This book is the first of a series sponsored by the Australian Institute of International Affairs to provide reliable information on developments in countries with which Australia and New Zealand have close relations, historical or geographical, economic or strategic. Planned and edited by Professor Fred Alexander of the University of Western Australia, it is hoped that the series, by factual accuracy and dispassionate analysis, will provide a suitable background against which to build active interest in questions of current significance for the countries selected.

The special concern for the needs of Australians and New Zealanders which is revealed in some of the examples and analogies used in the text should not detract from its value for readers elsewhere, including some who are residents of the country under examination. For these, indeed, there may be some special interest in a survey of relatively familiar facts in the form deemed significant for Australia and New Zealand in the second half of the twentieth century.

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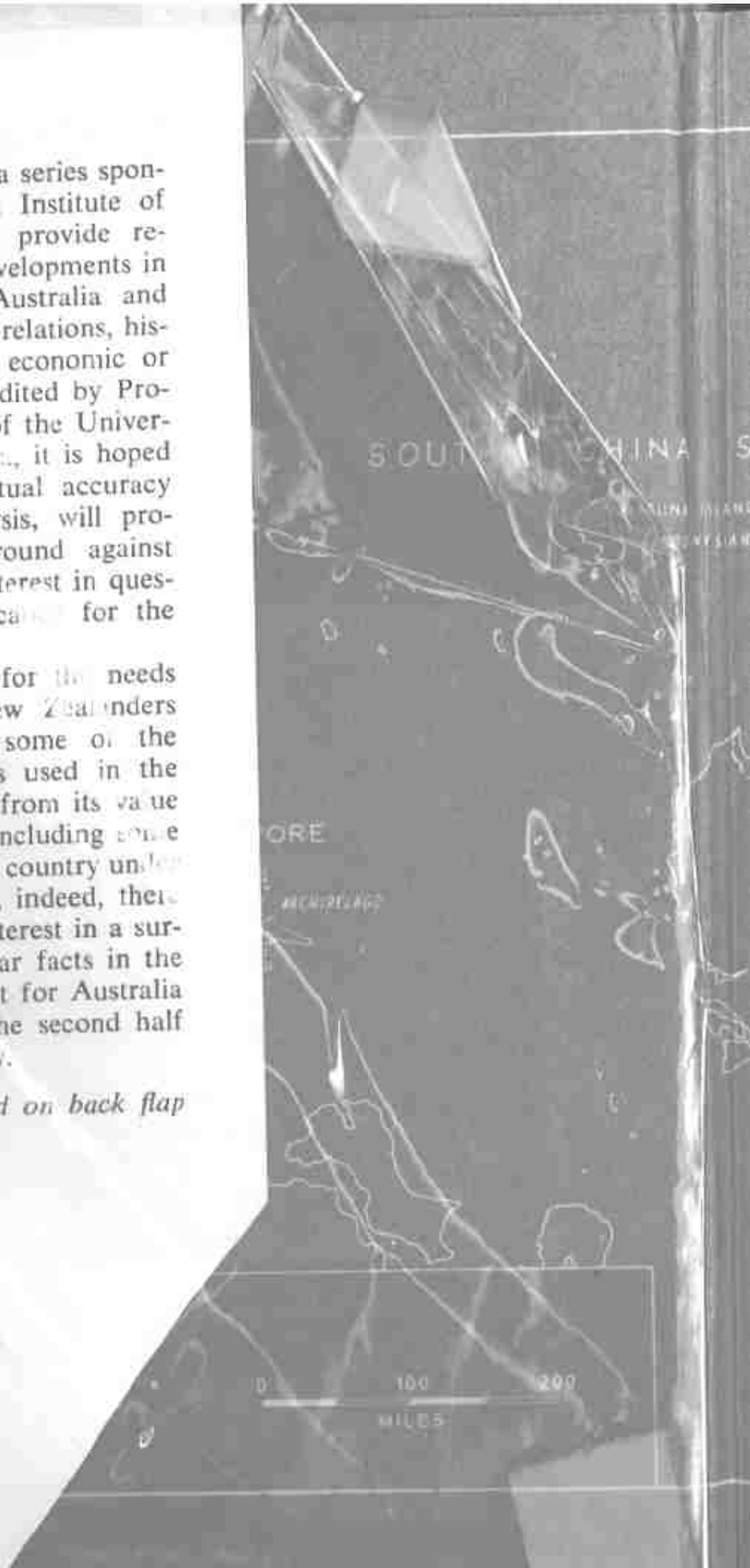

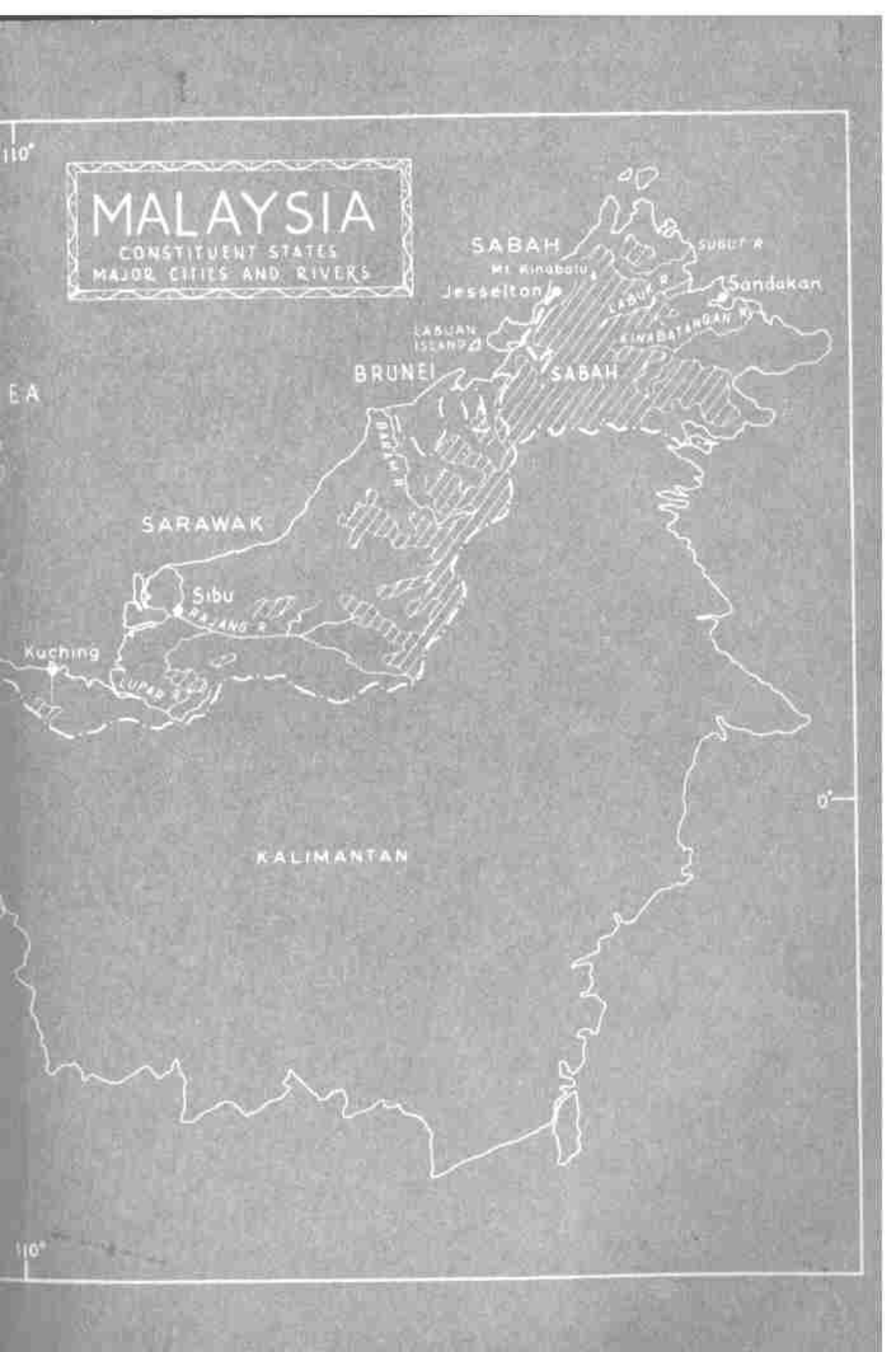
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MALAYSIA

THIS BOOK IS ONE OF A SERIES OF BACKGROUND BOOKS DEALING WITH ASIAN COUNTRIES, EDITED FOR THE AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS BY

PROFESSOR FRED ALEXANDER

OF THE UNIVERSITY OF WESTERN AUSTRALIA

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12 pages

MALAYSIA

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UNIVERSITY OF SINGAPORE

F. W. CHESHIRE

Melbourne Canberra Sydney

for the Australian Institute of International Affairs

HAVING AS ITS OBJECT THE SCIENTIFIC STUDY OF INTERNATIONAL QUESTIONS, THE AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS, AS SUCH, DOES NOT EXPRESS OPINIONS OR ADVOCATE POLICIES; THE VIEWS EXPRESSED IN THIS BOOK ARE THEREFORE THE AUTHOR'S OWN.

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EDITOR'S FOREWORD

This book is the first of a series planned by the Australian Institute of International Affairs to provide reliable information on developments in countries with which Australia and New Zealand have close relations, historical or geographical, economic or strategic. Factual accuracy and dispassionate analysis, it is hoped, will provide a suitable background against which to build active interest in questions of current significance for the countries concerned.

The plan has also been to combine accuracy and objectivity in subject matter with simplicity in presentation. Each volume is designed to appeal to non-specialist readers, whether adults seeking guidance in exercising their rights as citizens or teachers and students wishing to supplement more formal studies in the region in question. Authors have been asked to bear especially in mind the interests of pupils studying contemporary or near-contemporary history in the senior classes of Australian and New Zealand secondary schools, but to avoid a narrowly pedagogic approach to their several subjects.

The special concern for the needs of Australian and New Zealand readers which is revealed in some of the examples and analogies used by authors should not detract from the value of the text for readers in other countries, including some who are residents of the country under examination. For these, indeed, there may be some special interest in a survey of relatively familiar facts in the form deemed significant for Australians and New Zealanders in the second half of the twentieth century.

This general argument would seem to apply with special force to this first volume in the series. No justification is required for having selected Malaysia as its topic, in addressing oneself to Australian and New Zealand readers or to anyone else who is interested in the peace and prosperity of South-East Asia, whether he or she lives in one

of the constituent countries of what is now Malaysia or is a national of neighbouring countries in the Asian or Pacific region or, for that matter, is a European or an American alive to the bearing which developments in this area must have on world affairs generally.

It was therefore with considerable satisfaction that arrangements were made to entrust the preparation of this book to a fellow Australian whose academic training and experience has ranged from his native country to Oxford and thence to Singapore. Professor Tregonning's eleven years in that city, his present occupancy of the Raffles Chair of History, his specialist publications on other parts of Malaysia and his active association with various research organisations specially interested in South-East Asia enable him to write with authority on the past as well as the present, if not also of the future of Malaysia and on its relations with its neighbours.

Race relations necessarily occupy a prominent place in the story told by Professor Tregonning in the pages that follow. His treatment of the position held by the Chinese in Singapore and elsewhere in Malaysia is, however, only one aspect of the much larger question of the past and present role of the Chinese in the whole of South-East Asia. The bearing of this upon the still larger question of China's relations with that area is one which is of direct concern not only to Australians and New Zealanders but to all who are interested in international relations.

It is therefore peculiarly fitting that the second volume in this series of background books, to be published in 1965, will bear the title *The Third China: The Chinese Communities in South-East Asia*, and will have as its author Professor C. P. Fitzgerald, the distinguished sinologist and writer on contemporary Chinese affairs, who now holds the Chair of Far Eastern History in the Australian National University at Canberra.

F.A.

AUTHOR'S PREFACE

In this short study an attempt has been made to give some account of the land, the people, the history, the economy, the political structure and the foreign relations of Malaysia. It is based on my own research, and that of my Malaysian colleagues here at the University of Singapore.

South-East Asia is an area that Australia can no longer ignore. When Australia itself was federating, these lands were occupied by European colonial masters, national feeling was just beginning to stir, and most Australians slumbered in the conviction that the British Navy permitted them to remain isolated and ignorant. Affairs have long since changed. Australia faces to its near north new nations demanding its attention. If this small book can help the interested Australian, if it can give him some appreciation of the problems and prospects of one of these new states, and help him read his daily newspaper with more perception, then the aim of the editor and author will have been achieved.

K.G.T.

1 : *THE LAND AND THE PEOPLE*

No country can be properly understood if its geography is unknown. This essential background often is taken for granted. There are detailed accounts of many nations in which the land, the people and their environment are never discussed. Nevertheless it is basic to our understanding and it would be presumptuous to assume such a knowledge. The diaries of early settlers in new countries and the accounts of explorers illustrate this. They all dwell on the geographical aspects of the discovered land. Malaysia is a new state, so first let us look at its physical and human geography.

It is a lovely land, rich in diversity. On my study wall are three photos illustrating this. One is of Mt Kinabalu, the Sabah mountain which is the highest in South-East Asia, thrusting out of the jungle; the second is of a Malay girl sorting rubber; and the third is of the harbour of Singapore, where over sixty ships lie at anchor, close to the teeming city of nearly two million people. These three photos give some idea of the diversity of Malaysia, which is increased by the fact that its two main areas, Malaya and Borneo, are divided by the South China Sea. Yet in many ways it is a diversity inside a common unity; it has many characteristics in common.

One of these common factors is its tropical climate. It is a warm land, close to the equator and only in north-west Malaya and Borneo (where there is a seasonal dry) are there more than slight variations from a uniform rainfall, temperature and humidity. The rainfall on the average over Malaysia approximates 100 inches a year, with rain every month; the temperature range is from 75 to 90°,

with the humidity high, but not unbearably so. This is a pleasant, easy climate to many.

The wind pattern, too, is similar over the entire region, with the north-east monsoon blowing through November to April (the Australian summer). This is the stronger monsoon, the bringer of floods, storms and other calamities. It brings also the junks and other sailing craft south from China. On 7 December 1941, under the thick rain clouds and on the rough seas of this monsoon, it brought the Japanese invasion fleet, to land on the exposed coast of north-east Malaya and west Borneo. From May to October the southerly monsoon, a lighter wind, blows before it the small Indonesian schooners from little ports far down the Java Sea. If there is a slackening in the rain pattern of Malaysia, it is during these months. Whether from the north or south, however, these winds are an element not merely in Malaysia's geography, but in its history as well.

This warmth and rain, and the location of Malaysia just north of the equator, dictate the vegetation, which again is uniform throughout the region: mangrove swamp along the coast and tropical rain forest everywhere else. Three-quarters of Malaysia remains in the twentieth century A.D. what it was in the twentieth century B.C. : untouched forest or jungle. It is still largely virgin. It is an empty forest too, by and large, for although there are animals, such as tiger, tapir, elephant, seladang, deer, orangutan (in Sarawak) and others, they are few. The main danger to man in these forests is in becoming lost. You could die – men have died – two hundred yards from a main road. The jungle five yards from a track looks the same as five miles distant: featureless. Also, it is thick and impenetrable overhead, so that the sky is missing, and one has no idea of where to walk.

This jungle covers a soil for the most part poor. Except in a small section of east Sabah Malaysia lacks the volcanic soils of Java, and the immense fertility of that island is

denied it. The thick lush jungle thrives only because the vegetation itself is able to set up processes to counteract the impoverishment of the soil. Malaysia also lacks the broad, flat, easily irrigated plains of Burma, Thailand or Vietnam. Hence it has never grown enough rice, and in earlier centuries was never the centre of any great civilisation; for rice has always been the basis for South-East Asian empires.

No tremendous ruins of ancient cities, such as those in Burma, Java, Thailand and Cambodia, lie inside the forests of Malaysia, for nowhere is there the flat land necessary to sustain a large rice culture. This may have made Malaysia poor in the past, but rice cultivation produces an attitude of mind that may not be altogether an asset in this modern world. It is possible to see in this crop, common to much of Asia, the basic ingredient for what many recognize as the characteristics of traditional Asia: endurance, obedience, acceptance of life, an inability to break traditional patterns of thought, and a lack of enterprise and initiative. Rice growing is a way of life, a process perfected millenia ago, where enterprise and originality are useless, where traditional methods have long since been proved correct and to challenge them is a waste of time, and where conformity is a more desirable social trait than initiative. These ingrained characteristics – although not peculiar to Asia – now keep back many Asian countries from progressing economically and socially. Traditional land tenure associated with rice growing also keeps far too many people on uneconomic crops, and is another factor retarding social progress. Malaysia, because of its lack of flat lands and its abundance of forest, does not have these handicaps to progress.

Slicing through this tropical rain forest are the rivers. Until less than a hundred years ago the river was the state. All movement was on it, all settlement beside it. This applies very considerably to Sarawak even today. Here the

outboard marine engine has made the river if anything more important than ever, and Sarawak's big rivers such as the Rajang and the Baram are enjoying a boom long forgotten by the small streams of Sabah or west Malaya, and only slightly shared by the long streams of east Malaya, such as the Kelantan, Trengganu and Pahang.

All these streams suffer from a crippling disability as far as their transport utility is concerned, in that they all have a mud bar at the mouth, restricting entry to shallow draught vessels. The underlying rock strata of Malaysia slope very gradually out under the sea. Shallow waters are therefore characteristic of the Malaysian coast. In only one place has a geological fault created a most uncharacteristic deep fissure close to the land: this is Singapore Harbour. Everywhere else there are shallows, with mud flats, coral reefs and sand bars at the mouths of all the rivers.

The rivers of Malaysia flow down to the coast from mountain ranges that are not outstandingly high but which nevertheless have helped divide the lands far more than the sea. The main range of Malaya runs closer to the west coast than the east. It is a tangled, impressive sight, and as the watershed of the rivers it was also the political boundary of the Malay states. Far more contact was maintained across the calm narrow sea with Sumatra than over these trackless mountains; in Borneo, too, the mountain watershed of Sarawak (which runs mistily along its boundary with Kalimantan) has been to most of its inhabitants far more of a boundary, a dead end, than the sea at the river mouth. The Sarawak ranges extend up into Sabah, where, coming close to the west coast, Mt Kinabalu (13,455) and Trus Madi tower up. Another range crosses Sabah to its south-east coast. This range is also a political boundary. It is an ethnological boundary as well, the people of Kalimantan south of it being very different from those of Sabah to the north.

In the people of Malaysia far more than in its land is there diversity without any appreciable unity. Yet this unity will come; already, indeed, it can be seen emerging. Malaysia in many ways has reached a stage of national development comparable to North America in the late eighteenth century. Just as people in the American colonies shortly before they secured their independence were realizing that they were Americans, even though their grandfathers were immigrants from Britain, Germany, Ireland, or other parts of Europe, so, too, in Malaysia, people are realizing that although their parents or grandparents came from Sumatra, India, China or other parts of Asia, they themselves are Malaysians.

This is most noticeable, perhaps, amongst the youth and is readily discernible out of Malaysia. At Australian or American colleges, Malaysian Chinese associate far more easily with Malaysian Indians or Malays than with, say, Chinese from Hong Kong. The common background is producing fellow Asians who consider themselves Malaysians. Diverse though the background be of their parents, the Malaysian of today has much in common with his neighbour. As a nation begins, a multi-racial unity of peoples is beginning.

As yet, however, this unity is regional. The diversity of Malaya has produced Malayans. The polygot population of Sarawak considers itself now Sarawakian, despite its origins. The mixture that makes up Sabah likewise now considers itself Sabahan. This is again true to the American parallel, where the American considered himself a Virginian, New Englander or New Yorker. Only by degrees did his regional loyalties become less fierce. Only in stages did he become an American. Only by degrees and in stages will a Malayan or a Sarawakian become a Malaysian; but it will come. If the nation is to survive, it must come.

Of the peoples slowly becoming Malaysians in the Malay Peninsula, three races are important; the Malays, Chinese

and Indians. The Malay population (3,126,706 in 1957) is 49 per cent. of the total population of the Malay Peninsula. In only five of the eleven states of the Peninsula is there a clear Malay majority. These are the less well developed states of Trengganu (where the Malay represents 92 per cent. of the population), Kelantan (91 per cent.), and Pahang (57 per cent.), on the east coast, and the similarly underdeveloped Perlis (78 per cent.) and Kedah (68 per cent.) on the west.

The Malays are still rural, with over 87 per cent. of the Malay population living in the countryside and in villages of less than 5,000 people. They are agriculturalists, growing nearly all of Malaya's rice, and fishermen; but increasingly they are forsaking the overcrowded land to collect in the urban areas of Malaysia. In the cities they come in contact with the Chinese, but they prefer to work inside organizations that offer protection in return for service, such as the police, the civil service, and the army. As these organizations are economically unattractive to the Chinese, Malay-Chinese contacts are reduced to a minimum. Of the twenty one major towns in the Malay Peninsula with a population of over 20,000, only two had a Malay majority in 1957. Indications nevertheless are that movement from the country, together with the better health and medical services of the towns, is steadily increasing the proportion of Malays in the nation's urban population.

This may well be extending to the total population of the country. Improved rural social services, together with a decline in Chinese births as the result of family planning has certainly arrested a proportional decline of a century. The Malay population is now at last increasing at a rate greater than the Chinese.

In contrast to the Malay, very many Chinese have long been urban dwellers. In China their fathers may have been poor peasants, devoted to subsistence agriculture, but in

Malaysia they constitute the great bulk of the city population. Every town in Malaysia, with the exception of Alor Star in Kedah and Kota Bahru in Kelantan, has a majority of Chinese. It is not correct, however, to make a neat division and say all Malays are rural and all Chinese urban, for nearly half of the Chinese on the Malay Peninsula (46.7 per cent.), are engaged in primary production, such as tin mining, rubber growing and market gardening. Many (approximately 580,000) of these solitary farmers and scattered miners – too vulnerable to communist attack during the 1948-60 war – were brought into the 'New Villages' then created, and to this extent are rural no longer.

The latest census (1957) lists 2,332,936 Chinese in comparison to 3,126,706 Malays. There is also an Indian population of 695,985, distributed in much the same manner as the Chinese, with a majority in the towns and a large minority working in the more developed rural areas, particularly in the rubber estates of the western Malay states. Nearly all of the Malayan Indians are descended from, or are themselves, Tamil or other migrants from south India. Although caste has gained no foothold in Malaysia, there is a clear gap, rarely bridged, between the tapper or the labourer and the merchant or the lawyer. The degree of social mobility is very low among Malayan Indians, by contrast with the Chinese, where the son of a labourer can become a millionaire, and a servant can marry a banker's son.

Amongst all these people, as already amongst the small Eurasian community, the population is rapidly becoming normalized; that is, the Malayan people are now nearly all people born in Malaysia. This remains a multi-racial society, yet each year an increased percentage of Malays, Chinese and Indians are Malaysian-born. The percentage is today, for all races, over 80 per cent. This is a major factor in the stability of the country.

This same phenomenon is helping to shape other parts of Malaysia. The old pattern of a population consisting of a large proportion of immigrants, with a disproportionate number of young males, has yielded to the more normal population pattern of an established community in which most of the inhabitants are locally born and the sexes are equal in number. This also is a factor in the development as in the former Malaya, of a state or regional feeling.

In Sarawak, for example, the same pressure of a shared environment from birth has produced on its varied peoples 'one overall broad pattern which is Sarawak itself – and Sarawak inside Borneo and Asia'. [1] This pattern is still being imposed, but the multi-racial unity is discernible. In shaping a wider unity, within Malaysia, possibly a major part may be played by the Chinese, almost as strong here as in the Malay Peninsula. Out of a total population of 744,391, the Chinese by the 1960 census numbered 229,067.

Of the other communities in Sarawak, the most numerous are the Ibans (Sea Dyaks) who numbered 236,686. These, and the other groups, such as the Malays (129,397), have many and important differences between each other – differences in many cases, it is thought, intensified if not formed by the jungle between the groups, and by the lack of contact over centuries. Even more than with Malaya, most of Sarawak is still forest. Today such differences are tending to diminish or disappear; even the languages are now thought to be dialects, with variations on a fundamental theme. All these people, pagan, Moslem or Christian, live by the rivers and practise a rural economy in which, with the Dyaks in particular, the longhouse is a traditional and still virile feature.

Similarly with Sabah. Again it has a Chinese population, 104,542 out of a total of 454,421, and, as with Sarawak, where the Ibans slightly outnumber them, so in Sabah they

[1] T. Harrisson: *The Peoples of Sarawak* (Kuching, 1959), p. 140.

are headed by the Dusun or Kedazan (145,229). These Chinese number far more Hakkas than elsewhere in Malaysia, migrants from south China with a preference for agriculture not shared by the Cantonese, Teochiews, Hokkiens and Hainanese, the other main south Chinese groups that have migrated further south. The Sabah Chinese have kept strong their contacts with Hong Kong, which to all Chinese women in the *Nanyang* or South Seas is the Paris of the Orient; while the Sarawak Chinese in many cases migrated from and retain their links with Singapore.

These south Chinese are still divided among themselves. They traditionally prefer to deal with people of the same stock. It has been a weakness, political and social, this division between Cantonese and Hokkien. But the south Chinese languages are not being perpetuated in education, a common environment is grinding away differences, and is seems probable that slowly these variations will disappear. When the Malaysian Chinese are united, they will be a pan-Malaysian force. Already these Chinese are an invaluable economic link between the different units. As elsewhere in Malaysia, in Sabah the majority are in the towns.

Sabah's indigenous population, as with Sarawak's, is largely a rural one. It is in small villages among the rolling jungle, and is divided linguistically, religiously and culturally. Here, again, these differences are disappearing, for here as elsewhere in Malaysia we are in the creative stage – although some would say the destructive stage – of building a nation out of disparate elements. The old is vanishing and a larger, new unit is appearing. The gay Bajau (59,710), with links further east to the Moslem lands of the southern Philippines, nevertheless remains a very different character from the padi-planting Dusun; one can only hope that in the assimilation process these regional and racial variations will remain to some extent, as they have done in the United States of America.

Unlike Sarawak, with its rural and urban population focused on the river, where Kuching, the capital, Sibu, Simanggang, Marudi and Sarikei are all river towns, the settlement pattern in Sabah more closely resembles that of Malaya than of Sarawak. A road and rail network on the west coast produces small urban settlements, such as Kota Belud, Keningau and Tenom, and a capital port-city, Jesselton. On the east coast, again, the rivers are not the basis for the three towns of Sandakan, Tawau and Lahad Datu. Unlike Sarawak towns, these three use their sea frontage and roads to link the coast with its hinterland.

Between the Malay Peninsula and the Borneo territories is Singapore. In many ways this small island with its bustling, dynamic population of 1.7 million is the hub of Malaysia. It, too, has a rural population, a few thousand Malays and industrious market gardeners who manage not merely to make Singapore self-sufficient in eggs and pork but to export these as well; but the great bulk of Singapore is its urban population, very largely South Chinese, offering the same services to Malaysia as the people of New York offer to America. It, too, within the last twenty years or so, has seen its earlier migratory population pattern change to one more settled and normal; the rate of increase, 4.3 per cent., is, however, twice as high as in Europe and Australia.

The whole population of Malaysia numbers no more than that of Australia, but culturally, it is most diverse. This is one of the country's major attractions. Even the most superficial observer cannot but be charmed by the constant contrast between the various peoples; to the more observant it is a constant challenge to understand and appreciate these cultural backgrounds.

Race relations, because of the divergent cultures, is a matter of some apprehension. It is often said that communalism, not communism or colonialism, is the major danger facing Malaysia, and indeed it is very clear that

harmonious relationships between the peoples is essential if the state is to survive.

There is little in the Malaysian scene, however, to indicate that this danger is imminent. The whole area is peaceful; inter-relationships are courteous and smooth; racial prejudices, if felt, are a personal thing and are scarcely ever a matter of issue. This on the surface is striking, for these cultures are so basically different that to accept this diversity, which in many cases can be a cultural clash directly opposed to one's own beliefs or habits, presupposes a rare tolerance and a sophistication.

A Malay is a Moslem, and his culture is composed of a mixture of animism, Hindu and Moslem influences. It is a strong, flourishing culture. Much of it is at complete variance to that of the Chinese, whose culture, preserved in South-East Asia and little developed, is based on a mixture of animism, Taoism, Confucianism and Buddhism. Fortunately, these two major human elements in Malaysia are complementary to each other in many respects, and thus they clash only rarely. The Malay, whether in the country or in the town, plays a role and performs functions not desired by the Chinese. The two do not live and rarely work together. Similarly, the Chinese is not forced to compete against the Malay. His interests are not those of his Moslem compatriots. Thus the two exist side by side, each necessary to the other but neither forced to surrender much of what he treasures. The Indian culture of Malaysia is a third element, based on animism and Hinduism, and while some of its festivals have been accepted happily as holidays, here again the culture is separate and is not challenged. The *sari,* the *sarong* and the *cheongsam* seen in the streets together represent very different ways of life.

These major races now share a new state with the peoples of Borneo who although smaller numerically also have distinct cultures. The Ibans of Sarawak and the Dusuns of Sabah are but two of the pagan peoples whose

way of life in many respects is basically different from those of others.

Where these cultures are coming together is in the steadily increasing, educated middle class, comprising the political élite, the civil service, and the economic élite. There are few traditionalists in this class. The powerful influence of Europe is felt among all the educated peoples of Malaysia. This middle class community, of Malays, Chinese, Indians, Ibans, Dusuns and others, mixes socially, at school and in life. This is the necessary pre-requisite to a cultural synthesis. It is a community which, even if not educated in English (and most interracial contacts are in English), nevertheless is prepared to accept western ideas and western practices, which it utilises within its own culture. This after all is merely what an alive civilisation always does, accepting ideas and institutions from wherever it finds them. A dead civilisation is always one that turns in on itself, and perpetuates that which has gone before, as tradition that cannot be changed. In Malaysia, as in Japan, this is not appropriate.

As a dynamic Asian state Malaysia has accepted western ideas such as personal freedom and scientific enquiry that seem to it relevant. Constitutional government, an independent judiciary and civil service are others. Under the leadership of this modern educated class may grow a Malaysian culture to replace the diverse cultures that now exist. Already there is a strong Malaysian art, of immense vitality, and a Malaysian architecture. Other elements will amalgamate or synthesise among the educated; provided the process is not rushed, or unduly forced, its results will be generally acceptable. Should one race, however, become arrogant and endeavour to impose its own will, the scene will change rapidly. With internal racial strife, as in Ceylon or elsewhere, all could be lost. As it is, Malaysia presents a picture of racial tolerance and co-operation that is the envy of South-East Asia.

2 : *HISTORY TO 1941*

Modern South-East Asia began with the Suez Canal in 1869. The Canal brought Asia thousands of miles closer to a Europe entering an imperialistic age, to a Europe that burst over it and flooded the whole area. The force of that flood is visible now, as independent countries emerge, in many ways profoundly affected by the last hundred years. Prior to this, however, they had been affected by Europe – and by Asia. As far as Malaysia is concerned three characteristic influences which are relevant today should be noted: those of Islam, the European and the Chinese.

Islam is a powerful component of Malaysia today, because it is the Malay's way of life. His predecessors, the Deutero-Malay, had migrated into the Peninsula, from perhaps 300 B.C., to pause here or to move further into the Indonesian Archipelago and beyond. This had been the history of the aborigines who had preceded him, and who still crouch in obscure coastal corners of the Malay Peninsula, or who roam deep in the jungles of Malaysia. Once settled here the Deutero-Malay had become the Malay by various racial intermarriages, in much the same manner, and during much the same time, as the Briton became an Englishman.

The Deutero-Malay accepted and adapted two major cultural influences. His unsophisticated animistic way of life must have become insufficient by the early centuries A.D. for when Indian contacts began, and Buddhism and Hinduism moved across from south India, much of it found root in South-East Asia. The Indian influences blended with those elements of the indigenous culture that still appeared relevant and desirable. The two combined, in

countries such as Cambodia and Java, to produce a flowering of Indianized culture. Even on the Malay Peninsula and the plainless Borneo coasts, this Indianized culture was accepted by the local people, and a number of small Indianized states, based on the rivers, emerged.

In its turn, however, after perhaps a thousand years, this was found insufficient and from 1300 onwards a new faith, bringing with it a new way of life, was adopted. The Malay, Javanese, Sumatran and others must have reached a cultural breaking point, where the class structure and the Hindu approach to life was being found increasingly inadequate and unsatisfactory. Again, as with Hinduism and Buddhism, however, the adoption of Islam did not mean the complete elimination of the earlier faith. Throughout its history, Christianity has absorbed much of the earlier pagan cults; so also in South-East Asia many customs are found (the coronation of Malay sultans for example, and the Malay marriage ceremony) which are non-Islamic in origin. In fundamentals, however, Islam brought a new way of life; although it passed through a period of great laxity, as the Anglican Church was to do in eighteenth century England, its revival and current strength is very relevant to our understanding of Malaysia. Far more than the church is to the Australian, the mosque to the Malay is both assembly hall and parade ground – the cement of the people.

Islam had spread throughout the Archipelago during the fifteenth century, coming from Malacca. Strengthened by a Sumatran prince early in the century, Malacca grew to become an important entrepôt port, where vessels from all over island South-East Asia could meet Chinese and Indian ships, the latter seeking, amongst other commodities, spices for far-away Europe. From Malacca a sultanate expanded to control many of the east Sumatran rivers and all of the river states of the Malay Peninsula; but from

Europe, attracted by these spices, came the Portuguese who captured Malacca in 1511.

The European element in South-East Asia should not be over-emphasized. Neither the Portuguese nor the Dutch who came after them, taking Malacca in 1647, played a major part in Malaysian affairs. Borneo, where a sultanate at Brunei excited the admiration of Magellan's fleet in 1521, had benefitted by the dispersal of the Asian traders from Malacca, and Malaya itself found the Europeans only one more minor element in its Asian history of battles, wars and migrations. In these Achinese, Minangkabau and Bugis figured far more prominently than a few score Europeans inside a fort on Malacca Bay.

This European element nevertheless began to assume a new importance towards the end of the eighteenth century. The British in India were becoming masters of an empire. To pay for that empire they were turning with more and more urgency to the profits of their trade with China which was largely a tea trade to London. To find goods to sell to the Chinese in exchange – pepper and tin in particular – they moved into South-East Asia. A settlement was made on Penang Island in 1786, a year or so before that at Botany Bay. William, one of the sons of the superintendent of this settlement, Francis Light, went to war as an officer in Spain with Wellington and, subsequently, laid out the city of Adelaide. The British had attempted an earlier settlement, on Balambangan Island, off Sabah, in 1773-1775. The man chosen to be its superintendent, but who refused, was Alexander Dalrymple. He was also recommended for an expedition to the South Seas, but he was passed over and the command was given to Lieutenant James Cook, another who figures in Australian history.

During the Napoleonic Wars, Penang's inadequacies to protect the trade with China and the British desire to develop trade among the islands and to resist Dutch monopolistic moves led to the formation of a settlement on

Singapore in 1819. This brought about a diplomatic clash with the Dutch, who were attempting to control all this area from Java, and in 1824 an Anglo-Dutch treaty was signed. This is one of two treaties of this time which is of relevance today. Dutch agreed not to occupy lands north of the equator and to hand over Malacca. This cleared the way for a British sphere of influence in south Malaya and on that part of Borneo north of the equator. The other treaty was signed with Siam in 1826. It stopped a dangerous Siamese penetration of the Malay Peninsula, and established a more or less neutral zone among the northern Malay states. For the time being,* these two treaties freed the Malaysian area from competitors and led gradually to the development of British power in the region. This was slow in coming, for apart from the unsponsored initiative of a private individual, James Brooke, who in 1839 became Rajah of Sarawak (a very small part of what is Sarawak today) the British for decades confined themselves to the three Straits Settlements, Penang, Malacca and Singapore. The Malay Peninsula did not interest them particularly, for hardly anyone lived there, and it was the sea-borne trade of the Indonesian Archipelago that sustained the Settlements.

During the nineteenth century, however, the Malay Peninsula was undergoing a basic social and economic change. In Europe the industrial age was under way. An important industrial component was tin. As technological discoveries found more and more uses for tin, the demand for it rose. A tremendous stimulus was given by the American Civil War (1861-65). This was the first modern war, where millions of men fought far from barracks all through the winter. To feed them, and to provide oil, the tin can and drum was developed, and in Europe and in the United States consumption and prices rose.

Tin had been mined in a small way in the Malay Penin-

* See below, pp. 20, 50 and 96-7.

sula for over a thousand years. The gentle Malay had dug a little to sell in China as tin foil in front of altars. But during the nineteenth century, fired by the profits to be made, and hastened in their exodus by poverty and lack of prospects at home, the Chinese poured south to Malaya. Large new deposits were discovered and thousands of young vigorous Chinese were fed into the Malay states where they completely upset the social and political pattern. To them this was the frontier and the young Chinese reacted violently against all who checked them.

Then came the Suez Canal. Prior to this the disturbances and near anarchy of the Malay states had not been of much concern to the British, for it had not affected them unduly. After the Canal was cut, however, the old sailing ship route to Europe, which went across from the Sunda Straits to the Cape of Good Hope, was replaced by a steamer route which went up the Straits of Malacca. This brought a powerful artery of trade close to the edge of the warring, uncontrolled western states where the tin deposits were. Great Britain began to look at them with a new eye. Most of Britain's major route to Asia was well protected; control of Gibraltar, Malta, Suez, Aden, India and Burma, ensured that the vessels of the Blue Funnel, P and O, and other shipping lines moved peacefully out to Hong Kong. But the Straits of Malacca was a dark thieves' alley with only three police stations – Penang, Malacca and Singapore. In Europe other powers were beginning to tingle to the imperialistic urge. Holland moved into Sumatra; was Germany looking at Malaya? In 1874 Britain intervened, and by gunboat diplomacy (without military conquest) established officers in Perak, Selangor and what became the Negri Sembilan.

Nearly all of the Malay community accepted, if they did not actually welcome, the British, for the fighting and the disorder created both by the Chinese and by their own political inadequacies had become quite intolerable to

most of them. The British worked with them, respecting their faith, their social structure and their rulers. In 1896, with law and order established, they were federated with Pahang, on the east coast; meanwhile their continued growth under tranquil conditions focussed attention on the suffering of the northern Malays under Siamese suzerainty. These northern states – Kedah and Perlis (where Germany was showing an interest) as well as Kelantan and Trengganu – were brought into the British sphere after various negotiations, the most important culminating in the Anglo-Siamese Treaty of 1909. In the south, Johore, under Sultan Abu Bakar had long been a careful defender of its independent life, but its closeness to Singapore and the revelation of various abuses led to negotiations there, too, and in 1910 Johore also accepted a British officer.

The early British pioneers worked hard to establish law and order and to develop the state; in doing so, they secured the goodwill and support of both Malay and Chinese. Even the greatest of them, however, were mere builders rather than imperial or national architects. They included men such as Sir Frederick Weld, who came from the Australian colonies to initiate Britain's northward movement into the Siamese states, Hugh Low, who won the love of all Perak for his work, and Sir Frank Swettenham, who spent thirty years in the Malay States, relinquishing the post of High Commissioner in 1902.

By 1920 the edifice these men had built looked decidedly odd. Clearly they had lacked the imaginative vision of an architect. They had produced a mess even though, as is the way of the British, it appeared to work well enough in practice. There were the three Straits Settlements, colonies of the British Crown, run from Singapore. Then there was the Federated Malay States, where four sultans, legally sovereign, permitted a few British to run affairs from Kuala Lumpur, the capital. There were also the Unfederated Malay States, the later arrivals who did not care to

federate but preferred to remain separate and, as far as possible, to run their own affairs. No unity had been created, no framework of a state erected.

Over in Borneo it was even odder. Here James Brooke had gone his own way, adding a river or two to his domain, establishing, often with difficulty, a peace which became less and less precarious as the years passed. The only major revolt had been by Chinese in 1857. This had been squashed, so that his nephew, who succeeded him in 1867, inherited a quiet little state. To his north, a decaying sultanate of Brunei ruled by capricious tyranny a number of other rivers, each with a few squalid *kampongs;* north of that, after 1881, was the British North Borneo Chartered Company.

To have a White Rajah and a Chartered Company on the one island was almost bizarre; but no-one seemed to notice it particularly, apart from people like Conrad and, later, Somerset Maugham. The Chartered Company had begun as a wild attempt in 1865 by an American, C. Le Moses, to emulate James Brooke and to secure a grant of rivers from Brunei which he intended to sell. He secured a grant, and passed the rights to an American concern in Hong Kong, which attempted a settlement. This failed, but the idea was taken up, ten years later, by an Englishman, Alfred Dent, who secured fresh title deeds not merely from the Sultan of Brunei, in 1877, but also from the Sultan of Sulu, in January 1878. The Sulu cession was necessary to obtain the rivers of northeast Borneo, over which Sulu exercised a nominal control by pillage and piracy, and once it was obtained a gallant pioneer, W. L. Pryer, was deposited on Sandakan Bay. By 1881 the British Government had decided that North Borneo was strategically useful, as it flanked the British trade with China. It was not as close to this trade route as western Malaya, so no direct intervention was made, but the activities of Dent were officially sanctioned by giving him

a Royal Charter. This cost nothing, and kept out all possible rivals.

In 1888, after several years of quarrelling between Brooke and the Company over the rivers of Brunei had filled volumes of Colonial Office files, and after German activities in the west Pacific and South-East Asian areas had suggested possible complications on the island, the British signed treaties with Brooke, with the Company and with Brunei, which by this time had lost nearly all its rivers. These treaties of 1888 established a protectorate over the entire region and were the basis of relations until 1946.

From 1888 onwards, the history of these Borneo states was similar in many respects to that of the Malay states – with one basic difference: no tin was ever discovered. Few of the Chinese who poured south for this purpose and none of the wealth that was used for public purposes in Malaya, extended to Borneo. Nevertheless the major social trend in Malaya, a migration of Chinese, was reflected also in Borneo where law and order, and economic opportunity, attracted many. Until 1900 or thereabouts few entered Sarawak where official antipathy to Chinese was most marked for several decades after the Chinese revolt and capture of Kuching in 1857. During the first twenty years of the present century, however, Chinese were brought in to both Sabah and Sarawak, as they were in the Malay states as well.

In this period there was formed in the Malaysian states what still remains their major social or civic weakness, a plural society. A plural society should not be confused with a multi-racial population. The U.S.A. has a multi-racial society, but here assimilation, the famous 'melting pot', is actively at work. A plural society is one in which one race or group fights actively and successfully to preserve its differences and its identity. In the creation of a plural society in Malaya not one element alone – the

Chinese – was active, but three: Malay, Chinese and British. Only now is the devilish brew then made being slowly weakened by the statesman-like action of Malaysian leaders.

By the closing stages of the nineteenth century the Chinese population of Malaya was becoming aware of the liberal struggle in China. There, for a century, the aged colossus had slid downhill, treated contemptuously by the European powers, and, finally, by Japan, which inflicted a humiliating defeat on it in 1895. Almost prostrate, but not mute, China attempted to reform and revitalise its national life. News of this reached the *Nanyang,* and the Chinese in Malaya became enthusiastic supporters of the reform movement. The two major leaders of this movement, Kang Yu Wei and Sun Yat Sen, came to Singapore in the early twentieth century, and during the next ten years they worked most actively, stirring up the overseas Chinese to the plight of their brethren in China. Funds from Malaya and from other overseas Chinese, in Canada, Australia, Hawaii, Java, and elsewhere played a vital part in financing the various revolts Dr Sun organized. When he was finally successful, and the Manchu Empire was overthrown in the 1910 revolt, the Chinese in Malaya amid wild excitement cut off their queues (a hated symbol of Manchu supremacy), and cheered him on his way from Penang.

One major result of this fierce political interest in China was the introduction and development of Chinese schools in the Colony of Singapore and the Federated Malay States. The British were quite indifferent to this ferment. Provided the peace was kept and the mines and estates kept working, it was immaterial to them what schools were established; in fact it was considered a good idea, for it saved the government itself from any educational expense. Kang Yu Wei in particular was the founder of these schools; between 1900 and 1910 he saw that each

town in the Malay Peninsula received one. After 1911, when the Kuomintang was established, China intensified its hold over its subjects in South-East Asia. It selected and sent south the teachers, the text books, the curriculum, the inspectors and the finance. Steadily the Chinese schools increased. Out of the schools there poured thousands of youths speaking a language spoken by no-one else in the state, and with loyalties markedly different from those of all other Malayans. Avidly anti-British, the graduates were involved in incident after incident in which the authority of the state was thwarted. Had it not been that between 1930 and 1940 the communists and the Kuomintang Nationalists were struggling inside those schools for the minds of the students, and that in any case they were not interested in power in Malaya, but wished merely to be left alone, the British administration would have found its position most precarious. As it was, the British became belatedly aware of the divisive effects of this schooling, and took minimum steps to control them. These were quite inadequate. No positive effort was made to centre the interests of the Chinese people in the land in which they lived, or to have them learn languages spoken by other inhabitants. As a result, this minority group successfully withstood any assimilation and a plural society was formed.

The confusion was worse confounded during the crucial 1900-1920 period by a government policy of Malay education. Although in the Colony of the Straits Settlements (and in the Federated Malay States to a lesser extent) the government and various other bodies had established English schools, mainly for the Chinese urban dwellers, it was decided to push a policy of Malay language primary schools in the Federated States. These schools, designed to give to the Malay rural dweller only a minimum education, offered him no path to progress; they nevertheless successfully separated him from the Chinese, whether

English- or Chinese-educated, from the Indians and from all others at English schools including his own aristocracy and leaders who were also educated at those English schools.

Divided thus racially, educationally and linguistically, weakened also by the transitoriness of thousands who came for a few years and returned to China or India, the peoples of Malaya (and in Borneo too, for this same educational procedure applied there) were divided also politically. Only the British straddled these divisions, which were too wide for any one else, and they found it an easy matter to stay in control.

The British did many good things, and they administered with a light, benevolent hand. They thus retained the support of most Malays who increasingly were incorporated into the administration together with that of the English-educated Chinese. Tropical diseases such as malaria and beri-beri, which had been a feature of South-East Asia since time immemorial, were tackled and eliminated. Much of the original medical research on these diseases was done in Malaya itself. The Peninsula became a healthy place, as tropical life was transformed. In other ways as well, the British changed the face of Malaya, and to a lesser extent that of Borneo, doing much the same type of colonizing as the Romans had done to Britain. Solid public buildings of stone went up, in Singapore, Penang, Malacca and in the new towns that had taken shape inside the Peninsula, such as Kuala Lumpur, Ipoh and Seremban. These towns, originally tin centres, were linked by rail and then by road, and the old reliance on the rivers vanished. A stable currency, the dollar, became Malaysia-wide in use.

Most Malayans accepted uncritically the good government of the British, and even when Tan Cheng Lock, the leader of the English-educated Straits Chinese, criticised it, he spoke as an Unofficial Member of the Legislature, and there was little bite to his words. Life was very toler-

able, if only because the inhabitants of Malaya, divided through they were, lived at peace, were ruled justly and were enjoying a standard of living considerably higher than in China or in India. This standard of living rested on the two staples, rubber and tin, and on the entrepôt trade of Singapore and Penang.

Rubber had joined tin as a major revenue earner early in the twentieth century. Previously it had grown wild in Brazil, but experiments at Kew Gardens, London, and at the Botanical Gardens, Singapore, demonstrated that it could be grown as an agricultural crop in the tropics. Introduced to the Federated Malay States just as an earlier coffee boom was dying, its first tappings coincided with the beginning of the motor car industry in America and Europe. Large amounts of British capital were invested in this profitable crop and thousands of south Indians were brought across to clear land readily available near to the major roads and to the railroad built for the tin industry of the western states. By 1914 Malaya was producing over half of the world's supply of rubber and it had surpassed tin as the main contributor to the revenue of the country.

Between 1914 and 1941 the industry experienced a series of vicissitudes, being particularly hard hit during the great world economic depression of the early 1930's. International agreement was necessary to forbid further planting and to control production, as world consumption was far below output. This restriction appears to have been savage on the individual Asian small-holder, who, as distinct from the owners of the European estates, had no voice in the government. Rubber nevertheless remained the major crop of the Malay states and the major single source of its revenue.

The tin industry during this period underwent a fundamental change. In the nineteenth century it had remained almost entirely under the control of the Chinese. Chinese financed Chinese miners who dug for the ore in vast open

cuts, while other Chinese smelted and sold the ore. In 1912, however, dredges were introduced, some of the first coming from Australian and Alaskan goldfields. Even today the dredge-master is often an Australian and considerable Australian capital is invested in the industry. The dredge called for a considerable amount of capital, it demanded considerable technological knowledge and it required large scale management. None of this was possessed by the Chinese miner, and as a result within twenty five years tin mining became a predominantly Western industry. While Malayan production slipped from 51,400 tons in 1913 to 47,400 in 1939 (due to an international restriction scheme introduced during the depression), European dredge production by 1939 rose to over two-thirds of the total. In smelting, too, a major British firm, the Straits Trading Company, founded in 1887, by its efficient production eliminated the wasteful and primitive smelters of the individual Chinese mines. The Straits Trading Company as one of the world's major producers made its product, Straits Tin, the world's finest.

Rubber and tin went out to the world via the port of Singapore. The development of these two industries had attached the island firmly to the Malay Peninsula. Whereas during the nineteenth century Singapore had traded thinly with the remote edges of South-East Asia, by 1939 its trade circle had steadily shrunk until very largely it was the major port for the developed areas of Malaysia and Indonesia. After the Suez Canal brought steamships to South-East Asia, Singapore, founded as a free port where no import or export taxes were levied, had established an excellent deep water harbour, constantly scoured by tides, at the southern tip of the island. Large scale investments of capital and generations of trained workers made it an outstanding port; while the specialized skills and trading contacts of, in particular, its dynamic Chinese merchants established it as the leading entrepôt port in

the area. Penang played a similar role in the north, and Malacca slept in between.

Such, in general, was the situation in the inter-war years of the 1920's and 30's. All Malaya dozed contentedly in its tropical heat or gossiped about its internal affairs. The whole of South-East Asia was doing that, in the 1930's, little interested in external matters which did not concern it. In Singapore the British Government were building a naval base, but this was the affair of London. The price of rubber and tin was the major pre-occupation of the people of Malaysia; that is, until 7 December 1941.

3 : *MERDEKA, 1941-1957*

One continuous thread runs through the years 1941 to 1957. The period should not be viewed as embracing two episodes, one of war and the other of peace, unconnected one to the other, with the war leaving no lasting effects. Many people in Malaysia after the war imagined that this was the case and endeavoured to recapture normal conditions – normal conditions to them being the pre-war conditions. In fact, the Japanese invasion and occupation finished European political control in South-East Asia. In 1941 the period of European colonial rule ended and a new period of triumphant nationalism began. Savage and tragic though this beginning was, it produced a result that many feel was the best thing that could have happened.

The Japanese invasion of Malaysia was not completely unexpected. Japan had been in an aggressive, expansionist mood for many years. Although this had been expressed mainly in China, with attacks upon Manchuria in 1931, Jehol (north China) in 1933 and Mongolia in 1935 and, in 1937, a full invasion of China, the British had grown increasingly perturbed at their lack of defensive strength in South-East Asia, and as early as 1923 had decided to build a naval base at Singapore. In the nineteenth century their naval power had been supreme, but even before World War 1 they had begun a withdrawal from the South China Sea. They withdrew still further during that war, and in 1922 by the Washington Treaty they withdrew almost completely, leaving the vacuum of power to be filled by Japan.

After 1937 Japan became locked in struggle with China. The Japanese grew increasingly aware of their lack of raw

materials. Their army and navy also felt increasingly the need for fresh victories to sustain their hold over the people and politicians in Japan. After the outbreak of World War II in Europe and the success of Germany in over-running Holland and France in 1940, they decided that the Axis powers would win. British, French and Dutch possessions in South-East Asia appeared to be fresh fruit in an undefended garden. In April 1941 Japan signed a non-aggression pact with Russia. Always threatened before by Russia's Far Eastern army the Japanese thus freed themselves to move south.

Australian reaction to Britain's long and increasing weakness in South-East Asia appeared to ignore the fact that the Royal Navy was no longer paramount and the country gave Britain no peacetime support in the area. As the South-East Asian war clouds gathered, however, it partly awoke to realities and in 1940 sent a weak division of troops commanded by General Gordon Bennett to join the two British-Indian divisions. The basic role of this force was to defend the Singapore Naval Base, into which, on 3 December 1941, there moved at last the battleships *Prince of Wales* and *Repulse,* major units of a planned Eastern Fleet. They had been sent, unsupported by ancillary units, by Winston Churchill, Britain's leader, to bluff the Japanese from moving into South-East Asia.

The bluff was called in a swift, successful campaign. It began on 7 December 1941, with attacks on Malaya, the Philippines, Hong Kong and Hawaii. Britain's two battleships were sunk on 10 December, then the British and Australians were thoroughly out-fought and defeated in three major battles, with Singapore falling on 15 February. The Japanese force in Malaya suffered 15,000 casualties. It captured or killed 166,600. Elsewhere in South-East Asia, the Japanese were equally successful: within three months the whole area was conquered.

The campaign defeated the European in Asia, not the

Asian. The Malay Regiment had fought well, but for the most part Asians in Malaya and elsewhere had stood aside. No colonial master had dreamed of organizing a Home Guard; no Malayan, apart from the few in the armed services, had thought it worthwhile to fight as one master replaced another. And once the British, Australians and Indians were marched off to P.O.W. camps, the Asian slowly found that he could get along without the European after all.

The Japanese treated Malaysia differently from the rest of South-East Asia. Elsewhere they held out hopes of independence, by 1943 they had allocated certain powers to the local people and were going through the motions of independence. Although these tactics convinced few of the national leaders, they did raise hopes and stimulate aspirations. Even in Malaya, which was treated as a colony of Japan, the handling of the locals served to arouse long-dormant ideas of independence and equality. The Malays suffered least from the occupation, being maintained in office or position by the Japanese, who treated them often with a deference never adopted by the British. The Indians were encouraged to join the Indian National Movement being organized in Malaya by Sabhas Chandra Bose, to secure the independence of India. Thousands of soldiers joined the army he formed, and the hitherto passive and docile Tamil community of Malaya was stirred with the idea that it could play a dominant part in bringing liberty to its homeland. These two races in particular were politically activated by the Japanese, and to them as to the Indonesian and other nationalists, the idea of returning to pre-war political conditions became increasingly repugnant.

The Chinese, too, were affected by the occupation, but in a different way. As the long-time enemy of the Japanese, the Chinese were treated with brutality. Mass executions, large scale financial extortion, cruelties without respite: these were the characteristics of the occupation that

affected them. This fact considerably aided the growth in the Malayan jungle of the communist-organised Malayan Peoples' Anti-Japanese Army (MPAJA). Many discontented Chinese fled to the jungle, where if they were not fighting the Japanese, they were being steadily indoctrinated in communism. When they came out in 1945 after the defeat of the Japanese, the few units that had been formed by the British in late 1941 had grown to 7,000 men, determined to make Malaya a communist state.

For the communists the war in Malaya had been a wonderful opportunity. In Borneo, by contrast, the Chinese had not turned communist, but under their sufferings had risen in revolt in 1943, had captured Jesselton for a few hours, and had then been hounded to death, along with thousands of North Borneo natives.

When hostilities with Japan ended, the situation was very confused. At first, the British were welcomed back. In Malaya, as elsewhere, the country had slid downhill, food was acutely short in the towns, health and other services had deteriorated alarmingly. All groups regarded the end of the war as a liberation, as the beginning of better times, politically, economically and socially.

The British themselves appeared to be prepared for changes. During the war they had decided that the mess of initials – S.S., F.M.S., U.F.M.S. – which stood for a divided Malaya should be eliminated and that a single state should be formed. They also decided that the odd distribution of administrative responsibilities in Borneo should be eliminated.

There was not much trouble in Borneo. Sabah had been devastated by the Australian 9th Division and American bombers, its Chartered Company had no money to rebuild it, and it gladly surrendered sovereignty to the British Crown. Similarly Rajah Brooke saw no possibility of reconstructing Sarawak, and he too surrendered his powers to

Britain. In Malaya, however, the British ran into a crisis and a mood of disillusionment followed the welcome back.

In order to create a single Malaya, it was necessary for the Sultans of the Malay states to surrender their sovereignty. Britain all along had acted by treaty. It had not conquered the states and they were not the possession of the British Crown. Late in 1945 Sir Harold MacMichael was sent out to secure these treaties. The Malay Sultans made no demur, and a Malayan Union was proclaimed. Immediately there was an unprecedented uproar led by Dato Onn bin Jaafar, a prominent Johore Malay, who had attained some prominence as a nationalist before and during the Japanese war.

The Dato received nationwide support when he based his objections to the 1945 proposals on two grounds. He denounced the Sultans for surrendering the sovereignty of the state, and for making the sultanates mere colonies, at a time when in Indonesia Malay-speaking people were securing independence. He also denounced the citizenship proposals of the Malayan Union, whereby all the inhabitants, Chinese and Indians as well as Malays, were to become citizens. He saw this not only as undermining the protected position of the Malay but also as permitting others who felt no loyalty to the country to share in the privileges of citizenship.

Dato Onn became a national figure and nationwide opposition to the Malayan Union was expressed by the formation in May 1946 of the United Malay National Organization (UMNO). For the first time a mass movement of Malays with a political objective had been formed. One of its features was the mass participation of women. Realistically, the British withdrew their main proposal. The Malayan Union was abandoned and, after fresh treaties had been signed with the Sultans, all the states plus the two Straits Settlements, Penang and Malacca, but not Singapore, federated in 1948. Federal citizenship

arrangements were made more agreeable to Malay sentiment, and the *de jure* sovereignty passed back to the Sultans.

Malay political aspirations were not subdued. The cumulative effects of the war years and then of this successful checking of the British, together with the inspiring spectacle of Soekarno securing the independence of Indonesia, inspired UMNO, once the Malayan Union had been achieved, into a bid for *merdeka* (independence). UMNO rallied the whole race behind it in a powerful political force that went from strength to strength.

Though the Labour Government in London was committed to the speedy relinquishing of overseas territories, the British were reluctant to withdraw from Malaya for two reasons. The impartial British administrator was still seen as the lynch pin that held a communal society together and also protected the large investment of British capital. In 1948, moreover, the Malayan Communist Party (MCP) launched an armed revolt to secure power. This challenge to both nationalists and colonialists was a serious check to the aspirations of the former, and for some years threatened the power of the latter. The British reeled from defeat to defeat, as large areas of Malaya were lost to them. Morale throughout the country sank to an all time low in 1951 when the High Commissioner, Sir Henry Gurney, was murdered just a few miles outside the capital, Kuala Lumpur – an audacious crime which climaxed years of bungling and half-hearted organisation.

This, however, was the turning point, militarily and politically. A new British leader, General Gerald Templer, brought much needed victories and initiated or acquiesced in administrative and political moves that increasingly won the people from tacitly supporting the communists. By backing the nationalists Templer showed that there was an alternative between colonialism and communism.

The nationalists co-operated. In 1952 UMNO, led by

Tengku Abdul Rahman in place of the mercurial Dato Onn allied itself with a Chinese political party formed in 1949, the Malayan Chinese Association (MCA) led by the highly respected elder statesman, Tan Cheng Lock. It had been active in the New Villages formed of the Chinese previously squatting in or near the jungle; it had tried to demonstrate the non-communist attitude of the majority of Chinese; and it had succeeded in bridging many gaps within the Chinese community. An alliance between UMNO and MCA in 1952 to contest local elections became nationwide. With the 'Emergency' proceeding from success to success, and with the plural society now co-operating, and pressing for concessions, the British initiated a phased withdrawal.

Here, no doubt, long Commonwealth experience stood the British Government in good stead. Ever since the loss of the American colonies in the eighteenth century, the British had recognized the need to relinquish political power in colonies of settlement rather than try to perpetuate it by force of arms. By relinquishing power gradually – if somewhat belatedly on occasions – the British safeguarded investments by maintaining a stable community; they also left behind – as in Australia, India and elsewhere – goodwill and trained men. In Malaya, the British left goodwill; owing to the policy of employing only Europeans in many departments of government, there were few trained men.

In 1953 Templer appointed a committee to consider the advisability of an elected parliament. Hitherto Malaya had never held a national election, members of the Legislative Council being all appointed or nominated. This had not seemed odd before the Pacific War, but by 1953 it had a very out-of-date look. Templer's committee nevertheless submitted a very conservative report in 1954. The report reflected the attitude of the nominated members and their study of Commonwealth evolution. They called for a

cautious introduction of a minority of elected seats to a federal parliament, and stipulated that elections be not held until the Emergency was over.

This advice Templer rejected. Commonwealth precedent or no, times had changed. This history of a slow evolution of fully elected parliaments was of no use to Malaya, faced as it was with a serious communist menace. The only force in Asia stronger that communism was nationalism, and to weaken nationalism was to strengthen communism. Tengku Abdul Rahman and Tan Cheng Lock agreed with Templer in rejecting the report, in stipulating an immediate majority of elected seats and a national election in 1955, regardless of the communist war.

Malaya sat up with a jerk. This was indeed an opportunity and a risk. Would the well-organized communists infiltrate the hurriedly formed political parties, as in 1945-1948 they had annexed the trade union movement? Would the little tried Malay-Chinese Alliance stand the strain? Would people who had never voted before understand democracy and exercise their rights? Gradually, as the elections approached, it was appreciated that these fears were groundless. The influences of the post-war decade gave the nationalists full control. The elections passed off peacefully. Of 52 seats the Alliance captured every seat except one with its programme of *merdeka.*

Although the nationalist movement thus clearly enjoyed the support of the people of the Peninsula, the communists in the jungle persisted in their armed resistance. As this became more and more obviously a struggle not against the colonialists, not against the British, but against the nationalists, more and more civilians stopped supporting the jungle terrorists and from 1955 onwards the thousands of troops and police fighting them found their task immeasurably easier. Large areas of Malaya were cleared, mass surrenders began, until on 31 July 1960 the 'Emergency' finally was declared ended. It had been a

bitter fight, with 13,509 communists killed or surrendered and 4,425 members of the security forces and 4,668 civilians killed or wounded. The solitary European rubber planter had been isolated in the forefront of this twelve year war yet his Association had been one of the very first non-political organizations in the country to support the cry for *merdeka*.

Shortly after the 1955 elections, Tengku Abdul Rahman interviewed the communist leader Chin Peng at Baling, near the Thai border. Chin Peng made extravagant demands as a price for calling off the war. These were not accepted by the resolute Tengku, and Chin Peng re-entered the jungle. He may still be there, although there are some grounds for thinking he is now in China. In any case, after the 1955 elections the presence of the communists could not be considered a valid reason for delaying independence. In London in 1956 the Tengku secured agreement for this and Malaya obtained *merdeka* on 31 August 1957.

If this was due to one single factor, it was the controlled strength of the post-war Malay political movement: resolute and irresistible, it nevertheless remained moderate in its race relations. In the 1955 elections over two-thirds of the actual votes had been cast by Malays, even when Chinese were elected. The leaders of the movement – former civil servants, aristocrats by birth, leaders by tradition, moderate by instinct – had been at the top of the Malay social pyramid in the days of British rule. Uncontaminated by contact with colonialism, they had retained the support of their people. The Malay political élite of an independent Malaya were the Malay élite of the earlier years.

None of this, however, was relevant to the island of Singapore. Singapore had a very different post-war experience. Little of the cohesion Malaya obtained from its united *merdeka* movement was evident in Singapore; until

a late stage, the population of the island remained divided politically.

Singapore had been excluded from the Malayan Union in 1946 and it remained excluded from the Federation of Malaya in 1948. There were three reasons for this. The British had regarded Singapore in 1946 as a naval base that was to remain under their control; they had acquiesced in the susceptibilities of the Malays, fearing racial imbalance if the million Chinese of the Island were added to those on the Peninsula; and they had acquiesced in local Singapore demand that the Island remain a free port. In 1946 and in 1948, Singapore regarded merging with Malaya with horror, as associating too closely with a country cousin. When, in 1948, it elected its first Legislature, although only six seats were contested, it felt confirmed both in its superiority and isolation.

Nor did any party emerge in Singapore to press for independence from Britain. The Chinese were very largely indifferent to elections and scorned the results. A minority of elected seats still left the official, nominated body in power. Those that did participate were largely English-educated Indians (a small minority in the island) or a few conservative Straits-born Chinese. These had become politically conscious long before the Chinese-educated saw any value in democracy at all. For the most part the life of the Island swirled round and past them.

Without doubt the impetus for further constitutional advance came from the British. There were many factors indicating caution. The trade union movement, hurriedly formed after the war, had been infiltrated and captured by communists. Dispersed after 1948, an extreme left-wing element was still evident. More dangerous still for democracy's chances was the apathy of the bulk of the inhabitants, devoted to commercial pursuits, indifferent to politics. Nevertheless, Singapore was not Hong Kong, where good government was an acceptable substitute for

communist government. In Singapore, the Chinese chauvinists secured increasing support by opposing colonialism. It was agreed in 1954 that Singapore would have almost full home rule in the following year with a majority of elected seats in the Legislature.

These elections brought to power a moderate left-wing party, the Labour Front, led by David Marshall, a brilliant if volatile lawyer. Only by securing the support of another party, however, and by using also his power to direct the nominated seats was Marshall able to obtain a majority of eighteen out of the thirty two seats. It was a precarious hold onto power he had secured and his grip was soon to be prized loose.

In London Marshall was denied further concessions. In Singapore rioting students and a more disciplined People's Action Party demonstrated the divisions among the Singapore Chinese. By 1957, therefore, when Malaya secured its independence, Marshall lost control of the party and the premiership, and was replaced by Lim Yew Hock. Lim acted more strongly, and secured concessions from the British in the promise of a more fully elected Legislature and almost complete home rule in 1959. With that he had to be content. As the election of 1959 grew near, however, and as his own party weakened, Lim had time to observe closely the clear trend that had set in from late 1954 onwards, and to gauge the effects of an awakening Chinese electorate and of the steady movement to the left of that awakened community.

Developments in Malaya and Singapore had left the Borneo territories far behind. They were divided racially and they were educationally backward. They had no great financial assets and there was much to rebuild. While economic development went on, education – primitive before the war – hardly advanced beyond the primary schools. This backwardness separated and retarded the

people of Sarawak and Sabah. They could not take part in the administration of their country and no popular leadership emerged. Comparable, if not more acute, conditions exist in New Guinea today.

By contrast, the communities of Malaya and Singapore had been brought together by educational advance in the ten years following the war. The pre-war educational structure had been relatively well developed. Stimulated and encouraged by an ever increasing electorate, thousands of young men and women graduated from the schools. A university was established in 1949. In addition, books, films and newspapers had made these people familiar with democracy, communism and nationalism.

Thus conditions in the several countries varied considerably when the Malaysian movement was launched. Malaya was dominated by an all-embracing right-wing party. Left-wing and Chinese parties disputed local rule in Singapore Island. In the Borneo territories, neither left-wing nor right-wing existed, neither Malays nor Chinese: there were merely the British.

Out of this odd mixture, with weaknesses yet to be examined, a new state, Malaysia, was to be formed.

4 : *MALAYSIA*

In 1959 elections in Singapore resulted in a decisive victory for the People's Action Party, led by Lee Kuan Yew, which obtained 43 seats to 8. Twelve other parties and thirty five independent candidates had contested these elections, and the PAP victory was partly due to the split thus created in the vote. Nevertheless the clear majority enabled the PAP leader to speak and act with confidence. Lee's cabinet was talented and responsible, and his party undoubtedly emerged as the most dynamic left-wing nationalist group in Asia.

Lee Kuan Yew turned immediately to two major objectives: industrialisation and merger with Malaya. Entrusting the major economic task to his Minister of Finance, Dr Goh Keng Swee, he accepted primary responsibility for the political task. 'Independence through merger' was the slogan but Singapore faced many difficulties in effecting it. As the PAP pointed out, it was a Chinese island in a sea of Islam, surrounded by Indonesians and Malays suspicious of the left-wing élan of the Chinese. This fear of the Chinese was a factor calling for the utmost tact; the necessity for Singapore to co-operate with the Malays and to have them working with Singapore for common objectives beneficial to the whole region, was always appreciated on the Island. [1]

Slowly, with tact, and with clear evidence by the PAP of its understanding that the tempo of advance was dictated not by the Chinese but by the Malay, the effort to bridge

[1]A good study of the PAP attitude is given by C. Gamba, 'Singapore/City and State', *The Australian Journal of Politics and History*, Vol. V, No. 2, November, 1959, pp. 180-190; see also my 'Malaya, 1959', *Australian Quarterly*, June, 1960, pp. 38-47.

the gap was made. This understanding was not shared by all. The task of positive statesmanship was made more difficult by the attitude of many in Malaya who regarded all Singapore Chinese with suspicion and by many in Singapore who regarded the Malays with contempt. A large-scale move to learn Malay was encouraged by the Minister for Education, Yong Nyuk Lin, and Singapore accepted it as the national language. A Ministry of Culture headed by S. Rajaratnam endeavoured to create a feeling of regional pride, helping to develop a culture with a life of its own, not totally dependent for inspiration and performance on overseas vitality. Dr Goh Keng Swee sent a trade mission to Indonesia and kept in constant step over financial, taxation and other matters with Malaya. Lee Kuan Yew also worked carefully to keep the support of the young, vigorous left-wing, on which his power was based. At the same time he disassociated himself and his party from the illegal, underground communist party. The government was 'non communist', he said in 1959, and this was as far as he could go at that stage. The previous government had interned the major open front leaders of the communist front, including Lim Chin Siong, and although these were released, and Lim was appointed to a political secretaryship, it was clear that the tiger was watched very closely indeed.

The Malay leaders, for their part, observed these moves with a dawning awareness of the alternatives before them. The communist armed revolt begun in Malaya in 1948 was fizzling out. Indeed, captured documents revealed that its failure had been accepted by the MCP as early as 1955. Their failure by force of arms, however, merely led them to formulate a new policy. From 1955 onwards MCP policy was to infiltrate left-wing political and labour organizations, so as to carry on the struggle by peaceful means. The overall objective, to capture the state, was never abandoned. It remains their target today.

It came to be seen in Malaya that there was more danger of the communists succeeding in Singapore than elsewhere. No armed revolt had occurred there during the Emergency, but it had provided thousands of recruits for the jungle war. Han Suyin in her novel *The Rain My Drink* pictured the typical young Chinese crossing to Johore by taxi, there to vanish into the jungle. With the shift in communist tactics, these youngsters stayed in Singapore and there was an increased danger that their fanaticism, devotion and organizing ability might topple the non-communist government. The PAP had secured only 280,000 votes; over 300,000 had voted against it. There were many who would not support the PAP, and the government itself was reluctant to be anti-communist, for fear of being judged anti-Chinese, and thus losing all hope of leadership in Singapore. Should Singapore become communist, Malaya would have a running ulcer on its leg which would infect the whole body; the stability of the whole of South-East Asia would be endangered. In these circumstances the former indifference to Singapore waned and sober Malay politicians, returned to power in the 1959 elections, came reluctantly to accept that Singapore was part of their concern. Perturbed by a by-election in April 1961, where the PAP was defeated by the extreme left, they realized that it was either merger with Singapore or communism on their doorstep.

Malay leaders did not take this attitude merely because of the communist threat. There was a more positive side as well. When T. S. Raffles established a trading post on the Island in 1819, it was part of the Johore Empire. For some time it grew away from the Peninsula, but after the intervention of the British in Malaya in 1874, and the establishment of the Federated Malay States in 1896, innumerable ties – economic, political, and social – linked the island ever more closely to the mainland. The reality of these strong historical forces was often denied by people

with a parochial patriotism for either Singapore or Kuala Lumpur, but their strength undoubtedly was appreciated by the Alliance leadership in Malaya, and was a major factor in its consideration of the possibilities of merger. In the 1890's Sydney and Melbourne both evoked strong parochial loyalties, but statesmen who rose above local ties formed an independent Australia which included Sydney and Melbourne. This has happened also in Malaysia.

The Malayan and Singapore statesmen were in a good position to be positive. They were not, as were leaders elsewhere in South-East Asia, fully and frantically engaged merely in holding their new-born states together. In both Malaya and Singapore, particularly from 1955 onwards, more and more administrative power had passed to locally recruited staff. British officers who remained had worked loyally for their new masters sharing their responsibilities and then gradually passing them to their indigenous colleagues. The civil service thus presented the new leaders with states that were going concerns, fit bases for constructive development.

In May 1961 Tengku Abdul Rahman went to Singapore and in a speech on the 27th, put out a public feeler on the desirability of closer association. As a nation, he said, Malaya realised that she could not stand alone and in isolation. Sooner or later she should have an understanding with Britain and the peoples of Singapore, North Borneo, Brunei and Sarawak. 'It is premature for me to say now how this closer understanding can be brought about but it is inevitable that we should look ahead to this objective and think of a plan whereby these territories can be brought closer together in political and economic co-operation'.

There are good grounds for believing that the Tengku had negative and positive reasons for suggesting that the Borneo territories be included in this closer association.

Negatively, Malaya's leaders, even in 1959, doubted whether their countrymen would agree to merge with Singapore. Suddenly to add 1.4 million Chinese would alter the racial structure of the state and possibly the balance of political power within it, and this would be a difficult pill for any Malaya to swallow, but if to the 1.7 million people of Singapore were added the 1.5 million Borneo people, and if the representation of these people was made to balance, or even exceed, that of Singapore, then fears might be allayed.

This negative reason for including the Borneo territories was not of itself conclusive. The Borneo representatives in Malaysia might not necessarily align themselves with the Alliance. Though they are not Chinese, neither are they Malays, and there is a legacy of Malay suspicion in Borneo, stemming from the days of Brunei overlordship and Sarawak Malay supremacy. This might, it could be argued, lead them to side with Singapore.

Coupled with the negative reason, however – and of greater value in the Tengku's appreciation – was the statesmanlike realization that these territories, which shared so much of their background with Malaya, would be better prepared to face the future as part of a greater unit. The British had gone from India and Burma in 1948. They had pulled out of Malaya in 1957. The face of Africa was changing almost month by month as Britain withdrew there too. The writing was on the wall – and no doubt it had been spelt out to the Tengku by the British High Commissioner for South-East Asia, Lord Selkirk, and the British High Commissioner to Malaya, Sir Geoffroy Tory – that the British did not propose to retain these remote Borneo outposts indefinitely. When they left, what then?

There was an immediate response to the Tengku's speech of May 1961. Singapore accepted the suggestion and entered into discussions with Malaya. By 23 August, agreement had been reached in principle on a number of

points concerning fundamental liberties, the head of state, the executive, the public service of the Island, citizenship, finance and representation in the proposed new federal legislature. A working party of both governments then settled down to discuss the details.

Meanwhile one of those little noticed Commonwealth links, the Commonwealth Parliamentary Association, had offered an opportunity for the Borneo leaders to form a committee along with Singapore and Malaya to discuss the Tengku's suggestion. The CPA held a regional meeting in July in Singapore which was attended by delegates of the legislatures of all the territories involved. The Borneo leaders were merely unofficial nominated members of their Legislative Councils, but nevertheless they were the political élite, and under the inspiration of Donald Stephens, a Kadazan of Sabah, they formed the Malaysia Solidarity Consultative Committee.

This committee met four times, in Jesselton, Kuching, Kuala Lumpur and Singapore. Brunei, less enthusiastic, attended the last three meetings – as an observer only. By the Singapore session many doubtful points, such as the role of Islam, had been settled and many objections, such as immigration, had been met. The committee therefore endorsed the idea of a Malaysian Federation with a strong central government, provided that the reservations of the Borneo people on various issues were met. The committee's memorandum on this was published on 3 February 1962.

Following the August 1961 agreement in principle between Malaya and Singapore the Tengku had flown to London in November to hold discussions with the British Government. Both London and Malaya felt that it was necessary for an impartial observer to estimate the views of the people of the Borneo territories; after all, the political leaders of those states could be viewed as scrambling onto a bandwagon, and Britain and Malaya wished to be

assured that the bulk of the people concurred. Accordingly a joint commission was appointed in January 1962 headed by Lord Cobbold.

Throughout its long imperial history, Britain has managed to have commissions of enquiry so formed that its members can escape a British winter. Lord Cobbold and his team maintained this tradition, touring the Borneo territories during February, March and April, 1962. They held 50 private and confidential hearings at thirty five different centres in Sarawak and Sabah, interviewed the leaders of some 690 groups totalling over 4,000 people, and received some 2,200 letters and memoranda from other bodies including that of the Malaysia Solidarity Consultative Committee. It was a most thorough survey and estimation of Borneo opinion.

The Cobbold Commission, which found that over 70 per cent. of the people of Sabah and Sarawak were in favour of Malaysia, published its report on 1 August 1962. It listed also a number of reasons why the Borneo people were not in favour merely of joining Malaya as another state, but why they wished to maintain control, within their state, of certain powers. Chief of these were education and immigration.

Each of these aspects of government was regarded as highly significant. Despite the fact that each post-war year several thousand more people went into Singapore than left it, Sabah and Sarawak feared that if there was a free movement of peoples inside Malaysia, politically as well as economically undesirable Chinese from Singapore would flow in and that the local labour force, come a depression, would be overwhelmed.

Sarawak and Sabah also opposed the strong movement which had developed in Malaya since the Razak Report of 1957, to make the Malay language the main medium of instruction in all schools by 1967. Sabah and Sarawak accepted Malay as the national language but did not see

it as a unifying force. It was not spoken by their major tribes or peoples and it conveyed to the pagan or Christian inhabitants of Borneo undertones of Islam and Brunei. Both states favoured retaining English as the unifying language of their peoples and they insisted that English remain a language of instruction in their schools.

These reservations, however, as well as others concerning the head of state, religion, citizenship and Borneanization of the civil service, were not thought sufficient to nullify the concept of Malaysia, and following the publication of the Cobbold Report the British and Malayan Governments agreed to introduce legislation to bring the proposed Federation of Malaysia into being by the sixth anniversary of *merdeka,* 31 August 1963. An inter-governmental committee, headed by Lord Lansdowne (Minister of State for Colonial Affairs) was appointed to work out the necessary constitutional arrangements including the safeguards requested by Borneo.

By this time opposition to Malaysia had grown. It was organized particularly by the communists. Although they are associated in Malaya with a cruel and savage war, and many people think of communism in terms of terror, brutality and evil, there is far more to communism than this. Many Asians had seen the communists as the most active workers against colonialism; if one was anti-colonial one sided with them. Others not interested so much in abstract personal liberties supported them because they promised swift economic development. Asia has no long tradition of personal political liberty, and democracy to many seemed alien. The communists retained their following because they said that they could solve the socio-political problems of the people better than anyone else and that a communist state could do more to raise the standards of life than a democratic one.

Malaysia was clearly a threat to communism. Triumphant nationalism justified a non-communist stand. It

would weaken communism immensely if another force defeated colonialism and redressed the socio-economic problems of the people by giving them independence, rice *and* liberty. Moreover, a Malay central government would not have to be as subtle in its anti-communist measures as the PAP, and might therefore attack the Singapore communists with greater determination. They therefore endeavoured in every way possible to block merger and Malaysia.

These attempts began shortly after the Tengku's speech of May 1961. In July of that year the communists in Singapore managed to effect a break inside the PAP, with thirteen assemblymen leaving the government to form a new party, Barisan Socialis, which was opposed to merger. This left Lee Kuan Yew with a majority of only one and his position was further weakened in some respects by the tacit support given to his programme of merger by the anti-socialist and more conservative groups. It never pays, in youthful, vigorous Singapore, to have conservative support. This is usually the kiss of death, the voice of the past. Yet Lee Kuan Yew survived. It was a constant struggle, with Lim Chin Siong and others using tactic after tactic to prevent merger, to break up the government party and to strengthen the communist hold inside Singapore. But Lee Kuan Yew and his ministers had all worked with the communists in the colonial days. They knew the minds of their opponents and they anticipated their tactics. The communists were cleverly outmanoeuvred and their attempt to secure mass support defeated. They were exposed and isolated by a referendum held in September 1962, when over 75 per cent. of the people voted for Malaysia and merger.

Communism, as a type of government which promises to secure better conditions for poor people more quickly, and to establish a just and equal society with greater efficiency than democracy, still attracts many people in

Malaysia, and elsewhere in South-East Asia. The struggle to win the hearts and the minds of the people continues. One of its great retarding factors in Malaysia is, however, its racial quality. It is a Chinese movement, opposed by Malays. This makes its success more doubtful than (say) in Indonesia, where these racial factors do not apply to anything like the same extent.

It was Indonesia which highlighted the closing months of the Malaysia movement, by a sudden surge of animosity and opposition. Its intervention in this creation of a new state began soon after 7 December 1962, when an armed insurrection occurred in Brunei. Here the sultan's foreign affairs were in the hands of a British advisor, but the Legislature was entrusted with full home rule. The Legislature contained an official majority of one; the unofficials members, all elected, were members of the Party Raaya't, led by A. M. Azahari. Azahari and his followers opposed Malaysia but had come to feel that the Sultan favoured it. They felt also that the Sultan was not acting correctly and impartially as a constitutional monarch, but with his entourage was heavily favouring the official majority. There were other grievances and internal weaknesses. Most of Party Raaya't were not Brunei Malays but Kedayans, an ignored group who were considered second class people by the Bruneis. (So little were they noticed that in *The Peoples of Sarawak*, edited by Tom Harrisson, these people received no attention at all, and were referred to only in passing at the end.) It was these forgotten discontented people, who on 7 December, rose in revolt.

The revolt was badly planned, executed prematurely and led from behind, Azahari being in Manila. Nevertheless it almost succeeded, so inept was the resistance. The measures then taken by the British, however, reduced the rebels' chances of success and by early 1963 the revolt fizzled out. The Sultan decided not to join Malaysia but

the bones of Kedayan contention remained. Azahari was hailed as a liberator by Indonesia, and he flew to Djakarta. As the revolt died out Indonesian support for him waned in public declarations, and was transferred to those opposing Malaysia in Sarawak.

The Indonesian attack on the whole concept of Malaysia now became increasingly strong for a number of reasons.

The three most powerful elements in Indonesia during the last few years have been the army, the communist party (PKI) and Soekarno, the President. Opposition to Malaysia in the first instance came from the PKI, which viewed a successful nationalism as a threat to its own claim that colonialism could be defeated and real national independence and economic progress could be achieved, only by communist leadership. So Malaysia was seen as a form of 'neo-colonialism' – not real independence but a British device whereby Britain kept its power, disguised by a false independence. As Indonesians associated independence with a fierce anti-colonial war and a seizure of all colonial possessions, it was possible for the communists, led by Aidit, to convince many that since Malaysia had not reached this stage it did not embody real independence.

Soekarno opposed Malaysia, it seems, through a feeling that a development so important as this along his frontier involved him, and that Indonesia should have been consulted and informed. Malaya and Britain, on the other hand, regarded this power change as largely an internal affair. The Malay leaders, moreover, had little respect for Soekarno or for Indonesia's parlous condition by 1961 and had not felt any obligation or desire to involve him at all in what they regarded as their own affair. Irked most emotionally by this contempt – which he reciprocated – Soekarno was also sensible of the following won by the PKI on this issue. Throughout his regime he had balanced subtly and constantly between the various power units in

Indonesia; in this case he went along with the initiative of the PKI, particularly as this helped once again to focus peoples' eyes on an external foe, as had been the case with West Irian, rather than on internal sores.

The army is thought to have opposed Malaysia, for three reasons. It had been in a high state of preparation and Nasution, its leader, had secured much power during the long campaign to win West Irian. This campaign had just ended; West Irian had become part of Indonesia; the role of the army was diminishing rapidly and a new campaign was therefore necessary. Secondly, by supporting Soekarno, the army might also take away some of the initiative and support won by the communists. Thirdly, it was felt that Indonesia's hostility towards Malaysia would enable the armed services to increase their control over the islands close to Malaysia, which had been drawing away from Java, and which were closely linked, economically, to Malaya. These were Borneo, the Rhio Archipelago and Sumatra.

For all these reasons there was united Indonesian opposition. When, as in 1963, the communist organization in Sarawak decided to resort to arms, there was an opportunity to infiltrate and to thwart the creation of Malaysia.

There was another external complication. The Philippines claimed that Sabah had never legally been British; they alleged that, on the basis of treaties of 1878 made by the Sultan of Sulu, the territory really belonged to the Philippines. Discussions with the British in January 1963 proved unsuccessful and on these grounds Manila, too, began to express opposition to Malaysia.

The Tengku hurried to calm these unexpected critics. In Tokyo, in June 1963, he met Soekarno and an amicable discussion took place which lulled for the moment the fears previously held. At a subsequent conference in Manila the three states reached such an apparent degree of accord that, in the agreement that was signed there on

5 August, there was talk of a new state in which they would all participate: Maphilindo. The Tengku agreed, with British acquiescence, that a UN fact-finding mission should go to the Borneo territories, and ascertain whether Malaysia was acceptable or not. The Philippines and Indonesia agreed that, if the mission's findings were favourable, they would welcome the new state.

On 8 July 1963, moreover, the British Government had accepted an agreement entered into with Malaya whereby the colonies of Sarawak and North Borneo, and the state of Singapore were to federate with Malaya. The details of the federation had provided the negotiators, particularly those from Singapore, with some tricky points. The Malayan Government had allocated forty seats to Borneo and only fifteen to Singapore; it had laid claim to Singapore's financial reserves; it had been evasive when pressed for details of the proposed economic union. But, finally, all difficulties had been resolved, and the delegates from the four territories shook hands with Macmillan, the British Prime Minister, and with the Tengku, and returned home. Following the Manila Agreement of August, the date of independence and Malaysia was postponed.

The UN mission duly toured both Borneo territories in August 1963, being accorded every facility. In both Sabah and Sarawak there had been elections to the Legislatures a few months before, and the mission met the leaders of the newly formed political parties as well as many other people. In both elections the main issue had been Malaysia, and in both territories the great majority of the people had voted for Malaysia. The pro-Malaysia vote had been increased by the Indonesian and Philippine hostility. Indeed, this hostility was acting as a unifying force which might well continue to be a useful asset to the new state of Malaysia. The Borneo peoples certainly left the UN

mission in no doubt as to who it considered were its friends and who its enemies.

The postponed date for Malaysia, because of the Manila Agreement, was 16 September 1963. This enabled the UN mission to report to the Secretary-General; but its report, which endorsed Malaysia and confirmed that the people of Sarawak and Sabah wanted to join the new federation, was banned from Indonesia where a government decree forbade any reference to it. Malaysia as a state was not recognized in Djakarta. The Philippines, too, claimed that there had been irregularities, and it also withheld recognition. This was unfortunate but the admittance of Malaysia to the United Nations was uneventful, while the rejection of the UN report created such a bad impression among its Afro-Asian members that Indonesia in particular lost much support.

These external problems, which so pre-occupied the builders in the months prior to the new state's formation, may well prove in the long run to be less important than its internal weaknesses. Malaysia started with many internal problems – political, economic, social and racial. Since it is usually the little noticed internal sores that undermine a state, rather than external opposition, the question arises: will these weaknesses lead to collapse of Malaysia; is it in fact a viable entity?

The United States started as an independent country in the late eighteenth century with similar problems. Its most vigorous critics would admit that it has done quite well for a country that left the Commonwealth; there are many who feel that the possibilities of Malaysia will be, if not as great, at least exciting enough to evoke comparison. Both rural and urban development is proceeding apace; there is a stable currency and an efficient administration. The communist menace is contained. Dangerous though the differences in education are, and the constant problem of the plural society, these and other problems are being

faced and tackled in a non-ideological, rational way that suggests that the world has witnessed the birth of a nation that may be expected to play an important role in the affairs of South-East Asia.

MALAYSIA – POPULATION BY ETHNIC GROUPS*
(thousands)

	Malaya	%	Singapore	%	Sarawak	%	North Borneo	%	Malaysia Total	%
Chinese	2,670	36.9	1,279	75.2	243	31.1	110	23.3	4,302	42.2
Malays	3,616	50.1	238	14.0	137	17.5	–	–	3,991	19.2
Indians & Pakistanis	813	11.2	142	8.3	–	–	–	–	955	9.4
Sea Dyak	–	–	–	–	246	31.5	–	–		
Land Dyak	–	–	–	–	61	7.8	–	–		
Melanau	–	–	–	–	46	5.9	–	–		
Dusun	–	–	–	–	–	–	152	31.8		
Bajau	–	–	–	–	–	–	63	13.1	716	7.0
Murut	–	–	–	–	–	–	22	4.8		
Other indigenous (not elsewhere specified)	4	–	–	–	39	5.1	83	17.5		
Non-indigenous (not elsewhere specified)	129	1.8	41	2.5	8	1.1	45	9.5	223	2.2
Total (All races)	7,232	100.0	1,700	100.0	780	100.0	475	100.0	10,187	100.0
Percentage Distribution	70.9		16.7		7.7		4.7		100.0	

**Source:* Based on the latest official census or population estimate in each country, updated to December 1961.

5 : *THE ECONOMY*

Rubber is by far the most important single factor in the economy of Malaysia. More people are employed in the rubber industry than in any other, while it contributes more to the national income and to government revenue than anything else in Malaysia. In all of Malaysia, out of 120,000 square miles of land in use in 1961, 7,000 were used for rubber. Excluding timber reserves (34,500 square miles) this was by far the greatest area used for a single commodity. Rice came next, with 2,000 square miles. Rubber earned by far the greatest amount of money in 1961, as it had for fifty years, totalling $M1,500 million, in comparison to the earnings of tin, the next highest commodity, $M553 million. The total earnings of Malaysia that year in foreign exchange were $M3,300 million, rubber accounting for almost half. ($7/- = £A1 approx.)

Without doubt rubber is the giant of the Malaysian economy and its annual production is a major portion of the world's output. Nearly all of it – 6,130 square miles – is grown in the western Malay states of Kedah, Perak, Selangor and Negri Sembilan. In Sarawak, only 500 square miles are used for rubber, and only 300 in Sabah, mainly along the west coast. Reasons for this are historical, not geographical. When rubber was introduced, the western Malay states had a good rail and road system, developed to meet the tin industry. Land was bought for rubber alongside these roads, as transport costs were cheaper. This is true even today; wherever a new road is built, rubber will be planted. The area of land under rubber production in any part of Malaysia is always a

clear indication of the comparative availability of road and rail communications. Roads equal rubber.

Many people think that rubber estates represent the rubber industry. In fact these estates produce only half of the annual tonnage – in 1961, 800,000 tons. The other half is produced by smallholders, thousands of individual owners of small crops of land. The rubber tree is a very convenient way of making a living in Malaysia for many. Rubber grows in poor soil, it requires little maintenance, and it can be tapped of its latex (or sap) early in the morning with the minimum of bother. It is not difficult to produce raw rubber from the latex and the yield per acre is invariably more than can be obtained in any other agricultural way.

Today, as the political power that once protected the estate has gone, the small holder is receiving more attention. He is benefitting from the excellent production and planting research that has been done by the Rubber Research Institute at Kuala Lumpur and by the various Departments of Agriculture. In many cases, however, as his acreage is small and packed with trees, he is economically reluctant to stop and replace his old trees with the new, high yielding trees that grafting and breeding has produced; for it takes seven years for a tree to grow to production. Many smallholders thus face a gradually diminishing yield from their old trees. Their problem is a political one and a democratic government is far more aware of their plight than the pre-war colonial regime which neglected them. Efforts to assist smallholders are being made.

The rubber estates also face problems. In order to keep costs down and to secure a maximum return, estates have given great thought to increasing the yield of rubber per acre. New trees of high output give a production of 2,000 lbs. per acre, while a good pre-war figure on the initial strain of trees was 500. Most smallholders still average

that figure, but all over Malaysia now the new trees are being introduced. Many of the old trees planted thirty or forty or more years ago are approaching the end of their useful lives. If rubber is to remain the basic staple of Malaysia, replanting or new planting then is essential. This is being actively pursued.

Rubber, like most primary commodities throughout the world, depends upon an export market. This market in the past has been notoriously and characteristically unstable. Prices and demand have fluctuated to extremes. Rubber planters in the 1900s and 1910s made half a million pounds profit in a few years; during the depression they could not sell enough to cover costs of production. This fluctuation appears now to have ended; at any rate the extremes have closed, due to the post-war development in the U.S.A. and Europe of the synthetic rubber industry – or manufactured rubber, as the Americans call it. Synthetic is a serious competitor, and it has the effect of all keen competition, in keeping prices low. Unless the sudden panic of a war intervenes (as in the Korean War, when rubber suddenly was bought in huge quantities by the U.S.A. and prices sky-rocketted), rubber prices are likely to remain comparatively stable. Possibly there is a comparison here with wool, also facing synthetic competition. The price of rubber will not be as high as some Malaysians would like it to be, but in fact, high prices would merely encourage the expansion of synthetic. Rubber, moreover, meets many requirements better than synthetic. It costs less to produce, and although dependence upon a primary product and an export market is always a nationalist's nightmare, the Malayan rubber industry seems a more stable primary product than most; it seems fairly certain that motor cars and tyres will be used for considerable time to come.

The comparatively low price for rubber, with consequential reduction in very substantial profit, also

dampened a post-independence move of some danger to the industry, the fragmentation of estates. A number of the smaller, less efficient estates had been purchased by Chinese from European firms deciding to withdraw their capital; these were then fragmented or sold to individual smallholders at a higher price. This was considered by some economists to be bad for the long range development of rubber, for whereas replanting of a large estate is possible by degrees, few smallholders would forgo a bird in the hand to wait seven years for new trees to grow. However, although there are still cases of fragmentation, this has declined, and the traditional picture of large estates and numerous smallholders remains. Both operate in an environment favourable to private enterprise; the private ownership of land, introduced under British law, has remained a factor of considerable social and economic importance.

When rubber is considered, every community is involved. The labour force on the Malayan estates is predominantly (although not exclusively) Tamil, but Malays and Chinese both grow rubber on plantations or as smallholders. Ibans, Bajaus, Dusuns and other Borneo people also participate; rubber indeed, representing 35 per cent. of total exports and 20 per cent. of total employment, is one of the great economic unifying bonds between all the Malaysian territories.

The other plantation crops are not nearly as important. Oil palm cultivation is well established in Malaya and Sabah although it is confined only to estates. Since 1950 production has nearly doubled, to 100,000 tons. Copra production is widespread, the graceful coconut palm being a feature of the coastlines of Sabah, Sarawak and the Malay Peninsula. It is even more a feature of every *kampong* than the rubber tree. Smallholders produce three times as much copra as do the estates, which number more than a hundred. Production in 1961 was estimated

at 162,000 tons. Pineapples are grown for home consumption in various parts of Malaya, but only in Johore (and to a much lesser extent in Selangor and Perak) is the pineapple cultivated for canning. Its export was valued at $M26 million in 1961. Tea, planted in the higher slopes of the Malayan ranges, is increasing in production. Flourishing on the rich volcanic area near Tawau (eastern Sabah) are two crops, manila hemp (grown there before the war by Japanese), and cocoa. Acreage is yet small. The growing of pepper in Sarawak is of some antiquity, and is the second most important cash crop of that state, ranking as a major world exporter with Indonesia and India.

In Sabah and Sarawak timber is a major – in Sabah *the* major – export industry. Sandakan is one of the great timber ports of the world. Large log ponds here and at Kennedy Bay are fed by four large timber firms and seven small concerns from huge forest concessions. Ships load, largely for Japan, an annual cargo of over 70 million cubic feet, worth over $M100 million.

Far exceeding these agricultural crops in importance is tin, whose exports in 1961 were valued at $M553 million. Malaya is the world's leading producer. Out of a world production in 1962 of 143,373 tons, 58,603 tons came from Malaya. Other countries involved were Bolivia (21,800 tons) – Indonesia (17,583 tons – from Bangka and Billiton Islands, near Singapore), and Thailand (14,680 tons). The Congo, Nigeria, Austria and Australia were other producers.

No new tin deposits have been found for some time, either in Malaya or elsewhere. Tin may thus gradually assume the value of a semi-precious metal unless consumption slackens. In Malaya experts have forecast the end of the industry within twenty years, but improved methods of extraction continue to postpone that date. Nevertheless its future causes concern, for over thirty

thousand people, particularly Chinese, are dependent upon it for a livelihood, and from the tax levied on its export (which ranges, as with rubber, according to the price it receives) the state derives a very considerable revenue of $M60 million or more.

Tin is mined very cheaply in Malaya by open cuts. The ore is close to the surface, and it is secured either by dredges, which float in artificial pools, and which are the size of a small ship (5,000 tons), or by gravel pump mines, where a directed stream of water washes away the side wall of an open cut, and the slush is then sucked to the top by pumps, and spilled out over a *palong* (or wooden elevated runway).

The main centre of tin mining in Malaya is the Kinta Valley of Perak, producing 60 per cent. of Malaya's total. Ipoh, the capital of the state, is the tin centre of the world. Throughout the flat valley the jungle has long since gone. Scores of dredges inch across their ponds and in 600 gravel pump mines large monitors, pipe-like hoses, hurl fierce jets at crumbling open cut walls. The production of these mines has been controlled, to some extent, by the International Tin Council formed in 1957, which endeavours, by regulating export and by the use of a buffer stock, to guard against wild fluctuations in price range. Full production, however, has been permitted for some years, and the world market price has ranged only within small limits. As the easily obtained tin deposits are exhausted, costs of production will rise, but they will remain below the costs faced by Bolivia, which is forced to dig for inferior ores deep into mountain sides, and Malaya will remain a low cost producer, served by two excellent smelters, at Butterworth and on Penang.

Other mining in Malaya is far less important, with the exception of iron ore; this, already considerable, holds great hope for the future. At present six million or more tons of iron ore a year, worth $M160 million, is shipped

to Japan from open roadsteads – particularly Dungun – along the east coast of the Malay Peninsula. The largest firm involved in this, Eastern Metals and Mining, was established by an Australian; Australian capital is involved as with the tin industry, although not to the same extent. New iron ore deposits have been found on the much more developed west coast, and there are plans for railing it to Singapore's new industrial port at Jurong, where large ore carriers can ship it all year round. Should this eventuate, iron open cut mining may well become a major revenue earner for Malaysia.

Gold has been mined in Malaya for over a millenium, but the last mine, at Raub, deep in the interior, closed down in 1962. Again Australian capital was invested here. In Sarawak, the Chinese still work an old established mine at Bau. Coal, too, is mined – in Selangor and near Tawau. There are no mines functioning now, but at Silantek, in Sarawak, a large deposit of nearly 10 million tons has been discovered, and Japanese industrialists are considering its development.

In 1909 oil was discovered in Sarawak, and although the main field is in Brunei, just over the border, Sarawak has 170 pumping wells at Miri. The yield is decreasing yearly, both in Sarawak (59,000 long tons in 1961) and in Brunei. A total of 4 million long tons, the combined product of the joint field, was exported in 1961 from the Lutong refinery, valued at $M244 million. The Shell Company who control the field have moved far out to sea in successful drilling operations. Should Brunei join Malaysia, the revenue of this wealthy field could make a major contribution to the state; it may well have been one of the reasons why Brunei did not join, however, for Brunei has watched its nest egg very carefully, and has always been reluctant to share it, or even spend it herself. There are hopes that an offshore field will be developed by Shell in

Sarawak waters; this would be a great new asset to Malaysia.

Some of the oil has been refined at the largest oil refinery in South-East Asia, built by Shell at Pulo Bukom in Singapore. This serves to illustrate the essential role of Singapore (and Penang) as entrepôt ports. In the case of oil, Malaysian and Indonesian rubber, rattans and pepper, as well as other produce, the service offered by Singapore is essentially one where the raw product is sorted, cleaned, processed and sold. The pepper market in Singapore, or the rubber market, or the oil refinery, all provide these essential services to the myriad isles that surround it. For other commodities, far too varied to be listed, Singapore's service is to provide a duty free port where large wholesale consignments of goods can be unloaded and broken into small units, again to fan out to Malaya, Borneo, Sumatra, Rhio and elsewhere. A thousand tins of cigarettes in one crate becomes a hundred boxes of ten tins each; large packing cases of Indian textiles become individual bales; and all the produce of Europe and Asia comes here to be sold, duty free, to whoever in South-East Asia wishes to buy.

A very large proportion of this business is handled by European agency houses. Many of these began in the nineteenth century, buying the produce of Malaysia. They broadened their range of activities as Malaya was developed in the twentieth, to establish and manage rubber estates and tin mines, while they became the agents for the innumerable products of the industrialized West. Typical of these are the Borneo Co., Sime Darby Ltd. and Guthrie and Co. These firms compete with and do business with hundreds of Chinese firms, as well as Indian, Jewish, Pakistani and others. Their links with the rest of Malaysia, particularly those relating to credit, are intricate.

Singapore is a highly developed urban centre[1]. Its 1.7 million people are served by thirty-four banks, most of them over fifty years old, with a long experience of financing one of the most competitive and active markets in the world. There are over eighty insurance companies, while the Singapore rubber and tin markets are world centres. An active Stock Exchange is another financial institution of more than regional importance.

Singapore is also an outstanding communications centre. It is today the fifth largest port in the world. Over a million tons of cargo a month moves over its 31 berths on the 2½ miles of wharfage of Keppel Harbour. Forty-one shipping lines link Singapore with the rest of the world, their vessels using either the main harbour or the always crowded small ship harbour nearby. A third harbour employing thousands of workers is the British Naval Base. Singapore is also a major air centre. In its trade, Singapore alone handles a greater value than the whole of Indonesia, and only slightly less than all of India.

1960 Trade.	(in $M million)
Japan	25,500
India	10,500
Singapore	5,700
Hong Kong	5,400
Indonesia	3,500

Singapore's long experience of commerce, and the skills and techniques demanded by its role in South-East Asia, has produced an indigenous middle class with capital and business experience. It has produced a community that has achieved the sociological and psychological conditions necessary for economic development. Singapore is one of the few areas of South-East Asia where the group ideal is hard work, and where the motivating passion is for progress and education. It is always a startling contrast to

[1]I have elaborated on this in a small illustrated booklet, *Singapore In Malaysia* (Singapore, 1963).

fly from Singapore to Australia, where the only observable passion is for sport. The Chinese population has changed considerably since it first began to migrate to Singapore; indeed, its social change is the basic history of the island, but it has retained always this determination to work hard and make a living; as a result there is on the Equator what has never been there before, in all history: a bustling, dynamic city.

The government of Singapore is using these assets to develop Singapore as an industrial centre. While Lee Kuan Yew was working for merger, Dr Goh Keng Swee was bringing back from England the Singapore earnings that had been invested there by successive colonial governments, and was investing this in Singapore itself. Little was allocated to improving the social services, for despite the socialist principles of the government all were determined that unless the island was industrialized, and unless more jobs were created for the young population expanding at 3.9 per cent. a year (twice the rate of Australia)[1], increasing unemployment would overwhelm the state; social services were considered a luxury that could not be afforded.

The major effort of the government was exerted in the creation of a new industrial city, at Jurong, some nine miles from Singapore city, where deep water permitted a new harbour to be built, and level uninhabited land allowed for clearance. Here a city, equal in size to Singapore, is rising. Dr Goh Keng Swee and the Economic Development Board he formed have been successful in their dynamic approach, and the man in charge of Jurong, R. A. Sandford, by his powerful direction, attracted many new industries to the 9,000 acre site. Jurong, as a major new town in Asia, is perhaps the most exciting development in all of South-East Asia.

[1]Singapore's population also increases by a 0.6 per cent. annual inward migratory flow.

In addition to this industrialization effort, indeed to some extent as part of it, the government of the island has ploughed money into education. It regards this not as a social service but as a very essential investment. Half of the state's revenue is allocated to education. This is a far greater proportion than in any part of Australia. So determined are the people of Singapore to advance, so strong the pressure on educational facilities, that each block of school buildings serves two separate schools, each using it for five hours a day. Standards are steadily rising. Given a free choice of where to go, more than 50 per cent. choose the English-language schools, where now they also learn Malay. The emphasis is heavily on science, and a large technical college or polytechnic also caters for this. At the University of Singapore this same emphasis prevails. The country that fails to educate itself, falls behind. Singapore is determined to move ahead.

This industrialization, and indeed the whole economic future of Singapore, is given a new stability by the adoption of the 1963 Rueff Report, which recommended the establishment of a Malaysian Common Market. This economic aspect of merger was one of the goals of the Singapore government. It could not face with any pleasure at all the prospect of being increasingly cut off from its hinterland, of being another Hong Hong, and the custom barrier at the end of the causeway at Johore Bahru was always an indication of what could happen. After the Malayan and Singapore governments agreed in principle on merger, the World Bank was requested to make a survey of the economic aspects of Malaysia. As was expected, its team led by J. Rueff recommended that one economic unit should be created. As this is gradually implemented it will create a political climate of its own, as did the Zollverein among the German states and as the European Common Market is doing. Singapore's industry will benefit from this market of eleven million – numerically about the same

as Australia or Taiwan; it will become the New York of Malaysia and, in addition, the political stability of Malaysia will be correspondingly increased.

Industrialization has been attempted also in Malaya, the stability and healthy foreign exchange position of which led to the successful industrial complex on a new 6,000 acre site, Petaling Jaya, near Kuala Lumpur. This is handicapped to some extent by the lack of a large urban population, but similar efforts are nevertheless being made in Ipoh. To generate new power, a large hydro-electric works is being constructed in the Cameron Highlands of Perak.

Malay's greatest development efforts, however, are being made in the rural sector of its economy. By the time of *merdeka* in 1957 Malaya faced a serious problem of rural neglect. For many years prior to the war, the rubber restriction regulations had retarded the sale of new land. The war had accentuated this and from 1948 the Emergency also kept people from settling. As a result, the rural economy of Malaya, on which the economy of the state rested, was in a very backward condition; the towns were overcrowded with people wanting to grow rubber in particular.

This problem was tackled vigorously by Tun Abdul Razak, the Tengku's forceful deputy. A Federal Land Development Authority was created even prior to *merdeka;* Razak ran this and rural development in general in much the same dynamic way as General Templer had run the Emergency. He showed the same common sense, too. Instead of having his bureaucrats plan what was best for the rural dwellers, he asked the villagers to tell him what they needed to improve their conditions. The results were all collated and, as they were eminently sensible suggestions, were acted upon.

The major work of the FLDA has been in the construction of entirely new rural areas, close to the excellent

road facilities already existing; these have made use of the ample crown land available and of the well tried crop, rubber, known to all intending planters. The FLDA is an active, autonomous organization, constantly spurred by Razak at monthly meetings where bottlenecks are removed by immediate telephone calls, and where remote district officers find that Kuala Lumpur is demanding action before sunset.

Since the first land settlement project was started early in 1957 as a sole pilot scheme for that year, another thirty-five settlement schemes have been planned and executed, involving 12,000 families. It is now planned each year to execute another twelve schemes for 5,000 more families. Long-range planning, annual execution, monthly and weekly targets are all constantly considered and kept relevant by Razak and his assistants.

Each scheme begins with the selection of an area of crown land, preferably not less than 4,000 acres, close to available roads. This is cleared and a village community selected from applicants. A central village, with homes, shops, school and other facilities is built and the agricultural land is cleared around it. Each family is allocated from six to eight acres for rubber, and from two to four acres for food crops. The land allocated is given to the farmer on a leasehold title subject to a yearly rent. The government can re-possess if it is not worked. The farmer's home in the village and his agricultural land are united under the one title, which, of course, the farmer can sell.

Each farmer is given tools and house building materials, and is paid a subsistence allowance for two years. His local problems are communicated to the authorities by a representative committee which meets the scheme manager. Each scheme is phased over four years, by the end of which the manager moves on and the representative committee becomes the village council. If Malaya succeeds

by these methods in combining the efficiency of plantation agriculture with the social and political stability of personally owned farms, there is no need to fear for the future, either financially or politically.

No other enterprise of a similar magnitude or success has been attempted in the Borneo territories, nor has there been any organization comparable to the FLDA. Rural development elsewhere has consisted more of road building and the provision of schools and hospitals for rural areas. The responsibilities of the FLDA may well become Malaysia wide, for the further one moves away from these rural settlement schemes the further down into traditional peasant agriculture one sinks. This, the third economy of Malaysia, (in contrast to the plantation and mining economy, and the mercantile economy of Singapore) is the basis – the weak, debt-ridden basis – of Malaysia. The longer this remains backward and abjectly poor, the more difficult it will be for Malaysia to develop.

Rice is the major food crop grown. It is grown by too many people on too little land. It has been government policy for over fifty years to encourage Malays to grow rice (and to stop others from growing it), and to try and check the flow of rice-growers from the land. There they remained poor but peaceful, conservative supporters of the Sultan. This policy has been an economic and social failure. To the north of Malaya tens of millions of Burmese, Thai, Vietnamese and Cambodians plant padi over millions of acres. They are wedded to this, and they are able to grow rice far more cheaply than is possible in Malaya. The Malay lacks the wide flat fields of these states; in addition, his traditional land tenure has forced him to break up his holding into uneconomic units. Also he is chronically in debt to the Chinese shopkeeper in the village; both he and his wife leave whenever they can; if they can't leave, they try to grow rubber. This should be encouraged, for it is most unlikely that rice can ever be

made profitable enough to improve the conditions of those now dependent upon it.

If the rural Malay is not growing rice on a subsistence level he is fishing, another backward sector of the economy dominated by traditional methods. On account of lack of capital, yield per man is low. The Malay secures barely enough to live the life of a very poor man; he is never out of debt. Only on Pangkor Island, off the coast of Perak, are mechanization and deep sea fishing practised by the Chinese; elsewhere small sailing boats, picturesque no doubt but very inefficient, restrict the fisherman to a life of toil and few returns. This is true all over Malaysia.

Co-operatives are helping the fisherman and the padi planter, particularly in Malaya, but not nearly enough attention is being given to the problems of this community, which has been estimated as two-thirds of the entire Malay population. Rural development has scarcely touched those associated with rice production; until it does, the Malays will not benefit from the improved conditions elsewhere.

In many ways, however, Malaysia is fortunate in its economy. Unlike many other tropical countries, it possesses two staples – rubber and tin – in steady demand. In timber, Sabah has living wealth. Other agricultural crops, such as copra, palm oil and pepper, provide a satisfactory livelihood for many. Then the mercantile economy of Singapore, Penang and Tawau, a raffish, slightly illegal trade, often by barter, with adjacent territories, present a second aspect of the economy. Even accepting the depressed condition of the debt-ridden peasantry and the relative weakness of capital formation from the public sector, the Malaysian economy is still a high one for Asia, only Japan having a greater per capita income. Its foreign exchange position is strong. Its currency is stable, its reserves are maintained and its economy is on an even keel. Barring a major catastrophe, such as war or the abolition of the rubber motor tyre, Malaysia's economy is sound.

MALAYSIA — FOREIGN EXCHANGE EARNINGS FOR 1961 ($M million).

	Malaya	Singapore	Sarawak	N. Borneo	Total.
Rubber	1,347	4	83	41	1,475
Tin metal and concentrates	432	–	–	–	432
Timber	40	–	42	103	185
Iron Ore	164	–	–	–	164
Coconut products	31	–	–	27	58
Palm oil	58	–	–	–	58
Pepper	–	–	29	–	29
Manufactured goods including processed foods	90	120	8	8	226
Other, including remaining primary and agricultural products	57	16	16	41	130
Total Merchandise	2,219	140	178	220	2,757
Net investment income	–223	44	–28	n.a.	–207
Entrepôt earnings	60	398	–	n.a.	458
Other services	–138	404	22	n.a.	288
TOTAL	1,918	986	172	220	3,296

(A major commodity, occupying the attention of a large proportion of the Malay, Dusun and Sarawak indigenous peoples, is rice. Its importance internally is often overlooked, as it earns no foreign exchange. It should not be forgotten.)

Source: Based on trade and balance-of-payments data supplied by the governments concerned.

6 : *GOVERNMENT*

Political power in the Malaysian region during most of the nineteenth century rested in the autocratic hands (effective or otherwise) of the ruler. In the Malay states this was the Sultan, in Sarawak and Sabah it was the Sultan of Brunei or a Brooke, and in the Straits Settlements the colonial governor. Only in the case of the latter was there a written constitution and even here it merely defined the autocracy elsewhere accepted as traditional. Following the intervention of the British in these areas in the late nineteenth century, however, we can see a development both from autocratic power and from unwritten tradition.

In Malaya the process began in Perak, the premier state. In 1877, after British intervention had made further efforts at preserving a traditional society impossible, the Malay Sultan acquiesced in the formation of a state council, where the advice of others was necessary before decisions and action could be initiated. Other Malay states slowly followed. In 1896 this movement away from autocracy was accelerated by the formation of the Federated Malay States; in the same year Johore, an Unfederated State, wrote out its constitution, defining the powers and responsibilities of its council.

In the Unfederated States, which followed the example of Johore, political power passed from the autocratic rule of the Sultan to a group of Malay political élite, responsible both to a Sultan and, in practice, to a British Resident. This was less of an advance than it seems, for previously, in most states, there were traditional checks to a Sultan, similar in some ways to the state council. In the

Federated Malay States, particularly after the Federal Council was established in 1909, with both official and unofficial members, political power passed from the autocratic rule of the High Commissioner to this council, its membership consisting of senior civil servants and leading members of the Malay and European communities. State power after the FMS was formed became negligible, for strong central government then became a feature of Malayan political life.

Both in the federal group and among the unfederated states, federal and state responsibilities were defined and thereby separated. Measures were taken in the between war years gradually to confer increased powers on the legislatures and to limit the power of the executive. As autocracy vanished, there developed, by restricting and defining the powers of government, the checks and balances which are associated with a society where individual liberty is respected.

In 1840 an individual Malay was merely a member of a Sultanate, with very few rights of his own. As an individual, unless he was a chief, he was nothing. Similarly a Chinese or an Indian lived in this area on sufferance; as over in Borneo lived the Dyak and the Dusun. By 1940 this had changed. The Malaysian was a free individual, not merely by the clear limitations imposed on government action but also by the establishment of a judiciary, and its separation from the rest of government as a distinct and independent organ. The liberal law brought by the British was very acceptable to Malaya.

Similarly in Borneo. The autocracy of the Sultans of Brunei, less restrained by traditional checks than in the Malay states, was eliminated by the Brookes over the increasing area of Sarawak they came to control, by the British North Borneo Chartered Company over the rivers it acquired, and by the British Residents when they came to Brunei itself, from 1906 onwards. In all these areas the

powers of government were limited and the rights of a citizen became well established.

In the Straits Settlements, where a Legislative Council began to check an autocratic governor from 1869, these rights were appreciated all the more, and defended forthrightly, for the citizens were far more sophisticated, far better educated, and served by a very active press, notably *The Straits Times*. In the absence of elected representatives on the Straits Settlements Legislative Council, *The Straits Times* was the very active critic of officialdom and of the unofficials too, on occasion, and the watch dog of Straits interests, defending them against the Colonial Office and far-off Whitehall.

By 1940 the law and order established by the British, acceptable though it was, was felt increasingly to be only half a meal for a healthy man. What was provided was inadequate and when in 1945 it seemed as if the diet would continue, there was uproar. Autocracy had vanished, and even in the Unfederated States, and in Brunei, where the Sultan still commanded a large measure of respect and devotion from those members of his state who lived within a traditional culture, the limitations on unbridled political power were everywhere acknowledged. Yet the few concessions made to initiate representative government were judged inadequate by all the politically conscious. Increasingly there was pressure by the Asian communities for their participation in the government to be increased and for the unofficial membership to be extended and to be given responsibilities.

Secondly, there was also a clear understanding that a man should be an individual with individual rights. Although one of the inadequacies of colonial government was that no one had a vote, and citizenship was not even defined, the power of government was confined. There was established a law, and a man on his lawful business could move in safety and tranquillity. Individual freedom within

the law, an unheard of principle 100 years before, was by 1940 accepted within Malaysia as part and parcel of the environment. But there was not political freedom; and this increasingly was desired.

As part of the environment, although not part of the political process, elections were commonplace. In innumerable societies, institutions, chambers of commerce, and other organizations of varying power and responsibility, election of responsible representatives had been occurring for over 100 years. Even in the Malay political scene, the states that collectively made up *Negri Sembilan* had the elective principle, the major chiefs meeting to elect their *Yang di-Pertuan Besar* or Head of the Confederation; while at *kampong* level representative rule and selection by informal election was well established.

To the nationalist (and by 1946 this included nearly everybody in Malaysia) it was the inadequacies in this environment that stood out. There were elections in hockey clubs in Malaya, while Indians elected their government. There was a law in Malaya, but what in fact were the legal rights of a non-Malay in a Malay state? And there were governments in Malaya, where nominated friends of the High Commissioner represented communities, while all over the world – even at last in Asia – free men elected their own leaders.

Thus when this basis is considered, the introduction of elections to Malaya at last in 1955 seems belated, and the withholding of them from Sarawak and North Borneo until the early sixties seems unimaginative. A democratically elected legislature had become a much prized commodity. Resisting demands for what was accepted by all (except the colonial diehards) as a normal political development was indefensible. The attitude of colonial administrators that the Malaysian peoples had no awareness of democracy implied that they were savages in some nomadic clearing, that they were living entirely unto them-

selves and were unaware of the world outside. One justification for delay did perhaps exist. Before the second world war the Malay in particular had shown little enthusiasm for democratic political institutions. Within his own society, a traditional framework of responsibilities needed no democratic trappings; in the state at large, moreover, the possibility was recognized that democracy might give power to non-Malays. The Malay knew how democracy worked and quietly he was against it. But not after the Malayan Union.

Following the successful elections of 1955 the Malayan leaders agreed to the formation of a small committee of eminent Commonwealth constitutional authorities to devise a political framework for an independent Malaya. While this committee was considering the various memoranda submitted to it, and studying the Malayan scene, the High Commissioner was evolving the Executive Council (which had steered the Legislative Council) into a cabinet. The political leaders elected in 1955 replaced the civil servants who previously had been the executive. The civil servants took one step back, to remain until *merdeka;* this phased transfer, this loyalty to the new political leaders by the erstwhile colonial masters, is one reason for the continued bond of respect between Malaysia and Great Britain. The political leaders thus secured great experience in administering the various departments of government. This embryonic cabinet system worked well, and in 1957, on the withdrawal of the High Commissioner, Cabinet, led by Tengku Abdul Rahman, moved smoothly into full power.

The constitutional history of Malaya is an evolutionary, not a revolutionary one. If the abortive Malayan Union proposals are excluded, the constitution may be said to have evolved step by step on what has gone before. The constitution of independent Malaya which was announced before *merdeka* continued the process. A fully elected

House of Representatives replaced the 1955 Legislature in which only 52 seats out of 98 had been held by elected members. Political power as in 1955 – but completely now – was in the hands of the party able to command a majority in that House. The Prime Minister was the leader of that party, and he and his cabinet were members of, and answerable to that House. An Upper House was formed to safeguard the interest of the separate states. Some members were elected to it by their own state legislatures; others were nominated to represent minority groups by the Head of State, the *Yang di-Pertuan Agong,* on the advice of the Prime Minister. The powers of the Upper House were limited and the Head of State was a monarch, elected by the other Sultans at a Conference of Rulers, to serve for five years. Novel though this procedure was, it was a clear adaptation of the indigenous Negri Sembilan practice.

This new constitution did not come into full force until 1959, two years after independence, when the statutory four-year term of office expired and elections to the new parliament were held. The UMNO-MCA-MIC Alliance was again successful, although not as overwhelmingly so as in 1955. The Alliance captured 74 seats, other parties, 30. In 1955 *merdeka* had been an irresistible slogan against which no other party could compete; but by 1959 there were other issues, *merdeka* had been achieved, and some of the electorate supported other candidates. Neverthless, Tengku Abdul Rahman (who had stepped down temporarily from the prime ministership to rejuvenate a flagging UMNO) became again the leader of the legislature. The Alliance captured most of the state parliaments as well, and thus was enabled by elections there to secure a clear majority in the Upper House.

When Malaysia became a possibility, there was some suggestion that this political framework should be abandoned and a completely new constitution should be writ-

ten. The dynamism in the Federation of Malaya, however, is the political drive of the Malays. They are the senior, dominant partner of the Alliance. Politically they are supreme. It is their political awakening and unity that has given national power to their party, and although the views of those outside the Federation were listened to, there was no strong feeling on their part that the 1957 constitution, which had evolved in accordance with their own awakening, should be replaced. It was working very well. They saw no necessity to rewrite it, and felt little desire to do more than adjust it sufficiently to incorporate the new members of the new Federation. There are signs that the adjustments made in 1963 were not sufficient.

Among the few major steps deemed necessary to make the constitution of Malaya fit the new Malaysia, the Malaysia Agreement concluded between Malaya, Great Britain and the states concerned stipulated the number of seats each new unit could elect to the federal parliament. As anticipated, this weighted the balance in favour of the Borneo states, sixteen going to Sabah (population: 500,000) and twenty-four to Sarawak (population: 700,000); Singapore (population: 1.7 million) securing only fifteen.

In order to meet the insistence of the Borneo states and Singapore that they retain responsibility for certain powers which they were not prepared to yield to a Federal Government, the Agreement made education, health and labour the concern of Singapore's legislature; Sarawak and Sabah retained full responsibility for immigration and education. It was also agreed that English would remain the official language in Borneo until the Borneo states decided otherwise. Religious freedom, land tenure and customary (or *adat*) law also were respected.

In other cases the federal structure of Malaya was merely extended to include new member states. This occurred in the judiciary, for example. Obviously it was essential to

maintain what very largely already was in existence, a common law. A Federal Court was created, to hear appeals from the High Courts of Malaya, Singapore and the Borneo states. It had the power to determine whether any law made by any of the state or federal parliaments was invalid, in that it broke the constitution. As other federations have shown, an independent federal or supreme court is essential if one law is to prevail, and if a citizen is to remain free beneath that law. It is equally necessary if the centripetal forces of the federal government are to be combatted by the states.

Another important step was the grouping under federal control of the various police forces of the constituent states. This is not the practice in Australia, nor in the United States, not even in Great Britain. In the relevant circumstances of Malaysia, however, a unified police force seemed desirable. It could well provide another link binding the territories together. Also a Malaysian army was accepted, and is being formed, another essential link.

It proved impossible to make the appointment of the *Yang di-Pertuan Agong* another such link. His election by the Council of Rulers is essentially a Muslim ceremony as sacred as the coronation of the monarch of Great Britain. It was not possible to accommodate in this the non-Muslim states of Sabah, Sarawak and Singapore, nor the governors of Malacca and Penang. This has caused disquiet, particularly in Sarawak. Its proud but pagan people, notably its Ibans, wish that its community leaders could aspire to be head of the new federation. As it was, on the formation of Malaysia, although they preferred an Iban, they had to appoint a Muslim to be their head of State. Unless constitutional changes are made, or unless the states concerned create as head of state a Muslim acceptable to the Council of Rulers as one of them (and this seems highly improbable), it does not appear as if the king will be other than one of the Malay monarchs.

From the viewpoint of the stability of the new Malaysia, this creation of first class and second class heads of state seems to some unfortunate. It remains to be seen whether this will become an issue in the future.

Malaysia begins with another weakness, one that has proved crippling to federations elsewhere. This is the existence of political parties that have only a local or regional following. A local party can be extremely damaging to the stability of a large federation, for by appealing to local interest, without any need to consider the effect of such appeal elsewhere, it can create a local movement of antipathy to the federal government. It can act in defiance of the broad interest of the whole merely to advance the state or party. The Federation of the U.S.A. was nearly broken by such local interest in 1861-1865. The maintenance of the Federation of Nigeria has been in grave danger due to the action of powerful but regional political forces, while in India, too, regional political pressure imposes a constant strain on that state.

At the present moment (1964) no single political party in Malaysia is a *Malaysian* political party. This is a grave weakness. The most powerful party is UMNO, acting as the dominant member of the Alliance which itself has become the most pan-Malaysian of political groupings. UMNO is well organized and active. It remains alive to the issues of the day. Its central secretariate and its leaders in parliament are men of ability with national, rather than mere racial, consciousness. It is supported by an active Youth Section, more extreme than the parent body (as youths often are) and by an equally important Women's Section. UMNO has been the main repository of Malay political hopes since it was formed in 1946. The major slogans or objectives it has used to maintain the enthusiasm of its followers have been firstly anti-Malayan Union; then *merdeka,* followed by Malaysia. The 1963-1964 attitude of Indonesia provided the party with a

further rallying cry. Throughout Malaya the loyalty of Malays to UMNO and, through it, to Malaysia was aroused by the confrontation policy of Soekarno. Once again this was to sweep the party to success in the 1964 Malaysian elections.

UMNO nevertheless remains as yet virtually a Malayan party. Its efforts to extend into Singapore have been unsuccessful, and although it has secured an alliance, or political collaboration, with moderate groups in Borneo, it has not extended its organization beyond the Peninsula. It remains a party of Malays.

UMNO has as its fellow member of the Alliance the Malayan Chinese Association. The MCA has attempted, so far with little success, to extend its organization outside Malaya. In this ultimately it may be more successful than UMNO. The MCA already functions in Singapore and the moderate right-wing element among the Chinese in Borneo may gravitate to it. Small Chinese parties there may find it useful to affiliate. One can only hope that this may eventuate, for there is a need for Malaysia-wide parties. But the MCA has a major internal weakness, in that it has not been able to hold the support of the Chinese which it first secured in 1948. It has lacked both the succession of objectives used by UMNO, and the racial political uniformity of the Malays; as a result, the MCA in the minds of very many of the young Chinese is not seen as worthy of support. Thousands of eligible Chinese failed to vote at the 1959 elections. It seems obvious that the MCA failed to stir them. They remained politically indifferent. It is doubtful, therefore, whether the MCA, unless it overcomes this internal apathy, can become an effective pan-Malaysian political party.

More credible is the prediction that the role of the MCA may be assumed by the Singapore People's Action Party. Immediately following the creation of Malaysia, Lee Kuan Yew held a state election. His party was swept

to power. None of the other parties that had shared the votes and had won seats in the 1959 elections (including UMNO) received any consideration at all. Although there were a large number of candidates, only two parties received any support. The PAP won 37 seats; the Barisan Socialis, 13.

Although the sizeable Malay community in Singapore was criticized by Tengku Abdul Rahman for not voting UMNO ('traitors' they were called), this non-racial voting pattern can be seen as a most encouraging pointer to the future. For not merely is Malaysia without a national party, it is virtually without a non-racial party. It is not possible to see an end to this, for racial parties may provide a voter with the security he needs, in view of the inter-racial fears still prevalent. It may nevertheless be that the left-wing dynamism of the PAP will provide both a national and a non-racial party of the future. Within the Federation there is respect for the PAP, and some of the young urban socialists in particular undoubtedly would support it. It may also be possible for it to win some of the allegiance now given to the Socialist Front in Malaya although it is more probable that this support would go to the Barisan Socialis. Some of the voting strength of the People's Progressive Party (a small Perak group), might also go to an enlarged PAP.

At the moment, however, the PAP is still merely a regional force despite the success of one of its candidates in the April 1964 Federal elections and this has serious potential dangers. Hitherto, the PAP has been remarkably conscious of the nation as a whole, possibly because its major objective was to construct and be part of that nation. Now that it is securely inside Malaysia, however, it may be more difficult, if it remains merely a Singapore party, for it not to champion Singapore interests to the possible detriment of the whole. It will be hard for Singapore Chinese not to believe that what benefits Singapore auto-

matically benefits Malaysia, and should the PAP leaders feel it necessary, or be forced, to dampen Singapore demands, in order to become a national party, then the other Singapore party, the Barisan Socialis, may be provided with political ammunition against them.

The Barisan Socialis represents the extreme pro-Chinese attitude, the chauvinists who have difficulty in adjusting themselves to a South-East Asian environment. Many see a future South-East Asia dominated by China. They fail to see any need for associating with Malays. Others consider that democracy is alien and wasteful, and that a communist government would secure greater success. The Barisan Socialis is also at the moment merely a regional organization, but it, too, might achieve a Malaysia-wide base. This would be a difficult process, however, for communism is banned, and vigorous security measures have been directed against it from the federal capital since Malaysia was formed. It has support in Malaya among the Socialist Front, in Sarawak among the Clandestine Communist Organization (CCO) and the Sarawak United People's Party (SUPP), but none in Sabah.

We are at the beginning of things. The leaders in Borneo are comparatively inexperienced, with little practical political life behind them; to be operating suddenly inside a Malaysian context when they had barely begun to organize inside their state has been too swift for many. It is, therefore, no wonder that the small parties in Sarawak and Sabah so far have made little effort to become other than regional bodies. There is broad support, however, for the policies and attitudes of the federal government; indeed, Malaysia would not have been possible had this not been so, and the leaders of Sabah (Donald Stephens) and Sarawak (Stephen Nongkan) have pledged support for the Alliance. Whether they will merge or affiliate their parties is, however, a different matter. It would certainly have a most stabilizing effect if they did so.

It may be that politics on a national plane will go the way they have done in Singapore, where a host of parties was eliminated, one by one, until only two remained. It could be that a left-wing party, organized by the PAP, may secure the support, as it has in Singapore, of all races (organized perhaps in other parties) and that it would become the main rival to a right-wing Alliance.

The keystone of any political system of authority must necessarily depend on the integrity and impartiality of the civil service. It is this body which must implement the policy, must execute the decisions, of parliament. Although due to the different stages of development reached by the civil service in the various states it will be many years before it becomes an integrated body, nevertheless it is based on a common organizational pattern, on a common salary scale and with common conditions of service, derived from its shared colonial past.

The civil service in Malaysia is remarkably free from politics. During the independence movement it continued to function in a most impartial manner, aiding considerably in the stability of the state. From 1955 onwards it was Malayanized, that is, the thousands of British officers in all departments were replaced gradually by Malayans, a university honours degree being the essential qualification for entry to the administrative grade. The replacement was directed by the statutory Public Services Commission, which is charged with recruitment, promotion and disciplinary control over the public service. So gradually was the Malayanization implemented, so necessary did Malaya find the expatriate civil servants, that their complete replacement had not been achieved before the advent of Malaysia, six years after independence.

The civil service in Singapore dispensed with its Europeans at a much more rapid rate. Many had found the colonial attitude of civil service superiority objectionable, their services were not irreplaceable, and the need

to find Malays (for they had preference over other races in Malaya) was not applicable. In both states the procedures and functions of the civil service remained the same although Singapore was at pains to instruct its service, at a special political study centre, that the role and attitudes of the civil service of a colony were markedly different from those of an independent country. In the former, one served a master obsequiously; in the latter, one served a people willingly. Both prior to independence and after, the civil service of Singapore has won high praise for its competence and incorruptibility.

The Borneo territories entered Malaysia with a British civil service scarcely affected by any Borneanization at all. With very little secondary education ever fostered, and with only a few hundred Borneo students overseas at universities, hardly anyone had the university degree necessary for appointment. In this (and in other respects such as the attitude of many Europeans) the Borneo territories bear a startling resemblance to the Malaya of the 1920s, when efforts to develop education and to secure Asian membership of the civil service were blocked by colonial officials. The Borneo states now face severe problems. The refusal to regard education as an investment and the failure to educate the citizens adequately, has thwarted the basic desire of the people to advance and to administer themselves. Entry into the civil service continues to be so thwarted, and will be for years to come. Trained talent is in dangerously short supply, checking development everywhere. These internal weaknesses have encouraged the growth of extremism, particularly in Sarawak, and it is these internal sores, rather than the external foes, that demand major consideration.

Before Australia is too critical, however, it should consider its record in New Guinea. Should independence

come in five years, as it came to an unsuspecting Sarawak, how many in New Guinea will have a university degree, or even a secondary education? How will its internal weaknesses compare with those of Sarawak?

7 : *FOREIGN RELATIONS*

When they secured their independence in 1957, foreign relations was an aspect of government very foreign indeed to Malayans. For over a hundred years the affairs of all of South-East Asia had been the concern of Europeans only. Treaties had been made, boundaries drawn, states occupied or exchanged, and wars fought, very largely by foreigners. Malayans had played no part in this. Even the government had been restricted from any participation in foreign affairs, while to the Asian of course Asia was of no concern. When Malaya finally secured its independence after World War II, it came suddenly into a world full of critical ideological tensions. It has since shown a maturity and a moderateness in its foreign affairs that is a tribute to the statesmanship of its leaders. As this attitude is fully endorsed by almost the entire nation, whatever its political leanings, it is a tribute to the people as well.

Chief plank in its national foreign policy is a maintenance of amicable relations with Great Britain. This has been misunderstood, particularly by non-Commonwealth countries and by newly independent states that have had to fight savagely for their own independence. They find it hard to understand how such a friendship with a former master can be genuine, unless the independence itself is not genuine. To the Malayan, however, it is merely a case of enlightened self-interest. Australia is in a very similar situation. Both countries, despite independence, have not cut numerous links, stretching back over nearly 200 years. A clear political independence has been effected, but other useful ties have been retained.

Malaya reinforced these traditional ties by a Defence

Agreement, ratified by parliament in 1957, shortly after independence, without a division being called; there was not one dissenting voice. The main provisions of this treaty were that Great Britain would afford military aid if requested. In return for this guarantee, it was permitted to retain in Malaya troops and installations, in order that it could meet its many international obligations.

This Agreement has been of mutual satisfaction. The British armed forces were of great assistance from 1957 to 1960 in the internal war against the communists. Even today the British are assisting in the search for the 400-600 still lurking in the jungle on the Thailand-Malaya border. The close co-operation between the Malayan and British Governments on defence matters also has assisted in the maintenance of a steady, unbroken training pattern of the Malay regiments that constitute the major armed force of the new Malaysia. The Federal Military College at Sungei Besi, near Kuala Lumpur, with both British and Malayan staff, is one of the outstanding military educational institutions in South-East Asia. Other training is done at Sandhurst and at Australia's Duntroon. The British also are assisting in the training and equipping of a small navy and air force.

With the advent of Malaysia, the 1957 Defence Agreement has been expanded by agreement with all concerned, to include Singapore and the Borneo territories. Again it is an example of enlightened self-interest, made possible by the lack of bitterness, and statesmanship on all sides. The Singapore bases of the British are vast. The naval dockyard alone employs over 10,000 local people. In sprawling depots the army has stored arms, vehicles and other equipment for the whole Malaysian and Far Eastern region, as well as maintaining all the units necessary for the combined headquarters of the Far Eastern Forces. The air force maintains three airfields. A count of employees, dependents and associates has never been made,

but quite possibly some 200,000 people in Singapore depend in one way or another on these bases. For all their size they live an unobtrusive life, rarely figuring in the news, and their retention, on this basis, is generally accepted. It is anticipated that they will be reduced in number but this may be compensated by the growth of Malaysian armed strength.

The extension of Malaysian armed strength, scarcely considered before Malaysia, was thought necessary after Malaysia, owing to the hostile attitude of Indonesia and the troubles in Borneo. In Borneo the extension of the Defence Agreement meant that Britain could continue to employ its troops there; indeed, a considerable portion of Britain's forces east of Suez are now in Sarawak, where a Malayan style Emergency has been made more complex by Indonesian encouragement, and by the opportunity for the communists to train in safety in Indonesian Borneo. Sarawak may well take the place of the former Indian North-West Frontier, as the area of a local, intermittent war. The fear is that it may develop into something far more serious. Should it do so, the Defence Agreement with Great Britain with which Australia now is associated will remain a very valuable asset to Malaysia.

Secondly (and of secondary importance), Malaya (and Malaysia) has remained within the Commonwealth. The retention of this link, too, is not an emotional tie, but appreciated as useful to the new state. Facilities of all kinds are more conveniently secured, and the exchange of information made easy, by remaining within this loosely associated organization. The final court of appeal has remained the British Privy Council, but on other matters Malaysia is more independent and far less subservient to antiquated custom than Australia; its head of state and state governors for example are no longer imported from Britain. Unlike Australia it feels it has worthy titular leaders of its own.

Many Australians appear to regard the Commonwealth as a number of states associated with Great Britain. London is seen as the centre, with spokes radiating out to the other members, and when Australians talk of Commonwealth relations, they mean relations with Great Britain. Much of worth in the Commonwealth, however, lies in the diversity of its members. Australia should realize, for example, that Malaysia is basically a Moslem state, and that it has intimate links with, and an understanding of, the Moslem world which is denied Australia. Islam in the Middle East or West Asia can affect Australia. The Suez Canal, for example, is an Australian life-line that is also a thin cut through the Arab lands; trouble there is trouble for Australia. Malaysia in this respect, and in others in South-East Asia itself, could be more use to Australia than the United Kingdom. Australia consults with Great Britain; on many matters it would do well to consult more often, and take the views more publicly, of Malaysia.

Like most of the countries of South-East Asia, Malaya did not follow Great Britain or Australia in the South-East Asia Treaty Organization. SEATO was formed in 1954, when the Malaysian territories were still under British control. It was a time of great tension, when the communist world seemed to be preparing for expansion beyond the extended borders of both Russian-occupied Europe, and of China. In South-East Asia, the United States saw only disarray, with French Indo-China falling to the communists led by Ho Chih Minh, and with other territories in jeopardy, particularly Thailand. In an effort to buttress the area, particularly to give multi-nation support to Thailand, the Americans formed SEATO with its headquarters in Bangkok. In addition to the U.S.A., it included Great Britain, France, Thailand, the Philippines, Pakistan, Australia and New Zealand.

Its formation was a mistake. Thailand willingly accepted

the American guarantee of its borders, and the Philippines, hardly aware of the Asian implications, joined as the loyal ally of America and as a determined anti-communist and anti-Chinese nation. But all other nations in South-East Asia refused to join. India was particularly critical, and its relations with the U.S.A. deteriorated alarmingly when Pakistan, uninterested in South-East Asia but anxious to secure allies in its dispute with India over Kashmir, began to receive arms under the SEATO arrangement.

Australia set extravagant hopes on SEATO. It felt that SEATO would be a major factor in maintaining peace, as NATO had been in Europe. It failed to appreciate the almost complete dissimilarity between the two. The North Atlantic Treaty Organization had been formed between nations that shared a common culture and a common past. It followed on a close war-time and postwar collaboration. It was formed out of a common fear of Russian troops, massing nearby and already in possession of much of Europe. Its formation was helped by an increasing movement towards European unity which led subsequently to the European Common Market.

None of this was relevant in South-East Asia. The countries of this region had no shared culture nor any common background, no shared experience, except a loathing of European colonial domination that had retarded them for many years. They did not fear a military invasion by China, and they were not prepared to associate with colonialists like the French and the British in positions of inferiority. There were deep suspicions that SEATO was a device whereby both could cling to their position in Asia, while the blanket attitude of the United States, that everything about China was bad and wrong, was also resented and for many reasons insupportable. A European-dominated defence group in South-East Asia by 1954 was long years out of date. SEATO was a movement completely at variance with the most active, the

most relevant indigenous force in the region – nationalism. No nationalist anxious to see Asia free of Europeans, could consider SEATO for a moment. What Asian nationalist could collaborate with France, for example, or with America, frantically engaged, in 1954, in trying to keep France in Asia?

Anti-communist though it was, friend of Great Britain though it remained, the Malaya of 1957 and the Malaysia of 1963 had no desire to join an organization which it considered ineffective, negative, outmoded and under the stigma of Western domination. The U.S.A. could have achieved its basic aim, the guarantee of Thailand, far better by entering into a simple defence agreement, such as Britain formed with Malaya. In many ways, as SEATO split the states of South-East Asia, and as indigenous regional co-operation was stunted by the presence of this Western group, it is a great pity that this was not done. Australia achieved very little, both in terms of its own defence and in respect of securing a firm standing in South-East Asia, by its membership of SEATO. Malaya, with a better appreciation of South-East Asian realities, could have forecast this in 1954.

One of the most unfortunate effects of SEATO has been the damage it has done to efforts to promote regional co-operation. Malaya was admitted to the United Nations in 1957 and has regarded its membership there, as have all Asia countries, with great pride. Support of the UN is another major plank in its foreign policy. Membership, on terms of equality: this is the crux of it. To have lived in a colonial society and to have been treated as an inferior is to have had the iron eat into your soul. At the UN one can stand up and can participate as an equal. Malayan forces were among the first to reach the Congo, for example. At the UN too, one can explore also the excitement of an Asian equality, and then the more statesmanlike can consider regional applications of this new found, but

deeply rooted, brotherhood. Asia for the Asians is a heart-felt cry, indicating far more than anti-colonialism.

In South-East Asia one of the UN objectives has been to develop and channel the demand of Asian nationalism for equality of opportunity with other peoples. It created ECAFE, in which for some years the Western members played a negative part, blocking all measures introduced by the increasing Asian members who wished to encourage regional economic co-operation. With the advent of SEATO, Asian members of ECAFE split on issue after issue. Only in the great Mekong River Scheme has international co-operation between Asian states managed to bridge the barriers. Thus the hope of Asian co-operation remains but a hope; at least at the UN it can be expressed to one's equals. In SEATO this would be impossible.

In its foreign policy Malaysia has never committed itself to the Afro-Asian block, although to some extent it shares one of the fundamental characteristics of that block; non-alignment. This applies particularly where issues of the cold war in Europe are concerned for Malaysia is indifferent to European affairs. These newly independent states have so many pressing internal problems demanding attention, and are so determined to show their new won independence by keeping clear of the Europeans, that they have adopted a policy very similar to that held for over 150 years by the United States: non-involvement or isolationism. America in the nineteenth century, indeed right up to Pearl Harbour in 1941, was preoccupied with its own problems, and sensitive to any suggestion of Britain that it participate in European commitments. So, too, with most of the Afro-Asian block. They wish to keep clear of the giants of the world, through fear of losing their independent status.

For a long time the cold war was seen basically as a European struggle. The postwar efforts of Russia to extend its borders and to control its allied states in Eastern

Europe, and the moves of the United States and Western Europe to check this expansion by the formation of NATO was a European drama. In Asia and Africa the communist parties led the fight to end colonialism, and as such for some time claimed much of the support of all nationalists. Even when the attractions of communism (such as governmental control of the economy) were outweighed by the disadvantages, and the nationalists assumed increasing power, colonial Africa and Asia could not regard the cold war as other than a European power struggle. Just as the U.S.A. felt it was no concern of hers when Europe three times went under to a tyrant – Napoleon, Kaiser Wilhelm and Hitler – so too did the Afro-Asian group feel much the same with regard to the cold war.

Asians have been accused by Europeans of practising a double morality in that they condemn actions by the Western Powers, but refrain from criticism of communism. Apart from ignoring political realities in that the anti-colonialist struggle was the reason for the emergence of the Asian élite, and that it was the communists who fought hardest for this, the West appears hypercritical in its stand, for it forgets that it too had ideals at home which it never exported. It was not merely the Vietnamese labourers forced to work in France who learnt that liberty, equality and fraternity was a standard for Europeans only, and was not for export. Asians have become accepted as equals of Europeans not because of, but despite the efforts of the West. Asia is independent against European wishes and the end cannot blind Asians to the decades of imposed inferiority.

When seeking for a wholesale condemnation of communism by Asia, one is expecting the Asian to react as a European. Yet the complex civilization of Europe is not the complex civilizations of Asia. There are marked differences, and so the reactions by the inheritors of those

civilizations to what is itself a rapidly developing and complex phenomenon are different too.

Chinese communism now places this in a new light. The cold war is seen as not necessarily European. It would, however, be fatal for a nationalist, even at this stage, to align himself irrevocably and outspokenly on the side of the former colonialists. SEATO is still regarded as untouchable, and India finds Asian allies very difficult to secure. But not one country has turned communist; not one country is openly against the West, or, rather, against the national independence and liberty acquired from the West. That in itself is remarkable, in view of the many attractions that the planned economics of Russia and China have for underdeveloped states seeking economic development.

Malaysia is far more anti-communist than most, and its independent but well considered line in the UN on many issues has given it a standing far greater than its size would warrant. Moreover, its struggle in 1963 to be elected to the Security Council, where it represents both Asia and the Commonwealth, has led it, along with other Asian states that feel the Afro-Asian group represents their best interests, to associate itself actively with endeavours to create a solid Asian voting block, and so break clear of the Africans. This may indicate a waning in the hitherto cohesive, if negative appeal of anti-colonialism, and suggest that a new regional factor of some importance in the UN is emerging.

Although its independence was secured without bloodshed (excluding that lost through fighting the communist imperialists), this does not indicate that Malaysia's feelings over colonialism are not deep. As a basic plank in its foreign policy, Malaysia opposes all forms of imperialism. It was active at the Commonwealth Prime Ministers' Conference in 1960 in demanding that the Union of South Africa withdraw. The Union's racial policies, its suppres-

sion of the Africans, was thought by some (including Australia) to be an internal matter; but Malaya felt it was a form of colonialism, a racial attitude of inequality that it had to oppose. South Africa withdrew from the Commonwealth, while Malaya, and now Malaysia, bans all trade with it.

Similarly, Malaya supported Indonesia in its long campaign to secure West Irian from the Dutch. Tengku Abdul Rahman, anxious to encourage regional peace, endeavoured to negotiate personally, and although he failed, there was a general feeling that the continued presence of the Dutch in South-East Asia was a perpetuation of colonialism, and to this everyone was opposed. When the Dutch left early in 1963 there was a general hope that now Indonesia would put its house in order. In this Malaysia, and the rest of the world, has been disappointed, but it has not reconsidered that its support of Indonesia on the West Irian dispute was incorrect.

Malaya was one of the first states in South-East Asia to lift its eyes from its internal problems, perhaps because it belonged, through its religious faith, to an international brotherhood, and because its UN and Commonwealth links also predisposed it to consider international obligations. Regional co-operation has been a major plank in Malaya's foreign policy. The formation of Malaysia itself, if the reason is not exclusively security, is an example of this. Earlier, Malaya had painstakingly formed the Association of South-East Asia (ASA) in which the Philippines and Thailand came together in 1961 to promote economic, social and cultural co-operation. Both Burma and Indonesia also had been invited. Burma had considered joining, but felt that ASA was under SEATO sponsorship and withdrew. Indonesia was not interested in a regional body it had not initiated.

The three countries that did meet came together again in 1962 and 1963, and useful work was done, including

the formation of a $M9 million fund to promote cultural and social co-operation, and the joint development of tourism. All this lapsed after the formation of Malaysia and the non-recognition of it by the Philippines. As secretariates, etc., are still in existence, however, ASA may revive.

Regional co-operation in South-East Asia has many difficulties to contend with, for the region is so diverse, so lacking in incentives to co-operation, so new and unaware of itself that, although the desire for a greater co-operation is everywhere apparent, at all levels, the practical internationalism this calls for is still a scarce commodity. Malaysia and Thailand maintain their independence of each other (even with ASA) almost as vigorously as do Australia and New Zealand. It is possible, however, particularly if Indonesian hostility continues, that Thailand and Malaysia will draw closer together, and collaborate to their mutual benefit.

The impact of the Philippines in South-East Asia has been negligible until very recently, but friendship with it as a neighbour is also an accepted feature of Malaysian foreign policy, which anticipates the resumption of diplomatic relations and the amicable settlement of the Philippine claim to Sabah. Good fences make good neighbours. Until both states have settled clearly their boundary, relations are sure to suffer. It is felt that this fence will soon be repaired.

The dispute between the two may well be settled before this is printed. It is difficult to take it seriously. The claim is based on the wording of the agreement whereby in 1878 the Sultan of Sulu ceded, or leased in perpetuity, a number of rivers on the mainland of Borneo over which he exercised sovereignty. The Philippines claim that these rivers were merely leased, and they want them back. They claim all Sabah in fact, although they have not disputed the naming of the rivers, which all flow into the Sulu Sea.

One, the southernmost, is now in Indonesian Borneo. Nor have they disputed the fact that the Sultan of Brunei and his relatives from 1877 onwards also ceded all those rivers in Sabah that flow into the China Sea. Despite this, all of Sabah is claimed.

The Republic of the Philippines faces other difficulties. There has been a long succession of international treaties which have recognized the boundary of the Philippines as running nine miles off the coast of Sabah. This same boundary is defined in Article One of the Republic's own Constitution. This precedent is formidable; to deny its validity will be most difficult.

There are grounds for believing that the Philippine claim was the result of internal politics, and that President Macapagal has become more involved than he had anticipated. Foreign affairs are often difficult for a politician, and this dispute is harmful to the best interests of all concerned, particularly the Philippines, which is losing friends by prolonging it. In Sabah, of course, there is fury.

Malaysia then is an independent state, Moslem by faith, democratic by practice and a member of the Commonwealth by choice, a supporter of the UN and an active worker for peace in South-East Asia. In its foreign policy there is not one major issue on which it holds a view basically at variance with Australia's. Australia in many ways has a shared experience, and links between the two countries are strengthening. In Australia's own interest then, there is offered, through Malaysia, a unique opportunity for a dialogue with Asia.

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North Borneo (Sabah): *Annual Report.*

Sarawak: *Annual Report.*

Singapore: *Annual Report.*

(It is probable that these Reports, which contain a wealth of the most up-to-date information, will be combined into one official year book within the next few years.)

J. M. Gullick: *Malaya* (London, 1963).

T. H. Silcock & E. K. Fisk: *The Political Economy of Independent Malaya.* (Canberra, 1963).

CHAPTER 7. Readers in Australia should seek articles in *The Australian Outlook* (The Journal of the Australian Institute of International Affairs) and other reputable Journals.

The Malaysian High Commission at Canberra also will supply information, as well as the Department of Information, Kuala Lumpur.

MAPS. Good wall maps and other illustrations of Malaysia, together with all official publications, can be secured from Donald Moore Ltd, Kim Yam Road, Singapore 9.