselves, as the symbol of the country's unity and as the fountain of justice. He would choose the Prime Minister

<sup>1</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957* (Kuala Lumpur, 1957), pars. 4-18.

<sup>2</sup> Great Britain, *Report of the Commonwealth Constitutional Commission*, Colonial No. 330 (London, 1957).

whose advice on all executive action he must accept. He would have power to dissolve Parliament. Parliament itself would be bicameral, consisting of a wholly elected House of Representatives of one hundred members, and a Senate of thirty three members. Of these thirty-three Senators each of the eleven regional governments would send two representatives, while the remaining eleven would be nominated by the Head of State. Following the British tradition in parliamentary government the Senate would have power to delay legislation and to initiate bills other than money bills, but the final word would lie with the House of Representatives.<sup>1</sup>

With regard to the autonomous position of the regional governments, the Commission was of the opinion that it was impracticable and undemocratic to continue the existing system, which conferred legislative powers on the Federation and executive powers on the States and Settlements in certain specified fields.<sup>2</sup> Legislative and executive powers should generally go together. Using the Second Schedule of the 1948 Federation of Malaya Agreement as a basis, the Commission proposed to have a State List enumerating a limited number of subjects of purely local character over which the regional governments should exercise both legislative and executive control.<sup>3</sup> A Concurrent List was also introduced on the ground that the Federal government should be entitled to determine and to carry out national policy in certain matters, but that at the same time there might well be cases in which a particular State might wish to introduce some form of service which was not dealt with by the Federal government. The Commission saw no advantage in reducing the powers of the Federal government as specified in the 1948 Federation of Malaya Agreement, especially since the Rulers had agreed to the arrangement. But it noted that these powers were so comprehensive that it would hardly make any difference to the Federal government, if residual power was given to the regional governments. The only real effect would be that if some unforeseen matter arose which was so peculiar that it could not be brought under any of the items mentioned in any of the Legislative Lists, then that matter would come

<sup>1</sup> *Ibid.* pp. 22-27.

<sup>2</sup> See Great Britain, *The Federation of Malaya Order in Council, 1948*. The Federation of Malaya Agreement, The Second Schedule, column (2).

<sup>3</sup> Great Britain, *Report of the Commonwealth Constitutional Commission*, Colonial No. 330, op. cit. Appendix II, List II, pp. 208-9.

within the jurisdiction of the States. But this was very unlikely to happen, because Article 68 of the proposed constitution appeared to cover every foreseeable matter on which there might be legislation.<sup>1</sup>

As units of an independent Federation it would be anomalous for the Settlements of Penang and Malacca to continue as part of Her Majesty's dominions. They should become integral parts of the Federation as 'States' to signify their status of equality with the other States.<sup>2</sup>

On none of the above points was the new Federation likely to founder. It was the Commission's recommendations on citizenship, special rights of the Malays, and the status of the Muslim religion that brought the situation to a head. Admittedly the Commission had adopted the Alliance proposals on citizenship almost in their entirety, not only because they were supported by the authority which the Alliance commanded, but also because the Commission found them to be the best. The trouble began with the Commission's proposal for a dual citizenship, which was allegedly made on the basis of an understanding reached at the London conference of 1956, saying that:

These terms of reference were not to be taken as precluding the Commission from making recommendations which would allow British subjects or subjects of Their Highnesses the Rulers to retain their status as such after they had acquired the proposed common nationality.<sup>3</sup>

The question then arose as to whether or not the British subjects in Penang and Malacca could become both citizens of the United Kingdom and Colonies and citizens of the new Federation at the same time. The Rulers had indicated their stand on this matter in their memorandum to the Commission in which they said that 'no Federal citizen should hold or acquire citizenship of the United Kingdom and Colonies after Merdeka Day—31 August 1957'.<sup>4</sup> The Alliance was adamant in its insistence that its proposal in the memorandum for a single common nationality should not give way to any form of dual citizenship, and that those who wished to become Federal citizens should

<sup>1</sup> *Ibid.* p. 51.

<sup>2</sup> *Ibid.* pp. 83–84.

<sup>3</sup> *Ibid.* p. 2.

<sup>4</sup> *Straits Budget*, 20 September 1956, p. 12.

renounce their loyalty to any other country.<sup>1</sup> It declared that Penang and Malacca were no exceptions, and that both would be given equal treatment with the Malay States in the new Federation.<sup>2</sup>

These statements also hit many members of the non-Malay communities, particularly the Chinese, who could not renounce their Chinese citizenship of their own free will, because the laws of China forbade them to do so. The Associated Chinese Chambers of Commerce, therefore, appealed in a memorandum to Tunku Abdul Rahman to consider the question of dual citizenship seriously.<sup>3</sup>

The problem about the special rights of the Malays was no less controversial. UMNO viewed with great apprehension the recommendation of the Commission to review the whole matter in 1972, but UMNO felt that no time schedules for these privileges should be fixed, and that it should be made clear in the constitution that any review would not necessarily lead to the curtailment or to the abolition of these special rights.<sup>4</sup> Another difficulty arose from the Commission's proposal that 'there should be no further Malay reservations, but that each State should be left to reduce Malay reservations in that State at an appropriate time'.<sup>5</sup> UMNO maintained that 'Malay reservations would continue indefinitely. Malay settlements would exist in every State, including Penang and Malacca'.<sup>6</sup>

At the request of the Rulers the Commission made no recommendation on the subject of State religion. But they seemed to have second thoughts and approved the suggestion of the Alliance to embody in the constitution the Muslim religion as the State religion provided this did not prejudice their position as heads of the Muslim religion in their own States.<sup>7</sup>

The Alliance had the full backing of the Rulers on the above issues. The Working Committee of the MCA, presided over by Tan Cheng Lock, also agreed unanimously not to press for the recommendations of the Reid Commission which went beyond

<sup>1</sup> Ibid. 4 April 1957, pp. 8-9.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid. 25 April 1957, p. 14.

<sup>4</sup> Ibid. 14 March 1957, p. 15.

<sup>5</sup> Great Britain, *Report of the Commonwealth Constitutional Commission*, Colonial No. 330, p. 72, par. 166.

<sup>6</sup> *Straits Budget*, 4 April 1957, p. 9.

<sup>7</sup> Ibid. 14 March 1957, p. 15.

the Alliance proposals, because these proposals represented the greatest measure of agreement that could be achieved under the circumstances.<sup>1</sup>

THE LONDON RESOLUTIONS. Meanwhile the Working Party, which had been set up in February 1957 to make a detailed examination of the Reid proposals and to submit recommendations to Her Majesty's government and to the Conference of Rulers, had completed its task. At one stage during its deliberations on the future relationship between the Federation and the States a proposal was made to include a fourth special list in the constitution. This arose from the common view that a small country like Malaya would face untold difficulties, if the basic laws on fundamental matters such as land code were to differ from State to State. The proposed fourth list would, therefore, include items on which the Federal Parliament would have power to legislate for the purpose of uniformity, but on which the States would have the executive authority. But in the end a fourth list was thought too cumbersome, and, instead, a new clause (Clause 4) was inserted in Article 76 of the new Federal constitution to give effect to these intentions.<sup>2</sup>

Preparatory to the final constitutional conference, which was to take place on 13 May 1957 in London, Sir Donald MacGillivray, the High Commissioner and Chairman of the Working Party, flew to London at the end of April to have consultations with the Secretary of State for the Colonies. Representatives of the Rulers and of the Alliance followed nine days later.

It was at this constitutional conference that the outstanding differences and difficulties were removed by a series of amendments to the proposals of the Reid Constitutional Commission.<sup>3</sup> On the list of amendments citizenship ranked high. As this subject is later<sup>4</sup> discussed in greater detail it is sufficient here to note that citizenship was then made the yardstick of loyalty to the new Federation.

On the question of the special position of the Malays UMNO scored a victory: The Yang di-Pertuan Agong was constitutionally made its guardian, and no provision was made for its

<sup>1</sup> Ibid. 11 April 1957, p. 14.

<sup>2</sup> Federation of Malaya, *Legislative Council Debates*, July 1957, Col. 2854.

<sup>3</sup> Great Britain, *Constitutional Proposals for the Federation of Malaya*, Cmd. 210 (London, 1957), pp. 4-23.

<sup>4</sup> See Chapter VII.



review. Commenting on this subject, Tan Siew Sin said in the Federal Council:

The principle of the special position of the Malay has always been embodied in the Federation of Malaya Agreement. The Malays, therefore, cannot be expected to give up what they already have, in the same way that they do not expect the other communities to give up their existing rights.<sup>1</sup>

The recommendation of the Reid Commission for a limited right to speak in the Federal Legislature in the Chinese or in the Indian language was rejected, but the recommendation not to impose any language qualifications for candidates to either House of Parliament was adopted. Any person would be eligible to contest Federal elections whether or not he was literate in English or in Malay. But clearly illiteracy in these two languages would make participation in the proceedings of the Federal Councils extremely difficult.<sup>2</sup>

On finance, about which more will be said later,<sup>3</sup> the Commission's recommendations were accepted, the most important change being that the States would now receive grants and other revenue allotments from the Federal government by right.

With regard to amendment of the constitutions it was provided that the votes of at least two thirds of the total number of members of each of the two Houses of Parliament should be required to amend the Federal constitution, and that, similarly, the votes of at least two thirds of the total number of members of any State Legislative Assembly should be required to amend the constitution of that State. This was considered to be the position where it was neither too easy nor too difficult to amend the constitutions, while at the same time the wishes of the people, through their representatives, were being respected.<sup>4</sup>

Considering the deep cleavages in Malaya's plural society, one could hardly expect a constitution that would satisfy all the communities. Not even the Malays could obtain all they asked for or what they thought they should get. Obviously, it was very hard to envisage a better constitution under the prevailing cir-

<sup>1</sup> Federation of Malaya, *Legislative Council Debates*, July 1957, col. 2870.

<sup>2</sup> *Ibid.* col. 2866.

<sup>3</sup> See Chapter IX. Great Britain, *Constitutional Proposals for the Federation of Malaya*, pp. 14-16.

<sup>4</sup> *Ibid.* p. 23.

cumstances. The constitutional problems having been thus resolved, independence was ceremoniously proclaimed on 31 August 1957.

### *Federation of Malaya—Singapore Relations*

THE PROBLEMS OF SINGAPORE. Compared with the Federation, Singapore had a fairly simple political evolution since it was made a separate Crown Colony in 1946. It did not have to adapt its constitution to accommodate feudal monarchies, and with its population of about 80 per cent. Chinese it did not have to grapple with plural society problems of the magnitude experienced by the Federation. The major problem of Singapore was how to arrive at an effective combination of political forces capable of assuming authority and providing stability. An orderly advance toward self-rule had been continually harassed by the incitement of Chinese nationalistic feelings, accompanied by communist overtones, among a broad section of the population, particularly among students in Chinese schools.

At the same time there was a marked apathy among the people toward Singapore politics. In 1948 and 1951 extremely small electorates chose a minority of seats for the Colony's Legislative Council. There was a remarkable disproportion between the numbers qualified to vote and those actually registered in the electoral roll. Reports of a local committee in 1953 and of a Constitutional Commission under the chairmanship of Sir George Rendel in 1954 led to major reforms, which, among others, introduced an automatic system of registration of voters.<sup>1</sup>

Prior to these reforms, only the Progressive Party was of any significance in Singapore's narrow politics. But after the reforms new political parties emerged; the most vigorous and most radical of them all was the People's Action Party (PAP), under the able leadership of Straits Chinese and Indians, some of whom had been imprisoned under the Emergency Regulations. In the first elections under the new Rendel constitution in April 1955, about half the electorate of 300,000 voted. This was approximately 12.5 per cent. of Singapore's population. None of the

<sup>1</sup> Colony of Singapore, *Constitutional Commission Singapore* (Singapore, 1954), pp. 5-7. Lennox A. Mills, *Malaya: A Political and Economic Appraisal* (Minneapolis, 1958), Chapter VI for comments on the Rendel Constitution.

six contending parties secured a majority. David Marshall's Labour Front, a loose union of small socialist organizations, won 10 out of the 25 elected seats, and was able to form a government only in coalition with members of UMNO, MCA, and the Malay Union.<sup>1</sup> Under the vociferous attacks and sustained opposition from the PAP, which had won 3 of the 4 seats it contested, this government had a very difficult life.

During the course of a visit to Singapore in August 1955 by the Secretary of State for the Colonies, Mr. Alan Lennox Boyd, Chief Minister David Marshall urged the difficulty of working the Rendel constitution. It was then agreed to hold talks in London in the spring of 1956 to review the whole situation.

In April 1956 Marshall led an all-party delegation to London to seek sovereign independence within one year. But Lennox Boyd proposed internal self-rule with Britain retaining control over external affairs, external defence, and internal security, including the right to suspend the constitution and to intervene in cases of clear necessity.<sup>2</sup> Marshall resigned in protest, and Lim Yew Hock, one of Marshall's colleagues, became Chief Minister. His immediate task was the unenviable campaign against criminal and subversive elements. Wholesale arrests, detention, and banishment of suspected persons were made under the Preservation of Public Security Ordinance. From October 1956 till the end of 1957 a large number of Chinese students, newspapermen, trade unionists, and PAP leaders were arrested or detained, and the government declared the PAP to be a communist-controlled political party.<sup>3</sup>

Meanwhile a new all-party delegation went to London for fresh constitutional talks. Points agreed in the previous years were accepted by both parties. By the State of Singapore Act of 1958 the Colony became the State of Singapore with a Malay as Head of State instead of a British Governor. A Singapore citizenship was also created. Among other provisions, it made aliens who had lived in Singapore for ten years eligible for registration as citizens, provided they took an oath of allegiance to Singapore and renounced allegiance to any foreign country.

<sup>1</sup> F. G. Carnell, 'Political Ferment in Singapore', *Far Eastern Survey* (July, 1955), pp. 97-102.

<sup>2</sup> Great Britain, *Singapore Constitutional Conference*, Cmd. 9777 (London, 1956), pp. 3-8.

<sup>3</sup> Colony of Singapore, *The Communist Threat in Singapore*, Sessional Paper No. Cmd. 33 of 1957 (Singapore, 1957).

The controversial question of internal security was resolved by assigning this responsibility to an Internal Security Council of seven members, consisting of three from Singapore, three from Great Britain, and one from the Federation of Malaya. It was also agreed that the British government should have the right *in extremis* to suspend the constitution. But the Secretary of State for the Colonies insisted that persons known to have been implicated in subversive activities should not be eligible for election to the first Legislative Assembly of the new State of Singapore. The Singapore delegation accepted this qualification with deep regret.<sup>1</sup>

In August 1957 the PAP went through a crisis. Its extreme left-wing faction succeeded in capturing six out of the twelve chairs in the party's central executive. Rather than providing a façade for the 'Communist Left', a description used by Lee Kuan Yew to distinguish the extreme leftists from his own followers whom he called 'Non-Communist Left', Lee Kuan Yew, Dr. Toh Chin Chye, and the other four Non-Communist members withdrew from the central executive. Aided by the unsettled political climate, the Communist Left began to infiltrate the Singapore Trade Union Confederation. But then the government stepped in, repeated the purge of 1956, and arrested, among others, five of the six Communist Left members of the PAP central executive. This action enabled Lee Kuan Yew and his colleagues to return to the leadership of the PAP.<sup>2</sup>

The Singapore municipal elections of December 1957 confirmed the ascendancy of the left. The PAP won 13 out of 14 seats contested; Labour 4 out of 16; the Liberal Socialists, a right-wing merger of the Progressives and the Democrats, 7 out of 32; and Marshall's newly formed left-wing Workers Party 4 out of 5. The following year the PAP won a City Council by-election.<sup>3</sup> Encouraged by the rising fortunes of the PAP, Dr. Toh Chin Chye, PAP Chairman, declared during the 1959 State elections campaign that, should the PAP win the elections, it would not take office, unless the PAP members who had been intimately connected with the party's central executive but who were then in gaol, were released. These developments

<sup>1</sup> Great Britain, Colonial Office, *Report of the Singapore Constitutional Conference Held in London in March and April 1957*, Cmd. 147 (London, 1957), p. 10.

<sup>2</sup> Lee Kuan Yew, *The Battle for Merger* (Singapore, 1961), p. 21.

<sup>3</sup> Saul Rose, *Socialism in Southern Asia* (London, 1959), p. 236.

created considerable anxiety on both sides of the Causeway, but the British government was determined to go ahead with the implementation of the new constitutional provisions.

At the end of May 1959 Singapore went to the polls. The elections resulted in a resounding victory for the PAP by winning 43 out of the 51 elected seats in the Legislative Assembly, all of which the PAP contested. The day before the PAP assumed office eight PAP members were set free; chief of them all was Lim Chin Siong, who was to become a source of trouble for Lee Kuan Yew within the next few years. Lim was given a post in the Ministry of Finance, where, in Lee Kuan Yew's own words 'he could do no harm',<sup>1</sup> while the others received appointments as Political Secretaries in the government. During the first year everything seemed to work well in the mobilization of a united front to drive the British out and to give independence to Singapore. But by March 1960 it became increasingly clear that Lim Chin Siong's interest consisted in building up communist strength in the unions and in undermining the influence and prestige of the government with the workers. Nevertheless, since he had not done anything thus far to block the programme and the policies of the government, there was no immediate need to break with him.<sup>2</sup>

But before the year was out the divergence of objectives became more clearly defined. The government had laid down a policy whereby Singapore should seek independence through merger with the Federation of Malaya.<sup>3</sup> The occasion for the public expression of disagreements was provided by the Hong Lim by-election after Ong Eng Guan had resigned his seat in the Legislative Assembly. Singapore's three top union leaders, i.e. Lim Chin Siong, Fong Swee Suan, and Woodhull appealed to the people to unite and to give full support to the government in the battle between PAP's candidate, Jek Yuen Thong, and Ong Eng Guan.<sup>4</sup> In the course of the campaign Lim Chin Siong spoke about anti-colonialism and about the struggle for freedom for Singapore, but made no reference to merger with the Federation. Instead, he made it apparent that his real objective was to use a liberated Singapore as a basis from where

<sup>1</sup> Lee Kuan Yew, *op. cit.* p. 24. *Straits Times*, 23 January 1962.

<sup>2</sup> Lee Kuan Yew, *op. cit.* p. 25.

<sup>3</sup> *Ibid.* p. 56.

<sup>4</sup> *Straits Times*, 24 January 1961.

the anti-colonial struggle would be extended to Malaya.<sup>1</sup> This was a policy the PAP government did not endorse.

Ong Eng Guan also campaigned on the platform of independence for Singapore, and charged that PAP's policy of independence through merger was a sign of the loss of the party's anti-colonial drive.

When Ong Eng Guan won, the PAP government offered to resign. It argued that it had been defeated at Hong Lim on the merger issue, and that without merger it could not hope to solve Singapore's economic problems. In this connexion it must be remembered that Dr. Frederic Benham, Economic Adviser to the Singapore government, had stated in 1957 that the biggest single difficulty confronting Singapore was to provide employment for its increasing population which went up at the rate of 4 per cent. per annum, so that by 1970 the population figure was estimated to reach the two million mark.<sup>2</sup> Recognizing the gravity of the situation, the PAP government had said earlier: 'Our expanding population stares us in the face. . . . Singapore's economic expansion, more particularly its industrial expansion, is the basic problem which the PAP Government must solve or else disappear as a political force.'<sup>3</sup>

But the 'Trade Union Six', i.e. six members of the ten-man Trade Union Congress Secretariat headed by Lim Chin Siong, asked the PAP not to resign. The question was further discussed at a conference of the fifty-one PAP branches, and the decision was that the PAP should stay.

Then the real crisis came with the death of PAP Assemblyman, Inche Baharuddin bin Ariff, which gave rise to the Anson by-election, in the course of which the Communist Left made another bid for the control of the PAP. Within the PAP itself there was a general recognition that 'all is at stake' at Anson.<sup>4</sup> During the six weeks election campaign the major battle was fought between the PAP official leadership and the Trade Union Six. The latter had the support of forty-three Unions, and two days before polling day, also that of eight PAP Assemblymen and three Political Secretaries. Merger was the dominant issue. In response to the historic speech made by the Prime

<sup>1</sup> Lee Kuan Yew, *op. cit.* p. 56.

<sup>2</sup> *Straits Budget*, 31 January 1957, pp. 5 and 15.

<sup>3</sup> *Ibid.* 14 September 1960, p. 13.

<sup>4</sup> *Straits Times*, 15 July 1961.

Minister of the Federation of Malaya at a luncheon with the Foreign Correspondents Association in Singapore on 27 May 1961, suggesting that Malaya, Singapore, North Borneo, Brunei, and Sarawak should come closer together in some kind of political and economic co-operation,<sup>1</sup> the PAP chairman, Dr. Toh Chin Chye, announced that PAP's aim at the 1963 constitutional talks was to be 'independence through merger with the Federation of Malaya or a larger Federation, including the Borneo territories'.<sup>2</sup> But Lim Chin Siong and his supporters determined to fight for a genuinely full internal self-government for Singapore, in which there would be no place for the Internal Security Council or for British representatives with special privileges to override the Legislative Assembly and to interfere with the Cabinet. They also demanded the release of all political detainees as part of their anti-colonial struggle.<sup>3</sup> Marshall campaigned on the platform of independence for Singapore before merger in order that the city-State could speak from a position of strength when negotiating with the Federation. The Liberal Socialists viewed merger or a confederation as an affair between the British government and the people of the Federation. In their opinion Singapore's part consisted in demonstrating political maturity, economic stability, and racial harmony. The Singapore Congress Party maintained that Singapore was not yet ready for independence. The Alliance, consisting of the Singapore People's Alliance (SPA), UMNO, MCA, and MIC, envisaged merger as an acceptance of Singapore by Kuala Lumpur as an integral part of the Federation like Penang and Malacca. The Federal constitution should apply once Singapore was absorbed into the mainland. As a stepping stone toward this union there should be a confederation in which Singapore should be independent.<sup>4</sup>

In the five-cornered fight the two main contestants were Inche Mahmud Awang, President of the TUC, who flew the banner of the PAP, and David Marshall, who waved the hammer of the Workers Party. Under the sustained attacks of Lim Chin Siong and Co., backed by the full force of the forty-three Unions, the PAP leadership and government were defeated,

<sup>1</sup> *Sunday Times*, 28 May 1961.

<sup>2</sup> *Straits Times*, 19 July 1961.

<sup>3</sup> *The Malay Mail*, 17 July 1961.

<sup>4</sup> *Straits Times*, 15 July 1961.

while the defection of eight PAP Assemblymen was timed to secure the maximum effect at the polls. Marshall won by the small majority of 546 votes.<sup>1</sup>

In an emergency meeting of the Legislative Assembly the Prime Minister, Lee Kuan Yew, attributed PAP's defeat at Anson to the encouragement given by the British to the Communist Left to come into the open to overthrow the PAP. He contended that the British resorted to these tactics because they had failed in the preceding two years to manipulate the PAP into a position where the communists would be attacked, not by the British imperialists but by the PAP. In his view the British had two major objectives. These were:

The first objective was to engineer a collision between the non-Communist Left in the PAP and the Communist Left leadership in the unions. Their second objective is to ensure that the Borneo territories are put into a position where they will come together immediately in a federation under British tutelage, but in a state of readiness if the international situation turns delicate to be transferred to a nationalist government of 'Greater Malaysia'.<sup>2</sup>

Lee Kuan Yew continued that the British had made the Communist Left believe that a government, more to the left than the PAP, could emerge in Singapore. Hence the attempt to capture both the PAP and the government.

The Prime Minister then moved a motion of confidence in the government. Throughout the twelve-hour emergency sitting opposition members and PAP backbenchers argued that the vote of confidence ought to be sought in the PAP and not in the Assembly, because the whole affair was a struggle within the party. When in the end a division was called, 27 members voted with the government, 8 against, and 16 abstained. The 27 voting for the government were 26 PAP members and 1 Independent. Of the 16 who abstained 13 were PAP and 3 Ong Eng Guan men. David Marshall and 7 Alliance members voted against.<sup>3</sup>

With such a small margin the PAP government had great reason to be concerned. In a letter to Dr. Toh Chin Chye the Prime Minister wrote about the imminence of a mounting offensive on the trade union front with political instead of indus-

<sup>1</sup> *The Malay Mail*, 17 July 1961.

<sup>2</sup> State of Singapore, *Legislative Assembly Debates*, 20/21 July 1961, col. 1667.

<sup>3</sup> *Ibid.* cols. 1851-2.



trial objectives. He described the open break within the party as 'the opening of a test of strength between the non-Communist left and the Communist left'.<sup>1</sup> The threat of communist takeover in Singapore became so real that the question of merger dominated the political scene on both sides of the Causeway almost overnight.

**THE QUESTION OF MERGER.** The re-unification of Singapore and the mainland was a topic that had occupied the minds of Singapore and Federation politicians since the separation of Singapore from the mainland and the Straits Settlements of Malacca and Penang through the imposition of the Malayan Union in 1946. Clamours for a closer union were heard on both sides of the Causeway, but for the reasons outlined above Singapore was a much more interested party. Having effected the separation, the British government took the following attitude: 'It is no part of the policy of His Majesty's Government to preclude or prejudice in any way the fusion of Singapore and the Malayan Union in a wider union at a later date should it be considered that such a course were desirable.'<sup>2</sup>

The Colonial Secretary, Alan Lennox Boyd, subsequently made it clear that 'the initiative for any merger of the Federation of Malaya and Singapore rested with the elected governments themselves'.<sup>3</sup>

The first move towards this goal was taken in 1953 with the setting up of a Joint Co-ordination Committee under the chairmanship of Malcolm MacDonald, the Commissioner-General for South-East Asia. The Committee was appointed by the governments of the two territories with the consent of the Malay Rulers. Its main task was to recommend means whereby co-ordination of policy and administration could be achieved more effectively. Where necessary this could involve a modification of the existing constitutions of the two territories without prejudice to the position of the Malay Rulers and of the Malay States in the existing constitution of the Federation of Malaya.<sup>4</sup>

The appointment of this Committee was necessitated by the increasing difficulties experienced by the governments of Singapore and Kuala Lumpur in co-ordinating their policies, even

<sup>1</sup> For a text of the letter see *Straits Times*, 19 July 1961.

<sup>2</sup> *Malayan Union and Singapore: Policy*, p. 3.

<sup>3</sup> *Straits Times*, 29 June 1956.

<sup>4</sup> Colony of Singapore, *Interim Report of the Joint Co-ordination Committee* (Singapore, 1955), p. 1.

on subjects of major importance, in spite of the Commissioner-General's function as co-ordinator of policy and administration throughout these territories and of the series of administrative and legislative measures to ensure a high degree of consultation and co-ordination between Singapore and Malaya. It was realized that, despite the geographical, historical, and economic links, there was an inevitable tendency for policies to become provincial, if the two administrations continued to have distinct and separate executive and legislative bodies, which were under no obligation to consider the common interest of the two territories.<sup>1</sup>

In 1955 the Committee published its Interim Report. It listed fifty-five services in which there 'must' be consultation and co-ordination of policy and, where appropriate, of administration. Activities of Police Special Branches, Banking, Currency, and Immigration were among these subjects.<sup>2</sup> There was also a list of ten subjects on which there 'must' be consultation and, if possible, coordination of policy and, where appropriate, of administration. Co-operative development, Rubber and Tin, Taxation, and Labour matters were included.<sup>3</sup> In compiling these lists the Committee kept in mind the geographical propinquity, the historical ties, the racial affinities, the economic bonds, and the interdependence of the two territories.

The Committee recommended the establishment of a Standing Joint Committee at Executive Council level to advise the two governments on financial matters, including banking policy, loans, foreign exchange control, and insurance. It was to be incumbent upon the two Chief Ministers to consider whether or not the other territory should be informed or consulted on any other matter. Senior officers of both territories should consult their counterparts in the other territory whenever such a course appeared to be desirable. Voluntary interchanges of senior officers should be encouraged, and arrangements should be made to second officers for periods of two to three years. Each territory should furnish the other with information on proposed changes in conditions of service for the purpose of co-ordination. The Joint Selective Committee system, which had been used almost entirely for bills, should be used more

<sup>1</sup> *Ibid.* p. 8.

<sup>2</sup> *Ibid.* pp. 38-40, Appendix III.

<sup>3</sup> *Ibid.* p. 41, Appendix IV.

freely for other matters. In the event of a serious disagreement an *ad hoc* Joint Committee at Executive Council level would be a useful means of achieving the desired co-ordination.<sup>1</sup>

Although the subject of relations between the two territories was not included in its terms of reference, the Rendel Constitutional Commission was instructed 'to take note of the appointment of the Joint Co-ordination Committee and . . . maintain such touch with that Committee as may be found necessary'.<sup>2</sup> Its report, therefore, remarked that should a closer association come about, it would, perhaps, be necessary to devise some kind of a Common Council to discuss and to consider matters of joint concern.<sup>3</sup> In view of the prospect for a closer union the Rendel Commission gave the assurance that its recommendations for a new constitution for Singapore would in no way prejudice the establishment of such an association.<sup>4</sup>

Besides a suggestion from Tunku Abdul Rahman to Singapore representatives that the winning parties in the 1955 elections should hold a conference to discuss matters of common interest there seemed to be no immediate effect of the activities of the Joint Co-ordination Committee.

On taking office, David Marshall's coalition government promised that during the four years of Singapore's first Assembly it would seek union of the two territories 'as a matter of great importance', and pledged that such a union would be the government's next priority after self-government for the Colony.<sup>5</sup> But this optimism was not echoed in the Federation. It seemed that politically the Sultans and the Malays would view with alarm the prospect of merger with Singapore if it meant the formation of some sort of unity between two groups of people who were as different in temperament, character, and economic functions as were the Malays and Chinese and one of which, i.e. the Chinese, was multiplying more rapidly than the other. The Malays naturally did not want to see the Chinese gaining control of the political, social and cultural life of Malaya. There was this anxiety prevalent among the large rural population in the Federation, businessmen, and in fact everybody else.<sup>6</sup> This

<sup>1</sup> *Ibid.* pp. 24-31.

<sup>2</sup> Colony of Singapore, *Constitutional Commission Singapore*, pp. 33-34 and 43.

<sup>3</sup> *Ibid.* par. 91.

<sup>4</sup> *Ibid.* par. 143.

<sup>5</sup> *Straits Times*, 12 April 1955.

<sup>6</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, col. 1598 for Tunku Abdul Rahman's speech in Parliament.

classic Malay fear of being swamped by the Chinese could not be ignored. Then arose the question of Singapore's representation in the Federal Legislature. Singapore wanted 'equitable representation',<sup>1</sup> but it was most unlikely that the Federation would ever consider such a proposal.

On the other hand, Singapore had also its specific interests to preserve. The Colony had lived and thrived as a free port. In a union it would not be easy to maintain this status. In the field of social services Singapore had made great strides since the conclusion of the Second World War. Its medical services had been expanding at a rate the Federation could not hope to match. In public housing there was no comparison between the achievements of the Singapore Improvement Trust and those of the Federal Housing Trust. The Labour government had pledged to accelerate the growth of these and other social services until Singapore became a welfare State.<sup>2</sup> The question, therefore, arose as to how this welfare state programme would fare in a merger with Malaya.

It was in the context of these seemingly irreconcilable difference of interests that Marshall put forth Singapore's first feelers for a union by making proposals for a confederation. This idea was interpreted by Tunku Abdul Rahman, who was in London for the Federation of Malaya Constitutional Conference, as a union on the basis of equality,<sup>3</sup> and in a subsequent address to a group of students in Malaya House in London he commented: 'To ask us to accept Singapore on terms of equality would be impossible. We would welcome them, however, as a unit of the Federation, so that we could have control in the affairs of Singapore, especially subversive activities now being carried on there.'<sup>4</sup> At the same time he made it clear that it was not the Chinese population of which Malaya was afraid, but of the problems connected with them. The island had been invaded by people who 'have no interest either in Singapore or Malaya'. These people had found their way into all kinds of organizations, and the Singaporeans, being less seriously minded, easily gave way under the impact of this much more subtle element, i.e. Communism.<sup>5</sup>

<sup>1</sup> *Straits Times*, 8 May 1952.      <sup>2</sup> *Ibid.* 12 April 1955.

<sup>3</sup> *Ibid.* 13 January 1956.

<sup>4</sup> *Ibid.* 24 January 1956.

<sup>5</sup> *Ibid.* and 'No Merger with Singapore', *Eastern World*, Vol. XV, No. 3 (March 1961), p. 21.

Lim Yew Hock, who became Chief Minister when Marshall resigned, also tried to persuade Tunku Abdul Rahman to talk about a closer union of the two territories. He described his approach as an effort to seek a 'political marriage with the Federation'.<sup>1</sup> But this metaphor strongly suggested a partnership arrangement, which was against the Federation's suggestion of having Singapore only as one of the Malay States, and not as a partner. The Tunku did not seem to relish merger at all, and in June 1956 he stated unequivocally that a merger with Singapore was not in his mind.<sup>2</sup> This rebuff angered Singapore politicians so much that they decided to go ahead with their own Merdeka plans and forget about merger with the Federation.

The question of merger was put again to the Tunku on his visit to Canberra, Australia, in November 1959. His answer was, 'I do not think we could really come together'.<sup>3</sup> He then emphasized the political differences between the two governments. The Federation was right-wing, and he felt sure that the rightist approach, which suited the Federation best, was incompatible with Singapore's left-wing policies. Enlarging on the differences between Malaya and Singapore, the Tunku pointed out that the majority of people in the Federation had accepted the kingdom and the sultanate as the embodiment of their loyalty, Malay as the national language, and Islam as the official religion of the nation. To the population of Singapore, seventy per cent. of whom were Chinese, all these were foreign concepts. The majority professed religions other than Islam, the Malay language was not their lingua franca, and they never had a king of their own in Singapore, although, admittedly, they had accepted the British monarch as their king or queen as the case might be. Singapore had attempted to fill this void by creating the Yang di-Pertuan Negara, but he was not a king. Summarily, the Tunku felt that in the event of merger the different views of the people of these two territories would clash violently, and would create problems which might be very difficult to resolve. Hence he thought it was better to allow Singapore to pursue a line that would suit her people best, and to develop a constitution that would be more compatible with the desires and the spirit of the people of Singapore.<sup>4</sup>

<sup>1</sup> *Straits Times*, 16 June 1956.      <sup>2</sup> *Ibid.* 2 June 1956.

<sup>3</sup> *The Malay Mail*, 10 November 1959.

<sup>4</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, cols. 1591-2.

From the sound of his public statements the Tunku seemed to be vacillating in his attitude towards merger, but at the same time he appeared to be determined to postpone for the time being any link-up with Singapore. It is, perhaps, safe to assume that the Tunku did not want to rule out the possibility of a future merger, but also, and certainly more important, that he did not want negotiations with Singapore to delay the Federation's own Merdeka plans. There was also the fear that if the Singapore Chinese were to have their own representation in the Federal Parliament, the communists might win by political methods what they had been unable to accomplish by violence and terror.

Such was the situation until the political climate deteriorated in Singapore to such a degree that merger became suddenly a practical proposition.

### *Race Relations in Malayan Federal Politics*

RACIAL TENSIONS WITHIN THE ALLIANCE. Since the Alliance was formed as an electoral pact between UMNO and MCA in 1952, it had achieved a fair degree of integration as a political force to the amazement of its principal critics. The MCA leaders who had been associated with the consideration of the Reid proposals succeeded in persuading the MCA to accept revisions to these proposals amicably. Unfortunately, there was a group within the party who still maintained strong emotional ties with China, and resented Chinese subjection to Malayan views.

Dr. Lim Chong Eu, Chairman of the MCA Political Committee, noted that there were in fact two dissident factions. One wanted to put Chinese interests first, while the other believed in equal priority. If the 'Chinese firsters' won control of the party, the MCA would have to change its character of communal co-operation overnight. Its elected leaders would then have to fight against everything the Alliance stood for. If the so-called 'equal priority' group were to take over the MCA leadership, the existing Sino-Malay *rapprochement* would soon be jeopardized. Its chief targets would certainly be the 'special position of the Malays' and the constitution itself.<sup>1</sup>

Upon the election of Dr. Lim Chong Eu as the President of the MCA in March 1958, a new party policy was introduced to

<sup>1</sup> *Straits Budget*, 19 March 1958, p. 3.

get down to the roots of the difficulties. It excluded aliens, i.e. non-Federal citizens, from becoming members of the party. Under the existing MCA constitution membership was open to every Chinese over the age of eighteen, who had lived in the country for five years, and who intended to make Malaya his permanent home. Since more liberal citizenship laws had been in force, Dr. Lim took the view that these conditions would no longer do. The MCA could justify its activities only if it functioned on behalf of Malayan Chinese in the promotion of Malayan consciousness. In the case of Singapore, MCA members should be Singapore citizens. In other words, membership of the parent body in the Federation and of the branch in Singapore would be on the basis of citizenship in the respective territories. This arrangement would continue until political change merged the two citizenships into one nationality.<sup>1</sup>

Dr. Lim also proposed to tighten control over the branches, particularly in finance and in disciplinary measures against anti-party activities. This generated a violent storm that threatened to split the party, and although the Federal Registrar of Societies subsequently rejected the revised MCA constitution, the rift was by no means completely healed. A battle of personalities continued to rage within the party.<sup>2</sup>

In April 1959 Tunku Abdul Rahman resigned his office as Prime Minister. He explained that his decision was not a political stunt, but a national necessity. A complete overhaul and revitalization of the party was necessary to ensure a 100 per cent. victory in the next Parliamentary elections, and he felt that he could not do this task as Prime Minister without being criticized by opposition parties for making use of his office and of government time and money for the benefit of the Alliance. The Tunku visited every district and every *mukim*, worked hard to re-establish the sagging liaison between the Alliance partners, set up election bureaux in all State and Federal constituencies for the State and Federal elections, and mobilized an army of workers. By thus directing the party affairs himself, the Tunku relieved the Alliance Ministers of a considerable amount of party work.

But the real reason for the Tunku's resignation seemed to be a spirit of dissension within the Alliance. The MCA felt that it

<sup>1</sup> Ibid. 10 December 1958, pp. 8-9.

<sup>2</sup> Ibid. 21 January 1959, p. 14.

occupied only a secondary position in the Alliance, and wanted a proportionate allocation of seats for each of the three partners. In the local branches there were elements who favoured UMNO candidates, and wanted to exclude MCA and MIC, and *vice versa*. It was in this extremely delicate situation that the Tunku felt the need of his personal intervention.<sup>1</sup>

When he addressed a meeting of MCA leaders, the Tunku minced no words, but said, 'There are quite a number of devils in the MCA to-day. Let us give these devils as much rope as possible to hang themselves.'<sup>2</sup> He appealed to them to encourage Malaya-minded Chinese, for only with such material could there be any hope to build a Malayan nation.

Speaking to UMNO, he told members that he was aware of complaints about certain MCA councillors, who had been elected by Malay votes in the 1955 elections, but who did little work for their constituencies. 'It is not a surprise to me,' said the Tunku, 'because they look to us to guide them in their work'.<sup>3</sup> He reminded them that independence had been the fruit of the co-operative efforts of the three partners, and that unless this co-operation continued, Malayan independence would be in jeopardy. Hence it was of supreme importance for the Malays to work for non-Malay candidates, and *vice versa*, in both the State and Federal elections. In an address to Alliance officials at Muar, he called for vigilance in the elections, because the Pan-Malayan Islamic Party (PMIP) with its communist sympathy was all out to exploit religion for political ends.<sup>4</sup>

**THE PMIP IN THE 1959 STATE ELECTIONS.** After the 1955 general elections there was hardly any opposition to the newly-risen powerful Alliance. The record of that year showed that the Alliance swept everything in the States, and failed only in one constituency at the Federal elections.

Quite a different picture had emerged since then. In the 1959 State elections the Alliance put up a candidate in every one of the 282 constituencies in the 11 States, and won only 206 seats, of which 6 were on a walk-over. Altogether it polled just over 859,000 votes, which was just more than half the 1,583,000 votes cast, compared with nearly 320,000 for the PMIP, and

<sup>1</sup> Ibid. 18 February 1959, p. 12.

<sup>2</sup> Ibid. 11 March 1959, p. 8.

<sup>3</sup> Ibid. p. 16.      <sup>4</sup> Ibid. p. 18.



150,000 for the Socialist Front. The Alliance also lost control over Kelantan and Trengganu to the PMIP.

Dr. Burhanuddin's PMIP was a party dedicated to a theocratic state based on the tenets of the Hadith and the *Qur'an*. Its strength rested mainly on the deep-rooted traditional way of life of the rural *kampung* dwellers in the predominantly Muslim Malay east-coast States of Kelantan, Trengganu, and Pahang. It was from this *kampung* community that the party's leaders and candidates in the elections emerged. The platform on which the PMIP fought the elections was a Malay Muslim Federation. Throughout the campaign the PMIP held high its symbol of the crescent and the star, and its spokesmen quoted freely from the *Qur'an* at election rallies. It objected to the existing Federal citizenship as too generous to the non-Malays and as dangerous to the traditional rights of the indigenous people. Reminiscent of the proposal of AMCJA-PUTERA in the People's Constitution, the PMIP wanted a 'Melayu' nationality. It insisted also that the Mentri-mentri Besar, State Secretaries, and other government Ministers must be men professing the Muslim religion.<sup>1</sup>

The importance of rural votes had not been lost sight of by the Alliance. The party's election manifesto placed considerable emphasis on rural affairs. It promised every possible assistance and encouragement, including new land and subsidies to farmers, smallholders, and fishermen. This was also seen in the pattern of the Tunku's strategy. He addressed rallies in the larger towns, but he spent more time in off-the-map *kampung* areas such as Sik, Teloi, Bandar Bahru, and Tandop. He recognized that the *kampung* dwellers had been the main source of UMNO strength in 1955, and that it was also true in 1959, despite the effect of the new citizenship laws, which had swollen the mainly urban electorate by more than half a million. But the Tunku had chosen not to exploit the purely parochial issues to win the support of the *mukims* and the *sawahs*. Instead, his speeches were motivated by an anxious concern to preserve inter-communal goodwill and harmonious co-operation, and he bluntly advised the voters to disregard politicians who mixed up religion with politics.<sup>2</sup>

Alliance branches had managed on their own or under head-

<sup>1</sup> *Straits Budget*, 6 May 1959, p. 4.

<sup>2</sup> *Straits Times*, 12 May 1959.

quarters' pressure to parcel out the election seats among the partners. But some disappointed and disgruntled members had chosen to cross the party line. An MIC-branch chairman went over to the People's Progressive Party (PPP) on nomination day in Selangor. In Negri Sembilan four UMNO and three MCA members were standing against Alliance candidates. The Selangor MCA decided to expel two members who had mounted the Independent platform to challenge their own party colleagues.<sup>1</sup>

Party Negara, which had been out in the political wilderness since its collapse in the 1955 elections, was concentrating in Johore, where it was fighting most of the thirty-two constituencies on the platform of Malay supremacy. In Perak the PPP hoped to extend its control from Ipoh Town Council to the State Assembly by trying to convince the non-Malays that PPP was the stoutest champion of their legitimate rights. The Socialist Front with its theme of 'equality for all' was massing its forces in Penang, but it was also contesting the elections in most of the other States.<sup>2</sup>

Trengganu and Kelantan will occupy a prominent place in the history of Malayan racial politics as they constituted the first major setback to Tunku Abdul Rahman's policy of racial collaboration introduced so successfully in the 1955 general elections. Trengganu results gave the PMIP 13 seats, the Alliance 7, and Party Negara 4. But in Kelantan the Alliance was routed by the PMIP, who captured 28 seats against the Alliance's 2. No other party won a seat, and every one of the twenty candidates representing the left-wing Socialist Front lost his deposit. One Alliance candidate was among the others who also lost their deposits, the first Alliance candidate to do so anywhere in Malaya.<sup>3</sup>

Tunku Abdul Rahman's explanation for the Trengganu defeat was the inadequacy of the party machinery at local level. Too much reliance had been placed on political speeches by UMNO leaders from outside the State. There was a lack of realization that distances and problems of communications with the *kampongs* in the *ulu* (interior) prevented the people from coming down to large meetings, and leaders in the State had not visited these *kampongs* frequently enough to make up for

<sup>1</sup> *Ibid.* 16 May 1959.

<sup>2</sup> *Ibid.*

<sup>3</sup> *The Times* (London), 26 June 1959.

these handicaps. The PMIP, on the other hand, had been conducting house-to-house campaigns throughout the State seven months before the elections started, and had been using religious leaders to woo voters in their respective *kampongs*.<sup>1</sup>

The case of Kelantan, however, did not seem to justify the Tunku's rationalization. The chairman of the Kelantan branch of the Alliance, Tengku Indra Putera, stated that the party's election machinery in Kelantan was far better than that in Trengganu, and that extensive house-to-house campaigning had been employed in addition to nonstop visits by Alliance Ministers. The Alliance had also deployed six information vans to the districts, and hundreds of helpers had been recruited to assist at polling day.<sup>2</sup> But in spite of these superior preparations Kelantan was a more serious setback than Trengganu for the Alliance. Even in Kota Bharu, where the PMIP was believed not to be particularly strong, none of the Alliance candidates was successful.

All these facts show that the backward eastern States did not want a non-communal policy or an advanced social one. They were indifferent to left-wing leanings, such as had gripped the Chinese in Singapore, and both Chinese and Indians in some urban parts of the Malayan west-coast, particularly Penang and Ipoh, and they were equally unmoved by the Alliance's appeal for racial partnership. They seemed to be impressed only by the mystical fervour of a Muslim party whose detailed political programme was then no more than a question mark.

From time immemorial Malayan geography seemed to have destined these two States to escape the complex multi-racial problems of the western and southern parts of the peninsula, and to become the most Malay of the Malay States. About nine tenths of the population were Malays, and only a small minority were Chinese, who, for all practical purpose, had no place in a society of orthodox Malay nationalism. These were potent factors which the Alliance had to take into consideration if it wanted to re-establish itself firmly in these two east-coast States.

*The Alliance crisis at the 1959 Parliamentary elections.* By the very communal character of the Alliance partnership the problems at elections had consistently been dominated by dissensions caused by the scrambling for seats on the part of the three

<sup>1</sup> *Straits Budget*, 24 June 1959, p. 18.

<sup>2</sup> *Ibid.* 1 July 1959, p. 9.

partners. The all-important factor in the allocation of seats had been the racial, and not the territorial representation in the Federal Parliament.

At the 1959 Parliamentary elections the problem of equitable nominations raised its ugly head again. Leading members of the Alliance National Council agreed to a rather arbitrary apportionment of the 104 constituencies, giving 74 to UMNO, 28 to MCA, and 2 to MIC. But at a stormy meeting the Central Working Committee of the MCA refused to accept the decision, and pressed for 40 seats, supporting its claim by a reference to the changed electoral balance in the communities. In the 1955 Parliamentary elections MCA was given less than half the share of UMNO, although the ratio between the Chinese and Malay voters was roughly one to seven. There were then just about 140,000 Chinese voters and more than one million Malay. Since then the electorate had almost doubled through the operation of the liberalized citizenship laws of 1952, and it was the Chinese community that had been responsible for the largest increase in the electoral register. On the basis of the 1959 size of the electorate, on which there were more than 600,000 Chinese voters, the MCA claimed that it was entitled to about 40 seats.<sup>1</sup>

In an attempt to resolve this difficulty Dr. Lim Chong Eu, who was a middle-road man on the issue, sent a secret letter to Tunku Abdul Rahman, the pertinent section of which read:

The fear of Malaysians of other racial origins . . . is simply one of fear of Malay Communalism . . . it is correct to say that the fear still remains and it is kept alive by the provision of the Constitution which allows amendment of the Constitution with a two thirds majority. For then in the parliamentary sense, the danger of Communalism can only be the danger of Malay Communalism, for only the Malays can obtain the two-thirds majority necessary in Parliament to effect any changes of the Constitution. . . . With the definite swing in the country towards Communalism as demonstrated by the surprising show of strength and energy of the PMIP, I think you must agree that there cannot be very real assurance of a moderate course of action unless the MCA can be given some edge so as to hold at least 40 of the seats.<sup>2</sup>

Significantly, this letter was dated 24 June, i.e. two days after

<sup>1</sup> *Straits Budget*, 8 July 1959, p. 6.

<sup>2</sup> For a full text of the letter see *ibid.* 15 July 1959, p. 15.

the reverses of the Alliance in Trengganu, but three days before the Pahang elections when voting swung back in favour of the Alliance.

While negotiations were going on between Dr. Lim Chong Eu and Tun Abdul Razak on 9 July 1959, but before Tunku Abdul Rahman had the opportunity to bring up the question before the Alliance National Council scheduled to meet on the evening of 10 July, the letter was released for publication by the MCA Central Working Committee.<sup>1</sup> Simultaneously Mr. Yong Pung How, MCA Publicity Chief, published the following statement: 'If we do not succeed in getting what we think is fair, the MCA General Committee will on 12 July decide whether we fight under the Alliance banner or on our own.'<sup>2</sup>

The die was cast. The Alliance took this public, unequivocal declaration from the MCA as 'an ultimatum' and a 'stab in the back', and announced that it was prepared to contest everyone of the 104 seats in the Parliamentary elections without Dr. Lim Chong Eu's MCA.<sup>3</sup>

That same afternoon Dr. Lim called on the Tunku to explain that he had a fight on his hands to sustain the spirit of democracy within the MCA, and that there were forces within the MCA seeking to destroy the good MCA-UMNO relations. Subsequently he told his press conference that he was not personally involved in the publication of his letter, but that in his position as President of the MCA he could do nothing but accept full responsibility for the action, which he deplored as 'unwise, untimely, and tantamount to a breach of faith with our partners'.<sup>4</sup>

Tan Cheng Lock, the founder and ex-President of the MCA, sensed the danger of an Alliance catastrophe, and appealed to all right-thinking persons to support the Alliance, its policies, and its leadership under Tunku Abdul Rahman. He expressed his deep regret for having placed his signature on the letter, the contents of which had not been disclosed to him.<sup>5</sup>

At a meeting of the MCA General Committee on 12 July, Dr. Lim called for unity within the MCA and for a re-affirmation of faith in the Alliance as a means of resolving the crisis, which existed not only in MCA's relationship with UMNO and

<sup>1</sup> *Ibid.* 22 July 1959, p. 10.

<sup>2</sup> *Ibid.* 15 July 1959, p. 15.

<sup>3</sup> *Ibid.* p. 17.

<sup>4</sup> *Ibid.* p. 18.

<sup>5</sup> *Ibid.*

MIC, but also within the MCA itself. He reminded the party that as far as UMNO was concerned the MCA was outside the Alliance. The problem for the MCA, therefore, was not whether it should break away from the Alliance, but whether it could get back into the Alliance. Firm opposition came from MCA Publicity Chief, Mr. Yong Pung How, and from MCA Secretary General, Mr. Too Joon Hing, both of whom stood by the demands spelled out in Dr. Lim's letter.

Towards the end of the meeting two resolutions were proposed. The first one was to accept Dr. Lim's report of his meeting with Tunku Abdul Rahman, which stipulated that (i) the MCA should be allocated 32 seats, (ii) the nomination of all candidates for the Parliamentary elections would be made by the Tunku alone because of the shortness of time, but Dr. Lim would be consulted on the names of MCA candidates before the list was finalized. A secret ballot on this resolution gave a majority vote of 29, i.e. 89 against 60, in favour of the report. The second resolution giving full mandate to the MCA members of the Alliance National Council to negotiate on the allocation of seats was passed unanimously. It was also resolved that the MCA should return to the Alliance.<sup>1</sup>

At this critical moment Mr. Too Joon Hing and Mr. Yong Pung How resigned their posts at the MCA and withdrew from the party. This simplified the problem of expelling from the Alliance the MCA members who were responsible for the crisis, which was one of two conditions that must be fulfilled before the MCA could be received back as a partner in the Alliance. The second condition was a public withdrawal of Dr. Lim's letter. One by one other top leaders of the MCA dropped out, including Mr. Chin See Yin, chairman of MCA's Labour sub-committee. Sir H. S. Lee, head of the political sub-committee, remained in the MCA, but declined to stand for elections for medical reasons. Dr. Lim himself said that his position as MCA President had become untenable and that politically he was 'finished'. For health reasons he decided to go abroad. Thus the MCA machinery was completely wrecked. Its Central Working Committee was paralyzed, and there was no coherent leadership.

By the middle of July the list of nominees for the Parliamentary elections was complete. UMNO had 69 candidates, MCA

<sup>1</sup> *Ibid.* 22 July 1959, pp. 9-10.

32, and MIC 3. At the last minute an MCA candidate from Perak withdrew, and his seat was given to the MIC. The number of MCA candidates was thereby reduced to 31 and that of MIC candidates increased to 4.

The PMIP with its 58 candidates emerged again as the strongest opponent of the Alliance. It concentrated its strength in Kelantan (all 10 seats), Trengganu (4 out of 6 seats), Kedah (10 out of 12 seats), Perlis (both seats), Malacca (3 out of 4 seats), and Perak (11 out of 20 seats). The other contesting parties were the Socialist Front (37 seats), Independents (29 seats), the PPP (19 seats), and Party Negara (9 seats). Fourteen MCA dissidents fought as Independents; among them were Mr. Too Joon Hing and Mr. Chin See Yin.

The Alliance was determined to win back the east-coast States of Kelantan and Trengganu, and fully recognized the fact that the technique of mass rallies was incapable of winning such votes. The Alliance, therefore, recruited every available worker for a crusade that would take the party's programme into every *kampung* and into every house. At the conclusion of an intensive ten days' campaign Tunku Abdul Rahman felt that the Alliance was on the offensive in Trengganu, but still on the defensive in Kelantan.<sup>1</sup>

Elsewhere the Tunku made a personal plea for a Sino-Malay friendship for the sake of peace and prosperity in the country. He assured the Chinese that he would rather lose every seat in Parliament than their friendship, and appealed to the Malays to support all Alliance candidates, whether Chinese or Indian. To the Indian community he gave recognition for their important part in the building up of an independent, peaceful, and happy Malaya, and asked them to preserve goodwill and harmony among the Malaysians by voting Alliance.<sup>2</sup>

As for the PMIP, its leftist-cum-religious leadership repeated its previous tactics, and capitalized on 'Malay' culture instead of 'Malayan' culture and on the role of the party as having been ordained by God.<sup>3</sup> The Socialist Front appeared to be more interested in the preservation of the constitution than with socialist activities, and the PPP was exploiting Chinese sensibilities and emotions.

<sup>1</sup> Ibid. 19 August 1959, p. 8.

<sup>2</sup> Ibid. 12 August 1959, p. 9.

<sup>3</sup> Ibid. 6 January 1960, p. 3.

In spite of the MCA-Alliance crisis, the voting followed the pattern of the State elections very closely. This was especially true in the case of the Alliance and the PMIP. Johore, Pahang, Kedah, and Perlis in particular responded to the Alliance non-communal appeal as they did at the State elections, whereas Trengganu and Kelantan remained loyal to the PMIP. The PPP also failed to break through the Kinta area, and the Socialist Front did not get further than the urban constituencies in Selangor and Penang.

But most important, perhaps, was the reaction of the enlarged Chinese electorate. In 24 of 40 predominantly Chinese constituencies Alliance candidates were voted in. Only two of the MCA dissidents were returned, and Mr. Too Joon Hing himself was defeated by an MCA opponent in the Chinese constituency of Sitiawan.<sup>2</sup> This response was clearly an endorsement of the Alliance policy and an expression of disapproval of the activities of Mr. Too Joon Hing and his associates.

POST-ELECTION POLITICS IN THE FEDERATION AND IN SINGAPORE. The retreat of the communist terrorists, followed by the official declaration of an end to the state of emergency in Malaya, enabled the Alliance government to devote more attention to the complex problem of welding the plural society together into one Malayan nation. Among the most serious impediments to the achievement of such a goal were the extremely parochial outlook and the excessive Malay nationalism of the PMIP in Kelantan and Trengganu, and the Alliance was bent on removing these obstacles. An opportunity came at the country-wide town and district elections in 1961. The Alliance took control in all but one of the seven Town Councils in Kelantan, and the PMIP had to extract what poor comfort it could from the single Council of Bachok, which remained in its grasp. In Trengganu the Town Councils of Kuala Trengganu and Besut rejected the PMIP completely, and at Dungun and Kemaman the PMIP was routed by the Alliance, which took eight seats on each Council, leaving the PMIP and Party Negara to share the remaining two seats. Among PMIP casualties were six State Assemblymen, some of whom were defeated in the very constituencies which returned them in the 1959 State elections.<sup>2</sup>

The PMIP attributed its defeat to bad organization, lack of

<sup>1</sup> *Straits Times*, 21 August 1959.

<sup>2</sup> *Ibid.* 3 July 1961.



supervision, and too much reliance on the candidates themselves. But UMNO's Chief Publicity Officer, Inche Ibrahim, said that the explanation lay in PMIP's failure to fulfil its election promises. The people in the towns as well as those in the rural areas had become disillusioned with the PMIP governments which had little progress to show for their two years in office.<sup>1</sup> The Federal government had offered land and rural development schemes to the government of Kelantan, but these were refused, because they benefited the non-Malays also.<sup>2</sup>

But while the Alliance made a come-back on the east coast, it lost some ground in other areas. The Socialist Front enlarged its majority in Georgetown, leaving the Alliance with just one seat in the City Council. The Socialist Front made also notable gains in Johore Bahru, Malacca, Sungei Patani, and Kuantan. The PPP made a successful bid in Klang, while a group of Independents won against the Alliance in Seremban, where the Alliance losses were most severe.<sup>3</sup>

With the election of Tan Siew Sin in November 1961 as President of the MCA, the party began to recover from its ailing condition. But in April 1962 a new rival emerged in the United Democratic Party (UDP), which was founded by MCA dissidents with Dr. Lim Chong Eu as *pro tem.* President, and Chin See Yin as Acting Secretary-General. At the first meeting of the Central Assembly of the party in April 1963, Dato Zainal Abidin, one-time supporter of Party Negara, was elected President. Other officers elected were: Too Joon Hing, Vice-President; Inche Abdul Hamid bin Haji Ishak, Chairman of the Central Assembly; and Dr. Lim Chong Eu, Secretary-General. The overall composition of the leadership strongly suggested a deliberate attempt to draw strength from the Malay community and from the Chinese who were dissatisfied with the MCA. Earlier Chin See Yin had tendered his resignation, because he could not share Dr. Lim's views on inter-communalism and on the formation of a united front with Party Negara, the PMIP, and the Socialist Front. The two men publicly parted company in a manner which was reminiscent of the controversy that tore the MCA apart in 1959.<sup>4</sup>

<sup>1</sup> *Straits Budget*, 12 July 1961, p. 12.

<sup>2</sup> *Ibid.* 24 May 1961, p. 13.

<sup>3</sup> *Straits Times*, 3 July 1961.

<sup>4</sup> *Ibid.* 20 April 1963.

Following his dismissal from his cabinet post in 1962 and from the UMNO in 1963, Inche Abdul Aziz formed a left-wing party, Parti Perhimpunan Kebangsaan or National Convention Party (NCP). Its avowed objective was to organize a so-called 'Malay left', composed of the poorest peasants, the most insecure fishermen, and other discontented rural dwellers as part of a left of centre coalition to oppose the Alliance.<sup>1</sup>

Less than one week after the Tunku's historic speech of 27 May 1961 the Singapore UMNO, the Singapore MCA, and the Singapore People's Alliance (SPA) decided to form an Alliance, resembling very much the Alliance of the Federation. This could scarcely be viewed with equanimity by the ruling PAP, which was then fighting a life-and-death struggle. The crisis within the PAP<sup>2</sup> resulted in the emergence of a splinter left-wing party, the Barisan Sosialis, with Dr. Lee Siew Choh as President, and Lim Chin Siong as Secretary-General. From its inception this party became the most vocal opposition to the PAP in the Singapore Legislative Assembly.

To summarize, while there were communal political parties in both Singapore and Malaya, they were of little significance in Singapore, and politics there had ceased to be a platform for the promotion of communal interests. But in the Federation all political activities had consistently been distinctly flavoured with communalism. In fact, the political parties in the Federation, particularly the major ones, had functioned as advocates of the communities they represented, and not as spokesmen for any particular State. This can, perhaps be explained by the fact that, as in Central Africa, the racial element had no inclusive geographical base, but cut through the whole society of the federating units, and this necessitated the representation of the communities on a pan-Malayan basis. At the same time this diminished the strength of the diversities of the States, and discouraged the development of the conventions of a territorial federation, such as the principle of regional representation.<sup>3</sup>

<sup>1</sup> Ibid. 16 July 1963.

<sup>2</sup> Above, pp. 159-68.

<sup>3</sup> U. K. Hicks *et al.*, *Federalism and Economic Growth in Underdeveloped Countries* (London, 1961), p. 48.

## THE MALAYSIA FEDERATION

*Political Structure before the  
Establishment of Malaysia*

THE FEDERATION of Malaya Agreement of 1957 provided for a sovereign Federal State within the Commonwealth. It had eleven component units, i.e. the nine Malay States which were no longer British protected, and the new States of Malacca and Penang, the latter including Province Wellesley; both ceased to be colonies, and the term 'Settlement' also disappeared. The Federal Head of State was the Yang di-Pertuan Agong, an office described by Sheridan as 'a hybrid position between kingship and presidency'.<sup>1</sup> As a constitutional Head of State the Yang di-Pertuan Agong was bound to act on the advice of the Prime Minister. The States of Penang and Malacca had Governors who were appointed by the Yang di-Pertuan Agong.

Singapore ceased to be a Crown Colony, but remained outside the Federation. It became the State of Singapore with internal self-government under a Malay-born Yang di-Pertuan Negara, who acted as the representative of the British Crown. Like the Yang di-Pertuan Agong he was a constitutional Ruler, and he must, therefore, act on the advice of the Singapore Prime Minister.

Sarawak and North Borneo with Labuan remained two separate Crown Colonies, while the small Sultanate of Brunei continued as a British-protected State.

The establishment of Malaysia would bring all these territories together under one strong central government in Kuala Lumpur.

*The Origins of the Malaysia Concept*

The genesis of the idea of Malaysia can, perhaps, be traced to the creation of the office of the Commissioner-General for the United Kingdom in South-East Asia, and to the enthusiasm

<sup>1</sup> L. A. Sheridan (ed.), *Malaya and Singapore, The Borneo Territories* (London, 1961), p. 48.

displayed by the first man to hold that office, Mr. Malcolm MacDonald. In a royal despatch, dated 12 November 1949, the Secretary of State for the Colonies, Mr. A. Creech Jones, addressed the Commissioner-General in the following words:

You are directed by Royal instructions to promote the co-ordination of policy and administration between the Governments in your own authority.

Without prejudice to the generality of this direction, co-ordination will be required in the organization of defence, the development of sea and air communications, planning to ensure that the more backward parts of the territories share equally in the programmes for social, economic, and political advancement. . . .

In the course of time some closer political co-operation may be desirable, and you will advise the Secretary of State for the Colonies on this question from time to time.<sup>1</sup>

The royal despatch continued by saying that the Commissioner-General was not to exercise direct administrative functions in any of the territories under his care, but that he should consistently address his views on any matter to the Governor or to the High Commissioner concerned. Thus evolved the Commissioner-General's Conference as a high level co-ordinating agent. In conference the Commissioner-General acted as chairman and the High Commissioner of the Federation of Malaya and the Governors of Singapore, Sarawak, and North Borneo as members. As the Governor of Sarawak was concurrently High Commissioner for Brunei until 1959, he was able to express his views on behalf of both territories at the same time. A very significant aspect of this conference was that the members were, with the exception of the High Commissioner for Brunei, Presidents of the Executive Council in their respective territories,<sup>2</sup> and as such a ready means was provided for a speedy implementation of the decisions of the conference.

By the end of his six years service (1949-55) as Commissioner-General, Mr. Malcolm MacDonald had aroused in the Borneo territories a consciousness of their common destiny, and it was noticeable that the pull which Indonesia, particularly Java and Sumatra, at one time exerted over these areas had weakened considerably.<sup>3</sup>

<sup>1</sup> *Straits Times*, 28 November 1949.

<sup>2</sup> Colony of Singapore, *Interim Report of the Joint Co-ordination Committee*, *op. cit.* par. 44.

<sup>3</sup> 'British Colonies Review', *The Times* (London), Summer 1955.

The Commissioner-General's cue for closer political co-operation was readily responded to by Singapore politicians who had been at the forefront of the movement for some form of political association between Singapore and Malaya. Mr. Thio Chan Bee, Progressive Party Member for Balestier District, suggested that the Singapore Legislative Council should explore the possibility of a Confederation or a Dominion for South-East Asia to include Singapore, the Federation of Malaya, Brunei, Sarawak, and North Borneo.<sup>1</sup> Sir Robert Boothby, one of the five members of a visiting Commonwealth Parliamentary team, also said that a confederation of these territories within the Commonwealth was 'absolutely essential' for economic and strategic reasons. He added that he would like to see Burma rejoin the Commonwealth and enter the confederation at a later stage.<sup>2</sup> The official British approach, however, was one of caution, and Mr. Oliver Lyttelton, then Secretary of State for the Colonies, declared that any close relation 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.<sup>3</sup> By implication the British government would be ready to back a close association between Singapore and Malaya, and another association between the Borneo territories. Subsequently a wider association of these areas would be contemplated, i.e. after the Borneo territories had attained a level of political development comparable with that of the Federation of Malaya and Singapore.

### *Federalism in Borneo*

In spite of the co-ordinating office of the Commissioner-General none of the three Borneo territories had shown any appreciable enthusiasm towards the idea of belonging to a Malaysian Dominion or to any similar political association with the Federation of Malaya and Singapore. Either they did not like the look of Singapore politics or they were alarmed at the thought that the six and a half million population of Singapore and the Federation might overrun Borneo.

<sup>1</sup> *Straits Times*, 28 April 1951.

<sup>2</sup> *Ibid.* 7 September 1954.

<sup>3</sup> *Ibid.* 4 June 1954.

Proponents of federalism, therefore, turned to the Borneo territories, and suggested that a Bornean Federation would be logical and capable of achievement, since a number of political and economic benefits would accrue from such an arrangement. Individually they would be in a weak position, but federated they could face the future with a reasonable degree of confidence. But in the Borneo territories themselves there were forces potentially opposed to a Bornean Federation. Three major obstacles must be recognized. First, there was Brunei's excessive wealth derived from its oil wells,<sup>1</sup> and Brunei was not likely to consent to having these riches tapped merely to subsidize its much poorer neighbours. The second barrier was largely psychological, springing from ancient memories of tyrannical Brunei domination and from newly developing racial fears. Brunei had a predominantly Malay population. In Sarawak the largest single minority group were the Sea Dayaks, and in North Borneo the Dusuns. In a federation these indigenous races would be rather apprehensive to see the combined Chinese community in the three territories suddenly become the largest single minority group.<sup>2</sup> The third problem, similar in its effects to the insularity of the West Indies, was the lack of inter-territorial communications and trade. As fragments of the British empire they were curiosities of British administration of the past, which preferred fragmented to unified rule.<sup>3</sup>

In the atmosphere of these apprehensions and fears representatives from the three Borneo territories came together in Kuching on 23 April 1953 to plan for a greater measure of co-ordination of policy and administration in matters of common interest. The conference, known as the Sarawak-North Borneo-Brunei Conference, was presided over by Mr. Malcolm MacDonald, and attended by Sultan Omar Ali Saifuddin of Brunei, Sir Anthony Abell, Governor of Sarawak and High Commissioner for Brunei, Sir Ralph Hone, Governor of North Borneo, and three representatives from each of the three territories. At the end of the short meeting the following communique was issued:

<sup>1</sup> Saul Rose, *Britain and South East Asia* (London, 1962), pp. 154 *et seq.*  
Also 'Brunei's Big Problem: It Earns more than it Spends', *Straits Times*, 26 July 1957.

<sup>2</sup> 'Brunei Says No,' *Straits Times*, 8 January 1960.

<sup>3</sup> Hicks *et al.* *op. cit.* pp. 29 and 36.

The conference had decided to develop the system of periodic joint meetings between department heads and others in Sarawak, Brunei, and North Borneo . . . to create a Standing Conference of the Heads of Governments of the three territories to maintain the closest possible harmony of policy among them.<sup>1</sup>

But it was diplomatically silent on the subject of finance.

Outside the conference room this event was generally viewed as the embryo of a Bornean Federation. Some political circles saw in it the first step towards the formation of the much talked about South-East Asian Dominion, which would include Malaya and Singapore. But the Sultan of Brunei was quick to clear the air from any speculative thinking, and forthwith he issued a public statement denying the existence of any suggestion at the Kuching Conference for a federation of Brunei, Sarawak, and North Borneo.<sup>2</sup>

In July 1957 Sir Anthony Abell revived the question of Borneo unity. He insisted that it was in the interest of Brunei and Sarawak and, 'perhaps', North Borneo to work out their own salvation rather than to link up with Singapore and Malaya.<sup>3</sup> Obviously he was making good use of his dual office as Governor of Sarawak and High Commissioner for Brunei in his attempt of bringing these two territories together.

Seeing that the Sultan of Brunei continued to show no interest in a Borneo Union, Sir Anthony Abell came out more boldly in February 1958 when he spoke about the supreme necessity for the three Borneo territories to unite under one strong central authority, because the predatory world would not show much consideration for the independence of small and weak states, particularly if they were rich. He envisaged the union as a partnership in which the central authority would be responsible for defence, external relations, internal security, and communication, including civil aviation, postal services, and tele-communication. With the growth of confidence between the partners the common services could be extended to trade, customs, banking, currency, medicine, and agriculture. Recognizing the sensitivity of the question of finance, he said that the three governments would continue to control their separate revenues and expenditures. He also admitted that without the preserva-

<sup>1</sup> 'Borneo to Have Joint Meeting', *Straits Times*, 23 April 1953.

<sup>2</sup> *Sunday Mail*, 18 May 1953.

<sup>3</sup> *Straits Times*, 24 July 1957.

tion of 'those traditional characteristics of which all three territories are rightly and properly proud' the idea of federation or any other form of political partnership would be unacceptable at least 'to one of the territories',<sup>1</sup> an obvious reference to Brunei.

Sir Anthony Abell envisaged a Governor-General to act as the Queen's representative in North Borneo and Sarawak, and as High Commissioner in Brunei. The Governor-General would preside from time to time over meetings of the Supreme Council in Kuching and over the Executive Council in Jesselton. His advisers were to be drawn from the Executive and Legislative Councils of the two Colonies, but he would not sit in Sarawak's Council Negri or in North Borneo's Legislative Council. Under the Governor-General there would be a Lieutenant-Governor in each of the two Colonies. With regard to Brunei Sir Anthony Abell left it to the Sultan to decide how the proposed Governor-General would exercise his office as High Commissioner for Brunei.<sup>2</sup>

The proposals met with a negative response. North Borneo considered them premature. It was thought that the government should wait for a mandate from the people, which was then unobtainable because of the absence of elected representatives. Members representing commercial and professional bodies of four communities, i.e. the Europeans, the Chinese, the Indians, and the Malays, said that although some form of a federation between the territories was inevitable, it should be delayed for 'thirty to one hundred years'.<sup>3</sup>

The following month the Governor of North Borneo, Sir Ronald Turnbull, made another attempt. As President of the North Borneo Legislative Council he persuaded the Council to recommend that agreements be obtained from the governments of Brunei and Sarawak to examine the possibilities of a closer constitutional link between the three territories. For this purpose it was suggested that a body of persons, drawn from the three territories, should make detailed recommendations for the three governments to consider. But Brunei remained adamant.<sup>4</sup>

The series of attempts by the British to establish a Borneo Federation could hardly prevent the Sultan of Brunei from

<sup>1</sup> *Ibid.* 18 February 1958.      <sup>2</sup> *Ibid.*

<sup>3</sup> *Straits Budget*, 5 March 1958, p. 8.

<sup>4</sup> *Straits Times*, 12 April 1958.



suspecting 'foreign' designs on Brunei's oil and money. The Sultan must have also felt that the position of the Governor of Sarawak as High Commissioner for Brunei was becoming uncomfortable for Brunei. It was hardly surprising, therefore, that when he gave his State a constitution in 1959, he made the British government agree that the two offices should be separated, and that the British High Commissioner should reside in Brunei. The office of British Resident, which was created under the Treaty of 1906, was abolished, and replaced by a Brunei Mentri Besar and a Brunei State Secretary. The constitution further stipulated that the consent of the Executive Council was necessary to give effect to any proposal to amalgamate, federate, or unite any part of Brunei with any other territory.<sup>1</sup> Brunei had chosen to reject British imposed federalism, and to chart its own course towards political independence.

### *The Malaysia Proposals*

The basic concept of a closer association between Malaya, Singapore, and the three Borneo territories was, as has been shown above, not a new idea. But it began to have substance when Tunku Abdul Rahman, Prime Minister of the Federation of Malaya, spoke in terms of a South-East Asian community at the Foreign Correspondents Association in Singapore on 27 May 1961, and suggested that Malaya must have an understanding with Britain and the governments of Singapore, Sarawak, North Borneo, and Brunei to bring these five territories into a closer economic and political co-operation.<sup>2</sup> He said that it was too early to elaborate on what form the association would take, but it was generally believed that either Singapore, North Borneo, Brunei, and Sarawak should come in as separate member-States of an enlarged Federation of Malaya, or an independent State of Singapore and the proposed Borneo Federation, including Brunei, would join the Federation of Malaya in a confederation of Malaysian States.<sup>3</sup>

Official Malayan interest in the future of the Borneo territories was a new development, but it was expected to succeed where the British had failed miserably, viz. in the removal of

<sup>1</sup> Rose, *Britain and South East Asia*, pp. 153-4.

<sup>2</sup> For a press report of the speech see *Sunday Times*, 27 May 1961.

<sup>3</sup> *Straits Times*, 29 May 1961.

Brunei's intransigence towards a Bornean Federation. A much closer regional co-operation, even if political union had to be put out of the question, was clearly the ideal course for the Borneo territories. But this also had not been capable of realization on account of the suspicion of the indigenous population about the realism of the Chinese, who had been quick to discern the benefits of a wider association, and who had, therefore, supported the plan.<sup>1</sup> Under the leadership of a predominantly Malay government in Kuala Lumpur, however, it was reasonable to expect that the indigenous races would find less to fear in Malaysia than in a Bornean Federation dominated by the Chinese.

### *The Rationale of Malaysia*

SINGAPORE: AN ASIAN CUBA. Although considerations such as economics of scale, racial balance, and independence for the British Colonies were vital factors behind the formation of Malaysia, the numerous speeches and pronouncements of Tunku Abdul Rahman bore witness that the question of defence and security against a recurrence of communist violence and terror in Malaya was his preoccupation for making the Malaysia proposal. Paradoxically, the reason for his decision to welcome Singapore into Melayu Raya (Greater Malaya or Malaysia) was the same as that which prompted him to refuse to consider a Singapore-Malaya merger previously. Explaining his volte-face, the Tunku said: 'Times have changed . . . and so must our outlook; hence what was not agreed to yesterday might be agreed today when we give it a second and serious thought; and so the idea of Malaysia took shape.'<sup>2</sup>

The Tunku gave the question of merger, indeed, a second and serious thought. So while in the past he had considered it undesirable to take Singapore in, he now realized that it had become dangerous to keep her out. In a series of discussions the Singapore Prime Minister, Mr. Lee Kuan Yew, brought home the seriousness of the situation to the Tunku, who subsequently described it as 'rather frightening'.<sup>3</sup> At the same time Mr. Lee

<sup>1</sup> Ibid.

<sup>2</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, col. 1592.

<sup>3</sup> Ibid. cols. 1595-6. Also State of Singapore, *Legislative Assembly Debates*, 20 November 1961, cols. 302-3.

Kuan Yew also unfolded his story about the communist threat to the general public through Radio Singapore.<sup>1</sup> All these took place shortly after the PAP reverses at the Hong Lim and Anson by-elections and the crisis within the party.

To Kuala Lumpur the artificial separation of Singapore from Malaya was not a matter for concern as long as Singapore was under the control of the British government. But the Singapore constitution was due to come under review in 1963, and the Singapore government would undoubtedly ask for complete independence, which would almost certainly be given by the British government. Should that happen, then the extreme left-wing group led by communist elements and their proxies would make a bid for power in which they would most likely succeed. Such a government would under no circumstances submit to an arrangement, whereby her sovereignty would be compromised by having the Federation represented in her Security Council.

Singapore would then be converted into a leftist stronghold from where sustained subversive activities could be mounted very conveniently against Malaya and the Borneo territories. Singapore politicians with communist leanings would naturally welcome diplomatic missions from communist-*bloc* countries, and eventually what the Russians did in Cuba, i.e. storing nuclear weapons, could very well be carried out in strategically located Singapore. Such a development would trigger 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.<sup>2</sup> Kuala Lumpur would certainly not like to see any of these things happen. The Tunku, therefore, reasoned that a 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.<sup>3</sup>

*The Borneo territories: a communist take-over.* Another cause for serious concern came from Sarawak, where, after the establish-

<sup>1</sup> Lee Kuan Yew, *op. cit.*

<sup>2</sup> *Straits Times*, 4 February 1963.

<sup>3</sup> *Ibid.* 15 November 1961 and 22 October 1962. Also Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, cols. 1594-5.

ment of a communist government in China, the younger generation of the Chinese community had organized themselves into an enthusiastic pro-Peking friendship society, called the Sarawak Overseas Chinese Democratic League. But, prevented from operating as an open communist organization by the close vigilance of the Sarawak government, it had to find a façade behind which it could carry on its activities. This was provided by the Sarawak Advanced Youth Association (SAYA), and together they constituted the core of what the Sarawak government called the Clandestine Communist Organization (CCO). Its tenets were based on Marxist-Leninism and on the teachings of Mao Tse Tung. Its goal was no less than the overthrow of the existing government in Sarawak in the name of freedom from British imperialist rule, and the setting up of a communist State in its place.<sup>1</sup>

The CCO drew its membership mainly from the Chinese community, the overwhelming majority of whom had been educated in Chinese schools. The Sarawak government said that as a means of reaching its objectives the CCO actively supported the formation of Sarawak's oldest and leading political party, the Sarawak United People's Party (SUPP) in 1959, and provided it with a policy.<sup>2</sup> The CCO supported the SUPP earnestly and enthusiastically for the advancement of CCO's own plans.<sup>3</sup> Following the classic communist stratagem it sought to control the infant labour movement, to indoctrinate the Chinese schools, and to win the hearts of the Chinese farmers. Considering the fundamental aim of the Communists to dominate no less than the whole world, there was no reason to believe that the CCO would not also enter North Borneo and Brunei, both of which had hitherto been free from communist subversion.

The Malayan government viewed the Borneo situation with grave disquiet, and felt that a communist take-over could be prevented only by having the Borneo territories join Malaya to form a solid bulwark against Communism. Besides, the inclusion of these territories in Malaysia was a necessary pre-requisite for Singapore's entry, because it was generally believed that

<sup>1</sup> 'The Danger Within', *North Borneo News and Sabah Times*, 15 March 1963.

<sup>2</sup> *Straits Times*, 24 August 1960.

<sup>3</sup> J. M. Van der Kroef, 'Communist Guerilla War in Sarawak', *The World Today*, Vol. XX, No. 2 (February 1964), p. 53.

their predominance of Malays was needed to offset the Singapore Chinese,<sup>1</sup> a premise that cannot be fully sustained.<sup>2</sup> Since from Malaya's point of view Singapore's entry was imperative, Malaysia must come about before or in 1963 in order to prevent Singapore making a bid for a separate independence.<sup>3</sup>

A MEANS OF SPEEDING UP INDEPENDENCE FOR BORNEO TERRITORIES. The Malaysia plan was also viewed as an instrument to help the Borneo territories to achieve independence at an earlier date. Tunku Abdul Rahman said that he did not see how they could be given independence separately before 1963, seeing that they were politically and otherwise not ready.<sup>4</sup> North Borneo and Sarawak still had the time-honoured colonial executive and legislative councils with official majorities and unofficial minorities, all of whom were appointed by the Governor. Brunei was ruled by a feudal Sultan, but in actual fact there was not much difference between the administration of this State and that of the neighbouring British Colonies. In Sarawak the first Local Authorities elections were held in 1959, and the second in 1963; these were followed by the election of members to the next two tiers of government councils. North Borneo was at least three years behind Sarawak, for it was not until December 1962 that the first elections to the Town Boards and District Councils were held, while the first political party emerged only after the Malaysia proposal of 1961. Brunei held its first elections in late August 1962 to the State's advisory council, which had a non-elected majority.

Whitehall had intimated that the British government plan for the Borneo territories was first to give a measure of self-government, and later, when their people had shown themselves capable of governing, they were to choose whether to have independence separately or together with Brunei in a Bornean Federation or to merge with the Federation of Malaya.<sup>5</sup> But the

<sup>1</sup> Frances L. Starner, 'Malaysia and the North Borneo Territories', *Asian Survey*, Vol. III, No. 11 (November 1963), p. 522. Also Nigel Cameron, 'Malaysia: The Birth of a Nation', *The Asia Magazine*, 25 August 1963, and Richard Hughes, 'The Federation of Fear', *The Sunday Times Colour Magazine* (London), 25 August 1963, p. 4.

<sup>2</sup> Below, pp. 130-4.   <sup>3</sup> *Straits Times*, 27 November 1961.

<sup>4</sup> *The Malay Mail*, 8 August 1961. But later on the Tunku turned around, and said, 'To say that the peoples there [in the Borneo territories] are not ready, I think is wrong'. See Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, col. 1608.

<sup>5</sup> *The Malay Mail*, 6 November 1961. Also Starner, *op. cit.* p. 532.

Tunku argued that the implementation of this policy would take a very long time, and that in the meantime the Communists would stand a good chance of infiltrating the territories and spreading their activities. The formation of Malaysia, on the other hand, would not only frustrate the designs of the Communists, but it would also be a short cut to Bornean independence, because in the new Federation these territories would be given the same rights and the same status as those enjoyed by the member-States of the Federation of Malaya.<sup>1</sup>

A MEANS OF BRITISH DECOLONIZATION. While the British government was thus reluctant to include the Borneo territories in the Malaysia plan, it seemed that Malaysia might be the best answer to her dilemma of removing the last vestiges of British colonialism from South-East Asia. The United Nations' resolution passed by the General Assembly in 1960, calling for the ending of colonialism throughout the world,<sup>2</sup> was confronting Great Britain. Whitehall was aware of the fact that the tide of Asian nationalism could not be stemmed and that it would be politic to leave gracefully, and by so doing to retain the goodwill and friendship of the erstwhile subject peoples.<sup>3</sup>

There was also a growing fear that when the dispute between Indonesia and Holland over West Irian was settled, Indonesia might turn her attention to the Borneo territories. A merger suggestion by a stable neighbouring Commonwealth country, therefore, offered an attractive answer to this problem.<sup>4</sup> Moreover, an opportunity of this kind might never occur again, and at a later date Malaya might refuse to admit the Borneo territories, especially if the latter should turn left or become communist dominated.

Britain also realized that Singapore, independent and on her own, could very easily fall under communist control. Obviously this would prejudice the supremacy of the British defence system

<sup>1</sup> *The Malay Mail*, 8 August 1961. Also Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October, 1961, col. 1601.

<sup>2</sup> On 14 December 1960, by a vote of 89 in favour, none against, and 9 abstentions (including Great Britain), the General Assembly adopted a resolution by which it solemnly proclaimed 'the necessity of bringing to a speedy and unconditional end colonialism in all its forms and manifestations'. See 'U. N. General Assembly 15th Regular Session', *Commonwealth Survey*, Vol. VII, No. 11 (23 May 1961), p. 508.

<sup>3</sup> *Malayan Times*, 15 September 1963.

<sup>4</sup> T. E. Smith, 'Proposals for Malaysia', *The World Today*, Vol. XVIII, No. 5 (May 1962), p. 192. Also *The Malay Mail*, 28 August 1961.

in Asia and in the rest of the world. Mr. Duncan Sandys, the then British Minister of Defence, had declared in April 1959: 'There is no doubt about the continuation of the British base in Singapore. It is the pivot of our military situation in the Far East and we have no thought of changing it.'<sup>1</sup>

But in a separately independent Singapore Britain would most likely be denied the continuance of her bases on the island. On the other hand, to prolong British control, which was synonymous to delaying independence, was clearly incompatible with the political aspirations of the Singaporeans, and would only court trouble and disaster. Malaysia within the Commonwealth, however, would not only give early independence to Singapore but also an opportunity for the British to re-negotiate the use of the Singapore base.

THE RACIAL ARGUMENT. The more often cited but, perhaps, the least valid reason for welcoming the Borneo territories into Malaysia was the so-called 'racial mathematics', whereby the numerical superiority of the indigenous races, which would be lost to the Chinese in a Singapore-Malaya merger, would be restored by the addition of numerical superiority of the indigenous races of the Borneo territories.

The result of this merger is shown in Table 1.

TABLE I  
RACIAL COMPOSITION IN THE FEDERATION  
OF MALAYA AND SINGAPORE BASED  
ON THE 1957 CENSUS FIGURES

Race	Federation <sup>a</sup> Population	Per cent.	Singapore <sup>b</sup> Population	Per cent.	Total Population	Per cent.
M	3,125,000	49.8	197,000	13.5	3,322,000	43.0
Ch	2,334,000	37.2	1,091,000	75.5	3,425,000	44.3
I and P	707,000	11.3	124,000	8.5	831,000	10.8
Others	112,000	1.8	34,000	2.5	146,000	1.9
Total	6,278,000	100.0	1,446,000	100.0	7,724,000	100.0

Key: M=Malaysians (including nomadic aborigines) Ch=Chinese  
I and P=Indians and Pakistanis

<sup>a</sup> Federation of Malaya, *Official Year Book* 1962 (Kuala Lumpur, 1962), p. 40.

<sup>b</sup> State of Singapore, *Annual Report* 1960 (Singapore, 1962), p. 44. Figures are rounded off to the nearest thousand in the table above.

The alleged racial contribution of the Borneo territories is shown in Table 2.

<sup>1</sup> Cited in Rose, *Britain and South East Asia*, p. 145.

TABLE 2  
 RACIAL COMPOSITION IN THE BORNEO  
 TERRITORIES BASED ON THE 1960  
 CENSUS FIGURES

Territory	Racial Groups	Population
1. Sarawak <sup>a</sup>	Sea Dayaks	237,741
	Chinese	229,154
	Malays	129,300
	Land Dayaks	57,619
	Melanau	44,661
	Other Indigenous Peoples <sup>b</sup>	37,931
	Other non-Indigenous (Asian) <sup>c</sup>	6,492
	Europeans	1,631
	TOTAL	744,529
2. Brunei <sup>d</sup>	Malays	45,135
	Chinese	21,795
	Other Indigenous Peoples <sup>e</sup>	14,068
	Others <sup>f</sup>	2,879
	TOTAL	83,877
3. North Borneo <sup>g</sup> (Sabah)	Dusun	145,229
	Chinese	104,542
	Other Indigenous Peoples <sup>h</sup>	79,421
	Bajau	59,710
	Others <sup>i</sup>	41,485
	Murut	22,138
	Europeans	1,896
	TOTAL	454,421

<sup>a</sup> *Colony of Sarawak Annual Report 1960*, p. 11.

<sup>b</sup> This group includes the Kayans, Kenyahs, Kelabits, Muruts, Dusuns, the Nomadic Penans, and some other minority groups, which were too small in numbers to be listed separately.

<sup>c</sup> 'Other non-Indigenous (Asian)' includes Indonesians, Filipinos, and Ceylonese.

<sup>d</sup> *State of Brunei Annual Report 1960*, p. 12.

<sup>e</sup> 'Other Indigenous Peoples' includes Kedayans, Dusuns, Dayaks, and Muruts.

<sup>f</sup> 'Others' includes Europeans, Indians, and Eurasians.

<sup>g</sup> *Colony of North Borneo Annual Report 1961*, p. 14.

<sup>h</sup> 'Other Indigenous Peoples' includes the Bruneis and the Kedayans, both Muslim Peoples, who are most probably descendants of immigrants from Malaya, Java, and Sumatra.

<sup>i</sup> 'Others' includes natives of Indonesia, the Philippines, India, Ceylon, Sarawak, the Cocos Islands, Singapore, and Malaya.



Finally, the result of the combination of the racial groups of the five territories is shown in Table 3 below.

TABLE 3  
RACIAL COMPOSITION IN SINGAPORE-MALAYA  
AND THE BORNEO TERRITORIES  
BASED ON TABLE 1 AND TABLE 2

Racial Groups	Population			
	Singapore and Malaya	The Borneo Territories	Malaysia	Per cent.
Malaysians and Indigenous races	3,322,000	872,953	4,194,953	46.6
Chinese	3,425,000	355,491	3,780,491	42.0
All others	977,000	54,383	1,031,383	11.4
TOTAL	7,724,000	1,282,827	9,006,827	100.0

It is clear from Table 1 that in the Federation of Malaya the Malaysians (including nomadic aborigines) formed the largest minority group, while in Singapore the Chinese had an overwhelming majority. It is also clear that a Singapore-Malaya merger would just tip the racial balance in favour of the Chinese. Hence, in order to make merger acceptable to the Federation it became necessary to devise a means whereby the numerical superiority of the Malaysians could be preserved. It was as an answer to this problem that the 'racialists' justified the inclusion of the Borneo territories in the Malaysia plan.<sup>1</sup>

Table 2 shows that in each of the three Borneo territories the indigenous population was in a clear majority. Excluding the Europeans, the 'Others,' and the 'Other non-Indigenous,' Sarawak had 507,252 indigenous population and 229,154 Chinese, Brunei 59,203 indigenous population and 21,795 Chinese, and North Borneo 306,498 indigenous population and 104,542 Chinese, making a total of 872,953 indigenous population and 355,491 Chinese for the three territories. This gave an indigenous majority of 517,462.

The racialists would now presumably add this number to that of the Malaysians (including nomadic aborigines) in order to offset the racial numerical superiority of the Chinese community in a Singapore-Malaya merger. Table 3 shows that the combined Malaysians and Indigenous races would seem to

<sup>1</sup> Above, p. 128. See Smith, 'Proposals for Malaysia', pp. 192-3.

regain the numerical superiority which would have been lost in a simple Singapore-Malaya merger.

The question now is whether the indigenous population of the Borneo territories could be placed in the same racial category as the Malays of Malaya and Singapore. Denis Bloodworth and Colin Legum of the *Observer* wrote that 'while the largely unsophisticated peoples of these islands have been persuaded by their leaders to embrace Malaysia, they have no particular love for the Malays of the mainland'.<sup>1</sup> Lim Kean Siew made the following observation in the Federal Legislative Council:

In considering the question of merger with Singapore and the people of the Borneo territories, we must not let the question of race interfere with our decision. Why? It is because most of the people in Singapore and Borneo are non-Malays. Most of the people in Brunei accept the Islamic religion, but in Borneo and Sarawak, people are mostly of other races including Sea Dayaks, and Land Dayaks. We cannot say that these people are Malays.<sup>2</sup>

In this connexion it was, perhaps, rather unfortunate that a 'Malay' had been constitutionally defined as 'a person who professes the Muslim religion, habitually speaks the Malay language, and conforms to Malay custom. . .'.<sup>3</sup> Although this definition could not possibly have been meant to discriminate against the indigenous population of the Borneo territories, nevertheless its effect at this time was to place a certain barrier between them and the Malays.

Warning against any attempt to classify the people of Borneo as Malays, Tom Harrisson wrote:

Borneo is *not* a Malay country in the Malayan sense, and for the successful achievement and survival of Malaysia it is very necessary to face this fact clearly and at all times. The total population of the island is uncertain, but probably is now about four million. Of this, under half a million regard themselves as Malays. . . . Other groups are Muslim. But this does not necessarily mean that they consider themselves to be Malays. In fact, among some of these other Muslim groups, there is a tendency to dissociate from the Malays or regard them as *very* different.<sup>4</sup>

<sup>1</sup> *The Observer*, 15 September 1963.

<sup>2</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 16 October 1961, col. 1620.

<sup>3</sup> Federation of Malaya, *Federal Constitution*, Art. 160, Interpretation.

<sup>4</sup> Wang Gungwu (ed.), 'The Peoples of North and West Borneo', *Malaysia: A Survey* (London, 1964), p. 164.

Tunku Abdul Rahman himself had proven that the Dayaks, who represented the largest group in the Colony of Sarawak, could not be equated with the Malays. The occasion was the controversy over the appointment of the first Governor of Sarawak, and the Tunku then insisted that if the Chief Minister was a Dayak, the Governor must be a Malay.<sup>1</sup>

It seems, therefore, that the indigenous races of the Borneo territories could not be effectively added to indigenous population of Malaya and Singapore as a counterweight to the Chinese, and that the racial mathematics of Malaysia was only superficially true. In any merger plan the Chinese would thus continue to constitute the largest single community, and there is no reason to assume that they are always going to stand alone in future political conflicts. The only merit of this racial argument seems to lie in the assumption that in extreme racial issues the indigenous population of Borneo might choose to align themselves with the Malays, to whom they are racially akin, rather than with the Chinese.

The sure way to settle the racial question in favour of the Malays is to create a still wider 'Greater Malaysia' to include Indonesia. The addition of close on one hundred million Malay-speaking Muslim people, who also conform to Malay custom, would certainly outnumber the Chinese in Southern Asia.

### *The Malaysia Proposals: Actions and Reactions*

THE BRITISH LEADERSHIP. Following Tunku Abdul Rahman's speech of 27 May 1961, the Governors of Sarawak and North Borneo and the High Commissioner of Brunei visited Singapore toward the end of June to hold discussions with the Commissioner-General, Lord Selkirk, about the 'Greater Malaysia' proposal. A joint statement issued at the end of the talks said that the three Borneo territories should get closer together before making any move to join a Malaysia confederation. The talks had no specific conclusions commenting on the proposal itself. The following month the Governor of Sarawak, Sir Alexander Waddell, reiterated in Kuching the British stand that Sarawak would be in a better position to join a confederation after closer links had been established with North Borneo and Brunei, because there were many complex problems con-

<sup>1</sup> Below, Chapter XII.

nected with the wide differences in the stages of economic, educational, and constitutional developments between the territories which were to comprise Malaysia.<sup>1</sup>

THE MALAYSIA SOLIDARITY CONSULTATIVE COMMITTEE, Although political organizations were still in the formative stage in the Borneo territories, and no means existed for the sampling of public opinion, voices were speedily raised against the Malaysia proposal. There was a general resentment against any change in the state of affairs, as the people were well satisfied with the things as they were.<sup>2</sup> But what was uppermost in the minds of the Bornean people was that Malaysia might mean the transfer of sovereignty from one power to another.<sup>3</sup>

In Sarawak Mr. Ong Kee Hui, SUPP's chairman, declared that the 'Greater Malaysia' plan was not in the interest of the people of Sarawak at this time, and stated that such a plan must be preceded by the attainment of self-government or of independence by the people of the three Borneo territories, either separately or through an association or a union of these territories.<sup>4</sup> Party Negara Sarawak (PANAS), however, would like to see Sarawak join Malaysia as a separate unit, but only after the colony had achieved independence. It believed that Sarawak would become a loser, if it were to unify with North Borneo and Brunei before joining Malaysia.<sup>5</sup> As for Brunei, she would have nothing to do with the idea of association with Sarawak and North Borneo on equal footing on account of her proud royal tradition and immense oil wealth.<sup>6</sup>

Nevertheless an attempt was made by certain Borneo leaders and delegates from Singapore and the Federation of Malaya to the 1961 Commonwealth Parliamentary Association Regional Meeting in Singapore to discuss the Malaysia idea 'fully and frankly'. As a result of these preliminary examinations, delegates from North Borneo and Sarawak took the initiative in proposing the formation of a Malaysia Solidarity Consultative Comit-

<sup>1</sup> 'Malaya, Singapore, and British Borneo: Greater Malaysia Plan', *Commonwealth Survey*, Vol. VII, No. 20 (20 September 1961), pp. 972-3.

<sup>2</sup> *Colony of North Borneo Annual Report 1961*, p. 2.

<sup>3</sup> *Straits Times*, 17 November 1961.

<sup>4</sup> *Ibid.* 19 August 1961 and 6 January 1962.

<sup>5</sup> 'Malaya, Singapore, and British Borneo: Greater Malaysia Plan', *Commonwealth Survey*, Vol. VII, No. 20 (26 September 1961), p. 973.

<sup>6</sup> D. P. Singhal, 'The United States of Malaya', *Asian Survey*, Vol. I, No. 8 (October 1961), pp. 18-19.

tee (MSCC) to collect views and opinions concerning the creation of Malaysia, to disseminate information on the question of Malaysia, and to foster activities for the realization of Malaysia. Brunei chose not to participate at the first meeting of the Committee in Jesselton, but subsequently sent observers to the sessions in Kuching, Kuala Lumpur, and Singapore.

At the fourth and last meeting of the 'pocket parliament' (a name given by its chairman, Mr. Donald Stephens, to the MSCC) all that had been deliberated and agreed upon in the previous six months was embodied in a memorandum,<sup>1</sup> which was subsequently submitted to a Commission of Enquiry for its consideration.

The independent Federation of Malaysia, as envisaged by the MSCC, would have a strong and effective central government in which would be vested control of foreign affairs, defence, and internal security. But just as the special problems and circumstances of Singapore had been accommodated by special safeguards,<sup>2</sup> so those of the Borneo territories would be protected. Immigration was a question of particular concern, arising from Bornean apprehension that free movement might result in their being swamped in their own land. If the doors were shut tight, Bornean development would suffer from the lack of technicians and labour. But Bornean anxieties had been appreciated, and Bornean interests would subsequently be protected not only by safeguards of State autonomies, but also by the assurance of explicit constitutional provisions against unimpeded migration into the Borneo States from other areas in Malaysia.

Questions of language, religion, and the civil service bulked large in the discussions. The national language would be Malay, but there would be a place in Malaysia for English as an international language and as a medium of instruction in the schools. The use and study of other languages would be preserved and sustained. Freedom of worship was a fundamental liberty that would be safeguarded in the constitution. There was categorical assurance that Borneanization of the civil service would be preserved. The indigenous peoples, as 'founder citizens', would have the special position the Malays enjoyed

<sup>1</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, Appendix F.

<sup>2</sup> Below, pp. 139-40.

in the existing Federation of Malaya, and the legitimate interest of the other communities would be adequately safeguarded. Rural weightage in parliamentary representation and priority in the allocation of development funds were other matters that were given fresh emphasis.<sup>1</sup>

It was plain that full allowance was being made for the Bornean viewpoint. But much work remained to be done, if maximum support was to be secured for the Malaysia plan among the Bornean people.

THE SINGAPORE-MALAYA MERGER AGREEMENT. Whilst the deliberations of the MSCC were in progress, negotiations were taking place between the governments of the Federation of Malaya and Singapore for the re-unification of the two territories. In August 1961, earlier than most people expected, the Prime Ministers of the two territories reached 'broad agreements in principle' for a merger.

Later in the month the Singapore PAP government invited the leaders of all political parties represented in the Singapore Legislative Assembly to state their stand on two basic points contained in the broad agreements on merger. These were (i) the Federation government should have control over defence, external affairs, and internal security, and (ii) Singapore should have local autonomy in education and labour policies.<sup>2</sup>

The response from the opposition parties was a stormy one. Apart from the UMNO, they all attacked the PAP for having carried out the merger negotiations unilaterally. The Barisan Sosialis, the largest group among the opposition, demanded of the government that the people should be consulted before any further negotiations, and warned the government against disastrous consequences to the unity of the people, if the PAP agreement to allow the Federal government to 'police British interest in Singapore' was carried out.<sup>3</sup> Dr. Lee Siew Choh, Barisan Sosialis leader, contended that it was meaningless to talk about autonomy in labour and education, which Singapore already enjoyed, if it was realized that only a 'very thin line' divided them from internal security. With internal security vested in the central government, labels like chauvinism, non-

<sup>1</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, Appendix F. Also *Straits Times*, 7 February 1962.

<sup>2</sup> *Straits Times*, 29 August 1961.

<sup>3</sup> *Ibid.* 30 August 1961.

nationalistic, and communist-inspired would be used, and arrests would naturally follow.<sup>1</sup> While the party fully supported unity between Singapore and the mainland, it believed that the genuine way to unity was an immediate, full, and complete merger as the twelfth State of the Federation. Singapore must become a constituent State like Penang or Malacca, with automatic Federal citizenship for Singapore citizens and proportional representation in the Federal Parliament as a result of pan-Malayan general elections, which should be preceded by general elections in Singapore before merger.<sup>2</sup> As an alternative to immediate merger the Barisan Sosialis proposed a confederation in which Singapore should have full autonomy in internal matters, including security, while external affairs and defence should go to the Federal government.<sup>3</sup> But the PAP-type of merger was totally unacceptable, because it would not give the people of Singapore their proportional influence in the Federal Parliament. In effect the Singapore people were being asked to be content with 'second rate' citizenship and to surrender their parliamentary democratic rights and other civil liberties in exchange for the vague notion of autonomy in education and labour policies.<sup>4</sup>

David Marshall's Workers Party believed wholeheartedly in a merger, but agreed also with the Barisan Sosialis that a confederation was a valuable notion to be explored. It rejected irrevocably colonialism, whether it be from London or from Kuala Lumpur. Marshall said that under the proposed arrangement the Federation would have more control over Singapore than the British colonialists. Singapore would have to assume additional financial burdens by having to contribute to the fiscal needs of the national government. He demanded a full debate in the Assembly on the question in order that all might benefit from the opinions of other members and from the facts which the Assembly could discuss.<sup>5</sup>

The leader of the United People's Party (UPP), Mr. Ong Eng Guan, deplored the fact that the PAP government had reached 'certain agreements' with the Federation without having had any prior consultation with other political parties in Singapore. He reaffirmed that his party stood for complete

<sup>1</sup> Ibid. 25 December 1961.

<sup>2</sup> Ibid. 30 August 1961.

<sup>3</sup> Ibid.    <sup>4</sup> Ibid.    <sup>5</sup> Ibid.

merger and for the establishment of an independent national State of Malaya. But it appeared to him that what the PAP government had in mind was not complete merger, but some vague form of constitutional arrangement with the Federation, and urged the government to inform the people about the pattern of this arrangement more fully, and to convene an all-party conference without delay.<sup>1</sup>

The newly formed Singapore Alliance welcomed the PAP merger overtures. But it was of the impression that the two 'basic points' did not sound like merger terms, and demanded from the government further clarification of the position before a delegation of the political parties represented in the Assembly resumed further talks with the Federal government.<sup>2</sup>

In October 1961, on the initiative of Dr. Lee Siew Choh, the Barisan Sosialis, the UPP, and the Workers Party issued a joint call on the government to convene a meeting of the Legislative Assembly to consider and to debate the basic principles of merger and to appoint an all-party merger-delegation.<sup>3</sup>

The following month the government released a Memorandum, setting out the framework of the proposed merger, as a Singapore White Paper.<sup>4</sup> Briefly, the agreement contained the following provisions: Singapore would become a State within the new Federation, and would have fifteen seats in the Federal House of Representatives, and two seats in the Senate: she would have a larger measure of local autonomy in education and labour, and wider State powers than any of the other States forming the Federation. This included Singapore's right to a substantial part of the State revenue, which under the Federal constitution would accrue to the Federal government. It was argued that without this special financial arrangement Singapore would be incapable of supporting her education system, her housing programme, and other social services on the existing scale. Thus the financial arrangements between the Federal and State governments as set out in the Federation of Malaya constitution would not apply in their entirety to Singapore. The two governments also agreed that the island-port's special trade

<sup>1</sup> Ibid. 31 August 1961.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid. 30 August 1961.

<sup>4</sup> State of Singapore, *Memorandum Setting out Heads of Agreement for a Merger between the Federation of Malaya and Singapore*, Cmd. 33 of 1961 (Singapore, 1961).



position would be protected by the inclusion of a Singapore section in Federal missions overseas.<sup>1</sup>

In the new Federation Singapore citizens would retain their Singapore citizenship, and in addition they would acquire Federation nationality. The Singapore Head of State would continue to be styled 'Yang di-Pertuan Negara', but he would be appointed not by the British monarch, but by the Yang di-Pertuan Agong in consultation with the Singapore Prime Minister.

The special position of Malay Singapore citizens would be safeguarded in the constitution of the new Federation. As in the case of Penang and Malacca, the Yang di-Pertuan Agong was to be the head of the Muslim religion in Singapore, and a Council of Muslim Religion would be set up in Singapore to advise him in this capacity.

The existing provisions of the appointment of public servants would continue, except in the case of the police, which would come under Federal jurisdiction. There would be a separate branch of the Federal judicial and legal service in Singapore with its own Chief Justice. The two 'basic points' on which the opinion of the opposition parties had been sought were also included.

During the months of November and December 1961 the merger issue dominated the Singapore Legislative Assembly debates. When a division was called on the government's motion to accept the heads of agreement set out in the White Paper as a working basis for the reunification of the two territories, eighteen opposition members absented themselves, while those who were present, thirty-three altogether, voted solidly for the White Paper.<sup>2</sup>

**THE ANGLO-MALAYA MALAYSIA AGREEMENT.** Following the successful conclusion of the broad agreements on merger between Singapore and Malaya, the British government invited Tunku Abdul Rahman to come to London to discuss the question of merger in greater detail, and to prepare the way for consultation with the Borneo territories.

<sup>1</sup> *Straits Times*, 17 November 1961. Also Emily Sadka, 'Singapore and the Federal Problem of Merger', *Asian Survey*, Vol. I, No. 11 (January 1962), pp. 23-25.

<sup>2</sup> *State of Singapore, Legislative Assembly Debates*, 6 December 1961, cols. 1524-6.

The deliberations that followed centered on two main issues, i.e. (i) the future of the British bases in Singapore, and (ii) the future of the British dependencies in Borneo. The Tunku took the attitude that the termination of Singapore's function as a SEATO base was basic to a Singapore-Malaya merger. This view coincided with a growing opinion in London which doubted the usefulness of the bases in Singapore, Hongkong, Aden, and elsewhere. There was even talk that Britain should accede to any Malayan demand for the abandonment of Singapore as a military base for the SEATO area, should this become the big stumbling block in the path of merger. But Britain's Minister, Mr. Harold MacMillan, did not share these views, and stood firm by Britain's commitment under the SEATO Treaty to provide a base in Singapore for the use of SEATO.<sup>1</sup> Concerning the Borneo territories the British government seemed to have some hesitation to release North Borneo, because it still had a long way to go before even the machinery for self-government could be set up.<sup>2</sup>

Eventually a compromise agreement was reached. Both parties agreed that the establishment of a Federation of Malaysia was a 'desirable aim in the interests of the peoples of the territories concerned'. But before coming to any final decision the views of the peoples of North Borneo and Sarawak must be ascertained. A Commission was to be appointed to carry out this task and to make recommendations. It was also agreed to seek the views of the Sultan of Brunei.<sup>3</sup> With regard to the Singapore base the Tunku yielded to British pressure, and allowed Great Britain to continue using Singapore's military facilities 'for the purpose of assisting in the defence of Malaysia, and for Commonwealth defence and for the preservation of peace in South East Asia'. Explaining this decision, the Tunku said that a British base in Singapore would provide not only employment for 40,000 people, but also a sense of security to the people of the new Federation. He further argued that since sovereignty in Malaysia would in any case be transferred to Kuala Lumpur, London would be expected to act in consultation with the Federal government on defence matters.<sup>4</sup>

<sup>1</sup> *Straits Times*, 16 November 1961. Also *The Malay Mail*, 23 March 1962.

<sup>2</sup> *Straits Times*, 16 November 1961.

<sup>3</sup> Great Britain, *Federation of Malaysia: Joint Statement by the Governments of the United Kingdom and of the Federation of Malaya*, Cmd. 1563 (London, 1961).

<sup>4</sup> *The Malay Mail*, 25 August 1961.

The truth of the matter, however, seemed to lie in the fact that the proposed Federation, because of its small size, could not conceivably provide for its own defences, and had to rely, therefore, on external help. The British, for their part, would find it impractical, if not impossible, to make a distinction between their Commonwealth and SEATO forces. Hence they sought to remove Malaya's apprehensions by avoiding any reference to SEATO in the agreement and by using the term 'preservation of peace in South-East Asia' instead.

THE COMMISSION OF ENQUIRY TO NORTH BORNEO AND SARAWAK. In January 1962 it was announced that a five-man Commission, consisting of three British and two Malayan officials, had been appointed to ascertain the views of the peoples of North Borneo and Sarawak on the Malaysia question, and, in the light of their findings, to make recommendations. The Commission was instructed in its terms of reference to have regard to the Anglo-Malaya Agreement that Malaysia was a desirable aim.<sup>1</sup>

The appointment of Lord Cobbold as chairman of the Commission came as a surprise to many, because his knowledge of Borneo was not as wide as that of the other two British members. That Mr. Malcolm MacDonald and Sir Donald MacGillivray were not chosen was even more surprising in view of their very intimate understanding of the British dependencies in South-East Asia.<sup>2</sup> It could, however, be also argued that the appointment of a man, who had only limited connexions with the Borneo territories, was desirable in that it might increase the likelihood of the emergence of an unbiassed opinion.

The task of the Commission was not an easy one because of the inaccessibility of vast areas of the country and the lack of popular knowledge and understanding of the implications of a federation.<sup>3</sup> Admittedly, the Colonial Administration did try to publicize the advantages of Malaysia before the Commission's arrival, but these efforts had been severely handicapped by distance and illiteracy. Hence, what the Commission was able

<sup>1</sup> Great Britain, *Federation of Malaysia: Joint Statement*, Cmd. 1563, Annex A.

<sup>2</sup> *Straits Times*, 19 January 1962.

<sup>3</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, op. cit. pp. 21, 68, 114, 237. In the *Malay Mail*, 16 August 1962 Temenggung Oyang said that 'a large number' of people in Sarawak who favoured Malaysia were still 'groping in the dark' about the implications and benefits of the proposal.

to report could represent hardly more than vague sentiments held in common by the members of tribal groups.

The Cobbold Report, so named after the chairman of the Commission, was published in August 1962. In his attempt to give an assessment of the degree of support for Malaysia, the chairman stated:

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 project, 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 near 20 per cent. of the population of Sarawak and somewhat less in North Borneo.<sup>1</sup>

The members of the Commission reached a considerable measure of agreement on the inclusion of the Borneo territories in the Federation of Malaysia. Most of the recommendations of the MSCC were adopted. But the Report recorded also a fundamental divergence of opinion among the members of the Commission on the question of phasing, i.e. whether the Federation should be formed in one stage or in two stages. The recommendations were, therefore, divided into four separate sections: (i) Recommendations on certain general matters, (ii) Recommendations by Sir Anthony Abell and Sir David Watherston, the two British members, (iii) Recommendations by Dato Wong Pow Nee and Inche Muhammad bin Shafie, the Malayan members, and (iv) A summary of these recommendations and comments by the chairman.

Among the recommendations on certain general matters it was agreed that the existing constitution of the Federation of Malaya should be the basis of the new Malaysia constitution with such amendments and safeguards as would be necessary. Other subjects on which a wide measure of agreement was reached included the use of Malay and English as the official languages, the control of immigration by the central government subject to the approval of the State government con-

<sup>1</sup> *Ibid.* par. 144.

cerned, the refusal of the right to secede, and the qualifications for citizenship. It was also recommended that Borneanization of the public service should proceed as quickly as possible, but that every effort should be made to encourage British officers to remain in the service until their places could be taken by qualified people from the Borneo territories. There was a difference of opinion on religion. The chairman and the British members recommended complete religious freedom and not to make Islam the national religion in the Borneo territories. But the Malayan members wanted Islam as the national religion of Malaysia.<sup>1</sup>

In the separate recommendations the British members emphasized the importance of a transitional period of from three to seven years, during which a full ministerial system of responsible government would be introduced in the two Colonies. The Malayan members, however, felt most strongly that the transitional period should be no longer than twelve months, since any delay would expose these territories and their people to dangerously disruptive influences.<sup>2</sup>

In his comment the chairman emphasized that it was necessary that, from the outset, Malaysia should be regarded by all parties concerned as an association of partners. If any idea were to take root that Malaysia would mean a taking over of the Borneo territories by the Federation of Malaya and the submergence of their individualities, then Malaysia would not, in his judgment, be generally acceptable or successful.<sup>3</sup>

In a series of meetings in London during the month of July 1962, the British and Malayan governments considered the Cobbold Report in detail. The British pressed for Singapore's reunification with Malaya in advance of merger with the Borneo territories, but the Tunku would not accept Singapore without a simultaneous transfer of sovereignty over the Borneo territories to Malaysia by 31 August 1963.<sup>4</sup> But on the day before the public release of the Report the British government withdrew its demand, and endorsed 31 August 1963 as the target date for Malaysia.<sup>5</sup>

The Cobbold Report could hardly be said to have conclusively demonstrated the desirability of Malaysia in Borneo, if

<sup>1</sup> *Ibid.* pp. 51-59.

<sup>2</sup> *Ibid.* pars. 151-2 and 182-8.

<sup>3</sup> *Ibid.* par. 237.

<sup>4</sup> *Straits Times*, 27 July 1962.

<sup>5</sup> *Ibid.* 1 August 1962.

with all its resources, all its work, all the propaganda, and the pre-conception that Malaysia was to become a reality, it reached the conclusion that only one third of the people were in favour. It was conceivable that merger-after-independence, which was desired by a part of one third of the population, could have commanded a larger section of Borneo public opinion, had this been offered as an alternative. But Mr. Lee Kuan Yew was being hard pressed by the Communist left in Singapore, and Tunku Abdul Rahman was running a race against the Communists. Hence the Borneo territories must be included in Malaysia, even though the additional administrative responsibilities might be rather galling to the Federal government.

*The constitutional arrangements for North Borneo and Sarawak.* Following the acceptance of the Cobbold Report by the Malayan and British governments, the detailed working out of arrangements under which North Borneo and Sarawak would become constitutional States of Malaysia was delegated to an Inter-Governmental Committee (IGC) in which Malaya, Great Britain, North Borneo, and Sarawak were represented. Lord Lansdowne, Britain's Minister of State for Colonial Affairs, was chairman, and he was assisted by Tun Abdul Razak, Malaya's Deputy Prime Minister.

Preparatory to the activities of the IGC Lord Lansdowne and Tun Abdul Razak visited North Borneo and Sarawak to familiarize themselves at first hand with the people and their problems, and to explain the purpose of the Committee. During this visit they were met by a delegation of North Borneo's five main political parties, and were presented with a list of twenty safeguards, known as the 'Twenty Points',<sup>1</sup> which were the prerequisites for North Borneo to join Malaysia. The delegation said that while they accepted the existing constitution of the Federation of Malaya as the basis for the formulation of the constitution of Malaysia, a completely new document should be drafted and agreed to by all parties as members of a free association of States. Once the new constitution was adopted, no amendment, modification, or withdrawal of any special safeguard granted to North Borneo should be made by the central government without the positive concurrence of the North Borneo government.<sup>2</sup>

<sup>1</sup> *Colony of North Borneo Annual Report 1962*, pp. 24-26.

<sup>2</sup> *Straits Times*, 30 August 1962.

In September 1962 the nominated North Borneo Legislative Council unanimously passed a motion welcoming the decision 'in principle' to establish Malaysia by 31 August 1963. Accordingly, six members of the Council were appointed to represent North Borneo on the IGC. Later in the month a similar motion was passed without dissent in Sarawak, and the Council authorized the Chief Secretary, the Attorney General, the Financial Secretary, and five others to represent Sarawak on the IGC.

The first and second plenary sessions of the IGC were held in Jesselton in October and November, and the third and last meeting in Kuala Lumpur in December 1962. A communique was then issued, stating that the Committee had agreed on the general terms of a draft report, and that it would not, therefore, be necessary to have further plenary meetings.

The IGC Report,<sup>1</sup> published in February 1963, 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 if not much more than it anticipated when it submitted the 'Twenty Points'.<sup>2</sup>

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 new 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.<sup>3</sup>

Immigration remained on the federal list, but entry into the

<sup>1</sup> Federation of Malaya, *Malaysia: Report of the Inter-Governmental Committee 1962* (Kuala Lumpur, 1963).

<sup>2</sup> *North Borneo News and Sabah Times*, 5 March 1963.

<sup>3</sup> Federation of Malaya, *Malaysia: Report of the Inter-Governmental Committee 1962*, pars. 15 and 28.

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 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.<sup>1</sup>

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.<sup>2</sup>

The indigenous races of Borneo were also assured that they would enjoy the same privileges as those provided by the constitution for the Malays in the Federation of Malaya.<sup>3</sup> Finally, no provisions having specific reference to the Borneo territories should be amended or repealed without the concurrence of the government of the State so affected.<sup>4</sup>

The IGC Report, having been approved overwhelmingly by the legislatures of Sarawak and North Borneo, it remained for the British and the Federation of Malaya governments to enter into a formal agreement and for their Parliaments to pass the necessary legislation to give effect to it. The making of the appropriate orders-in-council would then enable the Federation of Malaysia to come into being by 31 August 1963.

*The Singapore referendum.* While the Cobbold Commission and the IGC were preparing Sarawak and North Borneo to enter Malaysia, reaction toward merger reached such a stage in

<sup>1</sup> *Ibid.* pars. 16, 17, 18, and 19.

<sup>2</sup> *Ibid.* par. 24.      <sup>3</sup> *Ibid.* par. 29.      <sup>4</sup> *Ibid.* par. 30.



Singapore that the PAP government felt itself compelled to hold a referendum in order that the people of Singapore could declare themselves in the matter of merger with the Federation. The full requirements of parliamentary democracy would still have been completely satisfied, if the government were to proceed with merger without further ado and without submitting the matter to the people, because the PAP had been elected with a full mandate on merger. Besides, the people's representatives had already endorsed the merger White Paper in the Legislative Assembly. But Dr. Goh Keng Swee, the Singapore Minister, said that such a procedure would be politically unsound, since it would mean the evasion of the challenge from the communists and their stooges in the Barisan Sosialis, who claimed that the people were against merger. The Prime Minister was also of the opinion that not to hold a referendum on merger would lend credence to the communist lie that there was a 'sell-out' of Singapore to the Federation.<sup>1</sup>

The National Referendum Bill, however, contained several provisions that were highly objectionable to the opposition. The most controversial part was, perhaps, the clause which allowed unmarked and 'uncertain' ballot papers to be counted as accepting or willing to accept the decision of the Legislative Assembly. The government's explanation was that such ballot papers would indicate a state of mind in which the voter could not understand the issue or was indifferent, but went to the polling booth because voting was compulsory. He would, therefore, be content to have his elected representative make the decision for him.<sup>2</sup>

Another section of the Bill made a person who intentionally destroyed a ballot paper liable to a fine or imprisonment up to two years and to be deprived for seven years of the right to vote. The government argued that this was necessary to prevent the communists and the pro-communists having their way; it would provide safeguards against possible sabotage and evil machinations.<sup>3</sup> But the opposition described this technique as a device to 'out-imperial the imperialists' and to 'out-Hitler Hitler'.<sup>4</sup>

Then there arose the controversy about the wording of the referendum question or questions. Both the government and the

<sup>1</sup> *Straits Times*, 17 March 1962.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.* 9 June 1962.

<sup>4</sup> *Ibid.* 15 June 1962.

opposition were well aware of the great importance of the phraseology. The opposition, therefore, claimed that no referendum could possibly be fair unless they had a part in drafting the question or questions, and contended that the government's insistence on its sole right to frame the questions was merely to allow the PAP to put the issue in an utterly dishonest manner.<sup>1</sup>

Three lawyers, i.e. David Marshall, T.T. Rajah, and Tommy Koh Thong Bee, jointly called on the Singapore government to delete from the Bill the undemocratic and offensive provisions which denied the people the right to say 'no' to the merger proposals. But the government brushed this objection aside and said that there was no case for a negative vote, because the merger agreement had been debated in the Assembly, and was approved without a dissentient vote by the elected representatives of the people as a working basis for merger.<sup>2</sup>

In further protest a five-party<sup>3</sup> Council of Joint Action (CJA) team of four men, led by Dr. Lee Siew Choh, and allegedly representing the majority of the opposition, left in July for New York to present their case to the United Nations Committee on Colonialism and to ask the United Nations to supervise the merger referendum. But the petition was rejected, receiving support only from Russia and Poland.<sup>4</sup>

In the middle of August 1962 the Yang di-Pertuan Negara made the order for a referendum, whereupon the government notified the public that the merger referendum would be held on the first day of the following month. The intervening two weeks were allocated for campaigning on the three referendum questions, i.e. (i) alternative 'A' or merger on the White Paper terms, (ii) alternative 'B' or merger as one of the States in the Federation of Malaya, which would result in the application in Singapore of the existing labour and education policies of the Federation, the restriction of automatic conversion of Singapore citizenship to Malaysian citizenship only to those born in Singapore and to some who were citizens by descent, the allocation of parliamentary representation in proportion to the number of citizens eligible under the federation citizenship

<sup>1</sup> Ibid. 2 June 1962.

<sup>2</sup> Ibid. 4 June 1962.

<sup>3</sup> The five parties were: (i) United Democratic Party, (ii) Barisan Sosialis, (iii) Party Rakyat, (iv) Liberal Socialists, and (v) Workers Party.

<sup>4</sup> *Straits Times*, 25 July 1962.

laws, and the use of only English and Malay in the State Legislature, and (iii) alternative 'C' or merger on terms no less favourable than those for the Borneo territories.<sup>1</sup>

The terms for the merger of the Borneo territories were not then known; merger on an equal basis with the eleven States of the Federation would be unacceptable, because it would mean that a substantial proportion of Singapore's inhabitants would not qualify for citizenship. The choice of the people was thus reduced to the government's merger proposals. The opposition parties, therefore, called on the people to cast blank votes as a token of protest, despite the fact that these blank votes would be deemed by law to be government votes. The PAP government answered that blank votes were not necessarily votes for the government's White Paper merger; they could also be for alternative 'B' or loss of citizenship for more than half the electorate. If votes for 'A' and 'B' were almost the same, then the government could say that the blank votes should be for 'A', but if votes for 'B' should be more than those for 'A', then it would be difficult for the Assembly to decide that the blank votes should go to 'A'.<sup>2</sup>

Polling day gave the government a decisive victory. The total votes cast were over 560,000 out of an electorate of 625,000; 397,626 votes or 71 per cent. of the total votes cast were for the government White Paper proposals. In spite of the government's intimidation there were 144,077 or 25 per cent. blank votes. Alternative 'B' received 9,422, and alternative 'C' 7,911 votes.<sup>3</sup>

But the Barisan Sosialis maintained that the government's victory did not represent an endorsement of alternative 'A' by the people, because in a great number of cases the voters gave their support to it, not from enthusiasm for the White Paper merger, but for fear of losing their citizenship rights, if they voted otherwise.<sup>4</sup>

THE DECISION OF BRUNEI. Early in 1962 the Sultan of Brunei appointed a Commission, consisting of his Chief Minister as chairman, two Malays, one Chinese, and one Iban to ascertain the

<sup>1</sup> Ibid. 18 August 1962.

<sup>2</sup> Ibid. 26 August 1962.

<sup>3</sup> Federation of Malaya, *Malaysia in Brief* (Kuala Lumpur, 1963), p. 115.

<sup>4</sup> *Memorandum of the Barisan Sosialis Party of Singapore on Malaysia*, 11 March 1963 (mimeo), cited in T. E. Smith, *The Background to Malaysia* (London, 1963), pp. 18-19.

views of his people about Malaysia. Although the results of this survey had never been published, there was reason to believe that strong opposition to the plan came from Azahari's Party Rakyat, which advocated a federation of the three Borneo territories.<sup>1</sup> It was this same Party Rakyat that won all 55 constituencies in the 1962 local elections, and consequently occupied the 16 unofficial seats in the State Legislative Council through the operation of the electoral college system.

In September 1962 the party was to submit an anti-merger motion to be debated in the Council, but the British government 'advised' the Sultan, who was under treaty obligation to accept such advice, to postpone the meeting. After two other postponements in October and November the Assembly was told that the motion was disallowed, because the Council was 'incompetent' to discuss the anti-Malaysia question. Party Rakyat, however, saw behind these tactics a fear of the government suffering defeat in the debate, since it was highly probable that at least one of the nominated members would vote with the Party Rakyat to give it the necessary majority.<sup>2</sup>

This denial of constitutional means for the elected members to express their views in the Council precipitated the uprising of 8 December 1962, in the course of which Azahari proclaimed independence for Kalimantan Utara from Manila, and set up a government-in-exile under his premiership. This caused considerable disquiet in Brunei, Kuala Lumpur, and London. But it was the reality of this threat and the feeling of insecurity in standing alone that made Brunei think more seriously about joining Malaysia. In January 1963 the Sultan said that he was convinced about the soundness of the Malaysia proposal.<sup>3</sup> The Menteri Besar, Dato Setia Pengiran Ali, also came out with a statement which said that since the collapse of the revolt the people of Brunei were more anxious to join Malaysia.<sup>4</sup> Subsequently Dato Neil Lawson, legal adviser to the Sultan, speaking on the authority of the Sultan, declared that 'His Highness is satisfied that any alternative solution to the problems of his country and his people is not only illusory but is

<sup>1</sup> Ibid. p. 22, and *Straits Times*, 19 September 1962.

<sup>2</sup> Abdul Rahim bin Karim, 'Northern Borneo Nationalism', *Eastern World*, Vol. XVI, No. 6 (June 1963). Also Letter from Dr. Lee Siew Choh to the Secretary-General of the United Nations in New York, 14 February 1963.

<sup>3</sup> *Straits Times*, 22 January 1963.

<sup>4</sup> Ibid. 4 February 1963.

indeed fraught with danger to their political, social, and economic development'.<sup>1</sup>

The following month the Sultan, accompanied by a six-man delegation, which was handpicked from top government officials and overseas experts, went to Kuala Lumpur to resume the talks about Malaysia with the Federation of Malaya government. At the conclusion of the deliberations the Sultan made known that with the exception of 'two or three minor issues' everything was settled, and that Brunei would definitely join Malaysia by 31 August 1963.<sup>2</sup>

### *The Malaysia Negotiations I*

The governments of the prospective units of Malaysia having declared themselves in favour of the new Federation 'in principle', the stage was set for detailed discussions. The North Borneo and Sarawak agreements presented no problem. With these two territories negotiations were complete. But the cases of Singapore and Brunei were beset with difficulties.

The final round of talks between Kuala Lumpur and Singapore opened in March 1963. Soon it became evident that the main problem was finance, the classic bone of contention between the central and unit governments in a federal relationship. The disagreement was twofold. First, who should control Singapore's revenue after merger. Kuala Lumpur said that the Federal taxes in Singapore should be collected by Federal departments and that such revenue should be regarded as Federal revenue. But Singapore contended that the merger White Paper was explicit in stating that such collection should be done by departments of the State of Singapore, and that out of such revenue Singapore would make her payments for pan-Malaysian services and Federal services in the State. Second, how should Singapore's surplus be shared. Kuala Lumpur's position was that the Federal government should have a 'fair share' of such surpluses after merger. But Singapore argued that any surplus-sharing should be conditional upon the actual increase of the surplus of the city-State as a result of favourable Malaysian Common Market terms.<sup>3</sup> 'Battle of statements' waged through the medium of the press contributed

<sup>1</sup> *Ibid.* 8 February 8 1963.

<sup>2</sup> *Ibid.* 3 March 1963.

<sup>3</sup> *Sunday Mail*, 14 April 1963.

to the rapid deterioration of the spirit of goodwill, and by April 1963 the discussions reached a stalemate.

An attempt was made in June to resume the negotiations, but the differences had grown wider than was generally believed. In Kuala Lumpur Mr. Tan Siew Sin even hinted that Malaysia was a certainty, with or without Singapore, because Malaysia was economically feasible without Singapore.<sup>1</sup> But, assuming that he was right, no one would expect the Federation government to endorse such a view. It must be remembered that the Tunku's preoccupation in his crusade for Malaysia had not been the question of economics, but how to control the leftist elements of Singapore. Only the day after Tan Siew Sin made his statement Tun Abdul Razak reiterated the urgency of this objective. He said that there was a very real danger of Singapore falling under communist rule, if Britain granted the territory complete independence. The city-State might then become 'South-East Asia's Cuba'.<sup>2</sup>

Brunei's 'two or three minor issues' also turned out not as small as they had been thought. This came into the open only when Dato Neil Lawson disclosed from Brunei in June that in Malaysia the State of Brunei should keep its oil revenue in perpetuity, and not just for ten years as suggested by Kuala Lumpur.<sup>3</sup>

After all these setbacks the Federation government issued a 48-hour 'ultimatum' to both Singapore and Brunei, saying that 'if the two States were not willing to join Malaysia, they should say so immediately'.<sup>4</sup>

But Lee Kuan Yew could not be intimidated. Confident that the Federation needed Singapore more than Singapore needed the Federation, and that Malaysia was inevitable, he said: 'Singapore is like a stopper of the South-East Asia basin, and if the stopper is pulled out, all the water will run out. . . . The basic factors that gave birth to the very conception of Malaysia still remain.'<sup>5</sup>

From Brunei Dato Lawson announced that discussions on the entry of Brunei into Malaysia by 31 August could continue

<sup>1</sup> *The Malayan Times*, 27 April 1963.

<sup>2</sup> *Ibid.* 28 April 1963.

<sup>3</sup> *Straits Times*, 8 June 1963.

<sup>4</sup> *The Malayan Times*, 20 June 1963.

<sup>5</sup> *Ibid.* 22 June 1963.

on the basis that (i) Malaysia was formed by the voluntary coming together of States upon freely negotiated terms, and (ii) the special interest of Brunei and its people was recognized and protected.<sup>1</sup>

Meanwhile Lee Kuan Yew had received an invitation to come to London. He informed the British government that he would lead a Singapore delegation to discuss merger and the revision of the Singapore constitution. But before leaving Singapore he instructed a special courier, Inche Anwar Ibrahim, to deliver the government's reply to the final financial proposals put forward by the Federation government.

### *The Malaysia Negotiations II*

The Federation government rejected *in toto* Singapore's financial counter-proposals. The immediate effect of this decision was the cancellation of Tunku Abdul Rahman's trip to London for the initialling of the Malaysia Agreement, scheduled to take place on 27 June 1963. Instead, a top-level delegation, headed by Tun Abdul Razak, left for London to discuss the outstanding issues on Malaysia, particularly with reference to the entry of Singapore and Brunei. It was arranged that the Tunku should proceed to London only when he was advised to do so by the Malayan delegation.

It was generally felt that Lee Kuan Yew had frustrated the talks in Malaya deliberately so that he could press his demands in London before signing the Malaysia Agreement. He himself had said that he was prepared 'to squat it out' and 'to be persuaded and to persuade',<sup>2</sup> and, indeed, these epithets characterized the mood of the two weeks' London financial talks. Until 4 July the discussions were conducted on a bilateral basis, i.e. between the British and the Malayan delegation, and between the British and the Singapore delegation. Only through the offices of Duncan Sandys, the British Commonwealth Secretary, did the two parties come together, and on 7 July the points at issue were finally resolved by mutual concession.<sup>3</sup>

But the making of final arrangements was again held up,

<sup>1</sup> *Straits Times*, 21 June 1963.

<sup>2</sup> *The Malayan Times*, 27 June 1963.

<sup>3</sup> Below, Chapter IX.

this time by a land dispute between the Singapore and the British governments. Singapore demanded the release of British War Department lands in Singapore which the British were not using and to which they had no title, while for those the British wanted to retain Lee Kuan Yew proposed a payment of M\$15 million. The British offered to give up certain areas in dispute and M\$7 million. But through the mediation of Tunku Abdul Rahman, who had come from Kuala Lumpur to sign the Malaysia Agreement, the amount of compensation was settled at M\$10 million.<sup>1</sup> All hurdles between Singapore, Kuala Lumpur, and London having been removed, the 'Agreement Relating to Malaysia'<sup>2</sup> was signed at Marlborough House on 9 July 1963.

The Sultan of Brunei, who was also in London with a delegation at the invitation of the British Prime Minister, decided to stay out of Malaysia. Previously his government had also rejected Malaya's final terms on Brunei's entry into Malaysia.<sup>3</sup> It was believed that the talks with Brunei broke down on the question of the precedence of the Sultan of Brunei among the Malay Rulers. Previously he had been offered the position of the most junior candidate to the throne of Malaysia, but this was considered 'too damaging to be acceptable'.<sup>4</sup> A spokesman for the Sultan, however, said that even if the Sultan had been offered the position of Yang di-Pertuan Agong of Malaysia, he would have been reluctant to accept, because he was not satisfied with the status of the people of Brunei in the new Federation.<sup>5</sup> But according to a public declaration of the Sultan the real reason was the unresolved issue of oil-revenues.<sup>6</sup>

Considering Brunei's proud history, immense wealth, and ability to provide adequate financial security for its people it is, perhaps, true to say that all of the above arguments, and

<sup>1</sup> Confidential letter of Duncan Sandys (Colonial Secretary) dated 8 July 1963 to Lee Kuan Yew (Prime Minister of Singapore), in *State of Singapore, Malaysia: Agreement Exchange of Letters*, Misc. 5 of 1963 (Singapore, 1963).

<sup>2</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak, and Singapore*, Cmnd. 2094 (London, 1963), pp. 1-3. Also *The Malayan Times*, 10 July 1963.

<sup>3</sup> *Straits Times*, 3 July 1963.

<sup>4</sup> *The Malayan Times*, 17 June and 10 July 1963.

<sup>5</sup> *Straits Times*, 16 July 1963.

<sup>6</sup> *Ibid* 15 July 1963 and *The Malayan Times*, 18 July 1963.



conceivably some other undisclosed factors, were instrumental in the Sultan's refusal to include his State in Malaysia.

### *The Formation of Malaysia*

THE MALAYSIA DEBATE IN KUALA LUMPUR. That the opposition parties in the Federal Parliament would reject the Malaysia Agreement was not unexpected. Prior to the London talks a common front to oppose Malaysia had been formed under the leadership of Inche Abdul Aziz Ishak, former Minister for Agriculture. Composed of the Socialist Front, the PPP, the PMIP, the UDP and the Independents, this so-called Joint Opposition Parties unanimously and jointly (i) reiterated their stand in opposing and deploring the manner and methods employed by the Alliance in dealing with the concept of Malaysia, (ii) declared that no reliance should be placed on the Lansdowne Report, which was drawn up by persons who were not truly and properly representative of the people, (iii) called on the Alliance not to form Malaysia until either the people of North Borneo, Sarawak, and Brunei were able to be represented by fully elected governments or a free and proper referendum on the question of Malaysia was held, and (iv) deplored the use of arbitrary powers by the Federation governments to make arrests.<sup>1</sup>

As a response to the Malaysia Agreement the opposition parties called upon the government to dissolve Parliament and to hold general elections before proceeding with the debate on Malaysia in the Assembly. They laid great emphasis upon the implementation of the principle of self determination for the people of Borneo and Singapore through a referendum conducted under U.N. supervision, and preceded by the release of all political detainees and by the return to normal political life. This call was made in a joint letter<sup>2</sup> to the Prime Minister from the NCP, the PMIP, Party Negara, the Socialist Front, and the UDP. The PPP did not associate itself with the call for the government to resign, but it supported the resolution for a democratic referendum in Borneo and Singapore. The party condemned the Singapore referendum of 1962 as undemocratic, because it did not give the choice between merger

<sup>1</sup> *Straits Times*, 12 March 1963.

<sup>2</sup> For a text of the letter See *Straits Times* 12 August 1963.

and no merger. Seenivasagam, the PPP leader, attacked the Prime Minister for making the allegation that 'referendums were not held in the Borneo territories, because the people could not know the meaning of a referendum'.<sup>1</sup> He then quoted the Tunku as having said on another occasion that 'we have not the slightest doubt as to the wishes of the people of North Borneo and Sarawak, and that Malaysia had the support of the vast majority of the people'.<sup>2</sup> Taking these two statements together, Seenivasagam said:

When they [the people] say something in your favour they are intelligent and responsible people. When you want to give them a chance to say something which may be against you they say that they are too ignorant and so what is the use of giving them a chance. That I think is illogical and contradictory and has no merit whatsoever.<sup>3</sup>

What the Prime Minister gave as an answer was hardly convincing. He said that in the Borneo territories referendum would be interfered with by the authorities or by the administrators there. Therefore, a referendum held in the Borneo territories would not represent the views of the Borneo people.<sup>4</sup> This time it was not the ignorance of the people, but the authorities and the administrators in Borneo that would render a referendum ineffective. The Tunku's choice of holding elections instead of a referendum seemed to imply that elections would not be subject to interference, and that they would reflect the views of the people.

A division of the House gave the Alliance government 67 votes, and the opposition 18. The controversial Malaysia Bill, which was to give effect to the new constitutional arrangements for the new member-States of Malaysia, was also passed with 73 for and 15 against. This gave the government three more votes than the two-thirds majority needed to amend the constitution, which the Malaysia Bill did.

*The Malaysia debate in Singapore.* The reception of the Malaysia Agreement by the opposition in Singapore, which included the Barisan Sosialis, thirty-six left-wing Trade Unions, three Educational Associations, the UPP, and David Marshall, was

<sup>1</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 12 August 1963, col. 672.

<sup>2</sup> *Ibid.* col. 671.

<sup>3</sup> Federation of Malaya, *ibid.* 13 August 1963, cols. 808-9.

<sup>4</sup> *Ibid.* 14 August 1963, col. 863.

one of denunciation and open condemnation. They declared that by this pact the PAP government had signed away the rights of the people to have their constitutional destiny decided by their true representatives, and demanded that the PAP government should resign, because it had lost the confidence of the people.<sup>1</sup>

But the PAP was determined to stay in power and to see Malaysia through. This was announced by Dr. Toh Chin Chye, the Deputy Prime Minister, after the government had sustained two successive defeats in the Legislative Assembly. One was over a motion seeking authority for the Finance Minister to borrow M\$150 million by the issue of Treasury Bills, and the other was over the Federal Elections Bill to provide for elections in Singapore to the fifteen seats in the Federal House of Representatives.

The entire opposition solidly blocked the passage of the Federal Elections Bill. The SPA, which had supported the government in the White-Paper-merger debate, also voted against the Bill, because it wanted the Malaysia Agreement to be debated first, and because it did not want the PAP to delineate the electoral wards on its own.<sup>2</sup> The voting resulted in 23 for, 23 against, and 4 paired, and immediately the opposition members demanded the resignation of the government. The Prime Minister answered that constitutionally the government could, and therefore would, stay in office until the end of the year. He admitted, however, that since the Federal Elections Bill had been blocked, there should be elections for the fifty-one constituencies. This was the lowest ebb in the affairs of the PAP since its formation in 1954.<sup>3</sup>

The government's hopes revived when subsequently the Malaysia Agreement was passed by the House after two opposition amendments had been defeated. The first amendment, made by Dr. Lee Siew Choh, called on the House to condemn the Singapore government for signing the Malaysia Agreement, to repudiate the Agreement, and to hold general elections under UN supervision so that new representatives could hold fresh

<sup>1</sup> *Straits Times*, 11, 13, and 23 July 1963.      <sup>2</sup> *Ibid.* 1 August 1963.

<sup>3</sup> At this time the Singapore Legislative Assembly consisted of 50 members, one short of the total of 51, because the seat occupied by the late PAP Inche Ahmad Ibrahim had not been filled. The House then consisted of 25 PAP, 14 Barisan Sosialis, 7 Alliance, 2 UPP, and 2 Independents.

constitutional talks with the British government. This amendment was defeated by 32 'noes' (PAP and Alliance) against 16 'ayes' (Barisan Sosialis and UPP). The two Independents abstained.

The second amendment, made by Mr. A. P. Rajah of the Alliance, welcomed the Malaysia Agreement with the exception of the provision to declare the seat of any assemblyman vacant, if he resigned or was expelled from the party on whose platform he was elected. The amendment also sought to take appropriate steps to provide that amendments to the Federal constitution by the central government should have the concurrence of the Singapore Legislative Assembly by a two-thirds majority, and that vacancies in the Assembly should be filled within three months. Division was demanded on this amendment, which was eventually declared lost, with seven votes against 25, and 18 abstentions.<sup>1</sup>

The principal motion by the Prime Minister, welcoming the Malaysia Agreement subject to the fulfilment of the conditions set out in the exchange of letters and documents attached to the Agreement, was then taken. In the division that followed all 25 who voted for the motion were PAP members, while the Alliance members and Independent Mr. C. H. Koh abstained. The 14 Barisan Sosialis, the 2 UPP, and Independent David Marshall voted against the motion.<sup>2</sup> The House was then adjourned *sine die*.

Meanwhile the Prime Minister had been issuing stern warnings to the opposition elements to refrain from creating any trouble before Malaysia. Thereafter, of course, the Federal government would be responsible for the maintenance of peace and order in Singapore. To the Barisan Sosialis he said emphatically that if the party wanted to hold public meetings, it must do so in a covered place 'where we can keep security'.<sup>3</sup> This tough policy produced the desired effect. The Barisan Sosialis announced two open-air meetings, but both were cancelled in the absence of a police permit. Similarly, the Singapore Harbour Board Association called off a meeting the moment the Prime Minister announced the cancellation of the Association's registration.<sup>4</sup>

<sup>1</sup> *Straits Times*, 3 August 1963.

<sup>2</sup> For the big debate, see State of Singapore, *Legislative Assembly Debates*, 31 July 1 and 2 August 1963.

<sup>3</sup> *Straits Times*, 22 July 1963.

<sup>4</sup> *The Malayan Times*, 26 July 1963.

THE INTERNATIONAL ASPECTS OF MALAYSIA. The first controversy that brought Malaysia into the international limelight was the official announcement of the government of the Philippines in June 1962 of its claim to ownership and sovereignty over the British Crown Colony of North Borneo. The basic point at issue whether the Sultan of Sulu had ceded or merely leased his Borneo lands (North Borneo also called Sabah) to Britain on 22 January 1878. The British government contended that, according to its copy of the treaty, the Sultan ceded the territory in perpetuity. The heirs of the Sultan of Sulu and the government of the Philippines maintained that the British copy was forged, and that the Sultan merely leased North Borneo.<sup>1</sup>

Speaking in the context of the Philippine claim to North Borneo in July 1962, President Macapagal of the Philippines suggested the formation of a Greater Malaysian Confederation comprising the Federation of Malaya, the Philippines, Singapore, Sarawak, and North Borneo. He said that this great arc of islands would form an ideal geographical, cultural, economic, and political unity that would be a powerful force for freedom, progress, and peace.<sup>2</sup> The Prime Minister of Malaya, Tunku Abdul Rahman, described this proposal as 'an extremely good idea', but he thought that Malaysia must come first; other Malayan leaders were of the opinion that such a confederation would be incomplete without Indonesia. The Philippine government took this latter suggestion to the Anglo-Philippine talks on the North Borneo question in London. Vice President Emmanuel Pelacz then argued that the creation of Malaysia as proposed by Malaya was objectionable to the Philippines, because it would promote division in South-East Asia. As an alternative he brought up the concept of a 'bigger Malaysia' or a confederation of Indonesia, Malaya, Singapore, Sarawak, Brunei, North Borneo, and the Philippines. But he added that this 'bigger Malaysia' should be preceded by the settlement of the North Borneo dispute.<sup>3</sup>

Indonesian opposition to Malaysia was generated over the Brunei revolution when Indonesia chose to support Azahari in his aspirations to set up an independent Negara Kalimantan

<sup>1</sup> Martin Meadows, 'The Philippines and North Borneo', *Overseas Quarterly*, Vol. III, No. 5 (March 1963), pp. 150-1.

<sup>2</sup> 'Federation of Malaysia: Proposal for a Confederation of Malaysia and the Philippines', *Commonwealth Relations*, Vol. VIII, No. 18 (August 1962).

<sup>3</sup> *The Malaysian Times*, 19 February 1963.

Utara, which was to consist of Brunei, Sarawak, and North Borneo, while Malaya and Britain were bent on suppressing the uprising, which Malaya chose to call a 'rebellion'. Indonesia viewed this combined Anglo-Malayan operation as a 'conspiracy' to perpetuate British colonialism in South-East Asia, and in order to camouflage these intentions the British designed the Federation of Malaysia. Because the setting up of such a federation would involve a radical structural change in the political map of South-East Asia, Indonesia could not but voice its serious apprehensions against the plan.<sup>1</sup>

In an effort to ease the tension between Indonesia and Malaya, Vice-President Emmanuel Pelaez suggested a tripartite meeting between Malaya, the Philippines, and Indonesia. Manila became the venue of the sub-Ministerial talks which were held from 9 to 17 April 1963 to pave the way for a conference between the Foreign Ministers of the three countries, which would eventually lead to a summit meeting of the three Heads of Governments. A measure of goodwill was achieved at a private discussion between President Sukarno of Indonesia and Prime Minister Tunku Abdul Rahman of Malaya on 31 May and 1 June 1963 in Tokyo. These two separate meetings cleared the way for the conference of Foreign Ministers, held in Manila from 7 to 11 June 1963. The results of these meetings were incorporated in the Manila Accord,<sup>2</sup> which, among others, stated that Indonesia and the Philippines would welcome the formation of Malaysia, provided the support of the peoples of the Borneo territories was ascertained by an independent and impartial authority, the Secretary-General of the United Nations or his representative.<sup>3</sup> The Joint Statement<sup>4</sup> elaborated more extensively the proposed establishment of the Federation of Malaysia. It said that the United Nations Secretary-General or his representative should ascertain prior to the establishment of Malaysia the wishes of the people of Sabah and Sarawak.<sup>5</sup>

<sup>1</sup> The Indonesian Herald, *The Problem of Malaysia* (Djakarta, n.d.), pp. 4-5. Also *Indonesian Herald*, 3 May 1963.

<sup>2</sup> The Indonesian Herald, *The Problem of Malaysia* Appendix 3. Also Federation of Malaysia, *Malaya/Indonesia Relations, 31st August, 1957 to 15th September, 1963*, Appendix XIV.

<sup>3</sup> *Ibid.* Appendix XIV, par. 10.

<sup>4</sup> *Ibid.* Appendix XV.      <sup>5</sup> *Ibid.* par. 4.

Then came the signing of the Malaysia Agreement on 9 July 1963 and the declaration that Malaysia would be brought into operation on 31 August 1963,<sup>1</sup> i.e. before the United Nations Secretary-General had done his work of ascertaining the views of the Borneo people. Indonesia viewed this with misgivings, and declared:

If Tengku Abdul Rahman could unscrupulously brush aside the agreement reached at the Foreign Ministers Conference in Manila, even before the ink on the paper on which it was written had dried, what guarantee was there that he would honour any agreement that might be achieved at the projected meeting of the Heads of Government?<sup>2</sup>

Indonesia also raised serious objections to Article VI of the Malaysia Agreement, which stipulated among other things that 'Malaysia will afford to the Government of the United Kingdom the right to continue to maintain the bases and other facilities . . . as that government may consider necessary . . . for the preservation of peace in South-East Asia'.<sup>3</sup> Such a provision in a bilateral agreement between the United Kingdom and the proposed Malaysia, which included areas beyond the territories of the contracting parties without the consent of the governments of the countries involved, was interpreted by Indonesia as 'harbouring disguised ulterior motives' towards the immediate neighbours of the proposed Malaysia. Hence, for reasons of national security, Indonesia felt that it had no alternative but to oppose Malaysia.<sup>4</sup>

In this connexion Indonesia pointed out that the Anglo-Malayan Agreement had violated the Manila Declaration, which expressly stated that Malaya, the Philippines, and Indonesia 'share a primary responsibility for the maintenance of the stability and security of the area . . .'.<sup>5</sup>

Nevertheless the summit meeting of the Heads of State from the three countries took place in Manila on 31 July and lasted until 5 August. There was a sharp disagreement between Indo-

<sup>1</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom the Federation of Malaya [etc.]*, p. 1, Art. II.

<sup>2</sup> The Indonesian Herald, *The Problem of Malaysia*, p. 10.

<sup>3</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom the Federation of Malaya [etc.]*, p. 2, Art. VI.

<sup>4</sup> The Indonesian Herald, *The Problem of Malaysia*, pp. 22-23.

<sup>5</sup> Federation of Malaysia, *Malaya/Indonesia Relations, 31st August 1957 to 15th September 1963*, Appendix XIII.

nesia and Malaya about the meaning of the phrase 'ascertain the wishes of the people of the Borneo territories'. Indonesia contended that something along the lines of a referendum must be held, if the Foreign Ministers Agreement was to be implemented fully. But Malaya argued that a referendum was not required, and that a modest opinion-sampling by the United Nations would suffice.<sup>1</sup> In the end they settled on 'a fresh approach, which in the opinion of the Secretary-General is necessary to ensure complete compliance with the principle of self-determination . . .'.<sup>2</sup> Thus Indonesia no longer demanded a United Nations referendum in Borneo, and Malaya no longer insisted on 31 August as the date of inauguration of Malaysia.

The three governments also agreed to work together towards the realization of a Malay Confederation, called MAPHIL-INDO,<sup>3</sup> and to have close consultations (*mushawarah*) among themselves on matters of common concern, such as national independence, peace, and security.<sup>4</sup>

**MALAYSIA DAY: 31 AUGUST OR 16 SEPTEMBER.** After the consent of the British government and of the administrative authorities in Sarawak and North Borneo had been obtained, U Thant sent his personal representative, Lawrence Michelmore, and a team of eight Secretariat officials of the United Nations to verify whether the people of North Borneo and Sarawak wished to join Malaysia. The team reached Kuching on 16 August, but they did not begin their work immediately on account of certain difficulties in connexion with the number of observers Britain would permit Indonesia and the Philippines to send, and the type of staff, equipment, and facilities to be used. It became clear that Malaysia Day would have to be postponed.

Following an assurance given by U Thant that his decision would be available by 14 September, the Yang di-Pertuan Agong signed a Royal proclamation, stating that Malaysia would be formed on 16 September instead of on the originally scheduled date, 31 August. But Singapore, Sarawak, and North Borneo were not easily persuaded to accept the change. Lee

<sup>1</sup> *The Malayan Times*, 1 August 1963.

<sup>2</sup> Federation of Malaysia, *Malaya/Indonesia Relations, 31st August 1957 to 15th September 1963*, Appendix XV, par. 4.

<sup>3</sup> The name was derived from MA of Malaya, PHIL of Philippines, and INDO of Indonesia.

<sup>4</sup> Federation of Malaysia, *Malaya/Indonesia Relations, 31st August 1957 to 15th September 1963*, Appendix XV, pars. 9-12.



Kuan Yew said that the Manila Agreement was not binding on Singapore, because it was signed by the Tunku when he was under extreme pressure from President Sukarno. Besides, Singapore was not a party to it.<sup>1</sup>

It appeared, however, that Lee Kuan Yew would run into grave political trouble in Singapore, if Malaysia was not formed as scheduled, since he was caught between the left-wing anti-Malaysia Barisan Sosialis in Singapore and the right-wing Malaysia crusaders in Kuala Lumpur. Hence he took a calculated risk on 31 August, Malaysia Solidarity Day, and proclaimed what amounted to independence for Singapore. From the city-hall steps he proclaimed:

From to-day until September 16th, Malaysia Day, all Federal powers over Defence and External Affairs, will be reposed in the Yang di-Pertuan Negara. . . . We look upon ourselves as trustees for the Federal Government in these fifteen days. We will exercise these powers in the interest of Malaysia.<sup>2</sup>

In spite of a previous statement made by the Tunku that Singapore, Sabah, and Sarawak could go ahead on their own to set up a provisional government pending the UN findings, if they thought it possible, Lee Kuan Yew's proclamation caused quite a stir and some perplexity in Kuala Lumpur. The Federation Cabinet, at an emergency meeting at the Residency, considered this action to be neither legal nor constitutional, and decided to make strong representations to the British government which still had jurisdiction in Singapore. The cabinet also considered the constitutional arrangements in North Borneo and Sarawak, and decided to seek clarification from the British government as to why it was considered necessary to take action contrary to the Malaysia Agreement, by giving internal self-government to the two colonies, when the establishment of Malaysia was only a fortnight hence.<sup>3</sup>

The Commonwealth Relations Office, however, maintained a diplomatic silence about the Malayan government's protest, and there seemed to be no inclination to take the Singapore development seriously. It was obviously recognized in Whitehall that the delay in bringing Malaysia into being had caused disappointment all round, as a result of which tempers flared

<sup>1</sup> *The Manchester Guardian*, 9 August 1963.

<sup>2</sup> *Ibid.* 3 September 1963. Also *Sunday Mail*, 1 September 1963.

<sup>3</sup> *The Malayan Times*, 3 September 1963.

up. Mr. Duncan Sandys was even believed to have given the green light to Singapore's temporary independence at the insistence of Mr. Lee Kuan Yew. Without such an agreement Singapore might have celebrated the establishment of Malaysia on 31 August as planned, and this would have embarrassed both Britain and Malaya in view of the UN assessment tour in Borneo.<sup>1</sup>

The only response from the British government was a statement, saying that the transfer of power from the British government to the Singapore government required an Order-in-Council signed by the Queen, but that no such order had been made since the signing of the London Agreement on 9 July 1963. With regard to the position in Sarawak and North Borneo the statement said that the constitutional powers accorded to the two territories were powers that they would exercise under their new constitution after the establishment of Malaysia, but that all future federal powers continued to be retained by the Governors until Malaysia Day.<sup>2</sup> But the statement did not contain any form of censure or judgment about Singapore's action being 'neither legal nor constitutional'.

Meanwhile the UN team was busy in the Borneo territories. The question could, perhaps, be asked what would happen if the team should find that Malaysia did not have the support of the majority of the people. To the Malaysia proponents this was a hypothetical case. They pointed out, for example, that the evidence of the Borneo elections was irrefutable, and also argued that a favourable UN verdict was not and had never been a condition for bringing Malaysia into being. The Malayan Prime Minister himself said that the Manila Accord did not deal with the formation of Malaysia, but with the provision of a suitable mechanism whereby Indonesia and the Philippines could welcome Malaysia.<sup>3</sup>

In the opinion of Indonesia, however, the Malayan approach was in defiance of the Manila spirit and a brazen disrespect of the high office of the Secretary-General of the United Nations. Indonesia, therefore, said that the establishment of Malaysia would have to be cancelled, if the ascertainment of the wishes of

<sup>1</sup> *The Financial Times*, 3 September 1963.

<sup>2</sup> *The Malayan Times*, 4 September 1963.

<sup>3</sup> Federation of Malaya, *Parliamentary Debates*, (Dewan Ra'ayat), 12 August 1963, cols. 677, 722-5.

the Borneo people by the UN team provided a negative result.<sup>1</sup>

U Thant himself deplored the haste with which the new Malaysia date was fixed. He said: 'This had led to misunderstanding, confusion, and even resentment among other parties to the Manila Agreement, which could have been avoided if the date could have been fixed after my conclusions have been reached and made known.'<sup>2</sup>

On 7 September the task of ascertainment was completed, and one week later U Thant released his verdict that 'there is no doubt about the wishes of a sizable majority of the peoples of these territories to join the Federation of Malaysia'.<sup>3</sup> Inche Ghazali bin Shafie, Malaya's Permanent Secretary to the Ministry of External Affairs, then appealed to Indonesia and the Philippines to welcome Malaysia. But these two countries decided that they could not do so on the ground that the conditions under which the UN team had to carry out their operations did not permit them to conduct their work of assessment in an atmosphere free from coercion and pressure. The British colonial government had willed it so. In effect the local government possessed the capabilities to 'stage-manage' the whole proceedings and conducted the UN team on a virtual 'guided tour' with the objective of creating a pro-Malaysia picture for its benefit.<sup>4</sup>

The time-table of the operation, which had been envisaged to cover four to six weeks, was drastically reduced to ten days. This in turn rendered impossible not only the 'complete compliance' but also the 'fresh approach' called for under the Manila Agreement. Obligated to work within these crippling restrictions, the UN team had to rely heavily on the previous British procedure and findings, contrary to the intention of the Manila Agreement.<sup>5</sup>

Meanwhile a last-minute bid was made by the PMIP-controlled State of Kelantan to block the inauguration of the new Federation. On 10 September Inche Wan Mustapha bin Haji

<sup>1</sup> The Indonesian Herald, *The Problem of Malaysia*, p. 15.

<sup>2</sup> Federation of Malaysia, *United Nations Malaysia Mission Report*, op. cit. p. ii.

<sup>3</sup> Ibid. p. vii. Also *The Malayan Times*, 15 September 1963.

<sup>4</sup> The Indonesian Herald, *The Problem of Malaysia*, p. 19.

<sup>5</sup> *The Manila Times*, 5 October 1963. Address at the convocation of the University of the Philippines by Salvador P. Lopez, Secretary of Foreign Affairs in the government of the Philippines.

Ali, Kelantan's State solicitor, and Dato Haji Ishak bin Lufti, Kelantan's Menteri Besar, filed an order in the Federal High Court suing the Federal government and the Prime Minister, Tunku Abdul Rahman, for amending the Federation of Malaya constitution without prior consent of the Rulers, particularly the Sultan of Kelantan. They claimed that the State of Kelantan, like any other State in the Federation of Malaya, was a sovereign State, and, therefore, it was only the Ruler who could enter into a treaty on behalf of the State. They argued that the Federation government had no mandate to sign the Malaysia Agreement and to introduce the Malaysia Act.<sup>1</sup>

Replying for the government, C. M. Sheridan, the Attorney-General, said that the changes in the constitution of the Federation of Malaya had been made in accordance with the provisions of the constitution. The Rulers' Conference had been consulted, and matters on which the Rulers had to be consulted had been given approval. In answer to the charge that the government had no mandate, he said that it was fantastic and extraordinary to suggest that no law was valid unless it had been made an issue in the general elections. He concluded with the assertion that 'no process of law could prevent the Malaysia Act from coming into force on 16 September 1963'.<sup>2</sup>

Giving judgment, Dato Sir James Thomson said that the Federation government had not violated the constitution by bringing about the Malaysia Act, and that Parliament had not contravened its powers by passing the Act.<sup>3</sup>

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

### *The Constitution of the Federation of Malaysia*

The constitution of the Federation of Malaysia is based on that of the former Federation of Malaya, with amendments and transitional provisions to meet the special conditions in the Borneo States and Singapore.

The Yang di-Pertuan Agong is the Supreme Head of the Federation, and is elected by and from among the nine Malay

<sup>1</sup> *The Malayan Times*, 11 September 1963.

<sup>2</sup> *Ibid.* 15 September 1963.     <sup>3</sup> *Ibid.*

Rulers as under the constitution of the Federation of Malaya.<sup>1</sup> The Heads of State of Singapore, styled Yang di-Pertuan Negara; of Sarawak, styled Governor; and of Sabah, styled Yang di-Pertua Negara, are appointed by the Yang di-Pertuan Agong acting in his discretion, but after consultation with the Prime Minister of Singapore in the case of the Yang di-Pertuan Negara, and with the Chief Ministers of Sarawak and Sabah in the case of the Governor and the Yang di-Pertua Negara respectively. During their term of office of four years they are members of the Conference of Rulers, but they have no vote in matters connected with the Muslim religion.<sup>2</sup>

The admission of the new States into the new Federation has resulted in the enlargement of the number of members of the Federal Parliament. In the Senate the appointed and elected membership have been increased from 16 to 22 and 22 to 28 respectively. The number of representatives also has swelled from 104 to 159 on account of the entry of Singapore with 15, Sarawak with 24, and Sabah with 16 members.<sup>3</sup>

The new system of courts established a Federal Court, which replaced the Supreme Court of the Federation of Malaya, and three High Courts, i.e. one for the States of Malaya, one for the Borneo States, and one for the State of Singapore. The Federal Court has, amongst others, jurisdiction over constitutional questions, disputes between two or more States, and disputes between the Federal government and the State governments.<sup>4</sup> The jurisdiction other than that conferred on the Federal Court is vested in the High Courts and inferior courts.

There are no changes in the former citizenship laws of the member-States, but new provisions have been made for the citizens of these States to become Federal citizens. This subject is dealt with in greater detail in a later chapter.<sup>5</sup>

In view of the special conditions in the new member-States the legislative powers conferred on these States have to be

<sup>1</sup> Above, Chapter V. Federation of Malaya, *Constitution*, Art. 32 and Third Schedule.

<sup>2</sup> State of Singapore, *Constitution*, Part I, Chapter i, State of Sarawak, *Constitution*, Part I, Chapter i, State of Sabah, *Constitution*, Part I, Chapter i. Also Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya* [etc.], Annex A, Part III, Title I, Chapter ii.

<sup>3</sup> *Ibid.* Annex A, Part III, Title I, Chapter iii.

<sup>4</sup> *Ibid.* Annex A, Part III, Title I, Chapter iv.

<sup>5</sup> Below, Chapter VII.

different from those laid down in the Ninth Schedule to the constitution of the Federation of Malaya, which applies to the Malay States, Penang, and Malacca. This is done by the insertion of a set of supplementary State and Concurrent Lists for the Borneo States, and another set, but different in contents, for the State of Singapore. Education, Medicine and Health, Labour and Social Security, for example, are on the Singapore State List; in Sabah Medicine and Health are on the Concurrent List, but in all the other States these subjects are on the Federal List. A number of commercial and industrial subjects are on the Singapore Concurrent List, but in all the other States these are on the Federal List.<sup>1</sup> It must be pointed out, however, that the Federal Parliament continues to have power to make laws with respect to any matter enumerated in the Concurrent List; the State concerned also has the power to legislate on these subjects, but if any inconsistency arises, the Federal law prevails.<sup>2</sup> In contrast, Parliament does not have the power to pass uniform laws about land and local government in the States of Singapore, Sarawak, and Sabah without the concurrence of the State government concerned.<sup>3</sup>

Financially the Borneo States enjoy a greater measure of financial independence than the States of the former Federation of Malaya in that they are entitled as of right to additional sources of revenue and special fixed annual grants which are not subject to the discretion of the Federal government.<sup>4</sup> Singapore is in an entirely different position since she is not only financially independent, but has also agreed to make obligatory contributions to the Federal Treasury and to the Borneo States.<sup>5</sup>

Finally, constitutional safeguards have been laid down to protect the special position of the Borneo States and the State of Singapore. Any amendment of the Federal constitution which would modify its application to a Borneo State may not be

<sup>1</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom...the Federation of Malaya* [etc.], Annex A, Part IV, Chapter iv, Fourth Schedule.

<sup>2</sup> Federation of Malaya, *Constitution*, Arts. 74 and 75. These remain in force in Malaysia.

<sup>3</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom...the Federation of Malaya* [etc.], Annex A, Part III, Title III, pars. 42-43.

<sup>4</sup> *Ibid.* Annex A, Part IV, Chapter IV, Fifth Schedule.

<sup>5</sup> *Ibid.* Annex J.

passed in either House of Parliament with less than two thirds of the total number of members of that House, unless such modification is to equate or assimilate the position of that Borneo State to that of the States of Malaya. More specifically, no amendment to the Federal constitution may be made without the concurrence of the Head of the Borneo State concerned, if the amendment relates to (i) citizenship, (ii) the constitution and jurisdiction of the High Court in Borneo, (iii) the division of legislative and executive powers, and financial arrangements between the Borneo States and the Federal government, (iv) religion, language, and the special position of the indigenous population of the Borneo States, and (v) the quota of members of the House of Representatives allocated to the Borneo States in proportion to the total allocated to other States on Malaysia Day.<sup>1</sup>

The safeguards for Singapore are (i) the English, Tamil, and Mandarin languages may be used in the Singapore Legislative Assembly until that Assembly decides otherwise, (ii) there are to be no reservations for Malays in the public service or in the issuing of permits and licenses for the operation of any trade or business in Singapore, and (iii) no amendment may be made to the Federal constitution without the concurrence of the Singapore Head of State, if such an amendment affects the operation of the Federal constitution in relation to Singapore.<sup>2</sup>

Although the need for a strong central government for Malaysia has been generally recognized, it is obvious that the new Federation is not as tightly knit as the former Federation of Malaya. Although varying in degree, the three incoming States have a common desire to come under one central government for some purposes, but to retain their independent regional governments and power in other matters. To quote Wheare, they 'desire to be united but not to be unitary'.<sup>3</sup>

The basic essentials for what Wheare called the 'capacity to work federal union'<sup>4</sup> have been provided by the previous existence of the States of Malaysia as distinct, but similar political units. The Federation of Malaya was an independent political unit, Singapore was a semi-colony with her own government,

<sup>1</sup> *Ibid.* Annex A, Part III, Title VI, Chapter II, par. 66.

<sup>2</sup> *Ibid.* Annex A, Part III, Title VI, Chapter III, pars. 67-69.

<sup>3</sup> Wheare, *op. cit.* pp. 35-36.

<sup>4</sup> *Ibid.* pp. 44-45.

and Sarawak and Sabah were colonies with two separate governments. To all of them similar forms of government have been bequeathed by their former British masters. In addition, the threat posed by the leftist elements in Singapore to the Singapore government and to the Federation of Malaya, and the subsequent opposition to Malaysia from Indonesia and the Philippines have given added stimulus to the desire to unite and to the determination to make Malaysia work. They have provided what may, perhaps, be called a 'federal bridge' linking the Borneo States with Malaya and Singapore across the vast ocean-barrier. Thus they have made Malaysia succeed where the West Indian federal experiment has failed.





PART TWO

THE MAJOR PROBLEMS IN  
MALAYAN FEDERALISM



## VII

### CITIZENSHIP AND THE PLURAL SOCIETY

#### *Citizenship in Malaya under the British Colonial Administration*

ALTHOUGH THE question of citizenship had never arisen in Malaya before the Second World War, the problem was in existence, and was submerged only under the surface of the British Malaya Civil Service, which ingeniously handed out the spoils to the reasonable satisfaction of the communities that constituted Malaya's plural society. Citizenship was in fact as confusing as the fictitious concept of FMS in the colonial period.

To begin with, the British administrative unit, called British Malaya, was a mosaic of political units. The Straits Settlements were British territories, but the nine Malay States were not. The British monarch was proclaimed in the former, but not so in the latter. Anyone born in the Straits Settlements, irrespective of race or creed, was a British subject by birth in a British territory. In contrast, the status of a British subject could not be acquired by local birth in the Federated Malay States or in the Unfederated Malay States, because these territories were outside the peripheries of the dominions of the British Crown. The non-Malay Asian British subjects in the Malay States were either those who were born in the Settlements and subsequently moved to the Malay States or those British subjects from India or Ceylon who came to settle in these States.<sup>1</sup>

Although non-Malay Asians could in some States be naturalized by application, and could also secure passports as British protected persons, they could have no real citizenship status in the country. But on account of their better education and higher skill they were given access to the clerical and technical services. The State Civil Services, however, remained the prerogatives of the Malays.<sup>2</sup>

A Malayan Chinese could thus become a British subject (by virtue of birth in the Straits Settlements), a British protected

<sup>1</sup> F. G. Carnell, *Malayan Citizenship Legislation*, Reprinted from *The International and Comparative Law Quarterly*, October 1952 (London, n.d.), p. 505.

<sup>2</sup> T. H. Silcock, *Dilemma in Malaya*, Research Series No. 135 (London, 1949), p. 5.

person (by virtue of birth in a Malay State), a subject of a Malay Ruler (through the process of naturalization), and a Chinese subject (by *jus sanguinis*) at the same time. For the same reasons a Malayan Indian or Ceylonese could become a British subject, a British protected person, and a subject of a Malay Ruler, while a Malay could simultaneously be a subject of a Malay Ruler, a British protected person, and a British subject.

To complete the picture there were the jungle-dwelling aborigines who were legally citizens of the State of their birth. But, if they ever thought of the matter at all, they did not conceive of their allegiance extending beyond their immediate chieftains.

Since the Malayan Chinese and Indians were of a 'floating' character, they saw no necessity to clamour for citizenship rights in Malaya, and as long as those who were born in Malaya could obtain passports as British protected persons the matter of citizenship was not one of great significance. If a constitutional jurist would pronounce anyone born in a Malay State to be a subject of the Ruler of that State, the fact was not appreciated by persons who were not of the Malay race.<sup>1</sup>

But the forces of nationalism, released by the Japanese during the Second World War, coupled with Britain's pledge of self-government for Malaya after the war, awakened the communities to the realities of power-politics, and the question arose as to who could rightly claim to be a Malayan. To the Malays it was of the utmost urgency that this question should be answered quickly, because they had become a minority group in their own country. This adverse position was further being aggravated by a higher birth-rate and a lower death-rate among the immigrants than among the Malays. On the other hand, it was no less urgent to give recognition to the rights of these immigrant races who pointed out that without their industry and enterprise, the country would still be jungles and swamps, and who, therefore, denied that they had less right in Malaya than those who claimed to be the indigenous people of Malaya.<sup>2</sup>

<sup>1</sup> W. C. S. Corry, *Malaya To-Day*, British Commonwealth Affairs No. 9 (London, 1955), p. 44.

<sup>2</sup> F. G. Carnell, *British Policy in Malaya*, Oxford University Institute of Colonial Studies reprint series No. 6. Original in *The Political Quarterly*, July-September 1952, Vol. XXIII, No. 3.

*Citizenship in Malaya under the Malayan Union*

As the result of an inquest on the nature of the British colonial administration in Malaya, it was felt that the deep-seated parochialism among the communities was largely responsible for the military debacle of 1942. The British government, therefore, decided that it was time to foster amongst the non-Malay communities, particularly amongst the Chinese and the Indians, a sense of loyalty to Malaya as a whole by making them feel that they had a vital interest in the country by right. The British were also predisposed to give a more generous place in Malaya to the Chinese, because they were expected to fight on the Allied side in any eventual closing campaign against the Japanese in the peninsula, whereas the Malays would take at best a neutral position because of the better treatment they received from the Japanese.<sup>1</sup>

The anticipated final campaign did not take place, but the British government proceeded nevertheless with its plan of creating a so-called 'common citizenship'. This new kind of citizenship would be extended to all persons, irrespective of race or creed, who were born and resident in the new political union, called the Malayan Union, and in the colony of Singapore. It was also to be open to those who were ordinarily resident in Malaya or Singapore for at least ten years out of the preceding fifteen. For obvious reasons Japanese nationals were excluded from these provisions.<sup>2</sup>

Persons born in the Straits Settlements remained British subjects and British nationals, and the Straits Settlements continued their status as Crown Colonies. The Malays in the Malay States would still be subjects of their Rulers, but along with the British subjects they would all become Malayan Union citizens. The new citizenship was, therefore, a device whereby the British and the non-British subjects were drawn together without sacrificing their distinctive identity. Owing to deep-seated communal cleavages between the indigenous and immigrant peoples, Malaya's peoples were finding it extremely hard to reach agreement on what constituted a Malayan community. Since the Malayan Union citizenship was obviously intended

<sup>1</sup> Silcock, *op. cit.* p. 6.

<sup>2</sup> Great Britain, *Malayan Union and Singapore: Summary of Proposed Constitutional Arrangements*, Cmd. 6749 (London, 1946), p. 9.

to solve this internal problem, it did not carry with it British nationality and an international personality. But, as Carnell observed, this citizenship was by normal standards 'something of an oddity', because citizenship had come to be accepted as a legal seal to the independent nationhood of a territory, to which Malaya could then be scarcely be regarded as able to stake an effective claim.<sup>1</sup>

### *Citizenship and the 1948 Federation of Malaya*

**FEDERAL CITIZENSHIP.** The Malays offered determined opposition to the Malayan Union citizenship proposals, succeeded in blocking its implementation, and proclaimed that they alone, as the ground landlords of the Malay States, had the right to decide which non-Malays were to be regarded as Malaysians. They forced the British to create a new Federation of Malaya, which recognized them as the people of the country, with a special position to be constitutionally safeguarded.

The Federation of Malaya Agreement of 1948 stated in its preamble that 'there should be a common citizenship of the Federation to be extended to all those who regard the Federation as their real home and the object of their loyalty'.<sup>2</sup> On this basis it defined the classes of persons who would become Federal citizens by law, and under what conditions other persons could acquire that citizenship by application. All Malay Muslim subjects of the Ruler of a State, all aborigines born in a State, and all British subjects born in Penang and Malacca were *ipso facto* Federal citizens. Persons of a non-Malay race born in a Malay State could become Federal citizens only if they were born as British subjects, and if they had the further qualification that their fathers were also born in a State or were Federal citizens themselves. Citizenship by application could be acquired by any person who could fulfil a number of rather stringent conditions, including birth or long continuous residence in the Federation, and a reasonably good knowledge of the Malay or English language.<sup>3</sup>

<sup>1</sup> Carnell, *Malayan Citizenship Legislation*, p. 504.

<sup>2</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Statutory Instruments 1948 No. 108 (London, 1948), p. 2.

<sup>3</sup> *Ibid.* Second Schedule, *The Federation of Malaya Agreement*, pars. 124 and 125.

Under these provisions about 350,000 Chinese were eligible for citizenship by law. In the category of citizenship by application, 346,935 citizenship certificates had been granted up to the end of May 1952, and about 300,000 of these went to Chinese. Thus there were some 650,000 Chinese Federal citizens, which only amounted to between one quarter and one third of the whole Chinese community.<sup>1</sup>

As for the Malays, they had found in the citizenship laws an answer to the question of who could rightly claim to be a Malayan, and an instrument to ensure them places in the government services and political paramountcy on both State and Federal levels. For this purpose Federal citizenship was defined in the Federation of Malaya Agreement as follows:

It [citizenship] was not a nationality, neither could it develop into a nationality. It would not affect or impair, in any respect whatever, the status of British subjects in the Settlements or the status of subjects of the Rulers in the Malay States. It is an addition to, and not a subtraction from, nationality and could be a qualification for electoral rights, for membership of Councils and for employment in Government service, and it could confer other privileges and impose obligations<sup>2</sup>

It was hardly surprising that from the time the Federation Agreement came into force, there was a widespread agitation against the provisions of citizenship from the non-Malay communities. Advanced Chinese opinion wanted nothing less than the application of the principles of *jus soli*, whereby anyone born in a State would automatically become a citizen or a subject of that State.<sup>3</sup> On the other hand, some ultra-conservative Malays thought that the provisions of the Federation Agreement were too liberal, and wanted the exercise of political rights in the country to be a Malay monopoly. There were thus the makings of wider and deeper communal cleavages in Malaya's plural society, and the situation was obviously one which must be tackled, and immediate and long term solutions found, if a

<sup>1</sup> *Malaya: The Problem of Citizenship*, Reprint from *The Journal of H. M. Colonial Service*, Vol. V, No. 2 (February 1953), p. 1.

<sup>2</sup> Malayan Union, *Constitutional Proposals for Malaya: Report of the Working Committee Appointed by a Conference of His Excellency the Governor of the Malayan Union, Their Highnesses the Rulers of the Malay States and the Representatives of the United Malays National Organization* (Kuala Lumpur, 1946), p. 23.

<sup>3</sup> Tan Cheng Lock, *A Collection of Correspondence* (Singapore, n.d.), pp. 14-17.



basis was to be provided from which a united Malayan nation could emerge on the road to self-government.

CITIZENSHIP OF THE FEDERATION OF MALAYA. The development which hastened the liberalization of the citizenship laws was the insurrection launched by the Malayan Communist Party (MCP), an overwhelmingly Chinese organization, in 1948. Its field of operation was the whole of Malaya, including Singapore, while its targets were by no means confined to any one community. As national security was at stake, it was of supreme importance that the communities should reach a degree of *rapprochement* to enable them to present a united front against the foe. It was especially necessary to win over those of the Chinese community who were unhappy about citizenship, and to make them feel that they had something worth fighting for. The most obvious means of doing this was to liberalize the citizenship laws.

Long and patient negotiations were held between the government and the leaders of the communities. Much of the pioneering work was done by the Communities Liaison Committee with help and encouragement of the Commissioner-General, Malcolm MacDonald.<sup>1</sup> After a series of inter-communal deliberations and a number of amendments to the proposals of the Communities Liaison Committee by a Select Committee of the Federal Legislative Council, a new citizenship bill was passed in 1952.<sup>2</sup> At the same time the nine Malay States passed identical enactments setting out the conditions for the granting of State Nationality, which became part of the new citizenship structure.

The new citizenship legislation provided two gateways to what was called 'Citizenship of the Federation of Malaya'. The first was State Nationality, and the second Citizenship of the United Kingdom and Colonies. All State Nationals became automatically citizens of the Federation, but in order to qualify for State Nationality one had to fulfil certain requirements which were essentially identical with those provided in the 1948 citizenship laws. Similarly, citizens of the United Kingdom and Colonies, who could be regarded as Malaysians, could become citizens of the Federation.<sup>3</sup>

<sup>1</sup> Above, Chapter IV.

<sup>2</sup> Federation of Malaya, *Proceedings of the Legislative Council*, 7 May 1952, pp. 159-74.

<sup>3</sup> Federation of Malaya, *Report of the Select Committee Appointed on the 11th Day of July 1951 to Examine and Report to the Legislative Council on the Bill, the*

The liberalization of citizenship laws lay in the introduction of a new principle, called 'delayed *jus soli*',<sup>1</sup> which permitted anyone born in a State of the Federation, including non-Malays, to qualify for citizenship of the Federation, if one of his parents was born in the Federation.<sup>2</sup> Thus, first-generation non-Malays, i.e. children of newly arrived immigrants, could apply for citizenship of the Federation through State Nationality, while second and successive generations would acquire their citizenship by law.

Clearly the new citizenship of the Federation of Malaya was less restrictive to the non-Malay communities than the former Federal citizenship. It also opened wider the door to Malayan political life for the Chinese and the Indians. But at the same time it was more restrictive than its predecessor in depriving the 'unassimilable' locally born Chinese of British status. The reason was that first generation Chinese ceased to be British protected persons, if they were unable to pass the tests for State Nationality by registration. Consequently, though locally born, they came legally under the category of aliens, and seeing that any kind of effective protection from Communist China was a remote possibility, this class of persons became, in effect, stateless.<sup>3</sup>

But while these unassimilable Chinese were thus effectively isolated from Malayan politics, the Malay States relapsed into their ancient state of fragmentalism. The creation of nine separate and distinct State Nationalities, accompanied by nine separate allegiances to nine different Rulers, revived a 'Balkanization' of the country. To add to the complexity of the picture, a non-Malaya-born citizen of the United Kingdom and Colonies, on acquiring citizenship of the Federation of Malaya, owed allegiance not to a Malay Ruler, but to the British monarch, as before. It could be argued that this dual arrangement of allegiance was consistent with the constitutional set-up of the

*Short Title of Which is the Federation of Malaya Agreement (Amendment) Ordinance, 1951*, No. 19 of 1952 (Kuala Lumpur, 1952), Federal Ordinance, 125, 126, and 131; State Nationality Enactment, pars. 4, 5, and 8. Subsequently referred to as *Report of the Select Committee*.

<sup>1</sup> Federation of Malaya, *Proceedings of the Legislative Council*, 7 May 1952, p. 174 for Attorney-General's argument.

<sup>2</sup> Federation of Malaya, *Report of the Select Committee*, Federal Ordinance, par. 125 and State Nationality Enactment, par. 4.

<sup>3</sup> Federation of Malaya, *Proceedings of the Legislative Council*, 7 May 1952, pp. 170-3 for Tan Siew Sin's speech.

Federation, which was based on an agreement between two governments, i.e. the British government and the Malay Rulers. Nevertheless it was unlikely that a divided allegiance would serve the interests of Malaya, if it was to proceed toward self-government. There had been suggestions for Malaya to evolve into a dominion, but Tunku Abdul Rahman, the Chief Minister, rejected the idea on the ground that there could be no room for allegiance to both the Queen and the Malay Sultans.<sup>1</sup>

### *Citizenship and the Independent Federation of Malaya*

THE 1957 CONSTITUTION AND CITIZENSHIP. With the granting of independence to Malaya on 31 August 1957, Britain ceased to be the sovereign power in the Settlements of Penang and Malacca, the Malay States, and the Federation of Malaya as a whole. This necessitated a constitutional clarification and simplification of citizenship and nationality. Before independence the task of making recommendation for a 'common nationality for the whole of the Federation' had been entrusted to the Reid Constitutional Commission, and its proposals were subsequently adopted as the basis for a new citizenship legislation.<sup>2</sup> The basic principle guiding the Commission in its task was that all persons who regarded the Federation as their home and wished to take advantage of what Malaya had to offer them, must owe undivided loyalty to the Federation, and must be prepared to participate in the duties of citizenship.<sup>3</sup> The Commission also viewed the continued existence of State Nationalities as 'inconsistent with the creation of a common nationality for the whole Federation, because citizenship of the Federation must depend on, and be conferred by Federal Law and not State Law'.<sup>4</sup> The State Nationality Enactments of 1952 were, therefore, committed to the files. To quote Sheridan, they became:

<sup>1</sup> *The Times* (London), 17 January 1956.

<sup>2</sup> Great Britain, *The Federation of Malaya Independence Order in Council, 1957*, Statutory Instruments 1957 No. 1533 (London, 1960), Part III, pars. 14-31 on citizenship.

<sup>3</sup> Federation of Malaya, *Legislative Council Debates*, July 1957, col. 2842 *et seq.* for Tunku Abdul Rahman's speech.

<sup>4</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957* (Kuala Lumpur, 1957), par. 47.

'Wreckage left after the high tide of independence: for since that status is no longer linked with that of citizenship of the Federation, it has nothing more than a domestic significance—and even in that sphere, it is of dubious merit.'<sup>1</sup>

Since no better answer to the problem of defining who of the population could safely be admitted into the Malayan political community had apparently been found, no radical changes were made in the existing citizenship requirements, particularly regarding citizenship by registration and naturalization.<sup>2</sup>

The constitution made special provision for the 'Queen's Chinese' who lived in the former settlements of Penang and Malacca, and whose association with Britain dated back 150 years. The constitution permitted them to retain their status as citizens of the United Kingdom and Colonies, and to exercise within the United Kingdom all the rights of United Kingdom citizens. But it was felt that the provision in the 1948 Federation of Malaya Agreement, whereby citizens of the United Kingdom and Colonies, who were born in the Federation, were entitled to claim citizenship of the Federation by registration, should not become a permanent part of the new constitution, and that this right should, therefore, be discontinued at the end of the first year of *Merdeka*.<sup>3</sup>

In spite of the pronounced hostility of the Malay section of the government to dual citizenship in any form, Federal citizens were allowed to enjoy the status of Commonwealth citizenship in common with citizens of other Commonwealth countries.<sup>4</sup> The government, however, pointed out that it revoked Federal citizenship rights, should the citizen exercise in any foreign country, including the Commonwealth, any rights not normally open to him. At the same time nothing would impair the Federation's control over the entry of Commonwealth citizens into the Federation or over the rights which the government was prepared to accord to them in the Federation.<sup>5</sup> Tunku Abdul Rahman himself envisaged the Commonwealth

<sup>1</sup> L. A. Sheridan (ed.), *Malaya and Singapore, the Borneo Territories* (London, 1961), p. 101.

<sup>2</sup> Great Britain, *The Federation of Malaya Independence Order in Council, 1957*, Constitution of Federation of Malaya, Arts. 15, 16, 17, and 19.

<sup>3</sup> Federation of Malaya, *Legislative Council Debates*, July 1957, col. 2848. Also *The Manchester Guardian*, 4 July 1957.

<sup>4</sup> Great Britain, *The Federation of Malaya Independence Order in Council, 1957*, Constitution of Federation of Malaya, Art. 29.

<sup>5</sup> *The Times* (London), 3 July 1957.

citizenship merely as 'a symbol of membership of, and loyalty to, an association of nations with a common tradition of political rights and duties and of democratic Parliamentary government'.<sup>1</sup>

But the most significant aspect of the new citizenship provisions was certainly the granting of *jus soli* to the non-Malay communities. In accordance with the recommendation of the Reid Commission, the new constitution conferred citizenship by law upon all those who were citizens of the Federation before Merdeka Day, and upon all those who were born in the Federation on or after Merdeka Day.<sup>2</sup> This was a generous concession on the part of the Malays. Nevertheless there continued to be some dissatisfaction, because the *jus soli* was not given a retroactive effect. The Reid Commission, however, had declared previously that to give in to such a demand was under the circumstance both impossible and undesirable.<sup>3</sup> The result of a retroactive *jus soli* would certainly be the enfranchisement of so many more non-Malays, especially Chinese who might not even regard themselves as Malaysians, that power could conceivably be wrested from the hands of the Malays overnight. In fact, this would amount to a re-institution of the Malayan Union, which had been rejected by the Malays on the unacceptability of the idea of a 'common citizenship'.

#### *The Constitution (Amendment) Act 1962 and citizenship*

Hardly two and a half years had passed after the implementation of the provisions of the 1957 constitution when the Federal government considered that certain articles in the constitution pertaining to citizenship did not adequately safeguard the citizenship of the Federation from being exploited as 'a cheap matter of convenience' or as a 'cover for either guile or gain' by 'birds of passage and transients' who wished for no legal ties with the Federation.<sup>4</sup> In order to close the loopholes in the laws

<sup>1</sup> Federation of Malaya, *Legislative Council Debates*, July 1957, col. 2848.

<sup>2</sup> Great Britain, *The Federation of Malaya Independence Order in Council, 1957*, Constitution of Federation of Malaya, Art. 14.

<sup>3</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 38.

<sup>4</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 31 January 1962, col. 4440 *et seq.* for Tunku Abdul Rahman's speech, and col. 4418 *et seq.* for Tan Siew Sin's speech.

so that citizenship was available only to those who were morally entitled to it, Parliament passed the Constitution (Amendment) Act of 1962 which came into operation in October of the same year.

Under the amended citizenship laws a person born in the Federation would no longer become a federal citizen automatically, if neither of his parents was a citizen of, nor a permanent resident in, the Federation.<sup>1</sup> A minor would be deprived of citizenship if his father renounced his own citizenship or had been deprived of it.<sup>2</sup> A woman married to a Federal citizen must have resided there continuously for at least two years before she could apply for Federal citizenship.<sup>3</sup> The acquisition of citizenship by registration was scrapped,<sup>4</sup> and a non-Malay who was born in the Federation before Merdeka Day had to apply for citizenship under the stiffer naturalization laws.

Lawyers, politicians on both sides of the Causeway, and members of Parliament, expressed their concern over these amendments, and described them as instruments of 'abhorrent incursion' into the rights of the people and as the foreboding of 'death of democracy in Malaya'.<sup>5</sup> They argued that the government was abandoning the fundamental and universally accepted principle of *jus soli*, and was replacing it with a 'citizenship by descent', i.e. a citizenship conditional on whether or not the father happened to be a citizen of the country in which the child was born.<sup>6</sup> Singapore's Barisan Sosialis joined in the fray, and accused the Federal government of 'visiting the sins of the father on the child', and of barring the descendants of the immigrant population from Federal citizenship. Because a child, through no fault of his own, could not become a Federal citizen the next generation also could not become Federal citizens.<sup>7</sup> It was also contended that since marriage had always allowed a wife to apply for her citizenship papers immediately, provided her husband was a citizen, the amendment appeared to be using the wife and the child as hostages, should the husband become politically too active.<sup>8</sup>

To these charges the government replied that the amendments did not in any way impair the principle of citizenship by

<sup>1</sup> Federation of Malaya, *Constitution (Amendment) Act 1962*, Act of Parliament No. 14 of 1962 (Kuala Lumpur, 1962), par. 2 (4) (c).

<sup>2</sup> *Ibid.* par. 11.    <sup>3</sup> *Ibid.* par. 3 (1) (a).    <sup>4</sup> *Ibid.* par. 5.

<sup>5</sup> *Straits Times*, 16 January 1962.

<sup>6</sup> *Ibid.* 13 January 1962.    <sup>7</sup> *Ibid.*    <sup>8</sup> *Ibid.* 16 January 1962.

birth, because the child would not be deprived of its citizenship unless the government was satisfied that it was not conducive to the public good that the child should be a citizen, or that the child would be stateless as a result of the deprivation.<sup>1</sup> The government also emphasized that it was in the national interest that a child should not acquire citizenship by law, if the father was neither a citizen nor someone who had entered the Federation by lawful means, because such persons could not, by any stretch of imagination, be regarded as Malaysians.<sup>2</sup> Similarly the two years of continuous residence in the Federation required of a married woman before applying for citizenship was in the national interest, because it was intended to prevent foreign women from contracting so-called 'marriages of convenience' with Federal citizens. With regard to citizenship by registration, the government said that it had been introduced as a temporary measure to meet the needs of an exceptional situation, and that after four and a half years of independence the time had come to have this provision removed. But in order to give extra time to those persons who might still wish to take advantage of it, the amendment would not come into operation for another six months to one year.<sup>3</sup>

The fluid character of Malaya's citizenship legislation, particularly with respect to *jus soli*, was indicative of the difficulty in finding a satisfactory means of bridging the gap of communal diversity. It was also demonstrative of the arduous task of defining with painful precision who of the non-Malays might and might not be regarded as having legal ties with the Federation. Nevertheless there were encouraging signs. The Malays had made concessions to the non-Malays which they were not prepared even to discuss in 1946.

### *Citizenship of the Federation of Malaysia*

One of the major problems which faced the Prime Ministers of the Federation of Malaya and of Singapore during the merger negotiations was the question of citizenship. In the memorandum on merger the two Prime Ministers agreed that all Singa-

<sup>1</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 31 January 1962, col. 4422.

<sup>2</sup> *Ibid.* cols. 4418-9. Also *Straits Times*, 22 January 1962.

<sup>3</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 31 January 1962, cols. 4420-1.

pore citizens would keep their citizenship, and in addition they would automatically become nationals of the larger Federation. Citizens of the existing Federation of Malaya would likewise become nationals of the larger Federation. Nationals of the larger Federation, whether Singapore citizens or Federation citizens, would have equal rights, carry the same passports, enjoy the same protection, and be subject to equal duties and responsibilities under the constitution of the larger Federation. The important clause was also added that citizens of Singapore would vote in Singapore, and citizens of the Federation would vote in the Federation for their representatives to the Federal Parliament.<sup>1</sup>

As to the assimilation of the Borneo territories into the new Federation, Tunku Abdul Rahman said that Sarawak and North Borneo would be no different from the other States in Malaya. In contrast with Singapore, which would be 'associated' with Malaysia, the Borneo territories would become 'States of the Federation'.<sup>2</sup> Borneo's indigenous peoples would automatically become 'founder citizens' of Malaysia by law, while those who were British subjects by birth or by naturalization in Sarawak or in North Borneo before Malaysia Day would become citizens of the Federation of Malaysia by law, provided they were resident on that day in the territory of their birth or naturalization.<sup>3</sup>

This distinction between Singapore and the Borneo territories provided the opposition with the necessary ammunition to launch an attack against the government. Barisan Sosialis questioned the sincerity of the Federal government's intentions toward Singapore, and said that Singapore citizens should be granted Federal citizenship just as it was granted to all citizens of the Borneo territories, if the Federal government was serious in giving absolute equality to Singapore.<sup>4</sup> The granting of a common nationality alone would not provide a genuine equality, because nationality would apply only to the people's status in foreign countries, while citizenship concerned their status and rights within their own country. In other words, there would be

<sup>1</sup> State of Singapore, *Memorandum Setting out Heads of Agreement for a Merger between the Federation of Malaya and Singapore*, Cmd. 33 of 1961 (Singapore, 1961), par. 14.

<sup>2</sup> *Straits Times*, 1 December 1961.

<sup>3</sup> *Ibid.* 8 January 1962.

<sup>4</sup> *Ibid.* 5 June 1962.



equality abroad, but inequality at home.<sup>1</sup>

This question of equality was the heart of the Singapore-Malaya merger problem. While it was imperative for Singapore to become a member of Malaysia, Singapore's politics and everything else connected with it must be contained south of the Causeway. Earlier Tunku Abdul Rahman had intimated that the Federal Parliament would not, though it could, grant automatic Federal citizenship to Singapore citizens on merger. One of the reasons he quoted was the fact that there had been laxity in awarding citizenship in Singapore.<sup>2</sup> He was obviously referring to the provision in Singapore's citizenship laws whereby aliens who had lived in Singapore for ten years could be registered as citizens, provided they took an oath of loyalty to Singapore, and renounced their allegiance to any foreign State. This enabled 330,000 Chinese adult immigrants, who were not born in Singapore, to acquire Singapore citizenship under terms and conditions which were much easier than those laid down for Federal citizenship.<sup>3</sup>

Dr. Lee Siew Choh of the Barisan Sosialis interpreted the Tunku's position as a calculated attempt to reduce Singapore's citizenship to a mere second class type. He said that under the proposals for merger nobody in Singapore 'will be able even to smell federal citizenship', and all the people would get was 'an inferior type of citizenship not recognized in the other States of the Federation'.<sup>4</sup> In his opinion true equality could be achieved only through a genuine merger of Singapore and Malaya, i.e. the entry of Singapore into the new Federation as the twelfth State with all Singapore citizens automatically becoming Federal citizens. In this plan of equality any Federal citizen living in any of the twelve States would be eligible to stand for election to the Federal Parliament in any constituency within the new Federation, and in turn the people of any State or constituency would be free to elect any citizen from any State or constituency to represent them.<sup>5</sup>

It would not require much effort to discover that Dr. Lee's plan went to the root of the Federal constitution, the guardian

<sup>1</sup> *Ibid.* 6 December 1961.      <sup>2</sup> *Ibid.* 17 November 1961.

<sup>3</sup> *Ibid.* 15 January 1962. Also Lennox A. Mills, *Malaya: A Political and Economic Appraisal* (Minneapolis, 1957), pp. 138-9.

<sup>4</sup> *Straits Times*, 22 November 1961 and 12 January 1962.

<sup>5</sup> State of Singapore, *Legislative Assembly Debates*, 20 November 1961, cols. 304-6 and 319.

of the special position of the Malays. In other words, it would result in a Malay struggle for racial survival against Chinese domination, the result of which no one could foretell.

In an effort to silence the Barisan Sosialis in its citizenship propaganda, Lee Kuan Yew and Tunku Abdul Rahman met in London in July 1962 to discuss the matter of Federal citizenship and its application to Singapore citizens. Although strongly denied by Kuala Lumpur, it was believed that the Australian and the British governments were instrumental in finding a solution, because they themselves were fully conscious of the fact that there would be no stability in Malaysia, if there were no identical citizenship provisions for the citizens of the constituent States. So it was suggested that identical citizenship would go a long way towards allaying racial feelings and reducing racial tensions within Malaysia.<sup>1</sup>

The following month Lee Kuan Yew returned to Singapore with what he called a 'trump card', which was, in fact, an agreement between him and Tunku Abdul Rahman that 'Malaysian Nationals' were henceforth to be known as 'Malaysian Citizens'. This meant that Singapore citizens would automatically become Malaysian citizens in the new Federation. Immediately this posed the important question whether the Singapore citizen would be better off as a Malaysian citizen than a Malaysian national. For an explanation Lee Kuan Yew referred to an analysis made by the State Advocate-General, Inche Ahmad bin Mohamed Ibrahim, the previous year. This analysis said that the equality of the rights, privileges, and duties of citizens of Singapore and of the Federation as nationals of the new Federation were set out in the Federal constitution, which would be the precedent for the constitution of the new Federation. As examples Inche Ibrahim mentioned equality before the law; equality of prohibition or banishment; equality of freedom of speech, assembly, and association; and equality of qualifications for membership of Parliament and for electors and judges. He said that these examples illustrated equality as set out in the Memorandum on merger, which would be embodied in the constitution of the new Federation of Malaysia.<sup>2</sup>

Tunku Abdul Rahman was more specific when he declared in the Federal Parliament that under the new arrangement Singapore citizens as citizens of Malaysia would enjoy rights in

<sup>1</sup> *Straits Times*, 11 August 1962.

<sup>2</sup> *Ibid.* 27 November 1961.

Singapore corresponding in all respects to those enjoyed by other citizens of Malaysia as a whole.<sup>1</sup> Only citizens of Singapore would be allowed to vote and to stand as candidates in local, State, and Federal elections in Singapore constituencies. Likewise, only citizens of those States of Malaysia, who were not citizens of Singapore, would be allowed to vote or to stand as candidates in local, State, and Federal elections in the Federation of Malaysia outside Singapore.<sup>2</sup>

One could hardly fail to see that there was no intention of departing from the former position. The distinction between Singapore and the rest of Malaysia was maintained. The equality existed in having identical rights and responsibilities under the common label of 'Malaysian citizenship', but Singapore Malaysian citizens would be restricted to Singapore, and the Federation Malaysian citizens to the rest of Malaysia in the exercise of these equal rights and responsibilities. In other words, Singapore citizens would not be able to have a common political life with the citizens of the rest of Malaysia.

As Dr. Lee Siew Choh pointed out, there would be, in fact, two classes of citizenship in Singapore, in addition to the Federal citizenship, which he called 'first class citizenship'. The 'second class citizenship' embraced those who were born in Singapore. They would be allowed to stand as candidates for election in any part of Singapore. Theoretically they would be considered to possess the qualifications to be registered as Federal citizens, and because of this they would be entitled to representation in the Federal Parliament. The 'third class citizenship' was reserved for those who were not born in Singapore. They would also be allowed to stand as candidates for election in any part of Singapore, but they would not have the qualifications to be registered as Federal citizens, and therefore they would not be entitled to representation in the Federal Parliament.<sup>3</sup>

Meanwhile the Inter-Governmental Committee (IGC) had published its report on Sarawak and North Borneo. The document contained a section on citizenship which finally allayed the fears of those ineligible for Malaysian citizenship by law. It recommended that persons of or over eighteen years of age,

<sup>1</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 15 August 1962, cols. 1092-101 for Tunku Abdul Rahman's speech.

<sup>2</sup> *Ibid.* cols. 1095-6.

<sup>3</sup> State of Singapore, *Legislative Assembly Debates*, 21 November 1961, cols. 377-8.

who were ordinarily resident in Sarawak or in North Borneo, would have up to eight years after Malaysia Day in which to register as citizens of the Federation. This recommendation was subsequently accepted and embodied in the new constitution.<sup>1</sup>

In their final form, the Malaysian citizenship laws are hedged in by such a tangle of complexities that only those who drew up the Bill can be expected to find their way with reasonable ease through the citizenship maze; others are bound to get lost. The Singapore citizenship serves to make the confusion worse confounded. Singapore citizenship is made inseparable from Malaysian citizenship. This means that a Singapore Malaysian citizen, who loses his Singapore citizenship, will lose his Malaysian citizenship also, and *vice versa*.<sup>2</sup> In effect, this arrangement gives the Federal government control over Singapore Malaysian citizens who are not Federation Malaysian citizens. There is also a provision whereby Singapore Malaysian citizens may be 'enrolled' as Federation Malaysian citizens. It is significant to note that the requirements for enrolment are identical to those ordinarily set for alien applicants,<sup>3</sup> and that from the day on which the applicant is enrolled, he ceases to be both a Singapore citizen and a Singapore Malaysian citizen.<sup>4</sup> All this makes Singapore look like a foreign country in her relationship with the Federation.

The communal barrier and the natural separation of the Borneo States from Malaya and Singapore by an expanse of several hundred miles of water are by themselves serious impediments to the workings of federalism. The addition of immigration and citizenship barbed-wire fences can hardly promote the spirit of belonging to a political association. Should the unifying effects of Indonesian confrontation and Philippine opposition be removed, these artificial restrictions are bound to work against Malaysia. Hence, these barriers must at best be considered temporary measures, unless the architects of Malaysia wish to see their creation go the way of the Caribbean Federation or the Central African Federation.

<sup>1</sup> Federation of Malaya. *Malaysia: Report of the Inter-Governmental Committee 1962* (Chairman: Lord Lansdowne), (Kuala Lumpur, 1963), par. 18 (2). Also Great Britain, *Malaysia: Agreement Concluded between the United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak and Singapore*, Cmnd. 2094 (London, 1963), Annex A, Part III, Title II, par. 26.

<sup>2</sup> *Ibid.* pars. 23 (1) (c) and 23 (3).      <sup>3</sup> *Ibid.* par. 28 (1).

<sup>4</sup> *Ibid.* par. 28 (3).

VIII  
THE PROBLEM OF  
LANGUAGE AND EDUCATION

*Education in British Malaya, the Straits Settlements,  
Sarawak, and North Borneo*

SINCE THE end of the Second World War, education, language, and culture have loomed large as causes of racial tensions in these regions, particularly in Malaya and Singapore. This racial problem in the field of education seems to be largely a legacy of the past when the British colonial government chose to operate a communal system of education instead of laying the foundation of an integrated school system for all races, using the English language as the medium of instruction. The increasing inflow of Chinese immigrants and the subsequent economic policy of the British government to import Indian labourers, resulted in a diminishing Malay numerical superiority, which should have made it plain that any racially discriminating education policy was fraught with serious longterm difficulties.

Broadly speaking, there were four streams of education in Singapore and Malaya, i.e. English, Malay, Chinese, and Indian. The British provided a limited number of English schools for a minority of children of all races. Help to mission and denominational schools was granted in the form of monetary aid, provided they conformed to the established standards of the Education Department.<sup>1</sup>

Ever since the introduction of the Muslim religion, the Malays had been sending their children to the *Qur'an* schools. As part of its pro-Malay policy the government provided free vernacular education, not English, for the Malays.<sup>2</sup>

Indian education was closely associated with the rubber estates. Large estate owners were required by law to provide and to staff a vernacular school whenever ten or more of their workers' children were within the school age, i.e. between seven and fourteen years. A small *per capita* grant, based on examination results and attendance, was given annually. But generally

<sup>1</sup> Federation of Malaya, *Annual Report on Education for 1957* (Kuala Lumpur, n.d.), p. 3.

<sup>2</sup> Corry, *Malaya To-day*, p. 42.

these schools were far from satisfactory due to poorly paid teachers and part-time employment of children.<sup>1</sup>

But the government did not regard it as part of its responsibilities to provide for the education of the Chinese, and this was, in Corry's words, 'perhaps the most serious sin of omission which can be laid at the door of the British administration'.<sup>2</sup> Undismayed, the Chinese founded their own vernacular schools with the financial backing of wealthy Chinese *towkays* and voluntary Chinese subscribers. Conforming largely to the Chinese national government's code of education, these schools taught the young how to remain a Chinese outside the homeland.<sup>3</sup> Trouble started when the teachers, who were recruited from China, allowed their zeal for Chinese nationalism and communism to seep into the classroom, causing the schools to become a hotbed for alien politics.

Realizing the development of these non-Malayan tendencies, the government passed the Registration of Schools Ordinance in 1920, whereby these schools were brought under close government supervision. In 1935 the government decided to extend the grants-in-aid system to the Chinese vernacular schools which were prepared to conform to the standards set by the Education Department. But, accustomed by this time to looking after their own affairs, most of the Chinese schools chose to shoulder their financial responsibilities themselves rather than to part with their educational independence.<sup>4</sup>

In Sarawak and North Borneo the situation was also characterized by uneven education development between the different communities. There were education departments, but they were not very active until the post-war period. The real burden of establishing and maintaining schools, particularly on the secondary level, was borne by the Chinese and Christian missions, the former autonomously, and the latter with British encouragement and some government aid.<sup>5</sup>

Thus there developed a mosaic of education systems which worked satisfactorily only as long as each community was con-

<sup>1</sup> T. H. Silcock, *The Economy of Malaya* (Singapore, 1954), pp. 34-35.

<sup>2</sup> Corry, *op. cit.* p. 42.

<sup>3</sup> *Ibid.*

<sup>4</sup> Mat Salleh, 'Chinese Education in Malaya', *Eastern World*, Vol. XVI, No. 2 (February, 1962), pp. 11-12.

<sup>5</sup> George L. Harris *et al.*, *North Borneo, Brunei, Sarawak, Country Survey Series* (New Haven, Connecticut, 1956), pp. 248-53.

tent to live its own life and to leave the administration of the country to the British. But it was idle to expect this state of affairs to continue indefinitely, and it was futile to ignore the fact that to allow alien schools to cater for almost half the population of the country was to create a socio-political problem of the first magnitude. The tragedy was that no change was contemplated, or if it had ever been contemplated, it was never executed. When the Japanese *blitzkrieg* drove the balancing power away, the plural society was totally unprepared to meet the new situation, and education became one of the arenas of communal struggle, particularly in Malaya and Singapore.

### *Crisis in Malayan Education*

IN SEARCH OF A NEW POLICY. As part of the Malayan Union scheme it was proposed in 1946 to introduce a centrally controlled six-year free primary school education with Malay, Chinese, Tamil, or English as the media of instruction and English taught as a subject in all schools. It was also suggested to conduct secondary school education with English as the medium of instruction and the pupil's mother tongue as a subject, and *vice versa*.<sup>1</sup> This looked like an attempt to remedy the pre-war neglect in respect of the education of the non-Malay communities. But with the abandonment of the Malayan Union these proposals were shelved.

The constitution of the new Federation of Malaya attempted to implement the federal principle of a division of powers between the units and the centre. The State List included, amongst others, executive authority over primary, secondary, and trade school education.<sup>2</sup> But the non-federal character of this arrangement was revealed by the fact that legislative power rested with the central government. Speaking on the federal principle with regard to education, Wheare said that 'this [education] is in all federations a matter substantially in the hands of the regional governments and it seems best that it should be'.<sup>3</sup>

Malaya's unprecedented choice, however, can perhaps be

<sup>1</sup> Malayan Union, *Council Paper No. 53 of 1946*. Also Federation of Malaya, *Annual Report on Education for 1957*, p. 18.

<sup>2</sup> Great Britain, *Federation of Malaya Order in Council, 1948*, Second Schedule to the Federation of Malaya Agreement, item 79.

<sup>3</sup> K. C. Wheare, *Federal Government* (London, 1962), p. 161.

explained by Malaya's equally unprecedented case in the history of federal government. Switzerland, which has often been compared with Malaya, has, like Malaya, its linguistic, racial, and religious differences. But, unlike Malaya, Switzerland has these differences territorially expressed. This is also generally true in the cases of Canada and India. Hence it 'seems best' that in these instances education should be on the State list.

Another powerful factor contributing to Malaya's choice was the limited financial resources of the individual Malay States to meet the increasing demand for education, and for defence against the communist insurrection before the country had recovered from the devastations of the Second World War. Under these difficult circumstances the Malay States had little choice but to surrender education to the central government.

In 1949 a Central Advisory Committee on Education was set up to formulate an education policy that would contribute most to the nullifying of communal divisions and the integration of all into one Malayan community'.<sup>1</sup> The following year the Committee presented its report advocating a policy very similar to the 1946 education proposals. It was discussed in the Federal Legislative Assembly, but owing to the many objections then raised it was also shelved. It was agreed, however, that the most urgent need was the improvement of Malay education.

**THE DEMANDS OF THE MALAYS.** The High Commissioner appointed in 1950 a Committee to 'inquire into the inadequacy or otherwise of the education facilities available for Malays'.<sup>2</sup> This Committee, chaired by L. J. Barnes, Director of Social Training at the University of Oxford, was a symbol of Malay communalism, because its fourteen members included only Malays and Europeans.

Unable to propose any improvements in the Malay schools without involving the entire system of education in Malaya, the Committee went beyond its terms of reference, and advocated the establishment of an inter-racial system of National primary schools in which only the two official languages of the country,

<sup>1</sup> Federation of Malaya, 'Central Advisory Committee on Education: First Report May 1950 (Confidentially) No. 29, 14 June 1950', *Minutes and Council Papers of the Federal Legislative Council*, February 1950 to January 1951, pp. B 245-B 255.

<sup>2</sup> Federation of Malaya, *Report of the Committee on Malay Education* (Kuala Lumpur, 1951), p. v for full terms of reference.



i.e. Malay and English, were to be taught. As the Committee could not decide which of the two official languages would be used as the medium of instruction, it recommended a bi-lingual National school system, which would employ both Malay and English as media of instruction.<sup>1</sup> But the most obnoxious part of the plan was the suggestion that the Chinese and Indian communities should give up their vernacular schools gradually, and send their children to schools where neither Chinese nor Tamil was to be taught.<sup>2</sup> Summarizing its recommendations, the Committee said:

We have set up bilingualism in Malay and English as its [the National Schools'] objective, because we believe that all parents who regard Malaya as their permanent home and the object of their undivided loyalty will be happy to have their children educated in those languages [Malay and English]. If any parents were not happy about this, their unhappiness would properly be taken as an indication that they did not so regard Malaya.<sup>3</sup>

While the intention of the Barnes Committee of establishing a system of education to include all races was unquestionably sound in principle, nevertheless the report, worded as it was in unconciliatory phrases, could only kindle the resentment of the non-Malay communities. Moreover, not only were the Chinese and the Indians not represented in the Committee, but they had not been consulted at any time during an inquiry involving the future of their education, language, and culture.

THE REACTION OF THE CHINESE. Moved, no doubt, by the amount of criticism levelled against the activities of the Barnes Committee by the Chinese press, the High Commissioner in early January 1951 invited Dr. William P. Fenn, Associate Executive Secretary of the Board of Trustees of a dozen institutions of higher learning in China, and Dr. Wu Teh-Yao, an official of the United Nations, to come to Malaya to investigate Chinese education.

Unlike the Barnes Committee, the Fenn-Wu mission sought the opinion of representatives of the various communities. The Fenn-Wu Report, published in June 1951, was on the whole sympathetic towards Chinese education. It warned against turning Malaya into a cockpit for aggressive cultures, and de-

<sup>1</sup> *Ibid.* Chapter IV, pars. 7-9.

<sup>2</sup> *Ibid.* Chapter IV, par. 17.

<sup>3</sup> *Ibid.* Chapter IV, par. 18.

clared that any restrictive imposition of one language or two languages upon the peoples of Malaya was inimical to community understanding and national unity, since the unity of a nation 'depends not upon the singleness of tongue or simplicity of cultures', but upon 'the hearts of its citizens'.<sup>1</sup>

While the report deplored the China-consciousness of the Chinese schools, it did not throw the blame entirely on the Chinese for this non-Malay outlook. It argued that insufficient government schools and sustained government neglect of Chinese education had forced the Chinese to establish their own schools, and just as English schools were replicas of schools in England, so were Chinese schools in Malaya copies of those in China. The report agreed to the necessity of including Malay and English in the curriculum of all schools, but added that as one of the great languages of the world the Chinese language was there to stay. On the future of the Chinese schools in Malaya it went on to say: 'They cannot be eliminated until the Chinese themselves decide that they are not needed. . . . That day may never come, for it is possible that Chinese schools should form an integral part of any educational program of the future Malaya.'<sup>2</sup>

By implication the report censured the Barnes bi-lingual National school plan, but at the same time it was not unmindful of the danger in any excessive 'Chineseness' in Chinese schools. It advised that the ideal education program for the Malayan Chinese was that which gave adequate attention to Chinese language and culture, but which was free from any of the characteristics of education in China. Foreign politics should not be mixed up with education, because such a combination would tend to create misunderstanding. While textbooks were not necessarily the ultimate determinants of political views, the Fenn-Wu report agreed that these could lead to divided loyalties. All textbooks, therefore, should have a decided Malayan orientation.<sup>3</sup>

*The decision of the Government.* Following the publication of the Barnes and the Fenn-Wu reports, the Central Advisory Com-

<sup>1</sup> Federation of Malaya, *Chinese Schools and the Education of Chinese Malaysians: The Report of a Mission invited by the Federation Government to Study the Problem of the Education of Chinese in Malaya* (Kuala Lumpur, 1951), Chapter II, par. 15.

<sup>2</sup> *Ibid.* Chapter III, pars. 22-23.

<sup>3</sup> *Ibid.* Chapter IV, pars. 9 and 15.

mittee on Education was charged with the duty of considering the vital issues involved in the question on Malay and Chinese education. The Indian sector did not enter into the picture, since in the opinion of the government there were no problems peculiar to Indian education that would warrant a separate inquiry.<sup>1</sup>

By and large the Central Advisory Committee, composed of twenty Malayan educators, officials, and Malay, Chinese, and Indian unofficials, came out in support of the Barnes report, but it made some concession to the Chinese. Contrary to the Fenn-Wu report, the Committee believed that an inter-racial National school system would eventually replace all the racially segregated vernacular schools in Malaya. But while the Barnes report advocated the teaching of Malay as the only oriental language, the Committee believed in the soundness of teaching Kuo-Yu and Tamil as subjects of study to all Chinese and Indian pupils respectively, and of using Malay or English as the medium of instruction.<sup>2</sup>

A special Committee of eleven members of the Federal Legislative Council was appointed in 1952 to give further consideration to the reports of the three previous committees, and to make recommendations for suitable legislation covering all aspects of education in the Federation. The draft legislation was introduced into the House, passed, and subsequently enacted as the Education Ordinance, 1952. It accepted the Barnes concept of a system of National schools providing a six-year course of free primary education, and the Central Advisory Committee's proposal to have Malay and English as the languages of instruction, while at the same time facilities should be provided for the teaching of Kuo-Yu and Tamil, if fifteen or more pupils in any grade wanted it. Although it might be possible to employ both Malay and English as the media of instruction in a single school, as recommended by the Barnes report, the Committee found it better to have two types of National schools. One type should have Malay as the medium of instruction with English as a subject language from the beginning of the first year, while the other type should use English as the medium of in-

<sup>1</sup> Federation of Malaya, *Proceedings of the Legislative Council*, 19 September 1951, p. 218.

<sup>2</sup> Federation of Malaya, *Central Advisory Committee on Education: Report on the Barnes Report on Education and the Fenn-Wu Report on Education, 10 September 1951* (Kuala Lumpur, 1951), par. 21.

struction with Malay as a subject language from the beginning of the third year.<sup>1</sup>

Few of the ambitious plans contained in the Ordinance were carried out. To begin with, the policy of national streams did not appeal to a large section of the Malays, who continued to see in the plan a 'deliberate attempt by the government to oust the Malay language [*sic*]'.<sup>2</sup> The Chinese also opposed the policy very bitterly, because it endangered their language and culture.<sup>3</sup> But the greatest hurdle was the prohibitive cost of the programme. Government expenditure on education jumped from M\$11.5 million in 1946 to M\$95.68 million in 1953, and this was aggravated by a government deficit of over M\$200 million in 1953. In view of this unfavourable financial position the High Commissioner appointed a special Commission to study the feasibility of implementing the education policy. It came to the conclusion that multi-racial schools were 'essential' but out of the question because of the lack of funds to pay for them.<sup>4</sup>

When the Alliance came to power in 1955, another Committee was set up to work out a new education policy and to make Malay the national language.

### *The Alliance Education Programme*

**THE RAZAK PLAN.** In September 1955, just one month after the Alliance government took office, a Committee was appointed to recommend 'a national system of education acceptable to the Federation as a whole'. The 15-member Committee, headed by Tun Abdul Razak, the Minister for Education, was drawn from the Federal Legislative Council, and was representative of Malaya's major communities. Its decisions, therefore, were much more likely to win general acceptance than any of the former policies. Recognizing the fact that Malaya was in a transitional period of education, the Committee agreed that it would not be in the interests of the country to formulate a

<sup>1</sup> Federation of Malaya, *Report of the Special Committee Appointed on the 20th Day of September 1951 to Recommend Legislation to Cover all Aspects of Education Policy for the Federation of Malaya*, No. 70 of 1952, 3 October 1952, par. 15 and section 21 of the Education Ordinance appended thereto.

<sup>2</sup> *Straits Times*, 5 February 1954.

<sup>3</sup> *Ibid.*

<sup>4</sup> Federation of Malaya, *Annual Report on Education for 1957*, p. 20. *Straits Times*, 29 September 1954. Mills, *op. cit.* p. 106.

policy of a permanent nature. It was, therefore, decided to draw up a transitional plan, which, in the Committee's definition, would cover the following ten years.<sup>1</sup>

The Razak Report, which was published in May 1956, abandoned the idea of a National school system, and children would continue to receive their primary education in separate vernacular schools. At the same time, however, the Committee endeavoured to elevate the Malay language to a position of dominance by making it the national language in the education system. In order to achieve this goal the primary schools were divided into two broad categories, i.e. (i) the Standard primary schools with Malay as the medium of instruction, and (ii) the Standard-type primary schools with Kuo-Yu, Tamil, or English as the media of instruction and Malay as a compulsory subject of study. Where English was not the medium of instruction, that language would also be a compulsory subject of study. Kuo-Yu and Tamil would be taught, whenever there were fifteen or more pupils whose parents wanted them to learn those languages.<sup>2</sup> The net effect of these proposals was that Malay pupils would be bi-lingual, and non-Malay pupils tri-lingual.

To ensure that Malay was taught in primary schools a knowledge of Malay was to be a compulsory requirement for admission into secondary schools which were wholly or partly run by public funds. Initially this would be the equivalent of standard three Malay in the existing Malay schools. In contrast with the primary school system, there was to be only one type of secondary school, i.e. the National Secondary school, where the pupils would receive instruction based on a common syllabus, but where there would be sufficient flexibility in the curriculum for the study of other languages and cultures. To make certain that the teaching of Malay was continued in the secondary schools, Malay was made a compulsory subject of examination for the Lower Certificate of Education (LCE) and for the National Certificate of Education, which was later known as the Federation of Malaya Certificate of Education (FMCE). These two public examinations were to come at the end of the third year and at the conclusion of the five to six-year secondary

<sup>1</sup> Federation of Malaya, *Report of the Education Committee 1956* (Kuala Lumpur, 1956), par. 8.

<sup>2</sup> *Ibid.* pars. 18 and 62.

school course respectively.<sup>1</sup> Because of the utilitarian value of English, the study of this language was required in all National Secondary schools.

The Razak plan won the goodwill of the non-Malay communities because it did not seek to alter the practice of Chinese secondary schools of using Kuo-Yu as a general medium of instruction. The content of education was considered to be more important than the medium of instruction, and the promotion of Malay to the position of a national language was to be achieved, not by its use as the medium of instruction, but as a compulsory subject in all schools. By making this approach the Razak Committee skirted the explosive language conflicts of the past, and allayed the non-Malay fears of the ultimate extinction of their education, language, and culture.

It was rather strange that the only opposition came from the Malays. Five UMNO elected Councillors and one nominated Malay member were dissatisfied because Malay was not made the sole medium of instruction in all schools. Answering these critics, the Minister for Commerce and Industry, Dr. Ismail bin Dato Abdul Rahman, said that such ambition was tantamount to posing as 'imperialists with no considerations for the Chinese and Indians who are already in this country'.<sup>2</sup> Fourteen other Councillors spoke in support of the report, describing it as 'a shining example of Malay liberalism' and as 'a pattern for the weaving of what may in time truly become a virile Malayan culture'.<sup>3</sup> The critics having been silenced, the Council unanimously approved the 'ten-year school blueprint', which was subsequently embodied as the Education Ordinance, 1957.

Meanwhile the Reid Constitutional Commission had in the course of its inquiries reached the conclusion that no substantial advantage arose from the States being responsible for the administration of education services, since most of the technically qualified officers were Federal servants seconded to the States. Besides, practically the entire cost of running the education system was borne by the central government. The Reid Commission pointed out that the existing arrangement was cumbersome and unnecessarily expensive. It went on to say that in addition

<sup>1</sup> Ibid. Chapter III, pars. 22 (a) and (b), 76, and 79.

<sup>2</sup> Federation of Malaya, *Legislative Council Debates*, 16 May 1956, cols. 1144-1205 and 1193.

<sup>3</sup> Ibid. col. 1163 by Ubaidulla, and col. 1160 by Dr. Lim Chong Eu.

to removing these anomalies a centralized control over education would expedite the implementation of the Razak plan.<sup>1</sup>

Subjected to the strains and stresses of the Emergency, the State governments were clearly not in a position to raise any effective protest. Thus the executive authority over primary, secondary, and trade schools was withdrawn from the State list and added to the Federal list. Unlike any other country with a federal form of government, Malaya had entrusted the entire field of education, both in theory and practice, to the Federal government.

**MALAYANIZATION ON THE EDUCATION SYSTEM.** In Chapter V reference has been made to the 1959 crisis that imperilled the very life of the Alliance. The subject of education became part of the controversy on account of the ambition of certain Malay conservative opinion to restrict the language medium at the LCE examinations to Malay, and to prevent Chinese from being used as a medium of examination at the secondary school level so as to ensure the supremacy of the Malay language.<sup>2</sup> This prompted Dr. Lim Chong Eu, the then President of the MCA, to communicate with Tunku Abdul Rahman, the Prime Minister and leader of the Alliance, in a 'secret' letter urging that until the Malay language was sufficiently developed, Kuo-Yu should continue to function as a medium of instruction and examination in Chinese schools, and that the results of such examinations should be recognized by the government as equivalent to those of the National secondary school examinations.<sup>3</sup> The Alliance yielded to sustained pressure from the MCA, and promised to encourage and to sustain the growth of the languages and cultures of the non-Malay races, and to recognize Chinese secondary school examinations results as equivalent to the LCE.<sup>4</sup>

Pursuant to its elections promises, the Alliance government appointed in February 1960 an Education Review Committee under the chairmanship of the Minister for Education, Inche Abdul Rahman bin Haji Talib, to review the Razak policy and the extent of its implementation. In June the Review Commit-

<sup>1</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 120.

<sup>2</sup> John Lowe, *Malayan Experiment*, Research Series No. 213 (London, 1960), pp. 14-15.

<sup>3</sup> *Straits Budget*, 22 July 1959, p. 11.

<sup>4</sup> *Ibid.* 29 July 1959, p. 9.

tee reported that the Razak policy had been 'faithfully and successfully carried out within the limits imposed by financial stringency in 1958 and 1959 and by the sheer magnitude of the many-sided task'. But at the same time the Committee felt that there was still a long way to travel before the ultimate objective of making the Malay language the national language could be fully realized.<sup>1</sup> A new blueprint was, therefore, drawn up for an early realization of this goal.

While allowing the system of multi-lingualism to continue in the primary schools, it was considered incompatible with an education policy, designed to create a national consciousness and to establish Malay as the national language, to make the racial and linguistic diversities permanent features of the publicly financed secondary schools. So it was recommended that Malay or English should be used exclusively as the medium of instruction in these schools and as the medium of examinations at the LCE and the FMCE. Describing the LCE and the FMCE as the 'lynchpins in our national secondary system of education' the Committee went on to say that the most unsatisfactory aspect of the existing education system would be eliminated, if the Ministry of Education scrapped examinations in the Chinese language.<sup>2</sup>

To the government-assisted Chinese secondary schools all this meant a reorganization of their school system. In fact, the Committee had proposed a change from the Chinese 3-3 system, i.e. three years of Junior Middle school followed by another three years of Senior Middle school, into the Federation's 3-2 secondary school system, i.e. three years of National secondary school course followed by two more years of upper secondary. The first year of the Chinese secondary school course, which the Committee proposed to call 'Remove Class', could be utilized to provide extra intensive instruction in one or both of the official languages, preparatory to the first year of the 3-2 Malay or English-medium secondary school course. Simultaneously the Chinese secondary school examinations would be replaced by the LCE and the FMCE examinations.<sup>3</sup> The most serious impediment to this grandiose scheme, however, was the

<sup>1</sup> Federation of Malaya, *Report of the Education Review Committee* (Kuala Lumpur, 1960), pars. 57 and 61.

<sup>2</sup> *Ibid.* par. 173.

<sup>3</sup> *Ibid.* par. 187.



severe shortage of suitably trained teachers, and according to the Committee's report this deficiency would persist until 1972.<sup>1</sup>

Opponents of these proposals denounced the scheme as a calculated onslaught against the non-Malay languages and rejected them as a breach of the promises made by the Alliance on the eve of the 1959 general elections.<sup>2</sup> During the debate on the new Education Bill Too Joon Hing, the rebel MCA Secretary-General in the 1959 crisis, called for the withdrawal of the Bill and for the appointment of an all-party committee to undertake a fresh review of the Razak Report. But in spite of solid assaults the controversial Bill was passed. Of the opposition parties the PMIP sided with the government, while the Socialist Front, the PPP, and the Independents voted against the measure.<sup>3</sup>

Clearly it was technically inefficient to allow primary education to be carried on in one language and then to shift to another at the secondary level. But this seemed to be one of the dilemmas of Malaya's plural society, and only some form of racial compromise could provide an answer. Primary education in the mother tongue was a concession to the demand for free cultural development of each community, while secondary education in the two official languages, eventually solely in the Malay language, was intended to integrate the several communities and to promote a common Malayan outlook.

### *Singapore: A Policy of Equal Education Opportunity*

Education in Singapore after the Second World War was governed by the principle of equal education opportunities for boys and girls of all races. This was stated in the 10-year plan adopted by the Singapore Legislative Council in 1947. A six-year primary education was free, but not compulsory, for children between the age of six and twelve years. As in Malaya, English, Chinese, Malay, or Tamil were used as media of instruction according to the parents' choice, but unlike Malaya,

<sup>1</sup> Ibid. Appendix 4, Table 19.

<sup>2</sup> See above, p. 350.

<sup>3</sup> *Straits Budget*, 23 October 1961, pp. 17-18. Also *Malayan Times*, 4 July 1963.

Singapore chose to have no division into Standard and Standard-type primary schools. English was only a common language of study in the vernacular schools, while one of the other three languages was a compulsory subject in the English medium schools. But since one of the principal aims of the education policy was to develop a common loyalty to Singapore, the syllabi of all of these schools were to have a common content.<sup>1</sup>

The task of inducing the Chinese schools to identify themselves with their newly adopted country was not an easy one. There was a resurgence of the alien spirit in May 1954, when some 500 Chinese school students led a mass demonstration in defiance of the National Service registration. Some students even left for China in protest. These events were subsequently popularized and commemorated in Chinese schools as the '13 May Incident'. Exactly one year later some 2,000 Chinese school students were involved in what came to be known as 'The Bloody Thursday of 12 May'. This incident happened during the Hock Lee Bus strikes and riots.<sup>2</sup>

Prompted by these disturbances an All-Party Committee was formed to investigate the situation in the Chinese schools in Singapore. The Committee presented its report in February 1956. Three of the nine signatories were Ministers, one of whom was the Minister of Education, Mr. Chew Swee Kee, who acted as chairman. It was not surprising, therefore, that the government's White Paper<sup>3</sup> announcing the new education policy reflected the Committee's basic proposals. The aim of education in Singapore, said the White Paper, must be to encourage a Malayan consciousness and a Singapore centered loyalty. Taking the schools as an instrument of nation-building, the government declared that it would not support any school which did not emphasize these basic aims. It was at one with the all-party report in insisting that the syllabi and textbooks must be Malayanized as quickly as possible and that all schools should continue to receive equal treatment. These proposals were passed unanimously in the Legislative Assembly in April 1956.<sup>4</sup>

<sup>1</sup> Colony of Singapore, *Education Policy in the Colony of Singapore: Ten-Year Programme* (Singapore, 1948).

<sup>2</sup> *Straits Budget*, 19 May 1955, pp. 10-11.

<sup>3</sup> Colony of Singapore, *Sessional Paper*, Cmd. 15 of 1956.

<sup>4</sup> Colony of Singapore, *Legislative Assembly Official Report*, 12 April 1956, cols. 1899-944.

The election of the PAP to power in Singapore in June 1959 marked the beginning of the Malayanization of the State's education policy. The government accepted Malay as the national language of the State, and the school curricula were revised in order to give new emphasis to the study of the languages of the State. No attempt was made to suppress the heritage of any community, but the declared long-term aim of the government was to bring about a fusion of the four streams of cultures into one integrated whole where the rich cultural heritage of each would combine into a new common heritage of one nation with a single loyalty. In order to give the schools sufficient time to provide instruction in the national and local languages the government introduced the six-day school week.<sup>1</sup>

In harmony with the preamble of the Singapore Constitutional Order in Council of 1958, which laid down that 'it shall be the conscious and deliberate policy of the Government of Singapore at all times to recognize the special position of the Malays', the government announced in February 1960 a scheme whereby all Malay students, who were born in Singapore or whose parents were Singapore citizens, would be given free secondary and university education in addition to the existing free primary education scheme for all the communities.<sup>2</sup> Further advance was made in the field of education for the minority communities by the inauguration of the first Malay and Tamil media secondary school classes in 1960, and of the first Malay secondary school, the *Sang Nila Utama*, in 1961.

Another major milestone in the State's education system was the conversion of the 3-3 Chinese secondary school system, i.e. three years of Junior Middle school followed by another three years of Senior Middle school, into the 4-2 English secondary school system, i.e. four years of secondary school and two more years of upper secondary school education. In November 1961 the Ministry of Education conducted the first government Secondary IV (Chinese) examinations. These were, however, marred by a boycott staged by misguided Chinese school students, who were manipulated by adults for political reasons. But that the boycott was a failure was proven by the fact that over 70 per cent. of the candidates managed to sit for the examina-

<sup>1</sup> *Colony of Singapore Annual Report 1959*, p. 207.

<sup>2</sup> Great Britain, *The Singapore (Constitutional) Order in Council 1958*, Statutory Instruments 1958 No. 1956 (London, 1958), p. 2.

tions. Furthermore, it was totally ineffective in preventing the government from implementing its education programme.<sup>1</sup>

### *The Borneo Territories*

As in Malaya and Singapore, communalism continued to be the main characteristic of the educational set-up in Sarawak and North Borneo after the Second World War. In 1948 the school system in Sarawak came under the management of Local Authorities, Chinese School Boards, and foreign missions. The schools run by these agencies differed in several important respects. The most serious, perhaps, was the linguistic gulf between schools under the Chinese School Boards and those under the Local Authorities and foreign missions. The former used Kuo-Yu as the medium of instruction, while the latter used English and some vernacular language in the lower primary classes.

With the rising demand for education many local communities added another section to this educational pattern by establishing so-called 'self-help schools'. Soon it became clear that if education was to be provided for all, and, in particular, if the rapidly expanding Chinese school system was to become part of a harmonious national system of education, fundamental reforms were necessary. In dealing with the first problem the government introduced in 1956 the 'Grant Code', which put all aided schools on the same financial footing.<sup>2</sup> The second problem, which was especially pronounced in the secondary schools, was more difficult to solve. It must be pointed out that there were then only two types of secondary schools, i.e. Chinese and English. The demand for places in the English secondary schools was always greater than the supply, while admission into Chinese secondary schools was limited to Chinese pupils on account of the linguistic barrier. As a preliminary solution the government opened a number of secondary schools using English as the medium of instruction and catering for pupils of all races. Then in 1960 the government promulgated a new education policy requiring English as the medium of instruction.<sup>3</sup>

<sup>1</sup> *Straits Times*, 22-25 May 13, June, and 31 July, 1962.

<sup>2</sup> *Sarawak Information on Sarawak* (Kuching, n.d.), pp. 23-26.

<sup>3</sup> *Straits Times*, 4 March 1961. Also *Colony of Sarawak Report for the Year 1962*, pp. 150-1.

The policy was opposed by a section of the Chinese community, who insisted on retaining the Chinese language in Chinese schools. The Chinese press in Kuching said that the English language was 'the language of colonialism and a means of enslavement'.<sup>1</sup> In the Sarawak Council Negri the Chinese members alleged that the policy was contrary to the parents' fundamental right to choose the medium of instruction for their children.<sup>2</sup>

But eventually 11 out of the 16 aided Chinese-medium secondary schools accepted the government's proposals, and in 1962 a few of them began to convert their school programmes into English. A 'transition class' comparable with the 'remove class' in Malaya was created in the place of Chinese Junior Middle One. The five, which had signified their unwillingness to convert, ceased to receive aid in April 1962. At the end of the year the largest of these was dissolved and was replaced by a new English-medium secondary school.<sup>3</sup>

In North Borneo there were, broadly speaking, three facets of the educational system, i.e. (i) government schools in which, with few exceptions, the language of instruction was Malay, (ii) mission schools in which the language of instruction was usually English, although there were many exceptions, and (iii) Chinese schools run independently by Chinese communities to preserve and to foster their traditional culture, with Kuo-Yu as the language of instruction and English as the second language. There had been very few inter-relations between the three facets until the formation of the Board of Education in 1956 as a co-ordinating agent. The members of the Board represented all interests, races, and creeds, and suggested, therefore, a picture of racial co-operation and harmony.<sup>4</sup>

In 1960 the Board launched a programme for the wide extension of the teaching of English in primary schools. This was in response to the insistence of North Borneo's native chiefs and other local leaders, who observed that a sound proficiency in English was essential to the advancement of their people. They realized that the great majority of the school children came from homes using a diversity of indigenous languages which did

<sup>1</sup> *Straits Times*, 18 March 1961.

<sup>2</sup> *Straits Budget*, 19 April 1961, p. 8.

<sup>3</sup> *Colony of Sarawak Report for the Year 1962*, p. 151.

<sup>4</sup> *Colony of North Borneo Annual Report 1956*, p. 69.

not have any written form. Malay, being a language of moderately wide application, was introduced, but increasing doubts as to its general acceptability caused the Board to reconsider the desirability of establishing the Malay language as the medium of instruction for indigenous children. This led to the suggestion that English might be more appropriately employed as the main language of instruction, and that suitable steps should be taken to guarantee the teaching of Malay in all schools.<sup>1</sup>

Another aspect of the scheme was related to the teaching of the English language in Chinese primary and secondary schools. Significantly, the managers of these schools lent their co-operation, and with the assistance of the Chinese sub-Committee of the Syllabus Board they effected a gradual change from teaching in Chinese to teaching in English. Commenting on this rather unusually co-operative response, North Borneo's Chief Secretary said that 'there are no clouds on the horizon at the moment, but they have a habit of blowing at times when they are not particularly opportune'.<sup>2</sup>

It seemed, however, that the absence of any reaction was due mainly to the non-existence of politics in North Borneo at this time. It must be remembered that the first North Borneo political party did not emerge until the Malaysia proposal was made in 1961. The experience of Singapore, Malaya, and Sarawak had shown very clearly that any opposition to government measures could come only from a politically conscious sector of the population.

### *University Education*

As with primary and secondary education, higher education had been a focus of racial friction in Malaya and Singapore. The majority of the Chinese had seen the University as a goal available only to the privileged minority of Chinese, who, having been pupils in government or mission secondary schools, had acquired a knowledge of the English language, and had thus been able to progress to higher English education and subsequently to coveted and relatively well-paid government posts in an English-speaking civil service.

The Malays, educationally backward, had never been able

<sup>1</sup> *Colony of North Borneo Annual Report 1958*, p. 74.

<sup>2</sup> *Straits Times*, 12 May 1962.

to gain a proportion of University places commensurate with their numbers, and consequently they had come to regard the University as the preserve of English speaking members of the other races, and as a symbol of the weakness of Malay culture and language.<sup>1</sup> These feelings had been strengthened by the fact that the University of Malaya was established in the predominantly Chinese city of Singapore in 1949. The move by a group of wealthy Chinese in 1953 to found a second but Chinese-run University, Nanyang, added to the exasperation of the Malays, because this new University made it henceforth possible for the non-English speaking Chinese secondary school students to receive higher education. Previously most of these students found their way to Chinese Universities in China, but they had been prevented from doing so since the emergence of the communist regime in Peking in 1948.<sup>2</sup>

This led to agitations in Singapore by a body, called the Malay Education Council, which claimed to represent the interest of over fifty different Malay organizations, for the government to provide Malay primary and secondary education and a separate Malay University.<sup>3</sup> It was significant that it was at this time that plans were made to move the University of Malaya from Singapore to a new site in Johore, i.e. away from the Chinese city of Singapore and closer to the Malays. But in 1954 Malay opinion in the peninsula thought that the development of another University in Kuala Lumpur was a better alternative. As a result of the investigations of the Aitken Commission of Enquiry and of a Joint Committee appointed by the governments of Singapore and Malaya, legislation was passed in 1958 to provide for the continuance of the University of Malaya as a single University and for the establishment of two semi-autonomous divisions of equal status. But the political separation of the two territories rendered the arrangement unsatisfactory, and in 1961 further legislation was passed to create two separate and autonomous Universities, i.e. the University of Singapore in the city-State and the University of Malaya in Kuala Lumpur.<sup>4</sup>

<sup>1</sup> Lowe, *op. cit.* pp. 16-17.

<sup>2</sup> State of Singapore, *Report of the Nanyang University Review Committee*, Misc. 1 of 1960, par. 2.

<sup>3</sup> *Colony of Singapore Annual Report 1956*, p. 119.

<sup>4</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 20 October 1961, col. 2127 *et. seq.*

The geographical location of the new University of Malaya alone, however, could not possibly give the Malays the coveted places in tertiary education. Hence it was constitutionally provided that the Yang di-Pertuan Agong should have the discretion to reserve for the Malays a proportion of scholarships, exhibitions, and other similar education or training privileges.<sup>1</sup>

Meanwhile Nanyang University had become a reality, and the first undergraduates were admitted in 1956. At the University's inauguration ceremony the Singapore government decided to contribute limited funds to help the University in wiping off its deficit, and to provide bursaries to assist needy students. In order to ensure further co-operation between the government and the University the Ministry of Education and the University authorities agreed to appoint the Prescott Commission in 1959 to look into Nanyang's academic standards. The Commission reported adversely, but it recommended the formation of an *ad hoc* committee to determine the extent of the necessary re-organization. The government then expressed its readiness to provide financial support to the University, subject to the University's compliance with the re-organization as recommended by the *ad hoc* committee in its report, known as the Gwee Ah Leng Report, so called after its chairman.<sup>2</sup>

With the appointment of Dr. Chuang Chu Lin as Nanyang's first Vice-Chancellor, a re-organization of the University on the lines of the University of Malaya was undertaken. The Singapore government then made the decision to recognize the University's degrees as the equivalent of pass degrees from a recognized University and to accept Nanyang's graduates for employment in the government service.<sup>3</sup> To the Federation of Malaya, however, Nanyang remained the symbol of Chinese reactionary nationalism, and Kuala Lumpur consistently refused to recognize its degrees as qualifications for entry into the civil service.

### *Language and Education in Malaysia*

Throughout the Malaysia negotiations the concern of the political leaders of Singapore, Sarawak, and Sabah had cen-

<sup>1</sup> Federation of Malaya, *Constitution*, Art. 153.

<sup>2</sup> *Straits Budget*, 29 July 1959, pp. 15-16.

<sup>3</sup> *Ibid.* 17 February 1960, pp. 11-16.



tered, amongst others, on the right to continue their education policies, which, as has been shown above, differed materially from those of the eleven States of Malaya. The Malaysia Agreement had given Singapore both legislative and executive powers over education.<sup>1</sup> Although Sabah and Sarawak had recognized education as a Federal subject, both had asked for a postponement in having to adhere to Federal policy.<sup>2</sup>

Thus the States comprising the former Federation of Malaya have three streams of primary education, which flow into two streams of secondary education, and which in turn flow into a single stream of tertiary education. The ultimate aim is to make Malay the principal medium of instruction throughout.

In Singapore the policy is to permit and to assist the development of multi-lingual schools. An integrated system of primary, secondary, and tertiary education actually exists in English and Chinese media.

Both Sabah and Sarawak provide for English as the medium of instruction. Sarawak, except for well-provided Chinese primary education, is developing towards English as the medium of instruction and as the unifying factor of the people.

The systems of education in Malaysia are, therefore, disparate and diverging from each other. The only common denominator is that all the Malaysia States have agreed that Malay should be the national language. But there is a section of the population which has shown much apprehension over its implementation, and this has led to lukewarm interest in a number of projects concerning the national language. Instead, there has been a campaign to popularize education in English.<sup>3</sup>

While it is essential for a national identity to have a national language to serve as the official language, it is instructive for Malaysia to reflect upon the case of India, where the conflicts between the north and the south have been engendered by the controversy over the recognition of Hindi as the national language of India. Malaysia has a more distinct multi-racial population, and every community has a completely different

<sup>1</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya* [etc.], Annex A, Fourth Schedule, Part II, List II B, No. 13.

<sup>2</sup> Inche Aminuddin bin Baki 'Education: Call Truce for the Sake of Rising Generation', *Straits Times*, 21 December 1963. Inche Aminuddin was Malaya's Chief Education Adviser.

<sup>3</sup> *Ibid.*

cultural and religious background from the other. As the Fenn-Wu mission said, the Chinese language is in Malaya to stay. This is, perhaps, no less true in the other parts of Malaysia. But the same thing can also be said of the languages of the Malays and the indigenous peoples of Sarawak and Sabah. Therefore, the use of a language that has the widest acceptance among the communities, which is English in the case of Malaysia, as an 'associate official language' may well be the means whereby the predominantly non-Malay States of Singapore, Sarawak, and Sabah would be prevented from following the example of the French-speaking population of Canada's province of Quebec in organizing a secession movement.

## FEDERAL FINANCE

*Finance in the Federated Malay States*

THE TREATY of Federation of 1895, which consisted of no more than five articles, was conspicuous by the absence of any reference to the financial relations between the general and the regional governments. The application of the principles of federal finance would obviously militate against the basic aim of the so-called Federated Malay States, i.e. to bring about a unified system of administration. But at the same time the Treaty of Federation alleged that it did not curtail any of the powers or authority then held by any of the four Malay Rulers.<sup>1</sup> The truth of the matter, however, was made very clear when the then High Commissioner, Sir John Anderson, included in his reforms of 1909 a clause which said that 'the Draft Estimates of Revenue and Expenditures of each State shall be considered by the Federal Council',<sup>2</sup> whereby the States were publicly reduced to financial impotence. The Malay Rulers were induced to sign away their independence, and henceforth they ceased to be masters in their own house, both in theory and practice. It must also be pointed out that the Federal Council contained an official majority similar to the practice in the Crown Colonies. But there was a difference in that the FMS had no executive council to exert a restraining influence upon the powers of the High Commissioner, and this enabled the Federal government to make its wishes prevail over those of the State governments and to have absolute control over the finances of the units of the Federation.

In spite of all this, there was the curious fiction that 'there was no federal purse and that the resources of the Federation belonged to the States'.<sup>3</sup> But as Emerson observed, the plain truth was that the States had ceased to have any share in these resources and that federal finance was handled in a unitary

<sup>1</sup> Great Britain, *Report of Brigadier General Sir Samuel Wilson on His Visit to Malaya 1932*, Cmd. 4276 (London, 1933), Appendix III. (Subsequently referred to as *Wilson Report*.)

<sup>2</sup> *Ibid.* Appendix IV (i), par. 10.

<sup>3</sup> Emerson, *Malaysia: A Study in Direct and Indirect Rule* (New York, 1937), p. 177. Reprinted University of Malaya Press, 1966.

fashion.<sup>1</sup> Only as a result of the decentralization movement in the 1930's was the return of a limited budgetary control to the States contemplated. In order to examine the issues involved in this decentralization controversy, the British government commissioned Sir Samuel Wilson to go to Kuala Lumpur in 1932. The policy that resulted from this visit empowered the Federal government to continue collecting and appropriating all revenues, and to vote to each State an annual grant to meet the sum-total of the cost of the State-services for a period of about four years. Thereafter, for an unspecified period, certain of the revenues which were not required for federal purposes were to be collected and appropriated by the States with a view to making the State governments increasingly independent. Then during the final stages other sources of revenue and the right to impose taxation were to be transferred to the States to enable them to meet all their expenditures without subventions from the central government.<sup>2</sup>

The policy was never fully implemented. The *status quo* of about four years delayed the introduction of the change in federal control, and the subsequent outbreak of the Second World War frustrated the whole plan. Any hope for its revival after the war, however, was crushed by the re-imposition of the British pre-war policy of 'unite and rule' in the form of a new Malayan Union. This move also seemed to establish the fact that had the war not intervened, the Wilson plan might still have been prevented from coming into full operation and from liberating the States from financial subservience to Kuala Lumpur.

#### *The Federation of Malaya Agreement of 1948 and Finance*

With the establishment of the Federation of Malaya as the successor to the Malayan Union an attempt was made to justify the claim that the new form of government was federal in character by introducing certain rudimentary federal principles in the Federal constitution. In the field of finance some kind of revenue allocation between the Federal and State governments was recognized. Thirteen heads of revenue were assigned to the

<sup>1</sup> *Ibid.*

<sup>2</sup> *Wilson Report*, pp. 18-19.

States and Settlements, but they were all of purely local character; all other revenues derived from any source inside and outside the Federation accrued to the Federal government.<sup>1</sup> On the other hand the States and Settlements had to take care of twenty-five heads of expenditure, including subjects such as agriculture, British Advisers and Resident Commissioners, civil service, drainage and irrigation, education, medical and health, and Rulers and Chiefs. The Federal government was only responsible for sixty-five enumerated items.<sup>2</sup> An examination of the heads of revenue and expenditure would make it clear that the unit governments could not possibly hope to balance their budgets, and that their budgetary deficits must be covered by Federal grants. For this purpose they had to submit their annual budgets to the High Commissioner for approval. He would then make recommendations to the Federal Council on behalf of the State governments 'as he thinks fit'. This body would in turn allocate to the needy governments such lump sums 'as it thinks fit'.<sup>3</sup>

But this arrangement was a version of a unified system of finance. In the classical federations obligatory grants from the central government to the regional governments formed part of the financial arrangements, and in the new federations such as India and Nigeria, the regional governments had from the outset a guaranteed share of federal revenues. Clearly this system came closer to Wheare's classic concept of federal finance which required that 'both general and regional governments must each have under its own independent control financial resources sufficient to perform its exclusive functions'.<sup>4</sup>

The absence of a firm and understandable basis of financial allocation in the Malayan system naturally became a source of dissatisfaction and of annual wrangles between the State and Settlement governments on one side and the Federal treasury on the other. The richer States, like Johore and Selangor, described the system as 'a slipshod and hit-or-miss' proposition, and complained that it was difficult, if not impossible, for them to draft a realistic budget, because they could never know until

<sup>1</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, clause 112 (1) and (2), and the Third Schedule.

<sup>2</sup> *Ibid.* Fourth Schedule.

<sup>3</sup> *Ibid.* Second Schedule, clause 119.

<sup>4</sup> Wheare, *op. cit.* p. 97.

a very late date how much money the Federal treasury was prepared to give.<sup>1</sup>

Another source of grievance was the curious provision, which was equally alien to the field of federal finance, that any money which the State and Settlement governments had not spent at the end of the fiscal year must revert to the Federal government.<sup>2</sup> It was not hard to see that this policy only encouraged the unit governments in profligate expenditure, for it was most unlikely that any one of them would be willing to part with funds which it already possessed. It also discouraged frugality, because the State which economized and handed back its savings provided an argument against itself for a smaller allocation for the next fiscal year.

There was a growing demand for some kind of formula that would give each State and Settlement a fixed proportion of funds available, for example, a system based on population and the place of collection. Like Western Australia, Johore even went so far as threatening to leave the Federation, if it did not receive a more equitable share of federal funds.<sup>3</sup>

### *A Financial Reform*

Moved, no doubt, by the deep resentment expressed by most of the State and Settlement governments over the method of making financial allocations, the High Commissioner and the Malay Rulers appointed in October 1954 a twenty-member Committee, known as the Raja Uda Committee, to make recommendations on suitable amendments to the financial provisions in the Federation of Malaya Agreement.

As a result of the work done by this Committee more concrete provisions for Federal grants to the States and Settlements were introduced. These took the form of (i) capitation grant, (ii) proportion of import duty on petrol, and (iii) special allocations, while in the case of the poorer States and Settlements two more kinds of grants were provided, i.e. (i) development grant, and (ii) special transition grant.<sup>4</sup> No radical change was

<sup>1</sup> *Straits Times*, 17 December 1954.

<sup>2</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, clause 121.

<sup>3</sup> *The Malay Mail*, 30 December 1954.

<sup>4</sup> Federation of Malaya, *Report of the Committee Appointed to Review the Financial Provisions of the Federation of Malaya Agreement, 1948* (Kuala Lumpur, 1955), Chapter II.

made in respect of Independent revenues, because the Committee considered the field too limited in scope and the practical difficulties too great, if additional sources of revenue were to be given to the unit governments.

Capitation grant or annual *per capita* grant was calculated on the basis of adult population over the age of nineteen as shown by the 1947 census figures. The amount of this grant was determined each year by the Federal government after consultation with the unit governments. But there were still no hard and fast rules to govern its determination, although, in order to preserve a certain degree of stability in the estimates, a grant in any one year should not be reduced by more than 10 per cent. of the grant in the preceding year.<sup>1</sup>

Petrol duty was allocated to the unit governments to the extent of 30 per cent. of the pan-Malayan proceeds of the import duty, and this was shared in the ratio of the total sales of petrol made in each State or Settlement two years prior to the year in which the revenue was to be shared.<sup>2</sup>

Special allocations were made to cover the whole cost of education, medicine and health, drainage and irrigation. As these subjects were considered to be of national importance, policy was determined by the Federal government, but executive authority was vested in the State and Settlement governments.<sup>3</sup>

Development grants were intended to meet the special needs of the poorer States of Kelantan, Trengganu, Perlis, and Pahang in order to raise their standard of development. The size of this grant was calculated on a *per capita* basis, and this was fixed at 25 per cent. of the ordinary *per capita* grant described above.<sup>4</sup>

At the discretion of the High Commissioner a Special Transitional grant could be made to a State or a Settlement when its estimates showed an imbalance of revenue and expenditure. The grant was to be of such an amount as would ensure a surplus not exceeding M\$500,000 or the equivalent of a capitation grant of M\$2, whichever was the less. Since the development grant was taken into consideration in determining whether or not a State or Settlement was entitled to a transitional grant, a State or Settlement which had a deficit was not allowed to spend its development grant on development, but must use it to reduce its deficit on current account.<sup>5</sup>

<sup>1</sup> Ibid.    <sup>2</sup> Ibid.    <sup>3</sup> Ibid.    <sup>4</sup> Ibid.    <sup>5</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 135.

The question as to who would retain the surplus of revenue over expenditure was only partly solved. State estimates on education, medical, drainage, and irrigation services continued to be subject to close scrutiny and control by the Federal departments concerned. Any unexpended parts of the grant on education, drainage, and irrigation must be returned to the Federation as before. The surplus from medical and health services could be retained, but such funds must be spent only on items of capital expenditure for medical and health services in the State or Settlement concerned.<sup>1</sup>

Admittedly the new system did redress some of the ills of the old financial arrangements. The allocation of grants by 'the rule of thumb' was replaced by certain defined principles, which were particularly clear in the case of the allocation of petrol import duty. But elsewhere the element of discretion of the Federal government had not been completely removed, and this left the door open for arguments about the amount of the capitation grant, the development grant, and the way of solving the deficit of the regional governments.

The fact that the Federal government had assumed financial responsibility for education, medical and health, drainage and irrigation gave the impression that the State and Settlement governments were relieved from some of their financial burden. But in fact they were in no better position, because both before and after the Raja Uda financial reforms the funds needed to finance these services were supplied by the Federal government. The difference was that whereas prior to reform the process of obtaining funds called for skill in bargaining, after the reform the full cost was borne as a matter of course by the Federal government.

It must be noted also that the exercise of executive authority over education, medicine and health, drainage and irrigation by the State and Settlement governments was nothing new, and that the Committee was merely restating the provisions in the Second Schedule of the Federation of Malaya Agreement of 1948.<sup>2</sup>

By and large it seemed that the financial position of the regional governments underwent no radical change. The policy

<sup>1</sup> Federation of Malaya, *The Federation of Malaya Agreement 1948* (reprinted January, 1956; Kuala Lumpur, 1956), clause 121 (b).

<sup>2</sup> *Ibid.* The Second Schedule, Items 79, 97, and 103.



continued to be one of financial unity with the Federal treasury ruling supreme over the finances of the State and Settlement governments.

### *Federal Finance in the 1957 Constitution*

Realizing the precarious financial dependence of the regions upon the centre, the Reid Constitutional Commission drafted new financial arrangements in order to improve the unit-centre financial relations. The Commission did this not by adding to the list of revenues of the States and Settlements, but by removing from their executive control those subjects which were considered to be of national importance and which required the application of Federal grants. This resulted in the transfer of education, medicine and health from the State list to the Federal list.<sup>1</sup> Grants for these services ceased, and expenditure on them became a direct responsibility of the Federal government. True, the financial dependence of the regional governments on Kuala Lumpur was hereby reduced, but at the same time power also shifted to the centre, leaving the regions weaker than they were before.

Like the Raja Uda Committee, the Reid Commission considered it inappropriate to enlarge the independent revenues of the unit governments. In fact, the receipts from the Education Rate, which were allocated to the States and Settlements after the 1955 financial reform,<sup>2</sup> were withdrawn. The Commission also argued that the States should not enter the field of taxation on the ground that such participation was wasteful, since it would bring about duplication of staff, hamper the conduct of business on a national scale, and retard the development of unity in the nation.<sup>3</sup> This argument was accepted, and apart from a small number of local taxes which had been allotted to the States and Settlements before Merdeka Day, the taxing power was given exclusively to the Federal government. This included income tax which is regionally controlled in the Federation of Nigeria, shared between the centre and the units

<sup>1</sup> Great Britain, *The Federation of Malaya Independence Order in Council, 1957*, Ninth Schedule, Items 13 and 14.

<sup>2</sup> Federation of Malaya, *The Federation of Malaya Agreement 1948*, Third Schedule, Item 14.

<sup>3</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 139.

in India, but, as in the case of Malaya, belongs to the federal government in Canada and Australia.

Through the recommendation of the Commission the States were also denied any fixed share in the proceeds of any particular tax, import and export duty.<sup>1</sup> The allocation of petrol import duty was thus scrapped. An exemption was made with respect to the export duty on tin. Since tin-mining involved the permanent removal of valuable assets, the States concerned were thought to have the right to receive a corresponding compensation, and the constitution fixed this at a minimum of 10 per cent. of the export duty of the tin-production of the producing State.<sup>2</sup>

Having thus discarded the Raja Uda system of revenue allocation, the Reid Commission went on to devise a formula for the calculation of the amount of grants to be given by the Federal government to the States. The criteria used were the population on a sliding scale and the mileage of State roads. The grants came to be known as 'Capitation grant' and 'State Road grant'.

The Capitation grant was fixed at the rate of M\$15 per person for the first 50,000 persons, M\$10 per person for the next 200,000 persons, and M\$4 per person for the rest of the population per annum, and was to be based on the census figures taken before the beginning of the preceding financial year. The amount of State road grant was arrived at by multiplying the average cost of maintaining one mile of State road, i.e. an amount determined by the Federal government in consultation with the National Finance Council, by the total mileage of State roads which qualified for grants, i.e. actually maintained by the Public Works Department.<sup>3</sup>

The Reid Commission had also been instructed to recommend a 'machinery for consultation between the central government and the States and Settlements on financial matters', and accordingly the National Finance Council was set up. Its function was to serve as an intergovernmental agency like the Commonwealth Grants Commission in Australia, the Loans Advisory Board in Nigeria, and the Finance Commission in India. Its membership consisted of the Prime Minister, another Minister designated by the Prime Minister, and one representa-

<sup>1</sup> Ibid.    <sup>2</sup> Federation of Malaya, *Constitution*, Art. 110 (3).

<sup>3</sup> Ibid. Tenth Schedule.

tive from each State appointed by the Ruler or Governor. This body was purely advisory as it was considered to be inappropriate as well as impracticable to give it any executive functions without affecting or diminishing the authority of the Federation and the States in their respective spheres. In particular, the constitution made it incumbent on the Federation to consult this body in respect of the making of grants to the States, the assignment of tax or fee to the States, the making of loans to the States, and the drawing up of schemes for national development.<sup>1</sup>

On the whole the new financial arrangement had a strong bias towards centralization, a tendency not uncommonly found in countries with a federal form of government under the pressure of expanding social services. In Malaya this centripetal tendency was encouraged by the unusually wide financial and legislative powers given to the central government, and by a provision in the constitution<sup>2</sup> setting out the circumstances under which Parliament could make laws on subjects enumerated on the State list for the purpose of ensuring uniformity of laws and policy. A strong central government was foremost in the minds of the founders of independent Malaya, and the 1957 constitution in its realization was a sure testimony to the success of the Reid Commission.

### *Merger and the Question of Finance*

SINGAPORE-MALAYA FINANCIAL NEGOTIATIONS. In December 1961 the Singapore Legislative Assembly accepted the heads of agreement set out in the Singapore White Paper, Cmd 33 of 1961, as a working basis for a reunification of the city-State and the Federation of Malaya. This reunification was not a complete merger on the basis of the eleven States comprising the Federation of Malaya, as advocated by some political parties in Singapore, such as the Barisan Sosialis. Had it been so, then the whole of Singapore's revenues would have to be surrendered to the central government, which in turn would make grants to Singapore to finance the services in the city-State.

Under the terms of the White Paper Singapore was to be a State within the Federation, on special conditions. It was to have a larger measure of local autonomy than any other State

<sup>1</sup> Ibid. Art. 108.

<sup>2</sup> Ibid. Art. 76.

in the new Federation. But if Singapore was to have this autonomy not only in name but also in practice in subjects such as education, labour, social welfare, and health, then, in the words of the White Paper, 'the present machinery for the collection of taxes in Singapore will be retained'.<sup>1</sup> The Singapore government interpreted this as saying that Singapore would collect the taxes, keep them all in Singapore irrespective of whether they were classified as State or Federal, pay the cost of government and public services in Singapore out of these funds, and remit an annual lump sum to the Federal government as a 'contribution' for Federal Services such as defence, security, police, and foreign affairs.<sup>2</sup> Quoting from an exchange of letters between the two governments, the Singapore Prime Minister, Lee Kuan Yew, said that:

Singapore would keep more than three quarters of her revenue for the discharge of her responsibilities on . . . all matters set out as State or concurrent responsibilities in the schedule annexed to our Memorandum and be entitled to fifteen seats in the Central Parliament of the new Federation.<sup>3</sup>

Summing up, Lee Kuan Yew said that to collect, to keep, and to pay were the basic principles upon which a joint working party had to work out a formula for the apportionment of expenditure and the quantum of Singapore's contribution to the Federation.

But the Federation took the opposite view. Seeing no apparent reason why the basic arrangement for Singapore should differ from that for the other States, it maintained that the collection of all taxes should be a Federal responsibility, and envisaged an arrangement, as in the Malay States, whereby the Federation would take over the functions of the Singapore Finance Ministry in respect of all taxes and make annual payments to the city-State as far as it was necessary for the discharge of the State duties of the Singapore government.<sup>4</sup>

Tan Siew Sin, the Federation Finance Minister, then pointed out that in the exchange of letters referred to by the Singapore Prime Minister it was expressly stipulated that whatever autonomy was retained by Singapore, the arrangement should be

<sup>1</sup> State of Singapore, *Memorandum Setting out Heads of Agreement*, par. 17.

<sup>2</sup> State of Singapore, *Legislative Assembly Debates*, 5 April 1963, col. 32.

<sup>3</sup> *Straits Times*, 5 March 1963.

<sup>4</sup> *Ibid.* 6 March 1963.

without prejudice to the basic principle that 'there should be a strong central government for the Federation of Malaya as a whole'. He argued that this was impossible to achieve if the Federation did not have a strong economic and financial foundation. It might be convenient or even desirable to retain the existing machinery for the collection of taxes in Singapore, but in order to ensure a strong central government it was unmistakably essential that the Federal government should control all revenue, whether or not Singapore was to spend in the end 75 per cent. of the revenue collected in the State. To accept otherwise was to create difficulties for the future.<sup>1</sup>

These fundamental disagreements came to the fore at the first plenary meeting of Ministers and officials from both sides of the Causeway on 28 February and 1 March 1963, when a number of previously unresolved merger issues came under discussion. As the deliberations progressed it became increasingly clear that finance was the major stumbling block.

The main difficulty seemed to stem from the fact that the White Paper on merger and the exchange of letters contained certain ambiguous phrases, e.g. 'taxes of a national character' and 'keep three quarters of her revenue'. To Kuala Lumpur the first phrase was synonymous with 'Federal taxes' implying Federal ownership. But to Singapore this was no more than a label indicating the kind of taxes over which the Federal government was to have legislative authority, as indicated in the White Paper, and not executive authority or ownership. With regard to the second phrase Singapore contended that she could hardly keep three quarters of her revenue, if Kuala Lumpur were to collect what would become national taxes, because they comprised more than 65 per cent. of Singapore's over all revenue. But Kuala Lumpur argued that the phrase applied only to the revenues on the State list.<sup>2</sup>

THE FINANCIAL DEADLOCK. Fully aware of the serious consequences of any complete disagreement on the question of finance, the Singapore and Federal governments came in early March to a common understanding on the initial disposal of the 'national taxes' collected in Singapore. The proceeds would go neither to the Singapore nor to the Federal Consolidated Fund, but to a neutral account to be opened in the Singapore branch

<sup>1</sup> *Ibid.*

<sup>2</sup> *Straits Times*, 3 and 4 March 1963.

of the Central Bank. The money collected must be physically in Singapore, and no disbursement from the fund should be made before a method of apportionment had been agreed upon.<sup>1</sup>

In an effort to solve the problem, the Federal government forwarded to the Singapore government in the middle of March 1963 a memorandum, which proposed, amongst other things, that Singapore should be responsible for 21.2 per cent. of pan-Malayan expenditures, such as defence, internal security, external affairs, and Parliament. This percentage was based on the average of the 1961 actual revenues and the 1962 provisional revenue figures collected in each of the territories that were to comprise Malaysia. It was further proposed that in addition to the usual sources of revenues assigned to the States in the Federation of Malaya, Singapore should be given some others to enable her to meet her local obligations and to pay her contribution for common pan-Malayan services and the cost of Federal departments in Singapore.<sup>2</sup>

But the Singapore government rejected this scheme on the ground that it was based on unacceptable principles that would transfer all Singapore's revenue surplus to Kuala Lumpur, and declared that Singapore's contribution should be based on four factors. These were (i) Singapore's representation in Parliament in comparison with that of Malaya and the Borneo territories, (ii) area to be defended, (iii) ratio of population to be defended, and (iv) prosperity index as a result of common market arrangements.<sup>3</sup>

In reply the Federation submitted an amended scheme, which contained two concessions. First, defence and internal security contributions by Singapore were reduced from M\$93.6 million to M\$75 million per annum. Second, Singapore would retain half of her surplus, based on 1961 calculations, instead of surrendering the whole amount.<sup>4</sup>

Singapore welcomed the defence and internal security aspect of the new offer, but refused to consider the sharing of any revenue surplus, because it was at variance with the terms of the White Paper on merger and the contents of the exchange of letters between Singapore and Kuala Lumpur.<sup>5</sup>

<sup>1</sup> State of Singapore, *Legislative Assembly Debates*, 10 June 1963, col. 615.

<sup>2</sup> *Ibid.* col. 614.

<sup>3</sup> *Straits Times*, 13 April 1963.

<sup>4</sup> *The Malay Times*, 11 June 1963.    <sup>5</sup> *Ibid.* 14 April 1963.

Refuting Singapore's argument, Tan Siew Sin declared that the principle which had to be agreed upon was that 'Federal' taxes in Singapore should be collected by Federal departments and that the revenue thus collected should be regarded as Federal. Quoting Tunku Abdul Rahman, he said that it was the Federal goose that laid the golden eggs, but it was Singapore which benefited from the eggs. In other words, Singapore derived the main benefit from the goods, the toil, and the sweat of the Federation and, therefore, it was only right that the Federation government should be entitled to a fair share of Singapore's prosperity. He stated further that it was irrelevant for Singapore to tie the quantum of representation in the Federal Parliament with the financial arrangement and pointed out that Singapore representation had been fixed on the basis that the city-State would have a larger measure of autonomy than any other member-State of the new Federation.<sup>1</sup>

In the next round of the 'battle of words' Lee Kuan Yew reiterated his stand that Singapore had never at any time agreed to share her revenue surplus with the Federation after merger, but should that be agreed upon he asked whether the Federation government was prepared to make good any prospective Singapore deficits. Tan Siew Sin's answer that Singapore should utilize its reserves to meet such deficits made Singapore conclude that the Federation wanted only Singapore's prosperity and that, therefore, there was no case for sharing any surplus with the Federation.<sup>2</sup>

Defending his position on the common market, Lee Kuan Yew said that once the subject of sharing in each other's prosperity was raised, the means whereby such prosperity could be brought about followed naturally and this immediately raised the subject of a common market. He agreed that Singapore's comparatively small representation of fifteen seats in Parliament was a concession to Singapore's larger autonomy, but added that financial sinews were needed to maintain that autonomy. In other words, since Singapore would keep most of her taxes, she agreed to having her representation in Kuala Lumpur reduced by several seats.<sup>3</sup>

That the financial dispute tended to assume the character

<sup>1</sup> *Ibid.*

<sup>2</sup> *Straits Times*, 15 April 1963.

<sup>3</sup> *Ibid.*

of a duel between Lee Kuan Yew and Tan Siew Sin did not happen by accident. These personal skirmishes and outbursts were generated by the so-called PAP-MCA controversy which came to a head in April with the resurgence of the right-wing elements in Singapore, spearheaded by the local MCA and supported by the Federation MCA by the appointment of a fifteen-man top level working party to re-organize the Singapore MCA.<sup>1</sup> Understandably, the Singapore PAP government, which was at its lowest ebb at this time, could hardly welcome this development. These rightists might well turn out to be stronger than the Communist-left, which had been giving Lee Kuan Yew sleepless nights.

In Singapore itself it was generally believed that the PAP government was prompted in its actions by a keen desire to satisfy the opposition parties and to convince them that it had secured the best possible terms in accepting the merger.<sup>2</sup> But there seemed to be no doubt that any attempt of placating the extreme left would be in vain, because it was all out to wreck the merger.

By the end of April the financial negotiations had reached an impasse and the two governments agreed to disagree. But since the factors surrounding the birth of the Malaysia concept had not changed, the financial deadlock was expected to be only of a temporary nature.

ANOTHER FINANCIAL DEADLOCK. Hope revived when at the end of May 1963 the financial negotiations were resumed. The World Bank Mission under J. Rueff, which had been asked to report and make recommendations on the economic aspects of merger, had also made its findings available to the Singapore and Federal governments. There was reason for optimism when it was agreed by the two governments to set up a common market in Malaysia on the lines of the Rueff report.<sup>3</sup> A further informal talk was subsequently held in Kuala Lumpur, and here Singapore agreed to consider the payment of a certain percentage of her national taxes to the central government, provided a satisfactory arrangement was made for the establishment of the

<sup>1</sup> *The Malayan Times*, 1 May 1963.

<sup>2</sup> *Ibid.* 28 April 1963.

<sup>3</sup> Federation of Malaya, *Report on the Economic Aspects of Malaysia by a Mission of the International Bank for Reconstruction and Development* (Kuala Lumpur, 1963). See below, pp. 253-6.



common market. Lee Kuan Yew also wanted the common market terms to be spelled out in fair detail in the new constitution before the promulgation of Malaysia on 31 August 1963 in order to safeguard Singapore from exploitation. To the Federal government's argument that there would not be sufficient time to thrash out the details of the common market, Lee Kuan Yew answered that if the working parties of both governments would get down to work, there was no reason why the job could not be completed within the remaining two months. There was no question of having to start from scratch, since the full report of the Rueff Mission was already in the hands of the two governments. In his emphatic way he made it also clearly understood that no money would leave Singapore until the common market was settled.<sup>1</sup>

Lee Kuan Yew also refused to consider the payment of M\$50 million for the development of the Borneo territories, because such a provision had never been contemplated in the merger agreement. The idea came only as a result of Federal financial officials 'looking under our carpets and mattresses to see what money we have stashed away'. Nevertheless he agreed to give loans up to M\$150 million to the Borneo territories after Malaysia Day, provided they were transacted on a proper basis, i.e. at an interest rate between 5½ and 6½ per cent. per annum.<sup>2</sup> But Tan Siew Sin argued that, although it was not done in writing, the Singapore government had definitely offered M\$150 million towards Malaysian development expenditure, partly in the form of loans and partly in the form of grants. Singapore had proposed a grant in order to persuade the Federal government to reduce the percentage of Federal revenue derived from Singapore which should go to the Federal treasury. The Federal government then agreed to reduce its claim from 55 per cent. to 40 per cent. of Singapore's national taxes or the equivalent of 28 per cent. of Singapore's total revenue, provided Singapore agreed to make a grant of M\$50 million for the development of the Borneo territories.<sup>3</sup> Lee Kuan Yew denied having made an agreement of this kind, since he felt that it was not reasonable that Singapore should pay an 'entrance fee' of M\$50 million when the other States joining Malaysia did not have to pay anything. All that Singapore agreed to do was to pay 39 per cent. of its national taxes or 27.3 per cent. of its total revenue, instead

<sup>1</sup> *Straits Times*, 22 June 1963.    <sup>2</sup> *Ibid.*    <sup>3</sup> *Ibid.* 24 June 1963.

of an earlier offer of 34.3 per cent. of its national taxes, if common market terms could be spelled out in the constitution before Malaysia Day.<sup>1</sup>

Unable to accept Singapore's conditions, the Federal government issued the historical 48-hour ultimatum of June 20. It said:

It [Singapore] can merge as a unit like Malacca and Penang . . . all revenue will be administered by the Central Government which, in turn will make the necessary allocations for her various requirements. The Cabinet will not agree to Singapore retaining one third of the revenue as indicated during the financial talks on merger between the two governments.<sup>2</sup>

For the Federation government to issue an ultimatum would suggest that it occupied a superior position in the financial negotiations, and that it could dictate terms to both Singapore and Brunei. But Lee Kuan Yew held a different opinion, and besides giving a reply<sup>3</sup> which was no more than a re-statement of his declared position, he expounded a theory that Singapore was 'the stopper of the Southeast Asia basin', and that all the water would run away if the stopper were pulled out. He warned that a Malaysia without Singapore was not possible as the Federation would then be deprived of the sinews to defend itself. To the British he said that a Singapore outside Malaysia would result in a rapid disappearance of the bases in the island.<sup>4</sup> His stand, but not necessarily that of the population of Singapore, was clear: The Federation needed Singapore more than Singapore needed the Federation; hence Lee Kuan Yew could afford to insist on his own terms.

At this crucial moment, when so much hinged on the outcome of the financial negotiations, the British government invited the two parties to come to London. In a different atmosphere, 8,000 miles away, this problem could be discussed dispassionately, and when looked into with a sense of proportion a just and fair solution might emerge.

### *The Case of Brunei*

The Sultan of Brunei had never questioned the desirability of Brunei becoming a part of Malaysia. As late as March 1963 he

<sup>1</sup> *Ibid.* 23 June 1963.

<sup>2</sup> *The Malayan Times*, 20 June 1963.

<sup>3</sup> *Straits Times*, 27 July 1963.

<sup>4</sup> *The Malayan Times*, 22 June 1963.

expressed in a *Hari Raya* message to his people his conviction that the safe and logical road for Brunei to follow was to join the Federation of Malaysia, together with Sabah, Sarawak, Singapore, and the Federation of Malaya. But as with Singapore *vis-à-vis* Kuala Lumpur and of Jamaica *vis-à-vis* the defunct Carribean Federation, the riches of Brunei posed a serious obstacle to the entry of the State into Malaysia. After Canada and Trinidad, Brunei was the largest oil-producer in the Commonwealth, and the problem, therefore, arose as to who would have the right to levy and collect the taxes on the oil-wealth after Malaysia Day.

The Malayan government's position was that Brunei should be allowed to collect and keep the royalties and taxes on oil for the first ten years of Malaysia, provided Brunei made an annual contribution of M\$40 million to the Federal treasury and the Federation was given the right to levy an export duty on oil or to impose income and company tax in Brunei 'as it thinks fit'.<sup>1</sup> At the end of the ten-year period the central government would levy and collect taxes on oil in accordance with the normal financial provisions of the new constitution of the Federation of Malaysia.<sup>2</sup>

The pill was too bitter for Brunei to swallow, and although the Sultan agreed to the M\$40 million annual contribution, he added a rider that it should be on a voluntary basis. He objected firmly to the idea of surrendering the control of any oil revenue to Kuala Lumpur at any time. Reminiscent of Singapore's argument, Brunei stated that apart from the annual lump sum contribution the central government would have no right to any revenue. This included the taxation of oil profits from any new oil-fields discovered after the formation of Malaysia. To Kuala Lumpur this outright denial of the right to tax the products of a member State was anomalous and inconsistent with the principle of a strong central government and was, therefore, unacceptable.<sup>3</sup>

The financial negotiations having thus ended in a stalemate, the Federal government presented a 48-hour ultimatum, similar to and simultaneous with that given to the Singapore government, whereby the Federal government stood by its earlier decisions:

<sup>1</sup> *Sunday Mail*, 23 June 1963.

<sup>2</sup> *Ibid.* 30 June 1963.      <sup>3</sup> *Ibid.*

All revenue from oil discovered in the State after Brunei joins Malaysia will be administered by the Central Government of Malaysia . . . all mineral or other deposits, found in the State of Brunei after she joins Malaysia, must be under the control of the Central Government.<sup>1</sup>

But the Sultan, whose past was by no means less impressive than those of the Malay Sultans in Malaya, could not be coerced or cowed, and indicated that 'he would not buckle under to the demands', but would stick to what he referred to as 'previous agreements'.<sup>2</sup> Nevertheless he kept the door open for further negotiations, and at the invitation of Harold Macmillan, the British Prime Minister, he flew to London in early July at the head of a fifteen-man delegation to try to solve the financial problem.

### *The London Talks: Federal Finance in Malaysia*

The talks in London constituted the most arduous phase of the financial negotiations. The attitude of the delegates was most uncompromising, and there were anxious moments when the possibility of failure seemed very real. In the words of Singapore's Prime Minister, Lee Kuan Yew, the situation was 'a process of attrition'.

But in the beginning there seemed to be an undercurrent of hopeful optimism. Dato Neil Lawson, the man behind the Sultan of Brunei, believed that Brunei must join Malaysia or face an alternative fraught with danger. Lee Kuan Yew of Singapore maintained that Singapore would be in Malaysia whatever happened, while Deputy Prime Minister of the Federation, Tun Abdul Razak, felt that the chances of success were very good. It was also significant that the Malayan delegation to London included Dr. Lim Swee Aun, Minister of Commerce and Industry, and two of his officials. Nor could it be coincidental that the Federation Attorney-General, C. M. Sheridan, and the Federation's chief legal draftsman, S. S. Fiennes, were among the delegates. Obviously a major effort was contemplated not only to resolve the differences, but also to conclude, if necessary, a legal agreement in London to the satisfaction of all. There was also speculation that the British government

<sup>1</sup> *The Malayan Times*, 20 June 1963.

<sup>2</sup> *Ibid.* 24 June 1963.

might consider it expedient to narrow down the gap between the last offers of the Federation, Singapore, and Brunei by making some financial contribution itself.<sup>1</sup>

In the course of exploratory talks, Duncan Sandys, the British Commonwealth Relations Secretary, discovered that Tun Abdul Razak and Tan Siew Sin placed maximum priority on a grant of M\$50 million from Singapore to be used for the development of the Borneo territories, while Lee Kuan Yew and Dr. Goh Keng Swee assigned the greatest importance to common market terms, which must ensure the absence of customs barriers throughout the five territories of Malaysia, thus opening the Malaysian market freely to the products of Singapore's light manufacturing industries.<sup>2</sup> Lee Kuan Yew put it forcefully to Duncan Sandys that it would be of no service to Malaysia to arrange financial matters in a way that would make Singapore suffer from 'brutal economic recession'. Not only would this cut off further aid to the Borneo territories, but it would also create the longed-for opportunity that the communists had been seeking to sweep them into power.<sup>3</sup>

At the same time Tunku Abdul Rahman's dispatch from Kuala Lumpur said that 'if certain proposals' put to the British government were not accepted by Singapore, the Malayan delegation should break off the discussions and return to Malaya.<sup>4</sup> These 'certain proposals' included an agreement in principle for a common market, which Lee Kuan said was not enough. He and Dr. Goh asked for the establishment of an advisory tariff board to advise the central government on how to impose protective tariffs throughout the whole territory of Malaysia, and for a list of products which would receive common market treatment in Malaysia. These desires were communicated by the British government to the Malayan delegation, who subsequently agreed with some reluctance to the establishment of an advisory board, but found it impossible to accept an initial list of common market products, which Singapore had previously prepared, as it was loaded in the island's favour.<sup>5</sup>

But eventually a compromise was arranged; the Malayan

<sup>1</sup> *Straits Times*, 27 June 1963.

<sup>2</sup> *Ibid.* 28 June 1963.

<sup>3</sup> *The Manchester Guardian*, 28 June 1963.

<sup>4</sup> *The Times* (London), 5 July 1963.

<sup>5</sup> *Straits Times*, 1 July 1963.

delegation agreed to incorporate the broad outlines of a common market in the constitution and the Singapore delegation allowed the details of the common market to be worked out progressively by the tariff board.<sup>1</sup> The idea of an outright grant was also given up and, instead, the two governments agreed on a M\$150 million loan by Singapore on the basis of different interest rates. No interest would be charged on M\$100 million for the first five years, but thereafter interest would be charged at current rates. The other M\$50 million would be subject to normal interest rates from the beginning.<sup>2</sup>

The controversy over the allocation of revenue in the city-State was also solved with 'logic and reason'. Singapore accepted the Federation's minimum 40 per cent. demand, and with a few exceptions, notably customs duties collected in Singapore on goods exported from or imported into Malaysia outside Singapore which were to be paid into the Federal Consolidated Fund, all these revenues would be deposited in a branch of the Central Bank in Singapore. This fund would be divided between the two governments at least once a year in the proportion of 60 per cent. to Singapore and 40 per cent. to Kuala Lumpur. The collection of these revenues remained the responsibility of the Singapore government, but after the usual practice in most countries with a federal government, the actual control over customs duties and excise was vested in the Federal government. This control was effected by empowering the Federal government, among others, to make regulations with relation to customs and excise, to give directions to the Singapore government to ensure the effective collection of customs and excise, to fix the rate of duty and excise on any class of goods, and to fix the value of goods for the purpose of duty and excise. In the field of income tax also the Singapore government agreed to take directives from Kuala Lumpur.<sup>3</sup>

The negotiations between Malaya and Brunei, however, were shattered on the rocks of finance. The Sultan was willing to give an additional amount of M\$5 million for the first year of Malaysia, but otherwise neither party was prepared to alter its previous position.<sup>4</sup> It appeared that the British government, in its office as mediator, failed to find an acceptable solution.

<sup>1</sup> Federation of Malaya, *Agreement between the Governments of the Federation of Malaya and Singapore on Common Market and Financial Arrangements*, Cmd. 27 of 1963 (Kuala Lumpur, 1963).

<sup>2</sup> *Ibid.* par. 9.

<sup>3</sup> *Ibid.* Annex to Annex J. <sup>4</sup> *The Malay Mail*, 7 July 1963.

The colonies of North Borneo and Sarawak presented no problem. As in the Malay States taxation was made a Federal subject, but unlike the Malay States, these two territories were given the power to impose sales taxes. Besides the sources of revenue assigned to the States in the constitution of the Federation of Malaya, the Borneo States would collect and appropriate the revenues from export duties on minerals, timber and other forest products, and import duty and excise on petroleum products. Unlike Singapore, but like the Malay States, the Borneo States would receive Capitation and State Road grants subject to minor modifications to suit Borneo's special needs.<sup>1</sup> Finally, the British government also promised to make a 'gift' of M\$16 million a year for the first five years of Malaysia to help the two Borneo territories in their development programmes.<sup>2</sup>

Since finance constitutes the sinews for the operation of government, it is not surprising to see the outcome of the financial bargaining reflected in the nature of the relationship between the Federal and State governments. At one end is Singapore in a position of complete financial independence. With more than sufficient means to supply her wants, Singapore enjoys a large measure of autonomy, particularly in the expensive social services, and it might be said that the resulting relationship between Singapore and Kuala Lumpur comes close to the federal principle of co-ordination. At the other end are the eleven States of the former Federation of Malaya, which are completely dependent upon Kuala Lumpur for the means to finance their State services. Their relationship with the centre is decidedly subordinate, and reminiscent of unitary government. In between these two extremes come the two Borneo States, whose financial relationship with the Federal government is not so rigid as in the case of the Malay States. But neither is it as independent as Singapore. The reason for this development seems to have been the character of external and internal pressures during the formative years of Malaysia. Both the CCO and Indonesian confrontation seem to have been about the right strength to admit a political union, but not as strong as the Emergency in Malaya, causing a desire for unitary government.

<sup>1</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ...the Federation of Malaya* [etc.], Annex A, Part IV, Chapter IV, Fifth Schedule.

<sup>2</sup> *The Malayan Times*, 20 July 1963.

At the same time the Borneo States did not have the capacity to negotiate from a position of financial strength, like Singapore, and they had, therefore, to submit to a measure of federal control, particularly in the field of social services.

The problem of revenue allocation is clearly not one for which there is a once-for-all or a one-for-all solution. Over long periods conditions change, and even in the same period conditions are apt to vary from region to region. This is especially true in the case of the States comprising Malaysia. The 'water-tight' compartment concept of financial independence of the general and regional governments as expressed in the classical federations has gradually become undesirable, if not impossible, in the operation of federalism, and has increasingly lost ground to Birch's 'co-operative federalism',<sup>1</sup> the essence of which is a co-operative interaction between the federal and regional authorities as a result of social and economic change.

One of the devices to bring about this concept of co-operation is the provision for concurrent powers in the constitutions of the new federations. In the Indian constitution, which was taken as a model in the framing of the Malaysia constitution, these powers make up an extensive list. But in the Malaysia constitution the concurrent list is comparatively short, consisting of a basic list common to all States, a supplementary list for the Borneo States, and another supplementary list with different provisions for the State of Singapore.<sup>2</sup> The Federal list includes almost all the major activities of government, and the Federal Parliament can legislate on the restricted State list in order to secure a common policy. It is thus difficult to escape the conclusion that in a plural-society federation like Malaysia, in contrast with Nigeria and the ill-fated West Indies, the inevitable trend is towards a very tight form of federalism.

<sup>1</sup> A. H. Birch, *Federalism, Finance and Social Legislation* (Oxford, 1957), p. 304.

<sup>2</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya* [etc.], Annex A, Part. IV, Chapter IV, Fourth Schedule.



## ECONOMIC INTEGRATION

*The Integration of the Malays in Malayan Economy*

(ECONOMICS AND THE PLURAL SOCIETY IN BRITISH MALAYA. The consolidation of British interests, the opening up of port-cities, the intensification of the capitalization of the tin-industry, the extension of rubber plantations to cover huge areas of land previously clothed with virgin jungle, and the inauguration of an era of law and order drew a flood of immigrant peoples into Malaya. Europeans came as administrators and entrepreneurs, while the neighbouring countries, particularly China, India, and Indonesia supplied the necessary labour forces. Many of the Chinese and Indians, however, were 'birds of passage' and they returned to their homelands after a limited number of years' stay in Malaya so that there was a steady two-way stream of Chinese and Indians, whose volume varied only with the economic booms and slumps that characterized the second and third decades of the twentieth century. But with the passing of years there grew a trend toward permanent settlement in Malaya, especially among the Chinese, of whom 21 per cent. were Malaya-born in 1921, 30 per cent. in 1931, and 63.5 per cent. in 1947, compared with 12 per cent., 20 per cent., and 50 per cent. of the Indians for the same period.<sup>1</sup>

(While it is true that these races were present all over Malaya in various degrees of density, there had been a marked regional racial concentration coinciding with their economic interests. Thus, the Chinese lived primarily in the developed areas of the country-side and in the large urban communities. They provided the labour supply in the European and Chinese owned tin-mines, located around Ipoh in the Kinta Valley in Perak, around Kuala Lumpur in Selangor, and around Seremban in Negri Sembilan; they were also engaged on small rubber holdings which they worked themselves. In urban areas they constituted over half the population, acting as the principal middlemen and controlling most of the retail business trade. (Exceptions were presented by the States of Kelantan, Trengganu,

<sup>1</sup> Norton Ginsburg and Chester F. Roberts Jr., *Malaya* (Seattle, 1958), p. 67. Also T. E. Smith, *Population Growth in Malaya* (London, 1952), p. 84.

and Perlis, where the population was predominantly Malay and the number of urban dwellers very low. Very striking, in contrast, was the concentration of the Chinese in the three largest cities in Malaya, Singapore, Penang, and Kuala Lumpur, which accommodated about 30 per cent. of the total Chinese population in the country.<sup>1</sup>)

The Malays were largely rural people living predominantly in the northern States of Kedah, Perlis, Kelantan, and Trengganu where they practised the traditional occupations of rice-growing and fishing, little disturbed by the vast economic and social changes that gradually transformed the rest of Malaya. In the east-coast States of Trengganu and Pahang the Malays predominated as fishermen, but on the west coast they shared the fishing economy with the Chinese.<sup>2</sup> In contrast with the other communities the Malays had shown a lack of interest in working for wages in foreign owned estates, and this necessitated the importation of labour.)

The 'other Malaysians', as those from Indonesia and particularly from Sumatra were usually called, had been attracted to Malaya by the prospects of economic betterment. Mainly working as estate workers they lived mostly in the coastal districts of Johore, Perak, Selangor, and Singapore.<sup>3</sup>

(The Indians constituted a group which was smaller than either the Chinese or the Malay community. They were usually associated with Malaya's rubber estates, where about three fifths of the total Indian population were employed as labourers. Their main concentration, therefore, was in the chief rubber-producing areas of Perak, Selangor, Negri Sembilan, Johore, Malacca, and in sections of Pahang, Penang, and Kedah. The other two fifths lived in towns and cities as labourers on roads, railways, and municipal services, and as administrators, clerks, tradesmen, and professional people. About four fifths of the Indian urban dwellers were resident in Singapore, Penang, and Kuala Lumpur.<sup>4</sup>)

These were the three races of real importance in Malaya. Including Singapore they made up 98 per cent. of the total population, of which 48.8 per cent. were Malaysians, 35.2 per

<sup>1</sup> Ginsburg and Roberts, *op. cit.* p. 67.

<sup>2</sup> Smith, *op. cit.* p. 7.

<sup>3</sup> Ginsburg and Roberts, *op. cit.* p. 57.

<sup>4</sup> *Ibid.* p. 61.

cent. Chinese, and 14.2 per cent. Indians in 1921 compared with 43.5 per cent. Malaysians, 44.7 per cent. Chinese, and 10.25 per cent. Indians in 1947.<sup>1</sup> Excluding Singapore, the 1941 population estimate showed 2,172,900 (46.3 per cent.) Malays (including other Malaysians), 1,756,000 (37.4 per cent.) Chinese, and 687,000 (14.6 per cent.) Indians, while including Singapore the figures were 2,250,200 (41.3 per cent.) Malays (including other Malaysians), 2,348,900 (43.0 per cent.) Chinese, and 747,600 (13.7 per cent.) Indians.<sup>2</sup> These ratios continued to grow in favour of the alien immigrants, because their fertility rate was higher and their mortality rate lower than those of the Malays.<sup>3</sup>

British Malaya had thus become a country where the natives were outnumbered by aliens. Only in the rural areas did the Malays hold their own. A remarkable feature was that the races lived and worked together with an almost complete absence of racial frictions. The Chinese, industrious, frugal, and ambitious were content to work, to trade, and to prosper in a land of tranquility and order, and they appeared to be satisfied with their status as aliens.<sup>4</sup> Neither was the Indian minority concerned about politics in Malaya where 'they did not for the most part feel that they belonged'.<sup>5</sup> The Malays received no opposition to their claim to be the 'privileged sons of the soil', and for protection against the Chinese economic domination they looked to the British. (To the British administrators and spokesmen for colonial commerce and industry the absence of nationalist and labour movements helped to simplify the execution of their authoritarian role. In the political sphere it was felt necessary to maintain the façade of Malay rule, but in the economic field there was no such need. The result was that the Malays were economically lost in their own country, and were left dormant in stagnant pools of mediaeval economy while the other communities moved on with the new economic developments into the twentieth century.)

<sup>1</sup> V. Purcell, *Malaya: Communist or Free?* p. 37.

<sup>2</sup> Government of India, Office of the Economic Adviser, *Indians in Malayan Economy* (New Delhi, 1950), pp. 2-4.

<sup>3</sup> Smith, *op. cit.* p. 1.

<sup>4</sup> Corry, *Malaya To-day* p. 9.

<sup>5</sup> T. H. Silcock and Ungku Abdul Aziz, 'Nationalism in Malaya', Eleventh Conference, Institute of Pacific Relations, Lucknow, India, (3-15 October 1950), mimeographed, p. 14.

**THE MALAY ECONOMIC PROBLEM.** The economic gap between the Malays and the other communities which was camouflaged under the pro-Malay policy of the British colonial administration was exposed by the Second World War, and the Malays suddenly awoke to the realities of their false economic security. The immediate task that lay heavy on the shoulders of the new Malayan government was, therefore, that of rectifying and strengthening the economic position of the Malays who constituted the bulk of the peasantry.<sup>1</sup>

In planting rice and rubber and in fishing the Malays could hold their own, but elsewhere they had no chance against the foreigners. Not only the local wholesale, but also the distributing business was exclusively in the hands of Europeans, Chinese, and Indians. The average Malay had not shown any inclination towards keeping even the smallest retail shop. In the most remote corners of the peninsula the little village shop was managed by some enterprising Chinese in spite of his handicaps of birth in China, his smattering of the Malay language, and his capital of only a few dollars.<sup>2</sup> These handicaps would immediately dismiss any validity in the popular argument that the greatest weakness of the Malay was his lack of capital. It has also been said that even if a Malay were to engage in business, he would be 'boycotted' by Chinese business rivalries because of racial feeling. But, as Maxwell observed, this kind of boycott was only one of the skills in business transactions often seen in other countries, and racialism would not necessarily have anything to do with it.<sup>3</sup>

It is noteworthy that this economic weakness was confined to the Malays of the peninsula, and is not to be found among their Malay kinsmen in Indonesia. The Korinchi pedlars and the Menangkabau Malays of Sumatra as well as the Malays from Banjarmasin in Borneo, for example, were known to be so successful in trade and business of every kind that the Chinese could not compete with them.<sup>3</sup>

Winstedt, perhaps, came nearer to the answer to the Malay problem when he suggested that Malay complacent isolationism in village communities encircled by the forest and by bountiful nature that made livelihood easy was among the chief causes for the supplanting of the Malays by the Chinese car-

<sup>1</sup> George Maxwell, 'The Malay in Commerce', *United Empire*, January-February 1948, pp. 36-37.   <sup>2</sup> *Ibid.*   <sup>3</sup> *Ibid.*

penter, miner, merchant, by the Indian cook, laundryman and clerk, by the British doctor and planter, and by the Japanese weaver and deep-sea fisherman.<sup>1</sup> But this still did not explain the difference between the business acumen of the Malays in the peninsula and those in Indonesia. It would appear that the pro-Malay, paternal and patronizing British policy in the peninsula had an adverse effect on the economic development of the Malays in Malaya, whereas the Dutch policy in Indonesia, which could at best be described as one of indifference towards the Malays of Indonesia, taught the Indonesian Malays to stand on their own economic feet.

The deplorable consequence was that the Malays never acquired any experience in shopkeeping. They had, therefore, to start at the very beginning and to try to catch up fast to make up for lost time. Unfortunately this was not as easy as the Earl of Listowel suggested in the British House of Lords. He said: 'In this racial partnership in Malaya it is essential for the Chinese to share their economic position and the Malays to share their political power each with the other principal race.'<sup>2</sup> For a man can be given the vote, but he certainly cannot be made a successful businessman by Act of Parliament.

INTEGRATION THROUGH CO-OPERATION. The Rural Industrial Development Authority (RIDA) was set up in July 1950 to undertake the task of rural development and to promote the welfare of Malaya's most important socio-economic group, the small-holders. Of the Malay population alone more than 80 per cent. were living in *kampongs* and their main occupation was the cultivation of paddy, rubber or other crops in small land-holdings averaging from three to four acres each. RIDA operated on a relatively small budget of M\$5 million a year. It was one of the most troublesome and least successful government efforts in rural development and in teaching 'self help' to the *kampung* dwellers. The replanting of rubber by the small-holders was neglected, because it was directly opposed to the interest of the European estates. RIDA's only merit was the provision of a public image or a façade of a rural Malay oriented organization.<sup>3</sup>

<sup>1</sup> R. O. Winstedt, *The Malays* p. 4.

<sup>2</sup> Great Britain, *Parliamentary Debates* (Lords), 27 February 1952, col. 348.

<sup>3</sup> Wang Gungwu (ed.), *Malaysia: A Survey* (London, 1964), p. 312. Also F. G. Carnell, 'Communism and Communalism', *Pacific Affairs*, Vol. XXVI, No. 2, June 1953, p. 112.

Some progress was achieved with the establishment in 1956 of the Federal Land Development Authority (FLDA) designed primarily to provide new land for landless Malays and to some extent for Chinese and Indians. The latest and most important move came in 1959 with the creation of the Ministry of Rural Development to look after the activities of all government agencies in rural development.<sup>1</sup>

Rural poverty, however, persisted, and experts envisaged the encouragement of small industries as a means of solving the chronic rural problem. But Professor Ungku A. Aziz of the University of Malaya categorically discounted the wisdom of such an approach. He had diagnosed the rural problem as the result of what he called 'the truck system' whereby many small employers, especially traders in fish, attap, fire-wood, and even in rubber and copra, provided the workers with such items as rice, sugar, and salt. At a later date they collected the produce obtained by the workers and set off the cost of such produce against the goods advanced. In this transaction what the employers advanced was overcharged and what the workers delivered was undervalued. Since the worker could not read Chinese writing, he could not inspect his account. More often than not the worker was never out of debt and eventually these capitalist employers came to own all important items of rural capital and much of the *kampong* land, and they were also able to obtain a lien on rural labour. Obviously this system was very close to serfdom or slavery, because while there was an employer exploiting an employee there was no clear payment of wages.<sup>2</sup>

To save the rural population from this grinding poverty, therefore, Ungku A. Aziz said that the control of the marketing of rural produce must be removed from the capitalists to the rural population themselves through a complete reorganization of the marketing system. He recommended that each segment of the rural economy, e.g. fish marketing, should be developed on a co-operative basis. Within each of these segments of marketing credit, processing, transport, consumer goods distribution, and so on should be organized and managed by multi-purpose co-operatives. Inside the co-operative segment the economy should be run almost entirely by co-operatives, and

<sup>1</sup> Ibid. p. 312.

<sup>2</sup> Ungku Abdul Aziz, 'Who Will End This Rural Slavery', *Straits Times*, 16 October 1963.

private enterprise should be severely restricted, because the co-operative and private enterprise systems were economically and socially opposed to each other. The over-all plan for national economic development, therefore, would have three sectors, i.e. public, private, and co-operative sectors.<sup>1</sup>

Admittedly, a large number of co-operatives had been in existence in Malaya since the Malayan co-operative movement began in 1922. But more often than not their creation had been motivated by fancies and headlong haste. Thus in some respects they advanced too quickly, while in others little or no effort had been made, and this resulted in a crippling of the movement. This deplorable situation was further aggravated by inadequate staffing and supervision.<sup>2</sup>

The argument has been put forward that corrective action has been delayed by the presence of landlord interests within certain of Malaya's political parties, and hence any proposals for an overhaul of the existing system were not likely to arouse more than a polite interest. But even if these landlords and the political parties involved were prepared to champion the cause of the rural Malays, one must still face the fact that the key element in the co-operative movement is the human factor, which involves the capacity, the ability, and the willingness of millions of small farmers to make the necessary changes. Knowledge of the techniques of a co-operative system and of the control and running of the channels of distribution is not sufficient to guarantee success. There is a crucial need to recognize the very difficult process involved in shifting from an individualistic and self-sufficient 'paddy mentality' to a concept of an economic system requiring teamwork, co-ordination, and centralized planning and management. The integration of the Malays into the Malayan economy is almost inconceivable without these basic prerequisites, and the rural Malay farmer may well be the most inelastic factor in the entire process.

### *A Singapore-Malaya Common Market*

THE ECONOMIC PROBLEMS OF THE FEDERATION OF MALAYA. The principal economic problem that Malaya has to contend

<sup>1</sup> Ungku Abdul Aziz, 'Co-operative the Key to Rural Success', *Straits Times*, 17 October 1963.

<sup>2</sup> *The Malayan Times*, 10 June 1963.

with is not new, but it has been complicated by a number of unusual factors which are not entirely under the control of Malaya. The essential difficulty is that of a country which depends for its revenues on one or two primary commodities, and any change in their price has an immediate effect on the national economy.

In the case of Malaya rubber and tin are the two classic sources of wealth, but both are extremely sensitive to fluctuations in world demand. For example, in the period of 1951-2 the prices of rubber and tin soared as a result of American stockpiling in connexion with the Korean war. Malaya was then enjoying a large revenue surplus and wages were linked to the booming prices at the workers' request. But by 1953 the boom was over and the government was faced with a budget deficit. In 1957 prices declined sharply as a result of the decreasing demand, particularly from Russia and China, whose imports had led to a recovery in prices during the second half of 1956.<sup>1</sup> In April 1958 wages were reduced by 30 cents daily, because the price in the preceding month had fallen below 80 cents per lb., the unit price upon which the government had budgeted its entire five year plan.<sup>2</sup>

In addition, rubber has to contend with the growing competition from stereo-regular synthetics, which are believed to have duplicated certain characteristics of natural rubber. If this new synthetic rubber is as good as it has been claimed to be, then natural rubber may have to come down in price, because there is no guarantee that the price of synthetics cannot be cut.

Malaya is the world's largest rubber producer. Both rubber and tin account for a quarter of the Gross National Product of Malaya and for 80 to 85 per cent. of exports and re-exports. While Indonesia's rubber plantation is lagging behind on account of its dependence on old low-yielding strains, Malaya is spending millions of dollars on research and replanting with faster and higher yielding strains. Yet, though the country grows more and more rubber of better and better quality, world prices are falling lower and lower.<sup>3</sup>

Falling rubber prices have other undesirable effects. The Malayan government has estimated that a drop of 1.6 cents per

<sup>1</sup> *Financial Times*, 30 August 1957.

<sup>2</sup> *The Manchester Guardian*, 8 May 1958.

<sup>3</sup> Denis Warner, 'Economic Report on Malaya: Success Story in South East Asia', reprint from the April 1962 issue of *Challenge: The Magazine of Economic Affairs*.



lb. on the 1962 export crop of 733,000 tons would reduce the export duty collected by more than M\$5 million and would also result in a sharp decline in income tax collections from rubber companies.<sup>1</sup> Obviously this would hamper the government's plans for economic development and for the improvement of public services.

What is essential to the economy of Malaya, therefore, is the development of programmes which would stabilize prices over a period of years rather than to have violent fluctuations which would disrupt trade practices, wage scales, and other factors. Under these circumstances the policy of the U.S.A., the major buyer of both rubber and tin, becomes very important indeed. Unfortunately, the U.S.A. has not always acted according to Malaya's expectations. In 1961, for example, the U.S. General Services Administration announced, without prior consultation with Malaya, a revised programme for selling natural rubber from its strategic stockpile, i.e. a sale of up to 5,000 long tons, if the price should go below 32 cents (U.S.) per lb., and an unlimited sale at prices above 32 cents (U.S.) per lb. The Malayan government protested, since the policy made no mention of a 'floor', which Kuala Lumpur wanted to be fixed at 28 cents (U.S.) or 80 cents (Malayan), but without any effect.<sup>2</sup>

Proved tin-ore reserves are also rapidly being depleted, while production costs are steadily rising. At the same time the prosperity of the tin industry also depends largely on the way the U.S.A. stockpile disposals are conducted. Admittedly the American authorities have endeavoured to minimize market disruptions by accepting only bids commensurate with prevailing market prices. But their unwillingness to stipulate a guaranteed price, below which no releases would be made, continues to have an unsettling effect on the market and to cause much uncertainty and apprehension in Malaya and in other tin producing countries as to the future of the tin industry.<sup>3</sup>

Malaya has little confidence in a tentative UN plan to provide international co-operation for fluctuations in commodity trade. The underlying idea of this plan is that when primary producers suffer a diminution of export earnings as a result of a fall in commodity prices, they would be given a loan or a con-

<sup>1</sup> Ibid.      <sup>2</sup> *The Malay Mail*, 4 November 1961.

<sup>3</sup> *Straits Times*, 28 August 1961.

tribution to make good the deficit. Malaya argues that this would merely be a stopgap measure and would not solve the worsening trade position. Malaysians urge a more radical approach involving international controls on commodity prices to ensure that these prices remain fair and stable.<sup>1</sup> But as the prospects of persuading the developed countries of the West that such a plan is either desirable or practicable are remote, Malaya has looked for co-operation closer home, and in 1961 the Bangkok declaration announced the establishment of the Association of South-East Asian States (ASAS or ASA) comprising Malaya, Thailand, and the Philippines as an economic and cultural association to secure stability for commodity prices and to increase production in these regions.<sup>2</sup>

On the domestic front diversification of agricultural crops has been given urgent attention to provide a cushion against further falls in the price of rubber and tin. Diversification has been preached for decades, but as long as rubber is profitable it falls on deaf ears. Obviously the position is changing. Oil palm which thrives well in Malaya is being promoted, timber exports to Australia and to other countries are being increased, and so is the shipment of iron ore to Japan. Meanwhile, prospecting for tin goes on and, of course, there is continued research into the methods of improving the rubber industry.

THE ECONOMIC PROBLEM OF SINGAPORE. While Malaya has been preoccupied with the integration of the Malays into the national economy and with the problem of rubber and tin, Singapore has been troubled by a set of complex economic problems, most of which arise out of the high rate of Singapore's population growth. About 1.6 million people live on a small island of 224.5 sq. miles, and the population is rapidly increasing at a rate which is the highest known in the world. The average annual increase between the census years 1947 and 1957 was 4.3 per cent. Of this 3.6 per cent. was due to natural increase, and the other 0.7 per cent. to migratory surplus.<sup>3</sup>

In view of the low ratio of the economically active to the total population to be supported, i.e. about two thirds of the population are dependent on the productivity of one third, it has become increasingly urgent that the burden on those employed

<sup>1</sup> Warner, *op. cit.*      <sup>2</sup> *The Malay Mail*, 3 April 1963.

<sup>3</sup> State of Singapore, Ministry of Finance, *State of Singapore Development Plan 1961-1964* (Singapore, 1961), p. 1.

is not made greater by any large scale unemployment of those who can be economically active. Employment of those capable of working is necessary to maintain that section of the population which is unable to work. In 1957 there were 24,000 unemployed persons, of whom 16,000 were previously employed. In 1959 the total unemployed rose to 46,000 persons, including 28,000 persons who were previously employed.<sup>1</sup>

This projection gives an idea of the problem of finding employment for those who are entering the labour market each year. Industrialization of Singapore has been popularly advanced as a solution to this predicament. But this is unlikely to be effective as long as Singapore's market is confined to the island.

Before Malaysia entrepot trade and manufacturing were the main economic activities of Singapore, and efforts had been made to expand employment opportunities in these fields. The important position of entrepot trade was widely recognized, but it was seldom realized that manufacturing provided employment for almost as many persons as did the entrepot trade. In 1957 the entrepot trade employed 71,362 persons and the manufacturing industry 66,754 persons.<sup>2</sup> Singapore's entrepot trade had grown as a result of the enhancement of its geographical location by excellent harbour facilities and transport network together with essential banking and other commercial institutions. Geographically Singapore is situated in the centre of one of the world's most important raw-material producing regions which are little developed in manufacturing activities. It was in this context that Singapore achieved importance by gathering the region's raw materials for export to industrialized countries and in return by distributing to the consumers of these regions the manufactured goods of the industrialized countries.

The manufacturing industry included the making of food-stuffs, garments and footwear, wood products, paper products and printing, general engineering and electrical products. But these industries were incapable of large-scale expansion on account of the tariff walls erected by surrounding countries, including Malaya, and these measures prevented the free out-flow of manufactured goods from Singapore.

*The case for an economic integration.* The late 1950's were characterized by a steady deterioration in trade relations between

<sup>1</sup> *Ibid.* p. 8.      <sup>2</sup> *Ibid.* p. 10.

Singapore and the Federation of Malaya. By 1956 it was clear that the Federation's economic and financial policy was taking a new protective and separatist trend. Trade barriers were rising which excluded Singapore trade from Malaya no less than that of more distant foreign countries, and the Federation Finance Minister, Sir Henry Lee, in a statement in London, left no one in doubt about the tariff wall that would stand in the way of Singapore manufacturers.<sup>1</sup>

This economic estrangement resulted of necessity in competition in matters such as the establishment of industries. Both territories were in need of industrialization, and common sense would dictate that in the interest of both territories there should be co-operation rather than competition. The problem of industrialization was serious enough without inviting the further difficulties of basing development on two separate small domestic markets.

In the past taxation in the two territories had been similar, because it was thought that any additional imposition in one would drive individuals and capital to the other. But the differential in individual tax rates introduced in 1958 led the people to look to the advantages of changing domicile. Another factor that damaged Singapore's trade was the withdrawal by the Federal government of the inter-branch transfer facilities previously given to firms operating in both territories.<sup>2</sup>

These moves appeared to be part of the complete constitutional severance of the two territories in August 1959 and of the disinterestedness of the Federation in Singapore's merger overtures. Although a common market would automatically be established by a political union, its creation need not await the realization of a political merger. That a form of customs union was practical without political union was clearly demonstrated by the European Economic Community.

Moved, no doubt, by Singapore's economic ills, the PAP government, upon its election to power in 1957, initiated the formation of a version of a Singapore-Malaya common market.<sup>3</sup> Originally there was an impression that an economic union of the Western European type would be the best choice. This would mean either a free trade area or a customs union. But on closer examination neither of these two alternatives was satis-

<sup>1</sup> *Straits Times*, 24 October 1959.      <sup>2</sup> *Ibid.*

<sup>3</sup> *Straits Budget*, 1 April 1959, p. 7.

factory. A free trade area was unsuitable, because it would make the whole of Malaya virtually a free port, while the second was unacceptable, since it would destroy Singapore's entrepot trade. It was Dr. Goh Keng Swee, Singapore's Finance Minister, who introduced in his budget speech of November 1959<sup>1</sup> a modified form of customs union. He called his scheme the Commodities Common Market (CCM) whereby common tariffs and free pan-Malayan trade would operate only on an agreed list of commodities and on which similar duties would be imposed in the two territories against imports from outside the CCM. No duties would be charged on Malayan manufactures on this list. Obviously the list would have to be somewhat restricted. It could not include goods which entered extensively into Singapore's entrepot trade. The Federation would keep its tariffs on these manufactures entering from Singapore.

To Singapore the advantage of this scheme was obvious and simple. The domestic market, hamstrung by a limited demand, could be assured of a more extensive market and with a co-ordinated policy the city-State could look with a measure of confidence to a gradual industrial expansion. But Dr. Goh did not pretend that there were no difficulties. Apart from the protective element, the two governments would be looking at the tariffs from different viewpoints. The Federation already had a comprehensive revenue tariff structure, and it would lose money as duty-free CCM goods came over across the Causeway. Singapore, however, would be gaining access to a taxed market, while its protective tariff on behalf of Federation manufacturers would be a new source of revenue to the extent that overseas manufacturers would have to climb over the tariff wall. More awkward problems could arise, if the Federation wanted to manufacture goods in which Singapore had a substantial entrepot interest, such as textiles. The Federation might then decide to raise tariffs regardless of Singapore's wishes, especially if it thought that a higher duty and the advantages of pioneer industry legislation would induce a manufacturer to set up a factory in the Federation. It would be possible, for instance, that with more encouragement a bigger textile industry could be established in the Federation, whereas it was unlikely that Singapore would wish to have any textiles on its CCM list, because it did a large entrepot business in Indian, Japanese,

<sup>1</sup> *Ibid.* 23 December 1959, p. 17.

Hongkong, and other textile garments.

Federation manufacturers were not slow to see that their own interest lay in a pan-Malayan market, provided Singapore manufacturers did not gain an initial advantage by duty free imports of machinery and raw materials. The Federation government also thought that in a common market Singapore must come within the Federation's customs area. This meant that Singapore would have to pay the same customs duties as the Federation. The continued existence of Singapore's free port status was considered incompatible with the principles of a common market.<sup>1</sup> But a compromise was possible. As Singapore would naturally be opposed to losing its entrepot business, it could declare a free port zone for the purpose of entrepot trade.

By August 1961 the negotiations between the two governments had reached such a stage that it was decided to invite expert examination of the problems involved in economic co-operation, bearing in mind the peculiar difficulties arising from Singapore's need to preserve the last possible dollar's worth of entrepot trade and to keep the Federation's revenue as buoyant as possible.<sup>2</sup>

### *The Borneo Free Trade Area*

Following the failure of the British colonial government to establish a Bornean Federation<sup>3</sup> an interterritorial conference between Sarawak and North Borneo met in Kuching in September 1961 to explore the feasibility of an economic union between the two colonies.<sup>4</sup> The conference concluded with a resolution to establish a free trade area. Under the agreement, which came into force on 1 January 1962, not only the produce of either territory should be able to move freely into the other territory, but goods imported from outside the area also should be allowed to move unrestricted, except in the case of liquor, oil, and petrol. The rate of import duties in the two territories would, therefore, have to be equalized.<sup>5</sup>

While the idea of a larger market was unquestionably sound its application in these two colonies might well prove to be dis-

<sup>1</sup> *Ibid.* 23 March 1960, p. 15.

<sup>2</sup> *Straits Times*, 3 August 1963.

<sup>3</sup> Above, Chapter VI.

<sup>4</sup> *Straits Times*, 5 October 1961.

<sup>5</sup> *Colony of North Borneo Annual Report 1962*, p. 16.

appointing. The immediate impact would be negligible, since trade between them was mostly non-existent. Neither was there any inter-state communication system through which such trade might be conducted. Both were producers of similar primary products for export. In North Borneo timber, rubber, and copra were the mainstay of the economy, and of these three products timber was by far the most important in the export trade. To safeguard against the fall in prices of these commodities, oil palm and cocoa plantations were developed. There was little mining in Borneo. One Philippine company was prospecting for copper and another for chromite. Sarawak's economy was dependent on rubber, pepper, and to a lesser extent, sago and timber. There was comparatively more manufacturing than in North Borneo. This included the refining of oil piped from neighbouring Brunei, saw mills, brick works, and coconut oil mills. There was some bauxite mining, and a Japanese interest was prospecting for coal reserves. But in consumer goods, with intense competition from Hongkong, Japan, and Australia, the opportunities were very few.<sup>1</sup>

It seemed, therefore, that economically the two territories did not have much to gain from a free trade area. The first dividends that could accrue from this association could, perhaps, be some form of good goodwill between the two colonies, and the availability of a large area to potential manufacturers. But by and large it seemed that the idea of a Borneo Free Trade Area had been motivated not by the urge of economic needs, but rather by the popularity of the concept in Singapore and Malaya and in other parts of the world.

### *The Malaysia Common Market*

THE ECONOMICS OF MALAYSIA. The economic argument for the Malaysia concept had remained mostly in the background during official and public discussions on the merger proposals. This should surprise no one, because the driving force behind Malaysia was not economics, but politics. In the ten-page memorandum of the Malaysia Solidarity Committee's conclusions, for example, comment on the economics of Malaysia was brief

<sup>1</sup> 'Forward to Malaysia: Four Territories in Transition', *Times Review of Industry and Technology*, May 1963, pp. 100-1. Also Rose, *Britain and South East Asia* pp. 147-51.

almost to the point of complacency. The complete statement said:

The Committee is adequately assured that the future economic and trade policy of the Federation of Malaysia would not deviate from those precepts which are admirably suited for the purpose of common prosperity and welfare of the people of Malaysia.<sup>1</sup>

Economics as a rationale for Malaysia occupied a subsidiary place, and was discussed almost exclusively between Singapore and Kuala Lumpur, because the financial arrangements on merger had a close bearing on the common market.

The Malaysia Agreement of July 1963 ensured that the Federal government 'shall progressively establish a Common Market in Malaysia for all goods or products produced, manufactured or assembled in significant quantities in Malaysia'.<sup>2</sup> To Singapore this was a victory. True, it cost Singapore a loan offer of M\$150 million, but it justified the Singapore government's industrial 'leap into the future', of which the most impressive features have been the establishment of a series of compact industrial estates, complete with roads and other facilities, where industrialists can buy prepared sites and standard factories at minimum cost. Four of these are at Redhill, Tanglin Halt, Bendemeer, and Kampong Ampat. They vary in area from seven to forty-two acres, and are intended for small or light-medium industry. The fifth site at Jurong on the south-west coast of the island has been planned as a complete industrial satellite town which, when fully developed, will cover about 9,000 acres, about the size of Singapore city, and support a population of about 200,000 people.<sup>3</sup>

On the basis of a larger integrated market Singapore's industrial ambitions can now move from light consumer industries to more basic heavy industries. Malaya collects revenues from tariffs, and in addition profits from a wider market. But the Borneo states seem to gain no economic benefit at all. In the past their trade with the other Malaysian States has been conducted with few restrictions. Of their respective total exports

<sup>1</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak* (Kuala Lumpur, 1962), Appendix F, par. 43.

<sup>2</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya [etc.]*, Annex J, par. 1 (1).

<sup>3</sup> Peter Absalom, 'The New York of Malaysia', *This is Malaysia*, (Kuala Lumpur, 1963), p. 37.



Sarawak has been exporting 60.6 per cent. and Sabah 63.4 per cent. to other Malaysian States, while of their respective total imports Sarawak has been importing 86.1 per cent. and Sabah 54.9 per cent. from other Malaysian States.<sup>1</sup> Since their trade has already reached a substantial level, the removal or prevention of trade barriers between member-States is not likely to expand Borneo trade to any considerable extent.

It must be pointed out that a high proportion of the trade activities between the Malaysian States consists of the movement of raw materials to centres such as Singapore and Penang for processing and re-export to countries outside Malaysia. This trade reached its maximum level before Malaysia, and is unlikely to benefit directly from the common market. Trade in foodstuffs will not be materially improved by the common market, because for her food requirements Malaysia is largely dependent on imports from neighbouring countries.<sup>2</sup>

The economic advantages of Malaysia seem to lie in the development of industries requiring the use of her raw materials, the reduction of added costs through larger and more efficient production and well organized channels of distribution, and the substitution of imported manufactures by Malaysian manufactured goods. Successful industrialization will create new employment opportunities, and this in turn will lead to the employment of other workers in related industries. The wider Federation embracing an area of about 130,000 sq. miles with a total population of close on ten million will also be an incentive for greater local as well as foreign investment. As the experience of the European Economic Community shows, total growth will almost certainly proceed faster in the larger market than in the smaller ones. Given a well-planned programme of industrial development this should apply equally well to the Malaysian common market.

THE RUEFF RECOMMENDATIONS AND THE MALAYSIA COMMON MARKET. The proposal for a mission agreed to by the Federation and Singapore governments in August 1961 was originally intended to examine and to report on the feasibility of closer economic cooperation, ranging from co-ordinated industrial development to full economic integration between the Federation and Singapore. However, with the decision to establish Ma-

<sup>1</sup> Lim Tay Boh, 'The Economics of Malaysia', *This is Malaysia*, pp. 2-3.

<sup>2</sup> *Ibid.*

laysia by August 1963, it was subsequently proposed—with the agreement of the British government and the governments of the Borneo territories—to extend the scope of the mission's work to these areas.<sup>1</sup>

The mission, headed by Professor Jacques L. Rueff, Inspector-General of Finance for the French government, consisted of a team of experts from the World Bank. Its report,<sup>2</sup> published in late July 1963, provided the details for the implementation of the agreed principles of the common market as embodied in the Malaysia Agreement.

Because of the central place that this issue occupied in the political bargaining which preceded the signing of the Agreement, public attention was focused largely on the sections dealing with the Malaysia common market. The Malaysia Agreement spelled out that where the same protective duties or revenue duties are applicable throughout Malaysia there will be no trade barriers to the circulation of these goods throughout Malaysia.<sup>3</sup> Federation manufactures, hemmed in as they are by high tariff walls, and having to compete on equal terms with their counterparts in States which enjoy either completely or partly duty free manufacturing requirements, would be placed at a disadvantage. Hence in order to redress the imbalance a special production tax is imposed on producers in a low tariff State. The quantum of this production tax is such that its imposition will offset any advantage which a manufacturer in a low tariff State would have as a result of such a privileged position.<sup>4</sup>

The gradual removal of internal tariffs and the harmonization of external tariffs come within the jurisdiction of a Tariff Advisory Board. This Board consists of four full-time members and of between eight and twenty part-time members. During the first five years of Malaysia the chairman of the Board is appointed by the Federal government with the concurrence of the Singapore government; one deputy chairman is nominated by Malaya, one by Singapore, and one jointly by Sabah and Sarawak. The Board is an autonomous body and its full-time

<sup>1</sup> *Straits Times*, 5 October 1962.

<sup>2</sup> Federation of Malaya, *Report on the Economic Aspects of Malaysia*,

<sup>3</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya* [etc.], Annex J, par. 1 (1) (2).

<sup>4</sup> *Ibid.* Annex J, par. 1 (3).

members have an independent status comparable to that of the legal profession.<sup>1</sup>

But the most difficult problem was the actual distribution of industries among the various States. Factories meant jobs and wealth, and each State naturally wanted the biggest possible share for itself. Regulating this competition so as to produce the maximum over-all benefit was obviously the task of the utmost importance. The substance of the Rueff Mission's advice on this matter was that in the first instance industries should be allowed to move freely to the localities where the natural advantages were greatest, even if this meant concentration of industries in one or two places.<sup>2</sup> Thus the Mission argued against the use of import quotas, foreign exchange controls, licensing and other administrative devices to determine the location of industrial development. The free-market mechanism should remain the basic guide to decision-making by entrepreneurs. But if, after several years, industrial growth should show a tendency to concentrate unduly in one or two areas, then differential incentives might be justified to encourage a better distribution.<sup>3</sup>

Political federation has normally implied an immediate unification of the tariff and customs regulations. To cite two examples, the ill-fated Federation of Rhodesia and Nyasaland substituted a single customs tariff for the schedules of the constituent territories, and the Canadian tariff was applied to Newfoundland as soon as it became a province of Canada. In the case of the States of Sabah and Sarawak it has been provided that the harmonization of their tariffs with those of Malaya should be accomplished in graduated stages over a period of years and that 'the steps should not be disproportionate'.<sup>4</sup> The situation in Singapore and Penang, however, gave rise to problems which did not present themselves in other cases of political integration. The existence of the free port has developed specialized transit and entrepot operations which have become the main source of employment in both ports. The problem arose as to how to accommodate the entrepot interest within the tariff structure of the Malaysia common market.

As a solution the Rueff Mission suggested the establishment

<sup>1</sup> *Ibid.* Annex J, par. 2 (2). Also *Straits Times*, 22 August 1963.

<sup>2</sup> Federation of Malaya, *Report on the Economic Aspects of Malaysia*, pars. 95 and 125.     <sup>3</sup> *Ibid.* par. 97.

<sup>4</sup> Federation of Malaya, *Malaysia: Report of the Inter-Governmental Committee 1962*, par. 24.

of free zones in Singapore and Penang. In these free zones the importers and the traders would have at their disposal the necessary facilities to store goods destined for re-export and to deal with unpacking, repacking, and other handling operations without any interference by the customs authorities. To all intents and purposes, these free zones would be outside the customs territory; they would offer all the advantages which Singapore and Penang enjoyed in the past. The essential condition for the success of the free zone arrangement is that it should not unduly increase the cost to traders. In order to achieve this the government must assume responsibility for enclosing the free zone, building and maintaining the warehouses therein, and charging only a nominal fee for the storage of goods to be re-exported.<sup>1</sup>

With respect to the area outside the free zone, a transitional arrangement was devised. Until 1969 Singapore has the right to delay for twelve months any protective duty which might seriously affect the entrepot trade. Singapore's eventual inclusion in the general Malaysia tariff area also has been delayed until 1975. But after 1969 she would have to compensate the Federal government for loss of revenue, if she continues to exercise her right to withhold her consent to revenue duties, because in her opinion they would significantly prejudice the entrepot trade.<sup>2</sup>

As the conditions under which the entrepot trade in Penang was conducted in the past were similar to those in Singapore, the Rueff Mission considered it right to apply in Penang the same arrangements as those in Singapore.<sup>3</sup> With regard to Labuan the Mission saw no valid economic reasons for retaining its free port status, and recommended its incorporation within the Borneo customs area within a reasonable period.<sup>4</sup>

### *Penang and the Common Market*

On several occasions since the end of the Second World War the lurid warning has gone forth that Penang, once it ceased to

<sup>1</sup> Federation of Malaya, *Report on the Economic Aspects of Malaysia*, Chapter VIII.

<sup>2</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom ... the Federation of Malaya [etc.]*, Annex J, pars. 3 (5) and 4 (4).

<sup>3</sup> Federation of Malaya, *Report on the Economic Aspects of Malaysia*, par. 72.

<sup>4</sup> *Ibid.*, par. 233.

be a free port, would rapidly degenerate into a fishing village. The first occasion was in 1956 when a Working Party appointed by the Federation government to examine customs arrangements for Penang, recommended that the island should be brought into the principal customs area, paying the same import duties as applied to the mainland. Penang then threatened to secede from the Federation.<sup>1</sup>

Fear for the island's future arose again in 1961 when an ill-advised attempt by the Socialist Front to secure tariff concessions for Penang's secondary industries drew a stinging retort from Tan Siew Sin, the Federal Finance Minister, who made it clear that the 1956 Working Party's recommendations were much to his liking. Decision was postponed, however, partly because Singapore had put forward common market proposals and the Federation was not prepared to show its hand in advance by taking action in the case of Penang. But with the agreement to establish a Malaysian common market the decision<sup>2</sup> with regard to Penang could not be kept in abeyance.

The Rueff Mission came out with the recommendation that not only Singapore but also Penang should be included in a Malaysian common market, which required the gradual erosion of the free port status enjoyed by both. But Penang alleged that the Rueff Mission's report was of no benefit to her, because the Mission had not investigated local economic conditions. Hence it was suggested that Malayan economic experts like Professor Ungku Abdul Aziz and Dr. Lim Tay Boh be invited to study the island's economic conditions to ascertain whether or not Penang should abandon its free port status and join the Malaysian common market.<sup>3</sup> The suggestion that the solution for Singapore could equally well apply to Penang was rejected as irrelevant. It was argued that Singapore had sought what it was getting, while Penang was forced to accept what it did not seek. Admittedly the two islands shared a common history of entrepot development, but this would not necessarily mean that the same economic future lay ahead of both. By way of example it was pointed out that, unlike Singapore, Penang had no land for industrial development. Singapore had the Causeway for easy transportation of manufactured goods to the mainland, but

<sup>1</sup> Above, Chapter IV.

<sup>2</sup> *Straits Times*, 19 July 1963.

<sup>3</sup> *Ibid.* 16 September 1963.

Penang could not claim to have a comparable means of communication. The Jurong site and other less ambitious industrial projects were clear witnesses to the preparations Singapore had made for its entry into the Malaysian common market. Any new industry in Penang, however, would start with a serious handicap.<sup>1</sup>

The entrepot trade and tourism were the mainstay of Penang's economy. They provided the largest source of income and employment to the people of Penang, and at least 5,000 people were directly involved. The suggestion of providing a 'free zone' for the entrepot trade would not be altogether satisfactory, because the cost of storage, handling, etc. would be far in excess of the existing costs. The cost of building, maintaining and subsidizing free zone services would probably far outweigh the collection of M\$7.8 million in revenue duties which the central government would recover by removing the free port status of Penang. In addition the loss of free port status was estimated to raise the cost of living in Penang by 15 to 20 per cent.<sup>2</sup>

The people of Penang were generally apprehensive of the evils that a common market arrangement might bring to Penang. The Mayor, Ooi Thiam Siew, feared that Penang might become another 'Sleepy Hollow' like Malacca if she lost her free port status. There was agitation to shelve the common market until a referendum could be held to ascertain the wishes of the people. At a mass meeting of 181 registered associations and political parties, convened by the Penang Chinese Chamber of Commerce, a unanimous decision was taken to retain the free port status of Penang. A telegram was then sent to the Prime Minister to make known their resolution. It said: 'At a meeting of 181 registered associations in Penang island, held at the Penang Chinese Chamber of Commerce on September 14, it is unanimously resolved that the free port status of Penang be retained.'<sup>3</sup> Similar telegrams were also sent to the Minister of Finance, Tan Siew Sin, the Minister of Commerce and Industry, Enche Mohamed Khir Johari, and the Chief Minister of Penang, Dato Wong Pow Nee.

Further protests came from the Straits Chinese British Asso-

<sup>1</sup> Ibid. 10 September 1963.

<sup>2</sup> Ibid. and 18 July 1963.

<sup>3</sup> *The Malayan Times*, 16 September 1963.

ciation (SCBA) of Penang, the UDP, the Penang MCA, and the Socialist Front. UDP's Dr. Lim Chong Eu accused the Alliance government of having let the people of Penang down by its carelessness, inefficiency, and impotence and urged a State election as soon as possible.<sup>1</sup> The Penang division of the Socialist Front agitated for the constitution to be so amended that the free port would be assured for all time and that no decision for its alteration should be made without the expressed wishes of the people of Penang. It accused the Alliance of having mutilated the constitution so as to stifle the fundamentals of freedom.<sup>2</sup>

The central government yielded to these representations. In December 1963 it announced that the inclusion of Penang within the Malaysia common market should be kept in abeyance until such time as Penang could be persuaded to accept it.<sup>3</sup>

The question whether Penang should remain a free port or join the Malaysia common market had been obscured by the game of politics, and there had been a lack of candour in viewing the advantages and disadvantages. Whatever might have been the motives behind these tactics, the question must be reset in its economic context, if the best interests of Penang were to be served. It is well, however, for Penang to learn from the failure of Great Britain to enter the European Economic Community, since she might some day, find herself in the same position if her decision to stay outside the Malaysia common market was not the correct one.

<sup>1</sup> *Straits Times*, 2 September 1963.

<sup>2</sup> *Ibid.* 5 October 1963.

<sup>3</sup> *Ibid.* 17 December 1963.

XI  
DEFENCE.

*A Survey of Malayan Defence before Independence*

UNTIL THE Second World War the defence of the British dependencies in South-East Asia rested on the strong conviction that Singapore was an impregnable fortress. But this proved to be a myth when the island was overrun by the Japanese forces in 1942. This myth was largely based on the belief that Singapore would only be attacked from the sea. Indeed, the defence of this island was so geared to the prevention of such an attack that all its guns were trained in that direction, while the defence of its rear, the approaches to the island from Malaya, and Malaya itself, was neglected. But the capture of Singapore and its 80,000 troops by the Japanese through an invasion from the mainland established the fact that the defence of the island is inseparable from that of Malaya.

A *post mortem* on Malaya revealed many weaknesses, some of which were lack of organic union among the civil, military, naval and air services; absence of a responsible authority, and dependence on a too distant War Office for many decisions which should have been taken immediately on the spot. The races and communities that inhabited the peninsula also failed to present a united front against the invaders. There was no common bond of love for the country or pride of race, but each of the four communities gave the impression of being loosely knit together by ties of business interest. Nothing else mattered but money. Money was the god.<sup>1</sup>

To redress this anomalous situation and enable Malaya as a united country to exercise an influence appropriate to her strategic importance in international relations and in the security of the Commonwealth, an attempt was made to bring about a degree of regional integration by grouping together the separate political units north of the Causeway as the Malayan Union in 1946. The rejection of the scheme by the Malays did not destroy the essence of the plan and, as Carnell pointed out, its successor, the Federation of Malaya, was set up largely for de-

<sup>1</sup> E. E. Dodd, *The New Malaya*, Research Series No. 115 (London, 1946), p. 25.



fence purposes.<sup>1</sup> Under the Federation of Malaya Agreement the British government retained complete control over defence matters, and in order to carry out these responsibilities with the maximum effectiveness the British armed forces were allowed free access to the Malay States and to employ all necessary means to oppose any external hostile attacks.<sup>2</sup>

The pan-Malayan defence scheme was entrusted to the hands of a new body, the Malaya-Borneo Defence Council, created in 1949. With the Commissioner-General as chairman, the Council's chief function was to co-ordinate at top level the defence planning within the Federation, Singapore, Sarawak, North Borneo, and Brunei. It met several times a year to review the progress of defence planning for the whole area by the several governments and the several services and to attempt to resolve any difficulties arising. The Council decided on the action needed to comply with the strategic requirements of the area. It sought to ensure that the defence departments of the various governments and the service commanders had comprehensive plans did not conflict with one another. The Council was served by a Defence Committee and a Defence Secretariat. The Secretariat dealt with the day to day business of the Council and was particularly designed to provide rapid means of liaison between members of territorial and service planning staffs.<sup>3</sup>

But the existence of Singapore as a political unit, separate from the mainland, was inimical to the work of the Council. The Joint Co-ordination Committee, appointed in 1953 to look into the feasibility of a closer co-ordination of the policies of the Federation and Singapore, reported that, as a result of the separation, the defence planning machinery could not work as fast as was hoped in the production of a defence plan. The best defence scheme under the circumstances was probably as effective as it could be for peacetime purposes, but would certainly be inadequate in time of war when the maximum degree of co-ordination between the two territories would be essential. Ideally this could be achieved by having one executive and one legislature for the two territories.<sup>4</sup>

<sup>1</sup> U. K. Hicks *et al.*, *Federalism and Economic Growth in Underdeveloped Countries* (London, 1961), p. 22.

<sup>2</sup> Federation of Malaya, *The Federation of Malaya Agreement 1948*, clause 4.

<sup>3</sup> Colony of Singapore, *Interim Report of the Joint Co-ordination Committee* (Singapore, 1955), pars. 45 and 46.

<sup>4</sup> *Ibid.* pars. 47, 91, and 92.

Although for different reasons, Singapore realized that her future was closely linked with that of the peninsula. Hence the policy of the Singapore government had consistently been the attainment of independence through a union with Malaya. It was Malaya who refused to consider a political union with Singapore. Malaya's involvement in the Anglo-Singapore internal security compromise of 1957 did not imply or suggest any change in Malaya's position. It was merely an expedient to break the deadlock in Singapore's bid for self-government. The Internal Security Council was then created as a joint concern of the three governments. The Council had seven members, i.e. three from Great Britain, three from Singapore, and one from the Federation who must be of ministerial rank. The British High Commissioner was chairman. In the event of a tie the decisive vote would lie with the Federation representative. A new constitution establishing a fully elected Singapore Assembly and a government with authority in all domestic affairs except internal security, was agreed at the 1957 London meeting. External defence continued to rest with the British government.<sup>1</sup>

### *Merdeka and Defence*

The political separation of Singapore and Malaya was virtually completed when in August 1957 the Federation of Malaya achieved independence within the Commonwealth. As part of the independence charter the Anglo-Malayan conference of 1956 drew up a plan for the separation of internal defence from external defence, both of which had been the responsibility of the British government under the Federation of Malaya Agreement. The new arrangement envisaged two phases in the transfer of control over defence matters, i.e. the period before independence, and the period of independence.

In the first phase all matters pertaining to internal defence and internal security became the responsibility of an Alliance Minister, while external defence and external security remained the responsibility of the British government. During the remainder of the Emergency, Malayan leadership was recognized by replacing the British Director of Operations by the Malayan Minister of Internal Defence and Security. He was to be chairman of the Emergency Operations Council, which would in-

<sup>1</sup> Mills, *Malaya...*p. 142.

clude the outgoing British Director of Operations among its members. Distinct from the Emergency Operations Council a new Federation Armed Forces Council was created to take charge of the permanent administration of the local armed forces.<sup>1</sup>

The rationale behind the elevation of a Malay to the post of director of Operations was not that the Emergency would be more quickly ended under Malayan direction than under British. Neither would the change necessarily bring about a more efficient co-ordination of operations. But what it would do was to expose what truth there was in Chin Peng's promise at the Baling talks that he and his compatriots would lay down their arms as soon as the elected Federal government obtained complete control over internal security.<sup>2</sup> Tunku Abdul Rahman also believed that Malay leadership would encourage the people of Malaya to identify themselves more directly and more closely with the war against the communists, knowing that they were fighting their own war and not that of other people.<sup>3</sup> This might conceivably be true in the case of the Malays, but it was rather doubtful to expect a comparable response from the Chinese community, which had a large section that showed practically no interest in shouldering the responsibilities of government, let alone of Malayan defence. Instead, they were more fascinated and affected by the communist revolution in China. This state of affairs was especially true prior to the formation of the UMNO-MCA Alliance in 1953. Then, as Dr. Purcell noted, 'the administration seemed to be that the Malays were the friends of the Government and the Chinese community as a whole its enemies'. But even after the formation of the Alliance the administration continued to act as if this Alliance had no existence.<sup>4</sup> In fact, as late as 1956 Tan Siew Sin, a prominent leader of the MCA, was highly critical of the government for lacking a bold and far-sighted policy in trying to win over the some two million Chinese in the Federation so that they could become an integral part of a new Malayan nation.<sup>5</sup>

<sup>1</sup> Great Britain, *Report by the Federation of Malaya Constitutional Conference Held in London in January and February 1956* (London, 1956), Section III.

<sup>2</sup> *The Times* (London), 9 February 1956.

<sup>3</sup> Federation of Malaya, *Legislative Council Debates*, 14 March 1956, cols. 887 *et seq.* for Tunku Abdul Rahman's speech.

<sup>4</sup> S. Rose (ed.), *Politics in Southern Asia* (London, 1963), p. 223.

<sup>5</sup> Federation of Malaya, *Legislative Council Debates*, 14 March 1956, cols. 902-3. Also *The Times* (London), 15 March 1956.

The second phase of the defence arrangements began with the transfer of sovereignty over the Federation to the Malayan government. Constitutionally this involved the surrender of control over external affairs and external defence and external security, hitherto held by the British government. But under the terms of a Defence and Mutual Assistance Treaty the Federation afforded the British government the right to maintain in Malaya the forces necessary for the fulfilment of Commonwealth and international obligations. In return the British government promised to assist the Federal government in the external defence of Malaya.<sup>1</sup>

These defence arrangements did not escape criticism. Tan Siew Sin contended that within the peripheries of the treaty Malaya would be so heavily garrisoned that for all practical purposes Malaya would be independent only as long as her policies did not conflict with the interests of the occupying power or powers, whose forces could always, should they desire it, enforce obedience to their wishes, even though Malaya was supposed to be free.<sup>2</sup>

Explaining the government's position, Tunku Abdul Rahman said that by reason of Malaya's geographic and strategic position there would be an ever-present danger of open external aggression. Therefore, Malaya must have at her disposal a very powerful army, air force and navy. But to build up these forces to the required strength was beyond her capacity. For this reason Malaya would welcome any help from the United Kingdom and from the Commonwealth countries. He was obviously referring to Australia and New Zealand, both of which had associated themselves with the Anglo-Malayan Defence and Mutual Assistance Treaty. The Tunku continued that he would prefer to be called 'a victim of cunning British diplomacy rather than to be dubbed later as the man who sacrificed this country and its people to the enemy'.<sup>3</sup>

Britain had every reason to congratulate herself on having thus maintained a friendly connexion with Malaya. She could

<sup>1</sup> Great Britain, *Proposed Agreement on External Defence and Mutual Assistance between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federation of Malaya*, Cmd. 263 (London, 1957).

<sup>2</sup> Federation of Malaya, *Legislative Council Debates*, 14 March 1956, cols. 905-6.

<sup>3</sup> *Ibid.* cols. 893 and 930.

have been caught there as the French were caught in Indo-China or as the Dutch in Indonesia. The emancipation of Malaya was clearly a necessary part of the ending of Western rule in Asia and of the attempt to put the relations between Britain and her former dependencies on a basis of co-operation and equality.

### *The Defence Problems of Malaysia*

With the passing of colonial defence into history the role of the British forces in the Orient is to assist the anti-communist *bloc* in the containment of communist Chinese expansion to South-East Asia. In this respect Malaya is at one with Great Britain.

During the twelve years of communist insurrection in Malaya, Tunku Abdul Rahman had learned through bitter experience the communist practice of terror and violence. Britain, too, was desirous to keep the Borneo territories free from communism. At the same time Britain realized that, sooner or later, in the wake of rising nationalism in Asia and Africa, the Borneo territories would have to be given independence. By handing over power to nationalist forces Britain would divert political attention from herself to the new government. Strategically she could then also have a guaranteed use of bases right across the South China Sea by treaties with non-hostile governments made friendly toward Britain by her voluntary withdrawal of political control.<sup>1</sup>

Singapore, the headquarters of all British forces in the Orient, had become the only fully effective naval base in this area since the loss of Trincomalee in Ceylon and there had been no official suggestion that British strategy had so changed as to write off the base. On the contrary, a British Foreign Office spokesman said that Britain had every intention of continuing to honour her commitments to SEATO,<sup>2</sup> while Harold Watkinson, Britain's Defence Minister, bluntly declared that the British forces were in Singapore to stay. He also stressed that they intended to maintain and to strengthen their position in this most important base.<sup>3</sup>

<sup>1</sup> *The Malay Mail*, 28 August 1961.

<sup>2</sup> *Ibid.* 16 November 1961.

<sup>3</sup> *Straits Budget*, 4 April 1962, p. 9.

It was also considered that a pull-out of the British forces would not be in Singapore's interest. As every politician and trade unionist well knew, the expenditure of the British services made up about 14 per cent. of Singapore's national income, in round figures some M\$250 million per annum, and supported directly 40,000 Singapore families.<sup>1</sup>

From the Federation's point of view defence and economic interests were closely intertwined. To quote Tun Abdul Razak, 'we are a relatively small nation with many demands on our resources. We can only maintain a small defence force and must depend for our external defence on the help of our friends and allies in time of need'.<sup>2</sup>

The difficulty, however, was that Malaya was not a member of SEATO. This was based on Tunku Abdul Rahman's belief that alliances based on antipathy alone were not of much practical value, particularly in Asia. The thinking in London and Washington that Malaya ought to be a full member of SEATO was prompted not by strengthening democracy in Asia but by strengthening their own side in the event of war. The Tunku considered that with Malaya's 'one plane air force' it was better to see how Malaya and other small countries could co-operate in raising their common standard of living than to sign 'defence alliances anti-somebody'.<sup>3</sup>

Early in the series of merger conferences the Tunku made it plain that Britain would be allowed the continued use of the Singapore base in Malaysia for peaceful operations only and that Singapore's entry into Malaysia was conditional upon a promise from Britain not to use the base under the auspices of SEATO.<sup>4</sup> On the other hand, it must be borne in mind that Malaysia was prompted by the necessity of placing Singapore under the control of Kuala Lumpur so as to forestall the 'last desperate attempt' by Singapore's communists to capture the government and to frustrate the realization of the intention of some Barisan Sosialis leaders to convert it into the 'Cuba of Malaysia' or into another 'springboard of the communist revolution'.<sup>5</sup> Since the Singapore Prime Minister was no less concerned about such eventualities, he and the Federation Prime

<sup>1</sup> *Straits Times*, 3 October 1961.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Straits Budget*, 14 January 1959.

<sup>4</sup> *The Malay Mail*, 3 November 1961.

<sup>5</sup> *Straits Times*, 4 February 1963.

Minister had laid down that Singapore's internal security, foreign relations and defence should come under the control of the central government after Malaysia Day.<sup>1</sup> But this agreement was interpreted by the Tunku as a mere extension of the 1957 Anglo-Malayan Defence and Mutual Assistance Treaty in which case the base would be available to the British for the defence of Malaysia and other Commonwealth territories only and not for the advancement of SEATO interests.<sup>2</sup>

However conflicting the interests of the three governments appeared to be, it was clear that none of them wanted to see the base abolished on Singapore's entry into Malaysia. The problem was what to do with SEATO. Perhaps, SEATO might have to find a substitute elsewhere as there was a general feeling that Malaysia would conceivably prove a more effective bulwark than SEATO against communism in South-East Asia. It was also believed that the Tunku and Tun Abdul Razak might be persuaded to accept an arrangement whereby the Federation army would take over garrison duties on Singapore island, while Britain, New Zealand, and Australia might be allowed to use the air and naval bases for training and refitting purposes for several years to come.<sup>3</sup> There was also a suggestion from Australia to set up a Commonwealth military base at Darwin or on Australia's west coast as an alternative to Singapore.<sup>4</sup> Perhaps it would be feasible to place the base under Malaysian control and to negotiate a revision of the Defence and Mutual Assistance Treaty in its application to Singapore. Obviously the choice between SEATO and Malaysia posed awkward questions to the British government.

Paradoxically it was the communists who decided the issue. On his way to the Singapore-Malaya merger talks in London, Tunku Abdul Rahman said that 'it is not necessary to attach too much importance to SEATO. What we are concerned with is the communist threat. If it threatens us, we have to make use of everything to fight it'.<sup>5</sup> The London discussions decided to extend the 1957 Defence and Mutual Assistance Agreement to apply to the whole of the new Federation, subject to the proviso that the Government of Malaysia will afford to the Government

<sup>1</sup> State of Singapore, *Memorandum Setting out Heads of Agreement*, par. 2.

<sup>2</sup> *Straits Times*, 15 November 1961.

<sup>3</sup> *Ibid.* 18 November 1961.

<sup>4</sup> *Straits Budget*, 11 October 1961, p. 13.

<sup>5</sup> *The Malay Mail*, 17 November 1961.

of the United Kingdom the right to continue to maintain the bases and other facilities at present occupied by their service authorities within the State of Singapore and will permit the Government of the United Kingdom to make such use of the bases and facilities as that Government may consider necessary for the purpose of assisting in the defence and for the preservation of peace in South-East Asia.<sup>1</sup>

The element of ambiguity and superficial preciseness employed in this treaty gave the British what they wanted and dragged Malaysia within the arena of SEATO without having to be an official signatory to it. Duncan Sandys, then Commonwealth Secretary, himself said:

The agreement would permit us [Great Britain] to use the Singapore base to assist in the defence of Malaysia and for the preservation of peace in South-East Asia. That obviously does not exclude the use of the base to discharge our obligations to SEATO which exists for the precise purpose of preserving peace in South-East Asia.<sup>2</sup>

Duncan Sandys continued that if Britain was to play her part in preserving peace in South-East Asia, she must be free to use her forces in South-East Asia in whatever way she considered most effective.<sup>3</sup> Admittedly Tunku Abdul Rahman claimed that the British would be able to use the base for SEATO purposes only with the Malaysian government's permission,<sup>4</sup> but then he threw in another element of ambiguity when one week later he said that '... treaties are not all that important . . . . If we enter into a treaty at all it is just for the sake of formality'.<sup>5</sup> This statement strongly suggested that a defence arrangement involving Singapore and SEATO had, in fact, been established independent of the Malaysia Agreement, and that Duncan Sandys' interpretation of the treaty represented the agreed line of action. The Barisan Sosialis discerned in this arrangement the entrenchment of the British as masters behind the Malaysian scene. With Malaysia's military power in the hands of the British, the Barisan Sosialis accused the British government of making a mockery of all of the limited gains the people had achieved through years of hard struggle.<sup>6</sup>

<sup>1</sup> Great Britain, *Malaysia: Agreement Concluded between the United Kingdom . . . the Federation of Malaya [etc.]*, Article VI, p. 2.

<sup>2</sup> *The Malay Mail*, 29 November 1961.     <sup>3</sup> *Ibid.*

<sup>4</sup> *Straits Times*, 30 November 1961.

<sup>5</sup> *Ibid.* 6 December 1961.     <sup>6</sup> *The Malayan Times*, 12 September 1963.



It appeared that Tunku Abdul Rahman was caught between not sufficiently anti-communist neighbours and largely anti-communist Britain. In this predicament he had chosen to place Malaysia alongside Britain and the United States of America. But then he went further and said that he did not believe in co-existence.<sup>1</sup> As Lee Kuan Yew observed, the alternative to co-existence must be the backing of a big power, which would then be invited to maintain military bases indefinitely in Malaysia, because Malaysia's small size would make any fight unequal.<sup>2</sup>

The perpetual involvement of any of the big powers, however, would have the effect of transforming the South-East Asian region into another cockpit for the ideological conflict of the big powers. In other words, the cold war would be transferred in a very acute form into the heart of South-East Asia. Under such conditions it would be extremely difficult, if not impossible, for any of those countries, which allowed itself to be dependent on any of the big powers for its own defence, to be truly independent and to conduct an independent foreign policy. Whether or not Malaysia has made the right choice is too early to say, but in the rising tide of nationalism all around her in Asia, she might eventually have to re-orientate her course and to identify herself more closely with her South-East Asian neighbours.

<sup>1</sup> *The Malay Mail*, 3 August 1962.

<sup>2</sup> *Straits Times*, 26 October 1963.

FEDERALISM AND PARLIAMENTARY  
GOVERNMENT*The Era of a Unicameral Legislature in Malaya*

THE PARLIAMENTARY form of government based on democratic principles of free elections, free criticism, and representative institutions is one of the British bequests to Malaya. It was tried in Malaya for the first time in 1909 when the so-called Federal Council was established consisting of nominated and official members with the High Commissioner, the representative of the British Crown, as chairman. The use of the term 'federal' to describe this body was clearly a misnomer, because there was nothing whatever in the entire set-up that could suggest any idea of federalism. The political structure was, pure and simple, an expression of colonialism, and the Federal Council the machinery of a colonial set-up. The 1927 reform did nothing to rectify the former position. Instead it streamlined the whole plan by removing the Sultans from the Council into a kind of second chamber or periodical durbar, and replacing them by more nominated and official members.<sup>1</sup>

After the surrender of the Japanese in 1945 a nominated Advisory Council was set up representing all the Malay States plus the two Settlements of Penang and Malacca. But rejected by Malay reaction it was abandoned and replaced in 1948 by the Federal Legislative Council. In this new Council were included representatives of the special interests of rubber, tin, agriculture and trade unions. The nine Presidents of the Councils of State in the Malay States and one representative of the Settlement Council in each of the two Settlements of Penang and Malacca were also members, but otherwise the federal principle of territorial representation received no consideration.

For the first time the legislative body was given a two thirds unofficial majority, but these unofficial members continued to be appointees of the High Commissioner with the approval of the British Crown after the colonial tradition.<sup>2</sup> The role of a

<sup>1</sup> Emerson, *Malaya* pp. 168-71.

<sup>2</sup> Great Britain, *The Federation of Malaya Order in Council, 1948*, Second Schedule, Part IV.

second chamber was taken by a *Majlis Raja-raja Negri Melayu* or a Conference of Rulers, which consisted of Their Highnesses the Rulers and their Malay Advisers under the chairmanship of one of the Rulers selected by the Conference. Under this arrangement it was the duty of the High Commissioner, as President of the Federal Legislative Council, to explain to the Conference of Rulers the policy of the Federal government and to ascertain their opinions on matters of importance to the Malay States.<sup>1</sup>

In March 1951 a new system, known as the 'Member System', was introduced whereby members of the Legislative Council assumed duties of Ministers with various portfolios under their charge. This was a step towards the cabinet system. Two years later the High Commissioner ceased to be the President of the Council. The office of Speaker was then created, and Dato Sir Mahmud bin Mat, Dato Setia Wangsa of Pahang, replaced the High Commissioner as the first Speaker of the Legislative Council.<sup>2</sup> It was not until after the first general elections of July 1955, however, that the Council broke its tradition of nominated and official membership by making place for 52 popularly elected seats in a Council of 98 members. The other 46 members included the 9 *Mentri-mentri Besar* or Chief Ministers of the States, 2 representatives of the Settlements, and representatives of the scheduled interests, such as rubber, tin, and trade unions.

### *The Introduction of the Senate*

The inauguration of the 1957 constitution marked the beginning of a truly bicameral central legislature in Malaya. A Senate was created composed partly of nominated members and partly of members elected by the State legislatures with powers similar to those possessed by the second chamber in the Westminster model.<sup>3</sup> A unique feature of the Malayan variety, however, was that the Conference of Rulers now functioned as a kind of a 'Third Chamber' of the Legislature. It exercised residuary powers over subjects such as the alteration of State boundaries, the giving or withholding assent to certain laws, the

<sup>1</sup> *Ibid.* Part VI.

<sup>2</sup> *The Malayan Times*, 2 November 1962.

<sup>3</sup> Federation of Malaya, *Constitution*, Arts. 45 and 66.

advising of the Yang di-Pertuan Agong on some appointments and, in company with the central Prime Minister and State Chief Ministers, deliberation on questions of national importance.<sup>1</sup> Its membership was enlarged to include the Governors of Penang and Malacca, who, however, had no vote in matters relating to the election or removal of the Yang di-Pertuan Agong, the election of the Timbalan Yang di-Pertuan Agong, the privileges, position, honours and dignities of Their Highnesses, and religious acts, observances and ceremonies.<sup>2</sup>

### *The First Malayan Parliament*

The royal establishment of Parliament on 12 September 1959 gave a ceremonial recognition to a political turning point of great importance to Malaya, for it was then that the Federation had its first fully elected Legislative Assembly. This meant the acceptance of full responsibility for the government of the country and the end of the halcyon days when a second party could be blamed for the government's failures and shortcomings.

The House of Representatives now had 104 members. This was the number reached by dividing each of the fifty-two pre-Merdeka Legislative Council constituencies into two. As with the 1955 general elections, however, there was a distinct absence of territorial emphasis in the distribution of seats. The intermingling of the communities in Malaya's plural society resulted in arguments which were basically non-federal in character. The crucial matters in dispute were between communities rather than between the federating units. The question was not how many seats could this or that State win in the Federal Parliament, but how many could this or that community obtain. The 1959 crisis within the Alliance<sup>3</sup> was, perhaps, the best illustration of the intensity of this communal rivalry. Out of the 104 Alliance candidates put forward at the 1959 general elections 69 went to the UMNO, 31 to the MCA, and 4 to the MIC.<sup>4</sup> It did not matter which State the candidate came from. The com-

<sup>1</sup> *Ibid.* Art. 38 and Fifth Schedule.

<sup>2</sup> *Ibid.* Fifth Schedule.

<sup>3</sup> Above, Chapter V.

<sup>4</sup> See T. E. Smith, 'Malaysia After the Elections', *The World To-Day*, Vol. XX, No. 8 (August 1964), pp. 351-7.

munity was the primary consideration; everything else, including the State, was secondary. The explanation for this is not hard to find. Unlike India, Nigeria and the West Indies, where the major diversities were compactly expressed through provincialism, tribalism and regionalism, the major diversity of races in Malaya, like Central Africa, cut through the whole society and across the boundaries of the federating units. The powerful racial diversity was not regional but pan-Malayan in character, and hence the racial battle would best be fought on the federal level. The result was a communal bid for power at the centre in Kuala Lumpur and a drive towards centralization.

The Senate was no more effective in representing the interests of the regional governments in the Federal Parliament. This second chamber had 38 members and 16 of these were appointed by the Yang di-Pertuan Agong from among people who had rendered distinguished public service or had achieved distinction in the professions, commerce, industry, agriculture, cultural activities or social service or were representatives of racial minorities or capable of representing the interests of the aborigines.<sup>1</sup> The other 22 members were intended to represent the interests of the eleven constituent States. This was in harmony with the accepted federal principle of providing a means of protection to the unit governments against overbearing majority rule in the first chamber or House of Representatives. Although the singular exception of Canada might suggest that equal regional representation in the second chamber is not absolutely essential for a government to be federal, it is, as Wheare said, often essential if the federal government is to work well.<sup>2</sup>

While giving recognition to this federal principle, the Reid Commission laid down that the Senate's powers with regard to legislation, other than the amendment of the constitution, 'will not be equal to the powers of the House of Representatives, but will be revising and delaying powers'.<sup>3</sup> Since under the Westminster model the reality of power belongs to the first chamber, it follows that the State representatives were subordinate to the popular representatives and that the less densely populated States had to bow to the will of the more densely

<sup>1</sup> Great Britain, *The Federation of Malaya Independence Order in Council 1957*, First Schedule, Art. 45.

<sup>2</sup> Wheare, *Federal Government* p. 93.

<sup>3</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 61.

populated. Therefore it was not a majority of States but a majority of people that ruled, and this might not be so satisfactory a method of obtaining political decisions in a federation as in a unitary state. This practice was clearly borrowed from the British House of Lords where 'the Great Council of the Realm has become a group of elder statesmen engaged in the revision of Bills'.<sup>1</sup>

As noted above only part of the Malayan Senate was elected, not by the people but by the State Legislative Assemblies. But since the ruling Alliance was in control of all the State Legislatures except that of Kelantan, which was held by the PMIP, the elected Senators represented the State Alliance rather than the people of the State, while the nominated Senators could hardly be said to represent anybody but themselves. Thus the Senate was not only incapable of fulfilling its alleged federal functions but it also seemed to be a superfluous body because of the dominance of the Alliance in both Houses. This drew from the opposition the criticism that the Senate was but 'a big rubber stamp' for the policies of the government and because some of the nominated members were drawn from unsuccessful candidates at the elections, it was also named 'a board of exiled politicians'.<sup>2</sup> A demand was made, therefore, for the re-constitution of the Senate either on the lines of the American model, i.e. a popularly elected Senate representing the States, or on the British Westminster variety whereby it should be the Yang di-Pertuan Agong's prerogative to fill the Senate with members of the nobility.<sup>3</sup> The latter alternative was unworkable for the obvious reason that the Malayan nobility were insufficient to fill all the seats. As to the former alternative, the constitution provided that Parliament could pass a law for the election of State Senators by direct vote of the States' electors.<sup>4</sup> But since the continuance of the existing system served the interests of the ruling Alliance, it was unlikely that such a Bill would become law so long as the Alliance was in power. Even in the event that such a Bill did become law, there was no reason to believe that, at least in the foreseeable future, Senators thus elected would be less communal in their views than formerly.

<sup>1</sup> Michael Stewart, *Modern Forms of Government* (3rd ed. London, 1964) p. 30.

<sup>2</sup> Federation of Malaya, *Parliamentary Debates* (Dewan Ra'ayat), 5 December 1962, cols. 2224-5 for Lim Kean Siew's speech. <sup>3</sup> *Ibid.*

<sup>4</sup> Federation of Malaya, *Constitution*, Arts. 45 (4) (b) and 120.

*The Malaysian Federal Parliament*

THE QUESTION OF SINGAPORE REPRESENTATION. The population factor has invariably been used by countries with a representative form of government as a major criterion in determining the number of representatives to be sent to the legislatures. This principle was adhered to by the Constituency Delineating Commission in mapping out constituencies both in Malaya and Singapore.

One would expect that this same principle would apply to the member-States of Malaysia in the allocation of seats in the Federal Parliament. But the peculiar situations created by the plural society and especially by the problems posed by the Chinese element in Singapore, made popular representation unacceptable to Kuala Lumpur. Instead, representation was linked with citizenship in the case of Singapore, and the number of representatives was fixed constitutionally at 15, 24, 16, and 104 for Singapore, Sarawak, Sabah, and the States of Malaya respectively. This quota could only be changed by constitutional amendment, notwithstanding any changes in citizenship or population.<sup>1</sup>

The Merger Memorandum of 1961 said that the arrangement of fifteen seats for Singapore was based on 'a fair balance of interests', which was defined as the assurance that the 624,000 Singapore citizens would retain their citizenship rights, local autonomy in education and labour policies, and generally a larger measure of reserve State powers compared with the other States in the new Federation, including their right to retain a very large proportion of revenue to discharge these autonomous responsibilities.<sup>2</sup>

But Dr. Lee Siew Choh of the Barisan Sosialis refused to acknowledge the existence of any element of truth in this statement, and contended that no amount of autonomy granted to Singapore would have any meaning, if internal security was in the hands of a government unsympathetic to Singapore's policies with regard to these autonomous matters. He said that the

<sup>1</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom of Great Britain and Northern Ireland, North Borneo, Sarawak and Singapore* (Kuala Lumpur, 1963), Annex A, par. 9. Federation of Malaya, *Constitution*, Art. 159, which is unchanged in Malaysia. Ivor Jennings, 'The Puzzle Was Solved', *The Times Supplement on Malaysia*, 16 September 1963.

<sup>2</sup> State of Singapore, *Memorandum Setting out Heads of Agreement*, par. 15.

Federation was prepared to take Singapore in only if its political isolation and disproportionate representation was kept to the minimum, and that it was to make the offer of fifteen seats acceptable to Singapore that Kuala Lumpur granted apparent autonomy over labour and education.<sup>1</sup> In Dr. Lee's opinion there was no justice in giving only 15 seats to Singapore with its 1.7 million population and 624,000 electorate, if Malaya had 104 seats to represent a population of 7 million or an electorate of 2.3 million, since this would mean one seat for every 42,000 Singapore electors compared with one seat for every 22,000 Federation of Malaya electors. Even Sarawak with a total population of about 750,000 was allotted 24 seats, while North Borneo with a total population of about 450,000 was given 16 seats. In comparison with the other States, therefore, Singapore should be entitled to between 25 and 30 seats.<sup>2</sup> ✓

Originally the Tunku thought that Singapore could have only twelve seats. But Lee Kuan Yew reasoned that under the Federation of Malaya citizenship laws 284,000 of the 624,000 Singapore citizens would automatically qualify for Federal citizenship and that, as in the case of Johore's 291,000 citizens, this group alone should send 14 representatives to the Federal Parliament. The remaining 340,000 Singapore citizens, who were not born in Singapore, would have to apply for Federal citizenship under the Federation of Malaya citizenship laws. Statistically, the proportion of those in the Federation who had obtained citizenship by application because of foreign birth came up to one third. Since the conditions in the Federation and in Singapore were very similar, it could be safely assumed that an additional one third of Singapore's 340,000 citizens or 110,000 would qualify for Federal citizenship. So on a hypothetical basis of complete merger, Singapore's 394,000 eligible voters should have some 19 seats, the number allotted to Perak with its 450,000 voting strength.<sup>3</sup>

But since a complete merger was out of the question, a compromise solution had to be found. A working model was then taken from the experience of Northern Ireland in its relation-

<sup>1</sup> State of Singapore, *Legislative Assembly Debates*, 21 November 1961, col. 377.

<sup>2</sup> Letter of Dr. Lee Siew Choh to the United Nations, Singapore, 14 February 1963. *Straits Times*, 22 November 1961.

<sup>3</sup> *Ibid.* 20 November 1961.



ship with the Westminster Parliament. On account of certain reserved powers Northern Ireland agreed to have 12 instead of 16 seats. So 'for the sake of peace and prosperity' Singapore and Kuala Lumpur settled on 15 seats for Singapore. Lee Kuan Yew then thought that it would be possible to review the matter in the future, should Singapore decide to surrender education, labour, social welfare and health to the central government.<sup>1</sup> It is, however, doubtful whether a socialist government in Singapore would ever seriously consider parting with these important social services. Neither is it conceivable, at least in the foreseeable future, that Kuala Lumpur would agree to an extension of Singapore's role in managing the affairs of Malaysia by strengthening Singapore's Chinese voice in the Federal Parliament.

THE STRUGGLE FOR PARLIAMENTARY SEATS IN SINGAPORE. Following the signing of the London Agreement on Malaysia in July 1963, the Singapore government introduced the Elections to the Federal House of Representatives Bill to the State Legislative Assembly, but deadlock was caused by the opposition who challenged the government to hold State elections before considering the proposal. The government discerned in this manoeuvre another bid from 'the powerful gentlemen' behind the Barisan Sosialis to capture State power so that they could sabotage Malaysia. For the Communists and their sympathizers the real struggle was not for the fifteen Parliamentary seats but for the fifty-one seats in the State Legislative Assembly.<sup>2</sup>

The government accepted the challenge and declared its intention that the State elections should decide the choice of the fifteen representatives to Kuala Lumpur. Should the PAP be returned to power, it would pass a Bill for the election of fifteen members of Parliament from among the fifty-one State Councillors.<sup>3</sup> This procedure would save the cost of another election. Besides, under the Malaysia Act, Singapore had been given the right to pass any law to provide for the method of election of members to the Federal Parliament until the second general election after Malaysia Day.<sup>4</sup>

Thus the State elections became a double venture for each

<sup>1</sup> Ibid.

<sup>2</sup> State of Singapore, *Legislative Assembly Debates*, 25 July 1963, cols. 110-78. Also *Straits Times*, 26 July 1963.

<sup>3</sup> Ibid. 12 September 1963.

<sup>4</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom [etc.]*, Annex A, par. 95.

political aspirant. There had not been, and probably will not be, a bigger and more crucial political battle in the State: 210 candidates entered the elections arena. The PAP had 51 candidates, the Barisan Sosialis 46, the UPP 46, the Singapore Alliance 42, the Party Rakyat 3, the Workers Party 3, the PMIP 2, the UDP 1, and Independents 16. The polling of 21 September 1963 returned the PAP with 37 seats; 13 seats went to the Barisan Sosialis, and 1 to UPP's Ong Eng Guan.<sup>1</sup>

True to its declared intention, the PAP government introduced the Election to the House of Representatives Bill to allow for the selection of fifteen Assemblymen to the Central Parliament. It was passed in October 1963, almost three months after the 23-23 vote in the previous Assembly had forced the government to seek a new mandate. In the committee stage two Barisan Sosialis amendments were defeated. One of these sought to provide for the nomination of the fifteen representatives by the Barisan Sosialis and the PAP instead of by the Assembly as a whole. The other sought to reduce PAP representatives to the Federal Parliament from the proposed 12 to 11 and to increase those of the Barisan Sosialis from 3 to 4.<sup>2</sup> Lee Kuan Yew then remarked that the purpose of these amendments was to use the State Legislature as a backdoor for Dr. Lee Siew Choh, who had been defeated by Dr. Toh Chin Chye at the general elections, to get into the Federal Parliament, and added that he would have given Dr. Lee a senatorship, had his case been brought to the government's attention.<sup>3</sup> He concluded with the warning that it was not beyond the capabilities of the PAP to exclude the Barisan Sosialis from Parliament altogether, but since such tactics would not be in the interest of the people, the government had decided not to arrogate to members of the Assembly the right to vote for three members of the Barisan Sosialis.<sup>4</sup>

Outside the Assembly Dr. Lee Siew Choh himself was making another attempt to secure a Parliamentary seat by advocating that Singapore's fifteen Parliamentary seats must be filled by popular elections and not by nomination. He thought that in this case Tunku Abdul Rahman, as the national leader of the Alliance, would see eye to eye with him, because under the PAP

<sup>1</sup> *Straits Times*, 21 September 1963.

<sup>2</sup> *Ibid.* 23 October 1963. Also State of Singapore, *Legislative Assembly Debates*, 22 October 1963, cols. 7-10.

<sup>3</sup> *Ibid.*      <sup>4</sup> *Ibid.*

arrangement the Singapore Alliance would get no seat at all, since it was unrepresented in the new State Assembly.<sup>1</sup> But even this did not escape Lee Kuan Yew's attention, and accordingly he invited the Tunku to nominate one UMNO member to be a Senator from Singapore. The Tunku accepted the invitation and nominated Enche Ahmad bin Haji Tariff, a Singapore Alliance leader who had unsuccessfully contested the 1959 and 1963 general elections.<sup>2</sup> The other Senator was Ko Teck Kin, President of the Chinese Chamber of Commerce. His appointment reflected the importance of Singapore as a centre of trade.

Of the 12 government appointees to the Federal Parliament, 9 were Ministers, 2 Parliamentary Secretaries, and 1 Assemblyman and prominent trade unionist. Of the 3 Barisan Sosialis men, 2 were Nanyang University graduates, while the third, Kow Kee Seng, was a former paid secretary of the Bus Workers' Union and one of the organizing brains behind the Barisan Sosialis.<sup>3</sup>

**THE BORNEO TERRITORIES: INDIRECT ELECTIONS TO THE FEDERAL PARLIAMENT.** In the course of its inquiry in North Borneo and Sarawak the Cobbold Commission received representations from a large section of the Borneo peoples that in the allocation of seats in the Federal Parliament to the Borneo territories account should be taken not only of the number of population but also of other factors such as the size and the potentialities of the territories.<sup>4</sup>

The combined population of Sarawak and North Borneo was then about 17.5 per cent. of the population of the Federation of Malaya and about 14 per cent. of the combined population of Malaya and Singapore, while their combined area was approximately one and a half times the size of Malaya, to which proportion the accession of Singapore to the Federation would make very little difference.<sup>5</sup>

Having regard to these desires, the Inter-Governmental Committee (IGC), which was commissioned to make constitutional proposals for the Borneo territories, put forward a recommendation, which was subsequently accepted, that North Borneo should have 16 Parliamentary representatives and Sarawak 24

<sup>1</sup> *The Malayan Times*, 3 October 1963.

<sup>2</sup> *Straits Times*, 18 October 1963.

<sup>3</sup> *Ibid.* 23 October 1963.

<sup>4</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, par. 190 (g). <sup>5</sup> *Ibid.*

compared with 15 for Singapore and 104 for Malaya. In terms of population this meant one seat for every 70,000 people in Malaya, for every 30,000 in the Borneo territories, and for every 112,000 in Singapore. As in the case of Singapore and Malaya these numbers could not be changed except by constitutional amendment.<sup>1</sup>

Recognizing the political backwardness of the Borneo territories, the Malaysia Agreement provided that the Borneo representatives to the Federal Parliament would be elected by their respective Legislatures, whose members would continue to be indirectly elected until the first general election to be held in August 1968.<sup>2</sup>

In North Borneo's first District Council and Town Board elections of January 1963 the pro-Malaysia Alliance made a big sweep by winning 103 of the 118 seats; the other 15 went to Independents.<sup>3</sup> In the next stage of the indirect elections the Alliance won all the 18 seats in the Legislative Assembly through the electoral colleges of the four Residencies. The West Coast Residency elected 8, the Interior Residency 4, the Sandakan Residency 3, and the Tawau Residency 3.<sup>4</sup> Having thus secured complete control of the Assembly, the Alliance had no problem in allocating the 16 seats in the Federal Parliament among its component parties. Thus the United Sabah National Organization (USNO) was given 6 seats, the United National Kadazan Organization (UNKO) 5, the Borneo Utara National Party (BUNAP) 4, and Pasok Momogun 1.<sup>5</sup>

But in Sarawak the indirect system of election produced some complications, and this in turn made the selection of the 24 representatives to the Federal Parliament rather difficult. Like North Borneo, Sarawak had a communal pro-Malaysia Alliance. But unlike North Borneo, it had a very efficient and well organized anti-Malaysia Chinese dominated political party, the Sarawak United People's Party (SUPP). To confound the situation, Party Negara Sarawak (PANAS) withdrew from the five-party Sarawak Alliance two months before the District

<sup>1</sup> Above, p. 481.

<sup>2</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom [etc.]*, Annex A, par. 94.

<sup>3</sup> *North Borneo News and Sabah Times*, 18 February 1963.

<sup>4</sup> *Straits Times*, 20 July, 1963.

<sup>5</sup> *Ibid.* 21 May 1963. Also *North Borneo News and Sabah Times*, 18 February 1963.

Council and Municipal elections of June 1963 on the ground that PANAS found it 'vital to struggle against the movement of the anti-Malaysia SUPP in the general elections'.<sup>1</sup> The immediate effect of this split was that no single party won an over-all majority. Of the 429 District Councillors seats 138 went to the Alliance, 116 to the SUPP, 116 to the Independents, and 59 to PANAS.<sup>2</sup> Subsequently the 19 Independents elected in the Mukah District declared themselves in support of the Alliance. Had the split not occurred, the Alliance would have been in the majority.

The second stage of the elections, i.e. to the Divisional Councils, produced some rather surprising developments. Following the declaration by the Alliance that it was prepared to form a coalition government with the Independents and to accept PANAS only as an opposition in the Council Negri, PANAS joined with SUPP in an attempt to form a coalition government, or failing that, a united opposition.<sup>3</sup> Both parties also agreed not to compete with each other at the Divisional Council elections but, instead, to divide the seats between them. By this arrangement the SUPP-PANAS coalition managed to gain control over the First Division Council. Again the two parties agreed to divide between them the ten Council Negri seats to which the First Division was entitled. Had it not been for this understanding, it was conceivable that SUPP with its 116 District Council seats might not have even one seat in the Council Negri or in the Federal Parliament, because SUPP's support came from the 'little Chinas' of Kuching, Bau, Sibul, the lower Rejang and Miri which were scattered in the First, Third, and Fourth Divisions.<sup>4</sup>

The decision of the Independents, who controlled the Fourth and Fifth Divisions, to cast in their lot with the Alliance was another decisive factor since it enabled the Alliance to win the Council Negri elections with a clear majority of 19. The SUPP-PANAS coalition took 8 seats and the Independents 9. Of these Independents 7 were known to support the Alliance. In the concluding election of representatives to the Federal Parliament the Alliance scored 17, PANAS 3, and SUPP 3. The twenty-fourth seat went to an Independent through the sponsorship and

<sup>1</sup> *Straits Times*, 1763.

<sup>2</sup> *Ibid.* 25 June, 19 April 1963.

<sup>3</sup> *Ibid.* 2 July 1963.

<sup>4</sup> *Ibid.* 27 June 1963.

support of the Alliance.<sup>1</sup> But for the manoeuvres of PANAS the pro-Malaysia parties could have swept the board at the elections to the Council Negri and the Federal Parliament. Such an outcome would, however, be quite undemocratic since the majority of votes cast for the SUPP would be voiceless in Kuala Lumpur and even in Kuching. This indirect system of election obviously offered the immense advantage of simplicity, but whatever the advantages might be, they were certainly offset by the thwarting of the electorate's choice.

**MINISTER FOR SARAWAK AFFAIRS: A RACIAL COMPROMISE.** After the Sarawak Council Negri elections of July 1963 the Sarawak Alliance met to consider the election of the first Governor of Sarawak in Malaysia. The choice fell on Temenggung Jugah Anak Barieng, paramount chieftain of some 241,000 Sea Dayaks, who constituted almost one third of Sarawak's population.<sup>2</sup> The decision was subsequently communicated by Stephen Kalong Ningkan, the new Sarawak Chief Minister designate, to the government in Kuala Lumpur. Basing his argument on the authority of the Malaysia Agreement, Tunku Abdul Rahman said that the Sarawak Alliance had exceeded its powers by nominating Temenggung Jugah, since the question of the appointment of the first Governor had been laid down as the prerogative of the Yang di-Pertuan Agong and the British monarch. Only after two years could the party in power appoint its own nominee as Governor.<sup>3</sup> The nomination was, therefore, declared unacceptable to the Yang di-Pertuan Agong.

That the Sarawak Alliance did arrogate to itself the power of nominating the Governor was very clear. But according to the Tunku, there was an agreement that if the Chief Minister of Sarawak was a Dayak, then the Head of State must be a Malay.<sup>4</sup> There was no written agreement of this nature and even if there had been, it had certainly never been published.

At Britain's request Sarawak sent a special mission to Kuala Lumpur to try to resolve the difficulty. The then Governor of Sarawak, Sir Alexander Waddell, and fifteen members of the

<sup>1</sup> *The Malayan Times*, 23 October 1963.

<sup>2</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, Appendix B.

<sup>3</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom [etc.]*, Annex C, The Constitution of the State of Sarawak, Art. 49.

<sup>4</sup> *The Sunday Times*, 8 September 1963.

ruling Sarawak Alliance led by the Chief Minister designate, Stephen Kalong Ningkan, flew in for talks with Duncan Sandys, the Commonwealth Relations Secretary, and the Federation government. A three-member team representing the Malay communal party, PANAS, was also in Kuala Lumpur. Its presence could hardly contribute to an easing of tensions, seeing that the Sarawak Alliance and PANAS had not been on the best of terms since the June elections. Moreover, as a Malay communal party it would be only natural for PANAS to take sides with the Federal government's choice, Dato Abang Haji Openg, who was one of the signatories to the Malaysia Agreement and also a standing member of the Sarawak Council Negeri under an appointment made by the Rajah in 1940.<sup>1</sup>

The controversy did, in fact, reach such a critical stage that Stephen Kalong Ningkan was believed to have offered to give up his post as Chief Minister of Sarawak.<sup>2</sup> As so often happens it was only a last minute compromise that saved the situation. 'For the sake of unity and goodwill' Temenggung Jugah asked that his name should not be considered for Sarawak's first governorship. This made it possible to give general consent to the appointment of a Malay, the Federal government's candidate Dato Abang Haji Openg, to become Governor of Sarawak for the first two years of Malaysia. Recognizing the outstanding position which Temenggung Jugah held in the life of Sarawak, Tunku Abdul Rahman offered him a post in the Malaysian Federal Cabinet as Minister for Sarawak Affairs resident in Sarawak, which Temenggung Jugah accepted.<sup>3</sup> Commenting on the compromise solution, Stephen Kalong Ningkan said that the main reason underlying his delegation's acceptance of a special post for Temenggung Jugah and a Malay as the first Governor of the territory was that Sarawak could not afford not to have Malaysia. He emphasized that after two years Temenggung Jugah would be recommended as the next Governor.<sup>4</sup>

It was rather curious that no word was said against the unilateral election of Dato Mustapha bin Dato Harun as the first Yang di-Pertua Negara for two years by the North Borneo government. The Yang di-Pertuan Agong accepted and confirmed

<sup>1</sup> *The Malayan Times*, 13 September 1963.      <sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.* 14 September 1963.

<sup>4</sup> *Straits Times*, 14 September 1963.

the nomination.<sup>1</sup> But even here racialism could not be entirely ruled out. Had Donald Stephens and Datu Mustapha been of the same race, the Sarawak controversy might have been repeated in the case of North Borneo. It seemed also that there was no suitable Malay candidate and Dato Mustapha as a Muslim appeared, therefore, to be an acceptable alternative.

The Sarawak controversy established beyond any doubt the fact that, in spite of the much discussed intercommunal cooperation, down deep in their hearts the national leaders themselves were no less communal than the common people and that the indigenous peoples of the Borneo territories were racially distinct from the Malays.

THE ALIGNMENT OF THE POLITICAL PARTIES IN THE NEW PARLIAMENT. In November 1963 the membership of the Federal House of Representatives was officially raised from 104 to 159 with the swearing in of 55 new Members from Singapore, Sarawak and Sabah. The Senate was also officially enlarged from 38 to 50, i.e. two from each of the 14 member States and 22 nominated by the Yang di-Pertuan Agong.<sup>2</sup> The wide diversity among the members, racially, politically, economically and otherwise gave an idea of the dimensions of the task placed upon the House by the new political association.

Earlier Tan Siew Sin, the Federal Finance Minister, had expressed the idea that the creation of Malaysia was 'a new frontier' and went on to say that the relationship between the central government and the component States of the Federation should be analogous to that between a father and his children. Hence, the duty of the Federal authority should be to protect the units and to treat them impartially and justly.<sup>3</sup> Such a paternal relationship, however, seemed to be anything but a new frontier, since it resembled a revival of the classic relationship between the British and the Malays under the Federated and the Unfederated Malay States.<sup>4</sup> It would also need a considerable effort of the imagination to think that men like Lee Kuan Yew and his colleagues, some of whom have been described by T.E. Smith as 'the shrewdest politicians in the whole of Malaysia', would like to shelter under the Alliance govern-

<sup>1</sup> *The Malayan Times*, 14 September 1963.

<sup>2</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom [etc.]*, Annex A, pars. 8 and 9.

<sup>3</sup> *Straits Times* 4, August 1963.

<sup>4</sup> For example, see Emerson, *op. cit.* pp. 238-9 and pp. 479-80.



ment paternal umbrella. Lee Kuan Yew had emphasized that the centre must give the Singapore government a chance to work with it on 'an equal and fair basis' for the mutual benefit of Malaysia.<sup>1</sup> At the inauguration of the Singapore State Assembly in October 1963 he defined the relationship between the Singapore and the Malaysian government as one of 'co-operation', while regarding the position of the PAP representatives in the Federal Parliament, he said that they were 'cross-benchers—friend, loyal opposition and critic', unlike the Socialist Front and the Barisan Sosialis whom he described as 'destructive' and 'disloyal opposition'.<sup>2</sup>

The Socialist Front retorted that Lee Kuan Yew's expression of loyalty and co-operation was meant to mitigate the wrath of the Alliance leaders who had shown their displeasure and doubts as a result of his performance before the inauguration of Malaysia. Its leaders believed that Lee Kuan Yew and the PAP would be loyal to no one but to themselves.<sup>3</sup>

So the question arose, where to seat the PAP representatives in the Federal House of Representatives. C.A. Federicks, the Parliamentary Secretary, said that since the PAP did not belong to the Alliance, it would be technically improper to place them on the government side. But there were no neutral benches in the new House, and it appeared that it would be necessary to seat them in a special section, i.e. neither with the government nor with the opposition. This would offer them the choice of voting for or against the central government on any specific issue. In this dilemma the Speaker of the House, Dato Haji Noah, ruled that the PAP should sit with the opposition. But not even the Speaker was equal to Lee Kuan Yew's tactics. At the last minute the Prime Minister, Lee Kuan Yew, the Finance Minister, Dr. Goh Keng Swee, and the Deputy Prime Minister, Dr. Toh Chin Chye, crossed over to the government side, while the other PAP representatives remained on the side of the opposition.<sup>4</sup>

Party Negara of Sarawak (PANAS) also decided that its place was on the government side and left its coalition partner, the SUPP, on the opposition benches in the company of the Socialist Front and Barisan Sosialis. Sarawak's lone Independen-

<sup>1</sup> *The Malayan Times*, 30 September 1963.

<sup>2</sup> *Straits Times*, 31 October 1963.     <sup>3</sup> *Ibid.* 1 November 1963.

<sup>4</sup> *The Malayan Times*, 3 November 1963.

dent Member, Enche Awang Daud bin Matusin, sat also with the government.

The Malayan Grand Alliance, created prior to the formation of Malaysia to embrace all the pro-Malaysia parties, i.e. the Federation of Malaya Alliance, the Singapore Alliance, the Sarawak Alliance, and the Sabah Alliance seemed to have succeeded again where separate communal parties would have had little chance of success, i.e. to present a solid government *bloc* against the disunited opposition. Unless the opposition parties can find some means to resolve their differences, there will be little hope for a change of government. If the government continues to identify 'anti-Malaysia-ism' with communism, the future of an effective opposition looks very bleak, and the emergence of a one-party system of government might well become a reality.

The role of the PAP in Malaysian politics, particularly with relation to the MCA, may conceivably result in a re-alignment of parties. In this connexion it is instructive to watch Lee Kuan Yew's tactics. First, he realistically admitted that for the first two decades of Malaysia the Malaysian Prime Minister must be a Malay, on the ground that during this time, which he called 'the short-term position', the basic communal political arithmetic of Malaysia must be accepted. But in the long run the only way to a peaceful, democratic and successful Malaysia would be for political loyalties to rally around competing economic policies and political ideologies rather than around the balancing of communal forces.<sup>1</sup> Second, he expressed his desire to work with UMNO—not with the Alliance, be it noted—to build a more just and equal society. He wanted to help UMNO to understand the problems of the urban Chinese in towns and cities where the MCA and the MIC had been losing ground to other political parties.<sup>2</sup> Third, he was hopeful that the PAP would join forces with people 'of like minds' in other parts of Malaysia and that PAP ideas would be more acceptable in other parts of Malaysia.<sup>3</sup>

It is clear that these political calculations were aimed primarily at the MCA. Lee Kuan Yew seemed to be convinced that sooner or later it would be supplanted by the PAP and that eventually the triangular UMNO-MCA-MIC axis would have

<sup>1</sup> *Straits Times*, 25 May 1963.

<sup>2</sup> *Ibid.* 29 September 1963.

<sup>3</sup> *Ibid.* 27 July 1963.

to make way for an UMNO-PAP partnership. It would appear that Lee Kuan Yew envisaged this to come about within his twenty years 'short-term' period as a prelude to the emergence of the first non-Malay Prime Minister of Malaysia.

### *The Guardian of the Constitution*

THE AMENDMENT PROCESS. The constitution of the Federation of Malaya and of its successor, the Federation of Malaysia, expresses the supremacy of the Federal constitution in the passage: 'This Constitution is the supreme law of the Federation and any law passed after Merdeka Day which is inconsistent with this Constitution shall, to the extent of the inconsistency, be void'.<sup>1</sup>

A similar declaration is also found in the constitution of the United States of America and although no such explicit statement appears in the Australian, Canadian and Swiss constitutions, there is nevertheless a recognition of the necessity for the constitution to be supreme. Wheare stressed that this element of supremacy is essential, if the government is to be federal, and that the constitution should be written to increase the chance of a successful operation of the federal system. Since the federal constitution is a compromise agreement between unit and central governments, it follows that power to amend those provisions affecting the relationship between the contracting parties should not be an exclusive right of the units or the centre.<sup>2</sup>

Of the self-governing federations India and Nigeria conform to the established classical practice of requiring the approval of both federal and unit governments for any amendment of the constitution. In this respect Malaysia is different in that no State approval is required and for this reason Carnell regarded both the Malayan and the Malaysian cases as non-federal.<sup>3</sup>

The experience of states with a one-party, or virtually one-party, system has shown that it is easy to amend constitutions. In the case of Malaya the dominant position of the Alliance and the lack of an effective opposition have the same effect. It can hardly be argued that the Reid Constitutional Commission did not foresee the trend of the development of Malaya's polit-

<sup>1</sup> Federation of Malaya, *Constitution*, Art. 4 (1). This article is left unamended in Malaysia.

<sup>2</sup> Wheare, *op. cit.* p. 57.

<sup>3</sup> Hicks *et al. op. cit.* p. 40.

ical parties when it formulated a system whereby 'the constitution ought not be so easy to amend as to weaken the safeguards which the constitution provides nor so hard as to produce frustration'. The Commission's recommendation was that amendment of the constitution should only be competent by an Act of Parliament passed in each House by a majority or two thirds of the members present, while those voting must be at least the majority of the total number of members of the House.<sup>1</sup>

The constitution eventually prescribed that some few provisions are alterable by an ordinary Federal Act, and some affecting the prerogatives of the Rulers of the States require the consent of the Conference of Rulers. But most of the articles in the constitution are alterable by the special federal parliamentary procedure which consists of an Act of Parliament passed by not less than two thirds of the total number of members of each House.<sup>2</sup> Coupled with the steam-roller majority of the Alliance in both House of Parliament and with the fact that approval of the States is not required, the amending process tends thus to become a mere formality.

It must be noted that the Reid Commission refused to consider the referendum as a suitable method of amendment for Malaya. It has worked successfully, but with different effects, in Switzerland and in Australia. The Swiss people have in most cases accepted the amendments proposed by the general legislatures, whereas the Australians have in most cases withheld their approval. This is not to say that the referendum would or would not work in Malaya. Devices and arrangements which suit one country may not suit another. Only experience can show how the amending procedure embodied in a constitution will eventually work. But the very character of federal government demands some form of participation of the unit governments in the alteration of the supreme law of the land. Malaya's decision to leave this important task entirely in the hands of the central government amounts to a denial of the fact that the constitution is a contractual agreement between the States and the Federation.

*The judicial review.* However detailed or complete the division of powers may be, the limitations of language, the overlapping

<sup>1</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 80.

<sup>2</sup> Federation of Malaya, *Constitution*, Art. 159. Also Sheridan (ed.), p. 47.

of jurisdiction, and the emergence of new situations are bound to give rise to disputes about the meaning of the constitution. Therefore, it has usually been considered necessary to have some independent agent or institution to interpret the constitution as a means of settling disagreements.

The new federations have been uniform in assigning this role of interpreting the constitution to supreme judicial bodies patterned on the Supreme Courts of the United States of America, Canada and Australia rather than on the Swiss example of having the federal legislature as the final interpreter of the constitution subject to a referendum of the electorate.<sup>1</sup> The case of the 1948-57 Federation of Malaya formed an exception to this practice in that this power was not entrusted to a Supreme Court, but to an Interpretation Tribunal. This Tribunal consisted of three members, i.e. the Chief Justice of the Supreme Court as chairman and two other members who were either Judges of the Supreme Court or persons who possessed the qualifications required for such Judges. One of them was appointed by the High Commissioner and the other by Their Highnesses the Rulers of the Malay States.<sup>2</sup>

The Reid Constitutional Commission rejected this arrangement in favour of that found in the other federations on the ground that (i) the States could not maintain their autonomy unless they were enabled to challenge in the courts as *ultra vires* both Federal legislation and Federal executive acts, (ii) the insertion of Fundamental Liberties in the constitution required the establishment of a legal procedure by which breaches of these Fundamental Liberties could be challenged, and (iii) it seemed desirable to provide a method of securing rapid decisions on constitutional questions.<sup>3</sup> Accordingly, in the 1957 constitution a Supreme Court was provided with jurisdiction on the lines adopted in Canada, India and Pakistan.

As in the case of the West Indies and Nigeria, the judges of the Malayan Supreme Court were appointed by the Head of States, i.e. the Yang di-Pertuan Agong, on the recommendation of the Judicial and Legal Service Commission after consultation

<sup>1</sup> Wheare, *op. cit.* pp. 60-61.

<sup>2</sup> Great Britain, *Federation of Malaya Order in Council 1948*, Second Schedule, clause 153.

<sup>3</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 123.

with the Conference of Rulers.<sup>1</sup> Their removal was effected by a special tribunal appointed by the Yang di-Pertuan Agong on the recommendation of the Judicial and Legal Service Commission until 1960 and thereafter on the recommendation of the Prime Minister after consulting the Chief Justice.<sup>2</sup>

On the formation of the Federation of Malaysia in 1963 a new system of courts came into being: a Federal Court and three High Courts. The Federal Court replaced the Supreme Court and was given exclusive jurisdiction to interpret the constitution and to arbitrate in disputes between States and between any State and the central government. The three High Courts, one in Malaya (the former Federation of Malaya), one in Borneo (Sarawak and Sabah), and one in Singapore were given original jurisdiction in their respective areas, with the Federal Court as the Court of Appeal in each case.<sup>3</sup>

Like Ceylon and Nigeria, Malaya has left open the possibility of appeals from the decision of its own Federal Court to the Judicial Committee of the Privy Council.<sup>4</sup> The case for such appeals was put forth by the Reid Commission in the following words:

Not only would it be a valuable link between the countries of the Commonwealth but in the present position in the Federation it would, we think, be advantageous if the final decision on constitutional questions lay with a Tribunal which has experience of other federal constitutions.<sup>5</sup>

The merit of this provision lies, perhaps, in the feeling that there is an advantage in being able to appeal to an external and clearly impartial body. This is especially true in the case of those countries where the role of the courts as an interpreter of the constitution is challenged.

<sup>1</sup> Federation of Malaya, *Constitution*, Arts. 121–31.

<sup>2</sup> Federation of Malaya, *Constitution (Amendment) Act, 1960*, Act of Parliament No. 10 of 1960 (Kuala Lumpur, 1960), par. 16.

<sup>3</sup> Federation of Malaya, *Malaysia: Agreement Concluded between the Federation of Malaya, United Kingdom [etc.]*, Annex A, pars. 13–22.

<sup>4</sup> Federation of Malaya, *Constitution*, Art. 131.

<sup>5</sup> Federation of Malaya, *Report of the Federation of Malaya Constitutional Commission 1957*, par. 126.

### XIII

## SUMMARY AND CONCLUSIONS

### *A Ready Pattern for the Federal Solution*

THE SUCCESS of earlier federations has been a factor contributing to the desire for federal unions in many of the newly developing Commonwealth and non-Commonwealth countries. In an age when democratic slogans make force as a method of political integration unacceptable, examples like Canada and Switzerland provide a model for a peaceful integration of culturally and racially diverse peoples through federation.<sup>1</sup> Large continental federations like the United States of America, Australia and Canada also showed how a union of widespread regions was made possible through federal institutions. Moreover, the relative economic prosperity which these federations displayed in the decade after 1945 added to the magic appeal of the federal solution in regions where rapid economic development was desired. As a result these classic federations were frequently cited as models to be followed in the search for political and economic progress. Indeed, so fashionable did the federal solution become that it was applied as a panacea to situations where previously it had been tried unsuccessfully, as in the scattered islands of the West Indies, or had never been tried, as in Indo-China, Indonesia, the Central African British colonies and protectorates, and the dual province union of Pakistan in which the regions were separated by 1,000 miles of unfriendly territory.

Under these experimental conditions it was hardly surprising that the success of federalism was a matter for speculation, and it often had to struggle hard for survival.

### *Commonwealth Federalism: A Deliberate Aspect of British Policy*

It is no accident that federalism is found mainly in ex-British colonies. The main reason, perhaps, lies in the fact that an

<sup>1</sup> For example, see Tan Cheng Lock, *Malayan Problems from a Chinese Point of View* (Singapore, 1947), p. 119. Also Hugh W. Springer, *Reflections on the Failure of the First West Indian Federation*, Occasional Papers in International Affairs Number 4, July 1962, p. 9.

approximation to the federal principle has always been implicit in British colonial administration with its dyarchical division of powers between men on the spot and Whitehall in London. Federalism and the evolution of the modern Commonwealth also seem to be very intimately related. In the progressive advancement of the colonies from the status of dependent territories to that of internal self-government and eventually to that of full self-government or independence, the colonial units of social and political organization have often been considered too small to stand by themselves as independent states,<sup>1</sup> although the granting of independence to small units such as Malta, Zanzibar and Gambia tends to weaken the validity of this argument. Nevertheless, where appropriate, the linking together of two or more colonial territories or dependencies through federalization seems to have become the essential preliminary to the achievement of independence.

The British colonial government had been experimenting with the idea of federalism before exporting it to Malaya. In the West Indies, for example, it had been tried as early as the seventeenth century. In spite of recurrent failures in the attempt, the federal idea seemed to have an irresistible attraction for British colonial servants, but local interest in federalism was absent and most of the by now classic characteristics necessary for a successful federation<sup>2</sup> were also conspicuously absent. The short-lived West Indian federation of 1956 developed as a result of the ferment of the Second World War and during the deliberations for West Indian independence Creech Jones, then Secretary of State for the Colonies, said that 'it was impossible for the colonies as separate units, small and insecure, to achieve and maintain full self-government on their own. Federation was an essential step to their autonomy'.<sup>3</sup>

In Nigeria the Richards constitution of 1946 was designed by the British government to produce a well-knit centrally-administered territory, both effective and efficient. But soon this policy

<sup>1</sup> Birch, *Federalism* p. 292.

<sup>2</sup> Wheare, *op. cit.*...p. 37. Wheare listed six factors, i.e. (i) A sense of military insecurity arising from an outside threat or pressure, (ii) A hope of economic advantage, (iii) A desire to be independent, (iv) Some form of common political association of the federating states prior to federal union, (v) Geographical propinquity, and (vi) Similarity of political institutions of the federating states.

<sup>3</sup> Alexander Bray, 'The West Indies: A New Federation', *Behind the Headlines*, Vol. XVII, No. 5 (Toronto, 1958), p. 2.



of centralization had to contend with regionalism, which it disregarded, for each region feared the concentration of power in the centre as a potential instrument of domination by one region over the others. It was in recognition of these fears that Nigeria was converted into a federation under the 1951 MacPherson constitution.<sup>1</sup>

In Central Africa the British government decided in 1953, against the wishes of the Africans, to unite the two Rhodesias and Nyasaland in a form of federation to constitute a buffer state between Black Africa to the north and White Africa to the south. It was alleged that Nyasaland was included by the British government because it was considered too expensive to administer this poverty-stricken protectorate as a separate territory.<sup>2</sup>

In India in 1935 the British government envisaged a federal structure joining the two Indias as an ideal solution to certain problems connected with the opening up of the country, the anxieties of the Muslim population and of the provincial governments over their positions in a united India, and the need to strengthen the conservative *bloc* against the Congress party which had become revolutionary.<sup>3</sup> But the federation proved to be too tight to accommodate the group antagonisms of the Muslims and the Hindus and finally ended in the 1947 partition which shattered the political and economic unity given to the sub-continent by the British.

The experience of these states in federalism shows that the idea of political union through federalization was not simply the result of negotiations between local representatives of the territories involved. The experiment in colonial federation-building seems to have been a cardinal policy of the British government, who, in Carnell's words, 'as an interested party, has power of persuasion, direction, control or even force at its disposal'.<sup>4</sup>

### *Malayan Federalism: 'Unite and Rule'*

As with the new Commonwealth federations, the story of federalism in Malaya prior to 1948 was a record of British attempts at centralization through the system of federalization

<sup>1</sup> G. B. A. Akinyede, *The Political and Constitutional Problems of Nigeria* (Lagos, 1957), Chapter IV and VI.

<sup>2</sup> Hicks *et al.* *Federalism...*, pp. 34-35.

<sup>3</sup> *Ibid.* p. 26.

<sup>4</sup> *Ibid.* p. 59.

in order to secure uniformity of policy and efficiency of administration.<sup>1</sup> But as Carnell observed:

In Malaya federalism was as inevitable as in Nigeria. It was the outcome of the British system of ruling through the Sultans of protected Malay states and a response to the problems posed by the survival of Malay monarchies. In 1946 the mystique of monarchy was so strong among local British officers and Malay nationalists as to rule out any possibility of the formal apparatus of a unitary state.<sup>2</sup>

Nevertheless, although fully aware of these factors, the British government insisted upon unity for strategic and administrative reasons.<sup>3</sup> Even after the failure of this attempt the form of unity persisted in the highly centralized Federation of Malaya of 1948, again as a result of British insistence.<sup>4</sup>

But Britain went still further in the implementation of her cherished 'unite and rule' policy by charging the Commissioner-General of the United Kingdom in South-East Asia with the responsibility of watching for the possibility of closer political co-operation between Singapore, Malaya, Sarawak, Brunei and North Borneo.<sup>5</sup> A South-East Asian Dominion or a Malaysian Dominion was thought to lie within the realm of possibility. By whatever name a political grouping of these territories might be known, one can hardly fail to see here the precursor of Malaysia. That a British intention to create Malaysia did in fact exist was later confirmed by David Marshall, then Chief Minister of Singapore, who was present when Malcolm MacDonald mooted the idea of Malaysia at the Colonial Office in 1955.<sup>6</sup>

It must also be remembered that a movement for 'closer association' in Borneo had been in the air through the operation of an official inter-territorial committee since the 1953 Kuching Conference in which Malcolm MacDonald figured prominently. Thus the British attempt to link Sarawak, North Borneo and Brunei through a Bornean federation in 1958 seemed to be

<sup>1</sup> Above, Chapter II.

<sup>2</sup> Hicks *et al.* op. cit. p. 58.

<sup>3</sup> Great Britain, *Malayan Union and Singapore: Statement of Policy on Future Constitution*, Cmd. 6724 (London, 1946), pars. 1-3 and 10.

<sup>4</sup> Great Britain, *Federation of Malaya: Summary of Revised Constitutional Proposals*, Cmd. 7171 (London: 1947), par. 3.

<sup>5</sup> Above, Chapter VI. Also *Straits Times*, 28 November 1949.

<sup>6</sup> *Straits Times*, 2 February 1956 and 20 April 1962.

an integral part of his Malaysia master-plan. The separate launching of this Borneo scheme can, perhaps, be explained by the fact that Kuala Lumpur had thus far displayed no particular enthusiasm for a wider political association. British spokesmen, whenever their views were sought, had diplomatically said only that 'it [Malaysia] would be an excellent idea, if that was what everybody wanted'.<sup>1</sup>

The time to find out came on 27 May 1961. But, reminiscent of the British approach leading to the imposition of the Federated Malay States (FMS) in 1895, it was London and Kuala Lumpur who decided that a Federation of Malaysia was a desirable aim.<sup>2</sup> The behaviour of Lord Cobbold and his team of two British and two Federation of Malaya officials in 1962 was suggestive of Swettenham's actions in 1895. The idea of the FMS was sold and so was that of Malaysia in spite of the fact that many of the indigenous peoples of Borneo had little knowledge or understanding of the Malaysia proposal. The Cobbold Commission admitted that even among the supporters of Malaysia a large number was influenced by the personality and imaginative leadership of Tunku Abdul Rahman and his colleagues and by the belief that Malaysia would not be recommended by the British government, if the true interests of the people were to be jeopardized.<sup>3</sup> It would, perhaps, be instructive to recall what the Permanent Secretary, Meade, said at the Colonial Office with regard to the Sultans accepting the FMS proposal in 1895. He declared that 'those unhappy dummies, of course, agree to anything that they are told to accept'.<sup>4</sup>

Admittedly the Malaysia Solidarity Consultative Committee (MSCC) undertook to promote an understanding of the complex Malaysia scheme among the masses, and the United Nations Malaysia Mission did verify that Malaysia was a major issue if not the major issue in the 1963 elections in Sarawak and Sabah. But it would take a great effort of imagination to accept the thesis that the Cobbold findings could be reversed before August 1963, i.e. a period of a little more than one year, con-

<sup>1</sup> Ibid. 11 February 1956.

<sup>2</sup> Great Britain, *Federation of Malaysia: Joint Statement by the Governments of the United Kingdom and of the Federation of Malaya*, Cmd. 1563 (London, 1961), par. 2 and Annex A.

<sup>3</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, pars. 15, 28, 45, 63, 68 and 114.

<sup>4</sup> Above, p. 9.

sidering the difficulty of communication, the widespread illiteracy among the Borneo people, and the complexity of the subject to be understood.

One cannot attach enough importance to Carnell's statement that 'only free people can really debate the issue of federation on its merits'.<sup>1</sup> At this stage the Borneo people in Sarawak and North Borneo could not by any stretch of imagination be called free. Neither could the people of Singapore, for that matter. Sarawak and North Borneo were still British colonies, and Singapore did not even have complete internal self-government. All this meant that local representatives included in any negotiations were fully conscious that the British were still their masters.

### *The Makers of Malaysia*

While the Malaysia idea was thus, in fact, a brain-child of the British government through Malcolm MacDonald, the credit of making it public and thereby provoking wide discussion must go to Tunku Abdul Rahman, the Prime Minister of the Federation of Malaya. But what may, perhaps, be lost sight of is that fundamentally Tunku Abdul Rahman's position with regard to a Singapore-Malaya political association was the same both before and after 27 May 1961. Referring to his stand before this date, the Tunku said:

In those early days I would not entertain the idea [Singapore-Malaya merger], because I felt then that the conditions prevailing in Singapore, the trend of thought and the sentiments of the people of Singapore were entirely different from us in the Federation. The predominantly Chinese population in Singapore almost make the island a little China, and, therefore, the inclination of certain sections of the Singapore people is to follow closely the trend of political thinking in China.<sup>2</sup>

But no one would for one moment suggest that the political temperature in Singapore and everything else connected with it did change in favour of Kuala Lumpur by 27 May 1961. On the contrary, Singapore was then at a fever pitch of political ferment and the ruling PAP was passing through a crisis, which culminated in the ascendancy of the extreme left.<sup>3</sup> There was

<sup>1</sup> Hicks *et al.* op. cit. p. 59.

<sup>2</sup> *Straits Times*, 28 March 1962.      <sup>3</sup> Above, Chapter V.

no evidence to suggest that Singapore had changed from what the Tunku called 'a little China' to something more acceptable to Kuala Lumpur. The inclination of 'certain sections of Singapore people to follow closely the trend of political thinking in China' might even be said to have found new strength in the Chinese-medium Nanyang University and in the official recognition given by the Singapore government to that University's graduates. The increasing frequency of arrests between 1961 and 1963 of so-called Communists in the island-State bore testimony to the fact that the political climate in Singapore was rapidly deteriorating. The Singapore problems which prompted Tunku Abdul Rahman to refuse to consider a Singapore-Malaya merger previously had certainly not changed for the better. It is, therefore, difficult to accept any suggestion that, under these circumstances, the Tunku would contemplate a merger with Singapore.

It was no secret that the Tunku's chief preoccupation had consistently been the preservation of Malaya's security from renewed communist terrorism, a task that would be beset with grave difficulties when Britain and Malaya relinquished control over internal security to the Singapore government, if Singapore obtained independence in 1963. She must at all costs be prevented from turning into an 'Asian Cuba'. Somehow, therefore, Kuala Lumpur must have the power to control Singapore's internal security. Malcolm MacDonald's Malaysia master-plan seemed to provide the best answer, since it would also curb the activities and the expansion of the Clandestine Communist Organization (CCO) of Sarawak.

But it was Singapore's Prime Minister, Lee Kuan Yew, who focused the attention of Tunku Abdul Rahman on the imminent danger that if Singapore was not in Malaya, both would ultimately be lost to the Communists. Slowly he placed before the Tunku the 'unpleasant and brutal' facts about the communist intrigues. Quietly over a period of time, sometimes across the poker table and at other times over a meal or on the golf course, the points were put across. There was one theme: Merger was inevitable either by consent or by force of one territory over the other. In no uncertain terms Lee Kuan Yew drove home to the Tunku that the possibility of Singapore overwhelming the Federation should not be dismissed altogether.<sup>1</sup>

<sup>1</sup> *Straits Times*, 31 July 1963.

These revelations struck a note of fear in the hearts of Federation Ministers and the Tunku was persuaded to make his historic merger speech of 27 May 1961<sup>1</sup> in Singapore.

Thus Lee Kuan Yew succeeded where his predecessors, the British and Malcolm MacDonald, either had failed or obtained too little support. But in spite of this initial success the Malaysia plan might still have run into difficulties, had it not been for the 'communists' and the Barisan Sosialis who through insistence on their own version of merger,<sup>2</sup> inadvertently helped not only in the launching of the plan but also in the acceleration of its implementation. Had they come out in full support of the contemplated merger and Malaysia, they could have conceivably slowed down or even prevented the formation of Malaysia, because Kuala Lumpur would have been suspicious of a plan which was supported by the communists.

### *The Plural Society: A Centralizing Factor*

It would be generally conceded that federalism is an attempt to solve territorial rather than racial conflicts of interest. It is an endeavour to combine unity with diversity, but obviously it can do so only if the major diversities are territorially expressed as in Nigeria, India, Canada and Switzerland. If these diversities have no inclusive territorial base, but traverse the whole society in the form of racial or communal conflicts between intermingled communities, as in Central Africa and Malaya, then it is extremely doubtful if federalism can serve any useful purpose.

It is true that Malayan federalism has to a limited extent a genuine regional character on account of the desire to retain the political identity of the Malay Sultanates. The Malayan Union with all its unitary features was rejected precisely because it failed to recognize the reality of Malay regionalism.<sup>3</sup> The Federation of Malaya was subsequently accepted, because it gave this recognition. But by this time the strength of Malay regionalism received a serious setback from the emergence of a more potent force, i.e. Sino-Malay communalism which be-

<sup>1</sup> For a text of the speech, see Lee Kuan Yew, *The Battle for Merger* (Singapore, 1961).

<sup>2</sup> Above Chapter, VI.

<sup>3</sup> Above, Chapter III.

came the rallying cause for the Malays *vis-à-vis* the Chinese throughout Malaya and particularly in the west-coast States. State boundaries yielded to the force of pan-Malayan communal polarization. Malayan federalism entered a new phase and racialism displaced regionalism. The States receded as the working units of the Federation and politics mounted a new platform of Malay, Chinese and Indian communalism.

This type of racio-political structure made it inevitable for the federation to be highly centralized. The national leaders had to re-orientate themselves in terms of community rather than State interests. Under these conditions the political parties were naturally not regional or State parties but pan-Malayan. The regional branches of these pan-Malayan parties functioned not within the State where they were registered but rather within the communities they represented. Party leaders found themselves thrown into a political arena where the issues were basically racial in character and discovered that they had to concentrate on politics at the Federal level to enable them to fight the communal battle with a reasonable hope of success. At the elections no one cared which States the candidates came from, since representation was by community and not by State. In short, the intermingling of the communities made it impossible for federal conventions in the classical sense to operate.

In Sarawak and Sabah the racial composition is at least as complex but not so fluid as in Malaya. There is little 'come and go' between the two territories, due largely to the difficulty of communications and the low level of trade between the two States.<sup>1</sup> Even within the States the racial groups do not overlap extensively. The result is that political parties are not only contained within the States but to a large extent localized within the States.<sup>2</sup> There is thus no case for the formation of pan-Bornean political parties. It must be recognized, however, that this is a transition period in Borneo's political development. Given the time for communications, trade, political parties and the political machinery to grow and to mature, the outlook is for the emergence of not only pan-Bornean but also pan-Malaysian communal political parties. In fact, the Malayan Alliance has already entered the field with the formation of the Grand

<sup>1</sup> Federation of Malaya, *Report of the Commission of Enquiry North Borneo and Sarawak*, op. cit. par. 102.

<sup>2</sup> *Ibid.* Chapter I, section E and Chapter II, section D.

Alliance as a coalition of the Malayan Alliance, the Singapore Alliance, the Sarawak Alliance and the Sabah Alliance, all of which are sub-coalitions of communal parties.

Seeing that the Chinese in Sarawak and Sabah have identical views on Malaysia and other political issues<sup>1</sup> there may well develop in the course of time a Bornean Chinese political party and, perhaps, in combination with Chinese or Chinese dominated political parties of 'like minds' in Singapore and Malaya, an even wider pan-Malaysian Chinese political party.

Given the continued existence of Malaysia, pan-Malaysian communal parties and a consequential highly centralized Malaysian federal government are potentially very real, and it is most unlikely that this trend can be inhibited permanently by the imposition of political barriers between Singapore, Malaya and the Borneo States.

### *Future and Prospects*

Viewed against the background of federal experiments in the Commonwealth countries and elsewhere, federalism in Malaya can be considered as a notable success, but it must be admitted at the same time that this does not hold true in the classical sense. It has so far succeeded where Central Africa, the West Indies and Pakistan have failed. It has found a solution to Malaysia's complex racial problem even though far from perfect, and has surmounted the difficulties posed by the ocean barrier between Malaya and Borneo, a factor that was decisive in the failure of the West Indian federal experiment.

The question now arises as to the chances of survival for Malaysia. It must be conceded that the one single factor which constituted the strongest incentive to the launching of Malaysia was an internal and external threat, i.e. Indonesian confrontation towards Malaysia and the Communist insurrection, the latter being a combination of external and internal forces. Both have been of such magnitude as to overshadow other differences that would have loomed large in the absence of these hostile pressures. The Yang di-Pertuan Agong, recognizing the importance of this factor, said in his 1964 New Year message:

In confrontation Malaysia has found a real spirit of national unity. . . . A federation of many States, never easy to attain or

<sup>1</sup> Ibid. par. 122.



achieve, depends on co-operation and compromise. If Malaysia had been born in peace without external difficulties, it might have taken us years to create feelings of national unity and identity, because we might have been tempted to quarrel among ourselves. . . . Now through confrontation, through external danger, we in Malaysia feel more than ever before that in our diversity there is strength and unity, that we are one nation not only in fact but in spirit.<sup>1</sup>

Of the West Indies Carnell said that divided by enormous distances, by centuries of separate island administration and by acute economic rivalries, the islands had a very weak desire for a political union owing to the absence of external pressures.<sup>2</sup> This could have well been the experience of Malaysia, had it not been for Indonesian confrontation. But however important confrontation may be to the cohesion of Malaysia, no one would like it to continue indefinitely. While a *rapprochement* between Jakarta and Kuala Lumpur<sup>3</sup> is desirable, it will also bring the real test to the future of Malaysia. With the external threat removed the question of whether the Federation will stand or fall will largely depend on the capabilities of its leaders to face the realities of Malaysia's territorial and communal diversities. To a certain degree the fear of communism may continue to exist as a unifying force, but its effect will obviously be felt only to the extent that it is capable of commanding more attention than other issues.

The presence of the British in Malaya will no doubt continue for a long time, but it is unlikely to continue for ever. Hence, as Dr. Toh Chin Chye, the Singapore Deputy Prime Minister, said, in the long run Malaysia must co-exist with its neighbours,

<sup>1</sup> 'Supreme Ruler's New Year's Message', *Malaysia*, February 1964, p. 12.

<sup>2</sup> Hicks *et al.* *op. cit.* p. 36.

<sup>3</sup> At the time of submitting the manuscript of this book to the press the beginning of a *rapprochement* between Indonesia and Malaysia has been established with the signing of the Bangkok Treaty in June 1966. It is instructive to note that it was about this time that the Sarawak Alliance passed through a crisis resulting in Dato Stephen Kalong Ningkan's dismissal by Kuala Lumpur as Chief Minister of Sarawak. Whether or not Kuala Lumpur's proclamation of a state of emergency in Sarawak on the alleged communist threat in that State will sufficiently overshadow this issue and make the political parties forget their differences remains to be seen, but the signs are that it will not. For Kalong Ningkan's first dismissal as Chief Minister see *Straits Times*, 18 June 1966; for his re-instatement see *ibid.* 8 September 1966; for his second dismissal see *ibid.* 24 September 1966; and for Kalong Ningkan's contesting his case in the courts on the ground of a *fraudem legis*, see *ibid.* 3 November 1966.

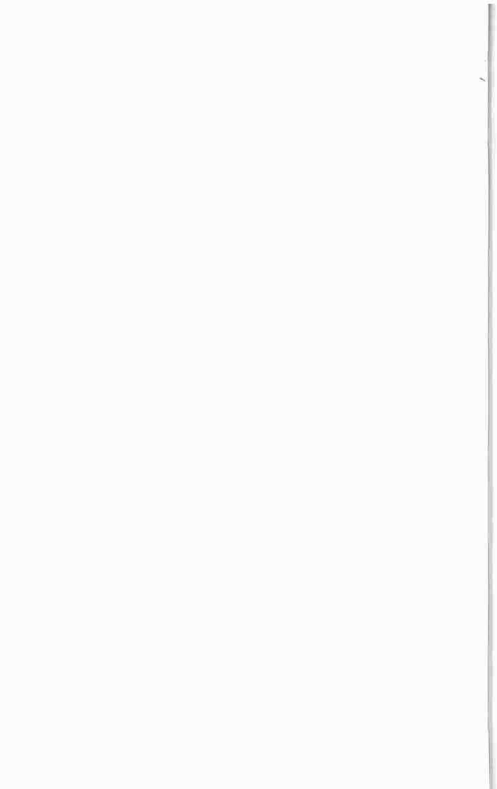
particularly with Indonesia, Thailand, the Philippines, Cambodia, and the other States of South-East Asia, which are the nearest.<sup>1</sup>

Similarly, Tan Siew Sin of Kuala Lumpur expressed his conviction that the nations of South-East Asia have so much in common that there are many matters on which they should be able to formulate common policies for the benefit of all. More specifically he referred to MAPHILINDO as having no sinister implications for the Chinese in Malaysia and described the concept as an 'enlightened proposal' and said it was desirable for small neighbouring nations to come together for their common good.<sup>2</sup>

The world trend is clearly toward aggregation of units, not toward segregation, the European Economic Community (EEC) being the most outstanding example. If countries with far greater resources than Malaysia consider it necessary to seek closer association with their neighbours and friends, how much more necessary it is for Malaysia, a newly independent country of only ten million people with an economy that is far from self-sufficient, and the newly emerging nations of South-East Asia to come together in some form of regional co-operation.

<sup>1</sup> *North Borneo News and Sabah Times*, 18 February 1963.

<sup>2</sup> *Straits Budget*, 14 August 1963, p. 9.



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