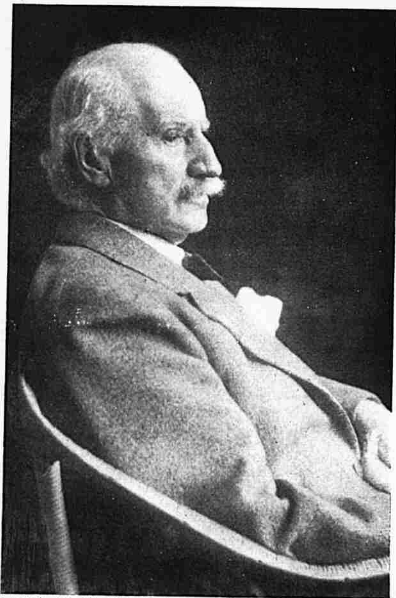
A HISTORY OF MODERN SABAH



e portrait of Sir Alfred Dent is taken from a slide found among the records of the tish North Borneo Company. It is reproduced with the kind permission of his son, L. A. Dent, Esq.

SIR ALFRED DENT
Founder of the Chartered Company

A HISTORY OF MODERN SABAH

(North Borneo 1881 – 1963)

BY

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PREFACE

THE British North Borneo (Chartered) Company was formed in 1881 to administer the territory of North Borneo, over which it had acquired sovereign rights. Chartered Companies were already in disfavour when the great East India Company was dissolved in 1858, and it was surprising to some that this mode of government should be again revived. Its initial success, however, led to the formation of other, more famous, companies in East, West and South Africa, and (by Germany) in New Guinea. These had their day and died, while, little noticed, the unique form of government which they typified was continued in North Borneo. For sixty years (1881–1941) the Chartered Company governed the State, surrendering its sovereignty only in 1946.

The British North Borneo Company was not only the longest lasting of the nineteenth century Chartered Companies, but it was also the only one that preserved its documents. With their help, the history of the Chartered Company is here told in full, for the first time. Piled haphazardly in tin trunks in London are numerous bundles of letters and documents of the Company, and these reveal how an American attempt to found a colony in North Borneo led, step by step, to the formation of the Chartered Company. Other records, official and unofficial, published and primary, in both London and North Borneo, tell the history of the Company and of the territory of North Borneo. It is a little known but very creditable history, a sixty-year rule that produced from warring and poverty-stricken anarchy a peaceful and contented people and an ever-expanding economy. In the light of present-day conditions in South-east Asia this is an achievement that should not be belittled, and one that may well be envied.

The research necessary for the compilation of this book would not have been possible had not the Trustees of the Gowrie Trust in Australia and the Nuffield Foundation in London seen fit to

award me a Patrick Hore-Ruthven Scholarship and a Dominion Travelling Fellowship respectively, which enabled me to spend three years of study at New College, Oxford, and at the Colonial Office, London. The kindness of the late General Sir Neil Malcolm, K.C.B., D.S.O., and of Sir Dougal Malcolm, K.C.M.G., former President and Director of the British North Borneo (Chartered) Company, who invited me to narrate its history, and who secured for me the permission of the Permanent Under Secretary at the Colonial Office, Sir Thomas Lloyd, G.C.M.G., K.C.B., to consult not only all its records which had been handed over to the Colonial Office on its voluntary liquidation in 1946, but also the rare privilege of perusing all Colonial Office correspondence relating to Borneo between 1881 and 1941, is also acknowledged with gratitude, as is the help given me by the head librarian of the Colonial Office Library, the late Mr. A. B. Mitchell, M.A., and by his staff, and the advice and encouragement given to me by Mr. Francis Carnell, M.A., B.LITT. at the University of Oxford.

The Nuffield Foundation and the University of Malaya both made funds available to me to visit and travel extensively in North Borneo and Brunei, and to work on the Chartered Company records in Jesselton. I thank them both.

In North Borneo itself I was helped by the assistance of the Governor, General Sir Ralph Hone, K.C.M.G., K.B.E., M.C., T.D., and by discussions with former members of the Chartered Company, in particular Messrs N. Combe, M.C., J. Maxwell-Hall and W. K. C. Wookey, and also by the District Officer at Kota Belud, Mr. George, the head of the Anglican Church in Sandakan, Father Lomax, Father Walsh of the Roman Catholic Church there, and Mr. Chin Yong En, of Jesselton.

Draft chapters of this book were read and criticized in North Borneo by old Chartered Company employees, in particular Mr. Wookey, and in Singapore by Dr. E. Stokes and I. Polunin of the University of Malaya. In addition, valuable information was gained by conversations with Mr. R. K. Hardwick who drew freely on his fifty-year knowledge of North Borneo. In London an insight into an earlier age was given me by conversations with the ninety-year-old widow of W. C. Cowie, who left North Borneo in 1888.

The compilation of this research was encouraged in Singapore by Professor C. Northcote Parkinson, PH.D., M.A., Raffles Pro-

fessor of History at the University of Malaya, and saddened by the death in Adelaide of my old professor, Garnet Vere Portus, M.A., B.LITT., Emeritus Professor of History and Political Science at the University of Adelaide, who enabled me to secure the Gowrie Scholarship and the Nuffield Fellowship, who was my guide and friend, and to whose memory I dedicate this book.

K.G.T.

Singapore
1957

PREFACE TO THE SECOND EDITION

Since this book entitled *Under Chartered Company Rule*, was first written, Sabah has obtained its independence, after living through a brief but eventful period as a British Colony. The need for a new edition of this book has enabled me to add a new chapter dealing with that period (1946–63), to retitle the book, and to make various minor corrections and amendments to the text.

K. G. TREGONNING

Singapore
1964

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BACKGROUND

BORNEO, the third largest island in the world, lies across the equator to the south-east of the mainland of South East Asia. The tropical climate is hot, and very humid. Unlike the volcanic islands that partly encircle it, it belongs geologically to the old non-volcanic Sunda Platform, and was once, it appears, part of the mainland of Asia, from which it is now separated by the shallow Java and China Sea. To the north the land falls away quickly to great depths of ocean.

The island is almost entirely covered by dense forest. The two major mountain ranges stretch approximately from north-east to south-west, and from east to west across the island. The central massif slightly north of the equator is still partially unexplored. Some peaks are too high for vegetation other than mosses and stunted bushes, but elsewhere great trees compete for life with a luxuriant undergrowth of younger and smaller trees, and a rich variety of palms, creepers and ferns. Many species of Asiatic mammals thrive in the forest. These include the rhinoceros, the elephant, several species of monkey, and two of the anthropoid ape, the gibbon and the orang-utan; the pig, the deer, the scaly ant-eater, and the small black bear. There are also seventy varieties of snake, and some 450 varieties of birds, some with gorgeous colouring and strange and beautiful in form, and basking in the many streams as they flow sluggishly through the coastal mangrove swamps towards the inevitable bar are numerous crocodiles.

By far the greater part of the island is uninhabited. In the far interior, high in the upper basins of the rivers, wander small bands of Punans, 100,000 or so of the most primitive, the most inoffensive and timid of nomads. Most of the remaining groups of indigenous peoples keep closely to scanty clearings by the river banks, but the semi-nomads, who burn clearings in the tropical forest in the way characteristic of their kind throughout the world, grow dry rice on hillsides often far from any stream. Whether nomadic

or not, the indigenous native is separated from the coastal people by the sharp cleavage of religion. Those on the coast, whether Malay, Sulu, Illanun or Bajau, are all, to a lesser or greater degree, Muslim; those inland are pagan.

Islam was spread to Borneo, as elsewhere in the archipelago, by Indian and Arab traders and merchants along the sea routes. In 1292 Marco Polo had found Islam established by 'Saracen' traders at Perlak, a small port on the north coast of Sumatra. The strength of the Hindu Empire of Java was perhaps responsible for the fact that its spread at first was slow: but after the fast-growing port of Malacca embraced the faith early in the fifteenth century, its growth was more rapid. Sometimes little more than a decade before the arrival of Europeans, Islam was adopted by the coastal peoples of Sumatra, the Malay Peninsula, Java, Celebes, Borneo, Sulu and the southern Philippines, and contributed in no small measure to the overthrow of the Madjapahit Empire. Long after it had collapsed the Indians and Arabs were still spreading their faith, and by the seventeenth century were far to the east, endeavouring to convert the Papuans.

Amongst these traders who sailed the sea lanes of the archipelago, legend tells of three sons of a rich Hadramaut merchant who had married the daughter of the Sultan of Johore. One took the faith to the Philippines; another became Sultan of Sulu; while the third, the eldest, married the daughter of the Chinese-blooded Sultan of Brunei, in north-west Borneo, and became, on the death of his father-in-law, the reigning Sultan.

The Chinese had been in Brunei a long time. It is referred to in Chinese Annals from as early as the seventh century A.D., and accounts are more detailed during the Ming period (1368–1644). Trade became constant and it would appear that settlements of Chinese were established. The slopes of the river banks leading to Brunei encouraged the growth of pepper which found a ready sale in South China. Its cultivation became the monopoly of the Chinese, whose presence, and the knowledge of the power they represented, encouraged Brunei to shake off the overlordship of Madjapahit; to be the first of the States of the archipelago to send ambassadors to China; and then, in the fifteenth century, to embark on a career of conquest. When a Muslim Sultan came to the throne fresh vigour was given to Brunei expansion. With piety allied to piracy, her power spread.

Her wealth was increased by the fall of Malacca to the Portuguese in 1511. Many Muslim traders fled from the Christians and sought a new centre in Brunei, standing stilt-like on a shallow bend of the only Bornean river without a sand bar at its mouth. She became the bazaar of the northern islands, and when the first European arrived she was at the height of her power, having subjected all the rivers of north and west Borneo, and beyond. Pigafetta, chronicler of Magellan, visited Brunei in 1521, and was received with royal pomp and state.

The three great modern influences on the archipelago, the European, the Chinese and Islam, had all arrived: but they were to pass her by. For nearly 400 years the story of North Borneo is one of decline. The power and the ardour of the Sultan diminished. The conquered territories broke away, were ceded away, or lapsed into feudal isolation. The Chinese stopped coming, for they found greater wealth and security nearer the European trader, and he had found richer prizes elsewhere. Brunei's importance as a trading centre steadily diminished, and as trade decreased poverty and the tenets of the new religion stimulated a great increase in piracy. Slowly she disintegrated.

CHAPTER ONE

THE AMERICAN COLONY

By the middle of the nineteenth century various attempts had been made by European Powers to settle in Borneo. Almost without exception they had failed. The Portuguese had contented themselves with the most infrequent of trading visits. From Manila the Spanish had sent an embassy and later a punitive expedition against piratical Brunei. The Dutch were clinging precariously to the southern coast, and the British, after the failures of Soekadana, Banjermassin and Balambangan, were in possession of the minute island of Labuan in Brunei Bay.

Ceded by the Sultan of Brunei in 1846 and ratified by treaty the following year, the island had been occupied partly to tap the trade of the northern islands, and partly to make safe the China Seas. British China-bound ships, after passing the three well-lit bazaars of Penang, Malacca and Singapore in the dark thieves' alley of the Malacca Straits, faced a lonely and perilous path across the China Sea to Canton. Labuan and Hong Kong lessened the dangers.

By order of Palmerston the island was occupied, and the first civil governor was James Brooke who, alone of the adventurous Englishmen who had tried, had succeeded in settling in Borneo. Both Alexander Hare in the south (though helped by Raffles), and Erskine-Murray in the east had failed, as Wilson was to fail in Sumatra. Brooke was the exception. In return for annual payments he was granted the governorship of a rebellious province by the Sultan of Brunei, and gradually assumed authority over an ever-increasing area of the Sultan's territory. Aided occasionally by units of the British Navy, he drove away the pirate fleets from the north and slowly extended peace and order along the coastline of western Borneo.

Apart from Great Britain, the only other western power to enter into relations with the shrinking Sultanate of Brunei was the United States of America. There had been American interest in South-east Asia as early as the close of the War of Independence;

idle privateers had found a market in America for Asian produce, and by 1801 some thirty or more ships annually reached Canton. It appears that their business was not always strictly legal. For it was reported from the newly founded Singapore that 'the pirates from Borneo were supplied with munitions from American craft, usually lying off Penang. And here perhaps our transatlantic brethren have done some good, as the gunpowder they sell will not explode.'[1] By the early eighteen-thirties, when American clippers began sailing across the blue waters of the Pacific, diplomatic relations with Far Eastern countries were being established.

America's policy was to obtain for herself all the advantages that had been secured by other western powers in their individually negotiated treaties with Asian countries. An American visit to Brunei in 1845 in pursuit of this objective had been fruitless, partly because of the blunderings of the drunken servant Rajah Brooke had loaned as interpreter. The principle was affirmed in 1850, however, when a treaty was signed, securing for the U.S.A. all the privileges of the most favoured nation. America transferred her interest to other countries, and again, as for centuries before, Brunei stagnated and decayed. Then in 1865 came the first vital spark of the modern age. Writing in great alarm the British Consul at Sarawak told London that the Americans were implementing the almost forgotten treaty; that they had appointed a Consul to Brunei; and that the efforts of Rajah Brooke to annex more of the Sultan's territory might now come to nought.[2]

The American Consul, Charles Lee Moses, ushers in a preposterous incident out of which was to emerge the British North Borneo Company.[3] He appears to have been an adventurer pure and simple, a discarded member of the lower deck of the United States Navy. On arrival at Labuan, the nearest port of call to Brunei for European vessels, he had to borrow money to pay his fare from Singapore and his immediate and only object seems to have been the acquisition of wealth. He acted swiftly. Within a few days of his arrival at Brunei he secured, on the promise of certain payments to the Sultan and the Pengeran Tumonggong, the heir to the throne, the cession for ten years of a large tract of Brunei

[1] J. H. Moor, *Notices of the Indian Archipelago* (Singapore, 1837), p. 23.

[2] Public Record Office, F.O.12/32, British Consul, Sarawak, to Foreign Office, 30 July 1865.

[3] For a detailed description see *The Pacific Historical Review*, November 1954, 'American Activity in North Borneo, 1865–81', by K. G. Tregonning.

territory to the north. Armed with the cession papers he left immediately for Hong Kong.

His action had created grave alarm. On Labuan the British company working the coal mines feared that the American cession would prejudice British interests in North Borneo, by which they meant their own, while south in Sarawak there was a fluttering of the dovecotes with talk of the fine harbours America had acquired, and of how either alone or with her old ally France, then establishing herself in Indo-China opposite, she could dispute the passage of the British fleet and intercept merchant men in the China Sea. An American colony round a naval depot would inevitably absorb Brunei, and then interfere with Brooke. So it was reasoned in Sarawak. Hastily the despatches sped to London.[1]

Meanwhile Moses, swift to secure the concessions, sold them just as swiftly. They were acquired by two American merchants of Hong Kong, Joseph W. Torrey and Thomas B. Harris, and a Chinese partner Wo Hang. He soon withdrew, and was replaced by Lee Assing and Pong Ampong. The four agreed in October 1865 to take over the cessions, to form a company which they styled 'The American Trading Company of Borneo', and, with $7,000 as capital, to invest it in this newly acquired territory.[2] Moses undertook to extend the protection of the United States to any settlement in Borneo in return for a third of the profits. He stipulated that no flag other than that of the United States was to be hoisted, and that the laws of the U.S.A. were to be adopted.

A settlement in Borneo was decided upon; labourers collected; a dozen or so Americans interested in the scheme; and early in November the party sailed. Torrey was appointed Supreme Ruler and Governor, and given the titles of Rajah of Ambong and Marudu, and Sir Maharajah of North Borneo by the Brunei Sultan, who vested him with the power of life and death over the inhabitants, the right to coin money and make laws, and all other powers and rights exercised by a sovereign ruler. Sailing north from Brunei the little expedition settled at the mouth of the Kimanis River, some sixty miles away, where a track led into the interior. Here sixty Chinese and twelve Americans settled on the small river plain, hacking at the jungle and mangrove to build a

[1]These are in the P.R.O., F.O.12 Series.

[2]Articles of Partnership of the American Trading Company of Borneo (Doc.8, B.N.B. Papers).

flimsy stockade and precarious jetty. The settlement, named 'Ellena' by Torrey, had fluttering over it by December 1865 not only the star spangled banner of the U.S.A., but also the Red Star, the house flag of the American Trading Company.

In an effort to raise funds Torrey sped back to Hong Kong, appointing one Joseph W. Wheelright to be Lieutenant Governor of the State of Benomi and Kimanis, and advising him to encourage more worthy habits of morality and industry among the natives. In this he failed lamentably. While Torrey was away Ellena slowly stagnated. The Chief Secretary, Thomas B. Harris, who had helped Torrey to acquire the cessions from Moses in October, died in May, after an adventuresome trip through jungle and over the then unknown Crocker mountain range to Keningau.[1] Three other Americans left, and the labourers, whose term of service had expired, became more and more dissatisfied. They had cleared some ninety acres of swampy jungle land by the river, and planted rice, suger-cane and tobacco; but with hardly any money to buy food, and with very little rice stored in the settlement, they slowly starved.

Moses, who had followed Torrey to Hong Kong, was becoming desperate. As no money could be extracted from Torrey, who was himself pressed by his Chinese partners who had supplied most of the funds, Moses turned to more disreputable acquaintances. Aided by a glowing report in the *Overland China Mail* of 'the first American colony away from their home land',[2] he met a dozen or so Germans, bold determined men rich in an experience of lawlessness hard gained on the gold-mining fields of Australia and California, and he persuaded them to leave their boarding houses in Macao and Hong Kong and to sail with him to Borneo on a general filibustering expedition. Yet again he was disappointed. The sixteen Germans, led by a man named Rohde, a former mercenary in the pay of the T'aeping rebels, ran their ship aground on the old underwater barrier of stones guarding Brunei; there they terrified the Sultan by saying that they were now Americans and had come to settle, but, after one look at dying Ellena, they departed without incident back to the inns and alleys of Macao, leaving Moses penniless and alone in the consulate of Brunei.

[1]His tombstone at Kimanis is the only indication today of the American settlement.

[2]*Overland China Mail* (Hong Kong), 14 April 1866.

The Kimanis settlement lasted a little longer, but was abandoned towards the end of 1866. Torrey never returned. The labourers still living obtained employment in the decrepit coal mines of Labuan, where Moses made another attempt to secure some money. Wheelright had rejected him at Ellena, and had thus been guilty, said Moses, of treason to the United States; he was to be equally unsuccessful at Labuan. Our last glimpse of this American venture is of Henkel, sent by Torrey to superintend the evacuation, reporting to the Governor of Labuan, Hugh Low, that the company had been a complete failure. Moses made a last gamble; after furtively firing his attap hut which bore the impressive title of 'United States Consulate', he demanded a large sum as compensation from the Sultan. He had not, however, received a single cent from either Moses or Torrey throughout the whole sorry business. Moses stood no chance of securing money from him. A gunboat of the American Navy sent to investigate agreed with the Sultan and declined to press the charge. Moses left Labuan in 1867, and drowned on his way back to America. After this the Americans left Borneo for a time.

Among the nations of western Europe the desire for colonies was increasing. In Africa the scramble was about to begin; in South-east Asia the Dutch, the British and the French were on the threshold of great expansions of power and territory, and the aged colossus of China was even then being regarded as perhaps worthy of partition. It is in the spirit of this land-hungry age then that we find the empty spaces of North Borneo appealing to yet another new nation, Italy. In 1870 she conceived the plan of establishing a penal settlement on Banggi Island, alongside Balambangan Island where the East India Company factory had been sacked by pirates a hundred years before, and of creating a ship depot in Gaya Bay, both in territory ceded to Torrey. Their project was opposed by the British on Labuan, and came to nothing as did their plan for a penal settlement in Sumatra.

The cessions granted to Moses and subsequently transferred to Torrey had been for a period of ten years. Torrey had not lost hope of exploiting them in some way and endeavoured to interest various people in them. He approached the government of the United States. It had informed the British in 1866 that Moses was acting on his own authority in securing the cessions, and it informed Torrey that it did not encourage investments outside the

United States. Nevertheless, although Torrey was rebuffed, the American Navy appears to have considered several times the possibilities of Banggi Island as a naval depot, and the British, with painful memories of privateers in the Civil War, carefully noted its interest.[1]

Unsuccessful in the States, Torrey was more lucky in Hong Kong which, for a colony full of business men, was passing through a remarkable period of credulous optimism in regard to Borneo. In 1875, when the cessions were due to expire, he returned to Brunei with Baron von Overbeck, the Austrian Consul General at Hong Kong, a large man aged forty-four, of both courage and ability. A native of Lippe Detmold in Germany, he had spent his adult life firstly as a migrant to America, then as a whaler in the Bering Sea based on the roaring hullabaloo that was Honolulu in the eighteen-fifties, and subsequently in business in Hong Kong, where he had assisted the Austrian government in several ways and had been awarded a barony and consulate in return.

He had been interested in the concessions as early as 1870, and he finally decided that they were worth preserving. In search of support he interested two friends of his in London, Count Montgelas at the Austro-Hungarian Embassy, and A. B. Mitford (later Lord Redesdale), and some business men in Vienna. He visualized a highly profitable re-sale to his government, as yet colony-less in a colony-grabbing era. With his friends an agreement was signed on 11 July 1874, by which he was to provide £2,000, the others adding £1,000 each; he was to acquire the cessions and receive two-thirds of the profit from any re-sale.

The business men were more cautious. Inquiries were made, strings were pulled; and nearly a year later, in May 1875, an Austrian corvette arrived at Labuan, having been attacked by pirates on the way. The captain inquired of Hugh Low what the prospects and position of the American Trading Company were. He was informed, and the information no doubt was passed on to the capitalists in Vienna who had instigated the inquiry, that no such company existed on the coast of Borneo. The Viennese interest faded.

Overbeck meanwhile had returned from London, and in Hong Kong in January 1875 he purchased for $15,000 all the rights

[1] In particular, see P.R.O., F.O.12/38 Consul General Borneo to Foreign Office, 17 August 1872, and F.O.12/55, 8 March 1880.

possessed by Torrey in the American Trading Company of Borneo, on the condition that within nine months a renewal of the present leases should be obtained. Together they sailed to Brunei, where disaster, in the shape of an aged and stubborn Sultan, awaited them. He refused to renew the leases; said nothing had been right with the American company from the beginning; and strengthened by advice from Low on Labuan, rejected all their offers. They were more successful with the heir to the throne, the penniless and avaricious Pengeran Tumonggong, and concluded an agreement with him. The American Trading Company was released from all past liabilities on payment of $1,000, and on 21 June he signed a renewal of the leases for another ten years. To this document the Sultan refused to affix his 'chop', and Low pronounced it worthless. With this Overbeck had to be content, however, and the pair returned to Hong Kong.

Several others were by now interested in North Borneo. Wheelright was endeavouring to obtain Gaya Island and the village of Gantisan on the mainland opposite. This came to nothing. Another who considered the possibilities of acquiring land in Borneo was a young Scotsman, William Clarke Cowie. Twenty years later on returning to England he became by degrees Managing Director and Chairman of the Chartered Company, and historians have been misled by the claims he then made, that he had founded North Borneo, and that he had made it British. The facts are otherwise. He and Rajah Brooke nearly strangled the Company at birth.

At this time the Spaniards in the Philippines were engaged on one of their intermittent campaigns to conquer the Sulu Archipelago, a chain of lovely lonely islands stretching from the south Philippines to the horizon of eastern Borneo, an island group which they had been endeavouring to subject for the past 150 years. W. C. Cowie was the Borneo manager of a small Singapore firm, the Labuan Trading Company, which was endeavouring to make money out of this campaign, by running the Spanish blockade of Jolo, the principal island, and there selling arms and other contraband to the Sulus.

The diminutive ships of this gun-running concern were staffed with young adventurers little different from the Germans of Macao, and plied from Labuan. To this port, a convenient caravanserai between Singapore and Sulu, there was one objection. It

harboured a Spanish agent, a character fit for Conrad, Father Cuareteron. A Spaniard from the Philippines, he had discovered while trading in those waters the wreck of a Manila galleon, one of those that traded yearly from Acapulco, laden with Mexican dollars for the silks and fine things of the east. Some of this wealth he salvaged, and inspired by a number of motives, religious, patriotic and quixotic, established himself as a missionary in the stinking backwater of Labuan, there to labour for Spain on the nearby mainland.

Several times the German and British captains of the Company were surprised, their cargoes taken, and their bodies manhandled by the Spaniards acting on information sent them from Cuareteron. The little steamer of the Sultan of Brunei, who had endeavoured to secure a portion of the profits, became a Spanish gunboat. Cowie then obtained the permission of the Sultan of Sulu for his Company to establish their depot deep in the immensity of Sandakan Bay on the other coast of Borneo, facing Sulu, and completely isolated. Though in territory claimed by the Sultan of Brunei, and ceded by him to Moses, it had been given to the Sulu Sultan in 1704, in return for help in suppressing a rebellion.[1]

This vantage point, remote from the eyes of any other European, was also scarcely inhabited by the indigenous native. Then as now, the heavily timbered east coast of North Borneo had an extremely meagre population. From a small kampong or village, which became known as 'Kampong German' Cowie and those with him, Captain Ross, Otto Sachsze, J. E. Hofft, Hanz Olzen, Lerhott, R. Armstrong, A. Morton, L. Wyndham and Captain Schuck, to rescue a few names from oblivion, slipped across to Sulu. Torrey, however, waiting to be paid by Overbeck for the cessions, considered that he still possessed rights to the territory. So when Cowie arrived at Hong Kong in 1876 with a cargo from Sandakan, he was charged a percentage of the profits, in lieu of export and import taxes, by the American Rajah of Ambong and Marudu. Cowie convinced Torrey that the cessions as regards Sandakan were worthless, but was then interested by him in the advantages to be gained if he could secure a cession of the land from the Sultan of Sulu. He was urged to throw in his lot with Torrey, and share the profits either from the trade that could be developed

[1] A. Dalrymple. *A Full and Clear Proof that the Spaniards can have no claim to Balambangan.* (London, 1774) p. 31. For Cuareteron, see K. G. Tregonning, *North Borneo* (London, 1960), pp. 122–4.

there or from a re-sale to a European power. Cowie consulted Karl Schomburg in Singapore, the head of his Company, who refused to consider the idea. The plan was abandoned. Shortly after the Labuan Trading Company found the profits of their trade disappearing, the Company was wound up; and Cowie, securing one of its steamers, the very one he had helped bring out from Glasgow, went into a trading partnership with his friend, the still unconquered Sultan of Sulu.

Overbeck by this time had spent nearly all his capital. He returned to London in an unsuccessful attempt to seek fresh funds from the Embassy. Neither Mitford nor Montgelas were willing to advance more. He endeavoured to seek aid from Germany, but his titles were not clear enough, and besides, he was a decade too soon, for Bismarck was not to undertake a Pacific expansion until later. In desperation Overbeck approached Alfred Dent, the young head of the reorganized firm of Dent Brothers with whom he had once worked. Dent was aged 33, his brother 30. Neither was to be anything more than a normal, obscure, rather insignificant London business man for the rest of his life; yet in this enterprise they were to work enthusiastically, courageously, and most tenaciously to accomplish great things; especially outstanding was the ability and vigour of Alfred Dent who saw immediately the possibilities of the scheme if backed with sufficient capital. His success was to have a significance far greater than could be imagined. Vast new territories in Asia and Africa were to be added to the white man's burden, and the British flag was to wave over lands that had been primeval jungle when Overbeck met Dent in the city of London. On condition that the chief control and management of the affair be handed over to him, Dent advanced Overbeck £10,000 and sent him out to Borneo; and his was the powerful directory intelligence behind events from that time onward.

CHAPTER TWO

THE BRITISH COMPANY

IN Singapore, in great secrecy, Overbeck chartered a small vessel, the *America*, and with Torrey on board sailed for Labuan. Here they encountered the young and enthusiastic administrator who was later to be the first governor of North Borneo, and then to succeed Swettenham as Resident General of the Federated Malay States, William Hood Treacher. The Chartered Company was to receive guidance throughout from the Malayan Civil Service; and this guidance was worthily begun by Treacher. Overbeck felt forced to tell him that his object was to visit Brunei, and there buy the American cession, and form a company to develop the resources of North Borneo. At the idea of a civilized administration exercising control over what was wild lawlessness Treacher was in full agreement. He pledged his support, provided that the company so formed was British, and he suggested to Overbeck that, as it seemed that the cessions of the American company were worthless, he should negotiate with the Sultan of Brunei for a completely new lease. He also advised that the cession should be made subject to the consent of the British government, and that a clause should stipulate that the grant would not be transferred to the citizens of a foreign state without British approval. To these suggestions Overbeck agreed, and sailed upstream to Brunei.

Overbeck had no intention, however, of being hampered in any future transactions by the restrictive clauses Treacher had suggested. Both he and the Dent brothers had gone into the affair merely to acquire the territory and then sell it to whatever government was interested, Austria being their main hope.[1] They had not considered, at that stage, the idea of a chartered company, or of administering North Borneo themselves. Overbeck, out of sight of Treacher, pointed out to the aged Sultan that these clauses which Treacher had informed him were advisable were

[1]Overbeck to A. Dent, 12 May 1880.

those desired by the British government. But, he asked, what had the British done to help Brunei? And were the British the rulers of Brunei, that they could instruct him in what to do?

Overbeck was supported in this persuasion by his dollars, the first the Sultan had seen in all these negotiations. Enraptured, he was won over. The clauses suggested by Treacher were omitted, and after much haggling and discussion in which the leading Chinese intervened decisively in Overbeck's favour, the documents were drawn up and, on 29 December 1877, signed. The Sultan, in three grants of territory from Gaya Bay on the west coast to the Sibuco River on the east, and the Pengeran Tumonggong, in a grant of his west coast possessions, the rivers Kimanis and Benomi, ceded to Overbeck and Dent, with all the powers of sovereignty, some 28,000 square miles of territory, embracing 900 miles of North Bornean coastline, for a total yearly payment of $15,000. This meagre rental reflects the state of affairs. The territory had long since ceased to be under Brunei control and failed to bring in any revenue. The Sultan received $15,000 for nothing, and he was well pleased.

At the conclusion of the negotiations Overbeck, who had learnt that the north-east coast, which comprised a large portion of the ceded territory, was in the hands of the Sultan of Sulu, made peace with Treacher. It was a wise move. He realized that no enterprise in North Borneo could prosper without the goodwill of the British. He decided to go to Sulu and in any treaty he could conclude there he would insert the restrictive clauses desired by Treacher. After consulting Cuareton on the Spanish position he sailed with Cowie for Jolo, the chief island of Sulu and at that moment fiercely besieged by the Spaniards, who were closer to conquest of the archipelago than they had ever been before. Treacher, taking advantage of a visiting British warship, went too, anxious to keep an eye on Overbeck, and glad to leave the low-lying loneliness of Labuan for the cool slopes of hilly Jolo.

Both vessels anchored at Meinbong on the southern side of the island, the capital being in the possession of the Spaniards, and after some negotiating with the hard pressed Sultan, Overbeck secured, on 22 January, the cession of the Sultan's North Borneo possessions for an annual rental of $5,000. Treacher, who had advised the Sultan to sell, saw to it that the agreement stipulated that the territory would not be transferred to another nation

without the sanction of the British government, to whom all disputes between the Sultan or his heirs, and Overbeck or his successors were to be submitted.[1]

The Sultan claimed that he possessed the land as far south as the Balik Papar River, and wished that to be named the southernmost limit of his cession. But Overbeck, fearing to antagonize the Dutch if land so far south were ceded to him, inserted the Sibuco River as the boundary. The Sultan most reluctantly agreed, realizing that by so doing he abdicated his claim to the territory farther south, territory where later large oil deposits were to be discovered.

Overbeck, satisfied, then returned to Singapore to calm his anxious partner. He left William Pryer, one of his entourage, in Sandakan Bay, with the imposing title of Resident of the East Coast. Pryer is one of the most engaging figures in North Borneo history.[2] By his courage and enthusiasm he was to make safe and secure the fragile European occupation of the east coast. As the founder of the modern town of Sandakan he is unfortunately hardly remembered there. But he deserves to be remembered as the outstanding member of the small band of pioneers who made North Borneo into the peaceful and contented land it is today. Overbeck told him to cultivate friendly relations with the local chiefs, and only to introduce changes gradually and with due regard to the existing customs of the people. Pryer was warned not to permit any hasty land speculation, and to understand that land belonging to a native could not be sold to another party without his supervision of the sale in which he was to assure himself that the owner received a fair and equitable indemnification. Thus at the very beginning Overbeck laid down the principles of native administration which remained the pride of the Chartered Company until its liquidation. Before steaming out of the long bay with Overbeck, Treacher appointed Pryer as consular agent, so that he was able, on being landed on 11 February 1878 at the former 'Kampong German' to hoist the Union Jack alongside Dent's house flag. On the west coast were landed two other young Englishmen, William Pretyman and H. L. Leicester, at Tempasuk and Papar respectively.

[1] P.R.O., F.O.12/54, W. H. Treacher to Foreign Office, 22 January 1878.

[2] For an account of his life see K. G. Tregonning: 'William Pryer, the founder of Sandakan'. *Journal* Malayan Branch, Royal Asiatic Society, May 1954.

This acquisition by a shadowy British concern of North Borneo, or Saba or Sabah, to give the territory its Brunei and perhaps Biblical[1] name, aroused the protests of Spain, Holland and the United States of America. It aroused also the fierce indignation of Charles Brooke of Sarawak, in which perhaps a Rajah's jealousy at the bestowal of the title of Maharajah on Overbeck by the Sultan of Brunei had some part, for he went to vindictive lengths to prevent its ceremonial award. Brooke had long considered himself not merely as the only protector of the native in north and west Borneo but also as the ultimate successor to all the ill administered territories of the Sultan, and he told him that he would do his utmost 'to thwart the encroachments of this wild and unjustifiable adventure.'[2] Angrily he steamed north to advise the natives in the ceded district to resist. Thus began in bitterness a hostility that has not yet died between the two States. The Foreign Office in London addressed a terse rebuke to him; and Treacher, remonstrating from Labuan, said that, as a British subject, he had no right to proceed up the coast in an armed vessel to raise in the natives a spirit of opposition to a British undertaking, and that as a Brunei Rajah it scarcely seemed consonant with his duty to his suzerain, the Sultan, to invite his subjects to disobey his commands. Brooke, with perhaps the memory of his own recent land-grab from the Sultan in his mind, subsided into angry mutterings and intrigue.

The hostility of Brooke on the west coast was perhaps not as serious, though it proved more lasting, than the danger on the east. Here Pryer had begun imposing import and export dues to the great annoyance of Cowie, who was plying up and down the coast in his cockleshell. Cowie had been led to believe at the Sulu cession negotiations that Overbeck would purchase his vessel, and so had endeavoured to influence his friend the Sultan to cede Sabah, but when the government surveyor in Singapore reported that the hull was in a very bad condition, and the deal fell through, he had become a bitter opponent of Overbeck and his Residents. He took every opportunity to misrepresent the behaviour and intentions of the new Europeans to the Sultan, and he found allies in a band of Sulus living in Sandakan Bay, who resented the

[1]Psalm 72, verse 10: The Kings of Tharsis and the isles shall give presents: the Kings of Arabia and Saba shall bring gifts.

[2]P.R.O., F.O.12/54 Rajah Brooke to W. H. Treacher, 6 April 1878.

presence of Pryer as a deterrent to their imposition on the other, less aggressive, natives.

The situation grew tense when Cowie, taking advantage of the temporary absence of Pryer, who was attempting to clear the mighty Kinabatangan River of pirates, sailed the local Sulu chief over to his brother-in-law, the Sultan. On his return the Sulu flag was hoisted in the bay, and Cowie gave out that the Sultan was coming to take over. Pryer had returned, and was supported by the few Chinese settlers, and by the other natives. With the Sulus in a hostile, heroic mood there was very nearly a clash that might have jeopardized the whole settlement. It seemed possible that Sandakan might become another Balambangan.[1] But Pryer refused to start a civil war and kept peace in the bay until Overbeck and Dent, summoned from Singapore, arrived hurriedly on the scene. Cowie was offered a subsidy and accepted, and immediately assured the Sultan that all was well with these good people, a *volte-face* that for the moment he found somewhat confusing. Pryer persuaded the local trouble-maker to go home, and the bay once again became quiet. Cowie, however, maintained his dislike of Overbeck's men for some time.

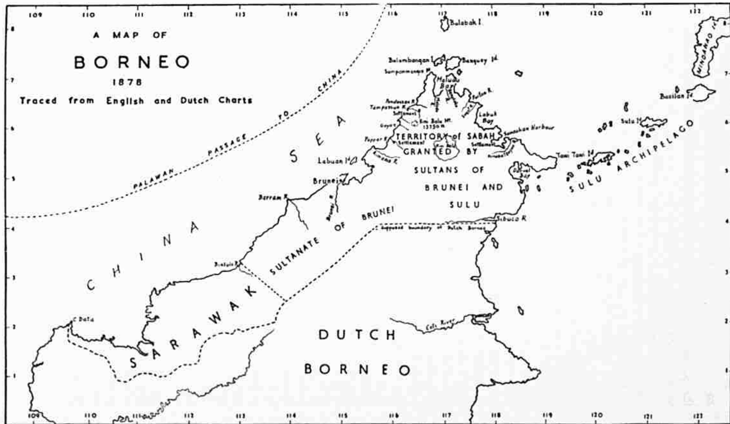
Dent and Overbeck returned to England. Before leaving Singapore Dent endeavoured to secure Noel Denison of Perak, as Chief Manager and Superintendent of the affairs of the Company in the east. He had been recommended by Hugh Low, formerly of Labuan and then brilliantly developing Perak. Low was to remain the friend of North Borneo always, but Dent failed to secure Denison and turned instead to W. H. Read, of A. L. Johnston and Company, the agents in Singapore for Dent Brothers. He was also the Dutch Consul and a played a leading part in Singapore affairs. Read was empowered to appoint an Inspector General if unable himself to visit the settlements in North Borneo, over which he had full authority. But in the three frustrating years that were to elapse before a Charter was granted and a Governor appointed, he neither visited the island nor sent any representative. Later his interference with the Governor and his assumption of superior authority caused great annoyance, until official dispatches by-passed him and his responsibilities were defined as those of an agent.

[1]Balambangan, an island off North Borneo, was settled by the East India Company in 1773, but was subsequently sacked and destroyed by Suluks.

From the beginning Sandakan flourished. Pryer, as a man of great energy and enthusiasm, and with considerable charm of manner, had won the support of the petty chiefs, and the people, who were in a deplorable half-starved state, gained confidence under the new régime. Slowly his influence spread. It was put to a severe test when early in September 1878 a Spanish gun-boat steamed into the harbour. The Sultan of Sulu had been conquered, and the Spaniards now were claiming all his Bornean possessions, possessions he had ceded away some six months before submitting. The captain of the *El Dorado* said that unless the Spanish flag were hoisted the village would be bombarded; women and children left; and Pryer, leading armed bands of Sulus and Bajaus, enthusiastically prepared to fight, while Cowie, anchored in the harbour, prepared to watch. But there was no action, and over a gentlemanly farewell sherry and bitters the Spaniard said he would return from Manila with a larger force. He sailed but never returned.

Pryer by this time had won the support of the villages round the bay, and he was able to extend his peaceful influence up the Kinabatangan River, where he placed an assistant, Hewett. In the south, at Silam in Darvel Bay, he placed another, as a check to the Dutch who since the cessions were made public had been moving farther and farther north. Following a dangerous pirate slave-raid along the coast by a combined force of Bajaus and Illanuns, he secured the co-operation of a British gun-boat, smashed the last pirate stronghold in north-east Borneo, Tungku, and then opened up another river, the Labuk.

When in June 1879 his isolated village some seventeen miles up Sandakan Bay was accidentally burnt, he decided that he had sufficient strength to tempt the pirates with impunity. He moved down to the harbour entrance, and founded in primeval jungle a new village which he named Elopura. With Pryer ceaselessly at work, the only European for hundreds of miles, the village grew rapidly. It became and remained the chief town of the territory, albeit losing in the process both the name and the memory of the founder. Chinese and natives in search of protection flocked in. Cowie was unable to handle the masses of jungle produce, the rattan, gutta-percha, wild rubber, and the edible birds' nests from the Gomanton caves up the Kinabatangan that were now brought down to the bay. The old days of lawlessness slowly vanished, and


A MAP OF
BORNEO
1878
Traced from English and Dutch Charts
PALAWAN PASSAGE TO CHINA
CHINA SEA
Balabak I.
Balambangan I.
Banguey Id.
Maludu Bay
Labuan Id.
Brunei
Baram R.
TERRITORY of SABAH GRANTED BY SULTANS OF BRUNEI AND SULU
Sandakan Harbour
Labuk Bay
Tawi Tawi Id.
Sulu Id.
Basilan Id.
MINDANAO Id.
SULU ARCHIPELAGO
Sibuco R.
SULTANATE OF BRUNEI
SARAWAK
C. Datu
DUTCH BORNEO
Cote River

the peaceful trade was scented by Chinese steamers from Singapore, who thrust Cowie aside.

On the east coast then the determined efforts of Pryer backed in one instance by a British gun-boat had lessened the curse of piracy and revived a considerable trade. On the west coast conditions were somewhat different. There was far less jungle produce on the narrow coastal plains than among the rolling vastnesses of the east, and there was no outside fear to unite the far more numerous river population of mutually hostile natives. Both the Residencies were in isolated localities with none of the commercial potentialities of Sandakan, and both failed to develop. Yet Pretyman won the support of the Illanuns, the dreaded pirates of old, and they counterbalanced the Bajaus, fierce roving Muslims who feared that their days of licence were vanishing. He built a small port which Cowie as often as not avoided; inaugurated a peaceful *tamu* or market, and collected poll-tax. Both instituted courts on which, following Overbeck's instructions, they sat with the local chiefs. Although they found impossible the imposition of export taxes, and although they had to face the hostility of Brooke and, later, of the governor of Labuan, by their presence and hard labour they brought peace to an increasing number of villages which had been constantly warring before their arrival.

We turn now to London. Dent had decided that the interference of Treacher at Labuan had rendered impossible the sale of the cessions to Austria or to any other foreign power.[1] He decided therefore that the land should be developed by a British company, and, to give it strength, stability and prestige, he decided to secure a Royal Charter. To this idea the Colonial Office in London objected strenuously, considering that no private company should exercise sovereign rights. Herbert, the powerful permanent official there, was favourably inclined to the enterprise, but the substantial weight of the Colonial Office was behind the views of the Consul at Sarawak, a supporter of Brooke, who stated that the development of North Borneo by a pack of adventurers would mean the annihilation of Labuan; would be dangerous and unjust to the natives; and would lead to trouble with Spain and Brunei. He added a further reason for not recognizing the cessions, in that it would be interfering with the legitimate progress of the Rajah of Sarawak, an argument which he elaborated over five pages of

[1]A. Dent to E. Dent, 13 February 1878.

script, while enclosing in support of his views the comment of Brooke, 'the Spaniards are bad enough and bigoted and narrow minded to a degree, but I doubt if they are much worse than a set of mercantile adventurers'.[1] The Colonial Office recognized, however, that although it could not approve of the scheme the affair was primarily a Foreign Office concern, and decided not to press its point. Nevertheless its attitude influenced its colonial governors.

The Foreign Office were more deliberate in determining their attitude to the cession. Here Dent had the good fortune to have watching the affair Sir Julian Pauncefote, at that time Permanent Under Secretary, and later, as Lord Pauncefote, first Ambassador to the United States of America. Pauncefote was a family friend of long standing, and had known Dent in Hong Kong. He was in whole hearted agreement with Dent's project, and it is not too much to say that the labours of this civil servant secured North Borneo for the British, in the face of years of delay and opposition from other government departments and politicians. It is possible that the very idea of reviving the chartered company concept, which had lapsed with the East India Company, emanated from him. It was he who decided that no action would be taken until Dent reached London, although Edward Dent was told unofficially that the Foreign Office attitude was favourable.

Encouraged by this, Dent, on his return to London, submitted to Lord Salisbury, Foreign Secretary in the Conservative Government of Lord Beaconsfield, an immediate application for a Royal Charter. After outlining his activities in Borneo, Dent said that his proposed company would not seek to impose any monopoly of trade; nor would it permit any foreigner, whether European, Chinese or other, to own slaves; and it would abolish by degrees the system of slavery prevailing in the ceded territory. It would respect native rights and institutions, give equal treatment to all in the courts of justice, and it would adopt the system of raising revenue by means of strictly controlled farms which was in force in the colonies of Labuan, Hong Kong and the Straits Settlements. If a Charter were granted he was prepared to accept terms stipulating that the Company would remain British in character; that the consent of the British government would be obtained before any transfer of territory took place, and that all disputes

[1]P.R.O., F.O.12/54 Consul, Sarawak to Colonial Office, 23 May 1878 and 17 February 1879.

with the Sultan would be submitted to it; that the appointment of the Governor and the chief judicial officer would be subject to the approval of the British government, and that the Company would endeavour to provide all possible facilities for the Royal Navy.

These binding restrictions, the outline of which Pauncefote had suggested to Dent, might have led to the immediate granting of a Charter. British expansion was progressing in North and South Africa, India and the Far East, and Beaconsfield was not one to react adversely to the assumption of more responsibilities. There were international complications, however, in particular the claims of Spain. In 1851, in a short-lived burst of successful warfare, she had for the moment beaten Sulu to her knees. In the treaty of capitulation Sulu had admitted herself a vassal of Spain, and on the basis of this treaty Spain was claiming all the possessions of Sulu in North Borneo. But in the description of the territories of the Sultan in that treaty all mention of North Borneo was excluded, and the British government had been careful never to recognize the claim of the Spanish to sovereignty over Sulu and her dependencies.

A most protracted correspondence over trade in the archipelago and Spanish attacks on German ships, which under the management of Cowie had run the Sulu blockade, had resulted in the signing of a German-British-Spanish agreement on freedom of trade in 1877; now a further protracted correspondence over the Spanish claims to North Borneo helped to delay for several years the granting of a Charter. It became clear before the discussions ended that the position of Dent, manifested especially by Pryer's successful occupation of north-east Borneo, was sound. It was not until March 1885 however, that England, Germany and Spain signed a convention by which the former two recognized Spanish sovereignty over Sulu, and Spain in return renounced all her claims to North Borneo. Filipino politicians, however, in moments of nationalist fervour, still lay claim to the erstwhile Bornean territories of the now defunct Sultanate.

This dilatory diplomatic correspondence with Spain had proved the weakness of her claims to North Borneo. Another country that endeavoured, with even less reason, to exclude the British from Borneo was Holland. The Dutch had a few scattered outposts on the southern coast of Borneo, some hundreds of miles

away from the scene of Dent's activity. The north of the island had never been under their jurisdiction; nor had they, in their 300-year tenure in the East Indies, evinced the slighest interest in it. Neither Salisbury nor his successor, Lord Granville, both of them well briefed by Pauncefote, was prepared to pay much attention to the Dutch claims, which they pressed most insistently, that a British settlement in Borneo would cause a profound disturbance, and that it was a violation of the 1824 Anglo-Dutch treaty which had stipulated, so they insisted, that the British would settle on no island in the East Indies south of the equator. Borneo extended both north and south of the equator, Pauncefote informed his ministers, and as early as 1846 it had been recognized that the treaty did not apply to that island.

Although quite unable to stop the granting of a Charter, the Dutch reacted strongly to the British acquisition of North Borneo. After the settlement at Sandakan they began moving northwards, and the news of their steady encroachment beyond the Sibuco River, the southernmost point named by both Sultans in their cessions, stirred the Foreign Office to expedite the Charter. The disagreement between the two nations long remained unsettled. Both made extravagant claims and the issue was complicated by the fact that the position of the Sibuco River was only vaguely known, owing to faulty mapping of the wild, swampy, and almost uninhabited country at its delta. The dispute was ended in 1891 when a compromise suggestion by the British North Borneo Company's Chairman, Sir Rutherford Alcock, that a parallel of latitude be chosen, was adopted. It was not until 1912, however, that the inland boundary, the wild mountainous range around 4° 10" south, which was the watershed for the rivers running south and north, was demarcated by a mixed Boundary Commission. Their work was agreed upon by the governments concerned in September 1915, by which time the old rivalry had long been replaced by amicable co-operation.

The only other country to object to the cession of North Borneo was the United States of America. In February 1880 Commander Schufeldt of the American Navy protested on behalf of his government both to W. H. Read and to the Sultan of Brunei that the United States did not acknowledge the competency of the Sultan to cede or lease any portion of his dominions, in view of the treaty of 1850 with the U.S.A. To which the Sultan replied that

he was an independent sovereign; that he had made no engagement with the U.S.A. not to make cessions of territory; and that the American government had made objections neither to the cessions to Moses and Torrey in 1865–6, nor to those that had been made to Rajah Brooke. There the matter ended.

While the Foreign Office was satisfying itself that its international position in regard to North Borneo was secure, Dent was endeavouring to obtain from it a definite answer. He organized a meeting at the Westminster Palace Hotel, in March 1879, at which many prominent men had been prepared after a lavish dinner to emphasize the hitherto unrecognized value to England of North Borneo. He forwarded to the Foreign Office a list of some of those willing to support a Chartered Company, a list that included several former governors of the Straits Settlements and Hong Kong; seventeen knights; five Members of Parliament; twenty-five business men including W. MacKinnon of the British India Company; four admirals and three generals, the Aborigines Protection Society and the Editor of *The Times*; and what appears to have carried most weight, he induced Admiral Sir Harry Keppel and Sir Rutherford Alcock, both men of long national service in the East, to write to Lord Salisbury and in the strongest possible terms advocate the necessity of securing North Borneo in order to protect the flank of the immense British trade with China. This was the argument that clinched the matter.

The activities of Dent had, before this, rarely reached the Secretary of State; he had had enough on his hands with the Congress of Berlin, and with grave problems in India, Asia and Africa; and Pauncefote had handled the business. Now Salisbury lifted his head, called for the minutes and made his decision; North Borneo must be retained. He swept aside the protests of Brooke which had been steadily increasing both in vituperativeness and length, pointed out the growing attention being paid to the Pacific by other powers, and endorsed Pauncefote's memorandum which recommended that a Charter should be granted as it would entail no expense to the government, while providing valuable ports from which the Navy could patrol and defend the shipping in the China Sea, should war come.

But the affair had dragged on too long. The general elections were at hand. Salisbury considered that a decision could not be taken by an out-going government, and the thunderings from

Midlothian were heard in the land. As the Dent brothers feared, a Liberal administration headed by Gladstone, was about to be formed. Dent wavered between selling to Overbeck and cutting his losses, already some £40,000, or hanging on in the now fading hope of a Charter. Overbeck in Vienna endeavoured to raise funds to buy out Dent, and approached firstly the Austrian and then the German governments. He had some success with the latter. German interests in the East had been increasing considerably during the previous decade, particularly in Samoa and in shipping strength from Singapore. A business man in Parliament, Herr Mosle, presented a petition to Bismarck asking for a subsidy to acquire for the State the Overbeck concession.[1] The idea of a German North Borneo was momentarily entertained, but as with other requests at that period for the establishment of colonies in Africa and elsewhere, the petition was refused, on the oft repeated grounds of expense and undesirability of foreign friction. A few years later, however, Bismarck was to acquire the north coast of New Guinea, and to develop it by a chartered company modelled on that of North Borneo, the basic documents of which he borrowed. Unable to sell, Dent bought, and after some business bickering Overbeck relinquished in September 1880 all his interests in the affair. He returned to America, there to marry an admiral's daughter and speculate on the railways, vanishing from our story. In 1881 Dent succeeded in acquiring from Torrey, then at Bangkok, all the somewhat vaguely defined interests of the former American Company that he still retained.

With the return to power, in the spring of 1880, of the Liberal Party led by Gladstone, Gladstone the renowned anti-imperialist, Gladstone who had attacked bitterly the New Zealand Company and had referred to chartered companies with their 'death-like shadow' as being 'the greatest obstacles to the well-being of colonies',[2] the prospect of Dent securing a Charter seemed more distant than ever. It was two years since the cessions had been made; now at the helm of state was the leader who when in opposition had denounced the annexation of Cyprus and the shedding of blood that flowed as the Tories extended the borders of South

[1] M. E. Townsend: *Origins of Modern German Colonialism*, 1871–1885 (New York, 1921), pp. 50–51, 130.

[2] *Hansard*, Third Series, Vol. CXXI, 21 May 1852 (on the second reading of the N.Z. Government Bill).

Africa and India. 'They have weakened the Empire by needless wars, unprofitable extensions and unwise engagements'[1] he roared.

But Gladstone was not opposed to colonization as such. Handled wisely, colonization could have excellent results. He maintained that England should not be called on to interfere in a colony, and should not be asked to send troops, but that it should control foreign relations only. This was all that was asked by Dent, in whose application there was also the humanitarian appeal of the pledge to suppress slavery. The Charter gave the Company no new power; rather it placed it far more under the control of the government than had been for example the previous New Zealand Company, the abuses of which Gladstone had been so eloquent in attacking. As Gladstone saw, it gave the government power without expense. A Charter was closer than Dent thought.

Determined to settle the affair, the indefatigable Pauncefote sent a memorandum on the question to his new chief, Lord Granville. He said a decision was needed urgently; Germany, Spain, Holland and Russia were all interested. He spoke in favour of a Charter, and suggested a restrictive clause binding the Company to the directions of the Secretary of State. He enclosed, for Cabinet perusal, a statement of Dent's activities and plans. Granville, 'Pussy' to his friends, wrote a languid 'proceed', and the documents, with the favourable comments of a few of the Cabinet but not of Gladstone, were sent to the Law Offices of the Crown. At last things were under way. The Law Office saw no objection in point of law to the granting of a Charter and two months later, an interval quite in keeping with the tempo of all previous correspondence, the Foreign Office informed Dent that, as the government considered it important that North Borneo should not fall into the hands of any other nation, but was unwilling to increase its expenditure in that area, it was disposed to recommend his application to the Queen. And in January 1881 the main clause the Foreign Office wished to see in the Charter, by which the Company had to act on the advice of the Secretary of State if he disagreed with any of its dealings either internally or with foreign powers, was forwarded by Pauncefote, by whom, no doubt, it was written.

Dent formed a Provisional Association and transferred to it all

[1]The Annual Register, 1880, p. 35.

his interests and powers for £120,000. He had done well. The Association was led by Sir Rutherford Alcock, a retired official from the Far East, with valuable contacts in the Foreign Office and elsewhere; Dent remained the driving force and his ramifications were in the City. A draft Charter was drawn up and submitted to the Law Offices. As Pauncefote had secured one of its lawyers to prepare the Charter for Dent, not surprisingly it was approved. Pauncefote was called on to reassure Lord Kimberley that the Charter did not vest the sovereignty of the territory in the British government, and finally, by an Order in Council in August, published in November 1881, a Charter was granted to the British North Borneo Company.

The Charter empowered the Company to acquire all the powers of the Provisional Association, and went on to stipulate that the Company must remain British in character; must not transfer any of its grants without the permission of the British government; must suppress slavery; must not interfere with the religious or other customs of the natives; and must take the advice of the British government if it disagreed with either the Company's treatment of the natives or its dealings with foreign powers. The appointment of its chief representative in Borneo was to be subject always to the approval of the British government, while the provision of facilities for the Royal Navy and a prohibition of a monopoly of trade were further stipulations.

Following the publication of the Charter, Gladstone wrote to Granville in some perplexity at this new expansion of British interests. When were the North Borneo papers submitted to the Cabinet, he wanted to know, and were his initials on them? Granville himself was vague, and thought they had circulated between October and November of 1880 (that is a year before), but he could not recollect seeing the initials of the Prime Minister. Gladstone checked on his letters to the Queen; there was no reference there. He called for the papers in question. He had no recollection of ever reading them before, nor could he remember the meeting at which the decisive resolution was taken. He found himself 'in the condition of shutting the stable door after the stud has been stolen.'[1] The casual manner in which government business was done at this time resembles more the eighteenth

[1]P.R.O. The Granville Papers, G.D.29/124, Gladstone to Granville, 20 January 1882.

than the twentieth century, and Gladstone's use of an equine simile reflects unconsciously the centre of much of his Cabinet's interest and pre-occupation. Gladstone made a few objections, rather in the annoyed manner of a man overlooked than anything else, and there the matter ended.

This is the story as culled from official records. There is, however, a somewhat different account, from an eye witness to this singular episode, when Gladstone could not remember acquiescing in the acquisition of a territory as large as Ireland, and that is told by Sir Charles Dilke, one of the Cabinet.

Sir Charles Dilke held that Gladstone saw the Borneo Papers, decided in favour of a Charter, and then forgot all about it. 'On November 19, 1880, the box which had been around the Cabinet on the North Borneo business, having returned without any comment by Mr. Gladstone, I got it sent again to Mr. Gladstone, who finally decided, I was informed by Lord Granville, against Herbert at the Colonial Office, Harcourt, Chamberlain, Bright, Childers and myself, and with Kimberley, the Chancellor and Granville. So it was settled that the charter was to be granted; but a little later Mr. Gladstone forgot the decision which he had given, insisted that he had never heard of the matter at all, went the other way and would have stopped the charter, but for the fact that it was too late.'[1]

It was left to Granville, prompted by Pauncefote who had maintained a rather suspicious silence when Gladstone's questions had been ringing round the Foreign Office, to reassure the Prime Minister that all was well. The government was not committed to any greater responsibility than it already had towards Brooke. And besides, said Granville, there were more important matters at hand, Gambetta, Turkish aid and a leaning to joint intervention. For the problem of Egypt was already looming large; the bombardment of Alexandria was already within sight. The two passed on to a discussion of the canal. The two subjects were not so dissimiliar. For as with Egypt, so with North Borneo, the strong underlying motive for intervention by the British Government was and has remained the desire to protect the immensely valuable trade route between England and the Orient. This was recognized both by Salisbury and Pauncefote, and by

[1] S. Gwynn and G. Tuckwell: *The Life of Sir Charles Dilke* (2 vols.) (London, 1917), Vol. I, pp. 388–90.

Disraeli and Gladstone, and this was why, in the eighteen-eighties Egypt and North Borneo came under British control.

Gladstone was reassured by Granville, and defended the Charter from the political attacks of the Conservatives in the House of Commons a few months later. He then pointed out that by the Charter the Company was held responsible for the suppression of slavery, and that the Home Government could ensure that there was no misconduct over the use of opium, both extremely desirable powers. He went on to say that although he was more opposed to annexation of territory than before, yet it seemed quite impossible to check the tendency of British enterprise to carry on commerce beyond the limits of civilization; and that the best thing to do was to try to regulate it. The Charter it should be obvious, he said, was one of constraint, not privilege, entered into by the Company to raise its standing in the City. He ventured to think that this method of control was far better than merely sitting with folded arms, letting things just go on.

After a debate noted neither for its knowledge nor its enthusiasm, and as such typical of many on colonial affairs in the nineteenth century, in which the few Conservatives complained rather at the manner in which the Charter was granted, by Order in Council and not as Act of Parliament, than at the granting of the Charter itself and the probable acquisition of territory that it entailed, the lukewarm criticism, which had languished already in the Lords, grew cold and died.[1] The British North Borneo (Chartered) Company had begun its placid career.

This method of supporting expansion, by which a government reluctant to accept financial responsibility in remote places of the earth, was induced to grant a Royal Charter to those who were, was adopted by several other governments, and many historians have noted the rash of chartered companies that spread over Africa. But few have been aware of any link more intimate than contemporary association. Yet the influence of the British North Borneo Company goes deeper than that of mere example. W. MacKinnon of the British India Company was a personal friend as well as a business associate of both Alfred and Edward Dent, and to him, as the Charter progressed, the dispatches and memoranda forwarded both officially and unofficially by Pauncefote to Dent at Old Broad Street were constantly sent. He became

[1]*Hansard*, Third Series, Vol. CCLXVIII, pp. 1188–96, 1148–1230.

thoroughly acquainted with all the details, and when the success of the British North Borneo Company was assured he succeeded in a similar endeavour with the Imperial East Africa Company, its Charter being granted by another Order in Council, this time in 1888. Thus was Kenya added to the Empire. Nigeria was brought in in much the same way. The personal friendship of James Taubman Goldie with Sir Rutherford Alcock, and his business acquaintanceship with Alfred Dent helped him to secure from a Liberal Government, still reluctant to expand, a Charter identical with that of North Borneo. Even today it is interesting to note that 11 Old Broad Street, once the home of the B.N.B. Company, is still the office of the British South Africa Company formed by Rhodes; and though Rhodes, of course, needed little inspiration from London, yet he knew them all, Goldie, MacKinnon, Rutherford and Dent, and without their example he could scarcely have ventured into a charterless sea. Powerful indeed were those men, and the pressures that drove them, in that late nineteenth century City of London.

CHAPTER THREE

EXPANSION AND PROTECTION

ALTHOUGH the territories ceded by the Sultan of Brunei were large, they were not in all cases conterminous. And as the administration of the Chartered Company assumed strength on the west coast, and district officers made unknown jungle familiar, great irritation and inconvenience were caused by the enclaves of independent territory dividing the lands of Sabah. The independent rivers, owned mainly by absentee landlords living in Brunei, became convenient refuge holes for trouble-makers, smugglers and slavers fleeing from the growing authority around them. Inevitably these areas retarded the development of the lands in which they were embedded.

The Company set out to acquire these west coast rivers, and at the same time endeavoured to expand southwards in the face of violent opposition from Charles Brooke. Sabah was separated from Sarawak by Brunei, a Malay State even more stricken than those on the Malay Peninsula into which the British were then being forced to penetrate. It was hopelessly incompetent, corrupt, and on the verge of anarchy. The aged Sultan had no police, and little authority; the nobles squabbled, bickered and extracted every cent they could from their oppressed people.

In Malaya this state of affairs was remedied by the institution of the Resident system, whereby the various rulers were induced to accept at their courts British officers who with an iron fist in a velvet glove brought law, order and financial security to the peninsula counterpart of Brunei. In Borneo the matter was solved differently. The great ambition of the Brookes, both James and Charles, had been to possess all North and West Borneo and to make it a national park for their Dyaks. The arrival of the Chartered Company had ruined that scheme, unless the Company could be itself ruined, but meanwhile Charles, unfettered by any Resident, with no Charter clause permitting British interference in his internal or external activities, was determined to secure all that

remained of Brunei. So for that matter was the Chartered Company. As approved by Pauncefote in London, absorption, not protection, was the plan for Borneo. It was not a situation to make for friendship, especially when the British colony of Labuan in Brunei Bay, which could have held the ring, supported first one and then the other, and then became itself a prize in the fight.

Treacher on the suggestion of the Admiralty had already quietly annexed the uninhabited island of Balambangan, and in 1883 he acquired the Pangalat River for $300 annually. The following year he purchased the Putatan district, a rich river territory only six miles from Gaya (the island post that had replaced the pioneer settlement on the Tempasuk River), where a hundred or so Chinese smuggled opium into North Borneo. After protracted discussions with its penniless owner, Muda Damit, son of the unfortunate Muda Hassim, whom James Brooke mourned, in Brunei, it was exchanged for $1,000 yearly. The rich alluvial plain, which lay at the foot of towering Mount Kinabalu, was used mainly for rice cultivation of a most elaborate kind, with dykes, sluices, levels and methods of work comparable to Burma. Private ownership was clearly marked; boundaries firmly shown by stone and wooden landmarks, some standing seven feet high, and in many cases carved to represent a human figure. The inhabitants were mainly Dusuns who for years had suffered the depredations of their Brunei Malay masters. Instructions were given that the friendship of the chiefs was to be cultivated, that they should be asked to hear all disputes and grievances with the administrator, and that native institutions and customs were to be respected. This was done, and peaceful government was the result.

A far more valuable piece of territory farther south was obtained a few months later. This was the Padas-Klias Peninsula, fertile Brunei territory adjoining the southern boundary of North Borneo. With a coastline over seventy miles long and an area of nearly 4,000 square miles, where Dusun-speaking descendants of Chinese produced sago and pepper,[1] the district had been sought for by Sarawak, with the support of the governor of Labuan, which lay opposite. It was only by a judicious supply of dollars to the harem of the Sultan that Davies, the West Coast Resident,

[1] *British North Borneo Herald*, August, 1888. 'The natives . . . are very proud of their Chinese descent, they still wear the queue . . . and many Chinese customs and usages are still in common use.'

overcame Sarawak opposition and secured its cession in 1884 for $3,000 yearly. Brooke objected immediately, and when the Company moved in it was necessary to arrest and expel Pengeran Karim, a Sarawak subject who was endeavouring to sow unrest among the natives.

This large and important annexation thoroughly alarmed Brooke, who asserted that the cession had been obtained from the Sultan under false pretences, and that the deed was invalid.[1] His agent, Everett, who had been authorized to negotiate for the area on behalf of Sarawak, forwarded fabricated protests to London.[2] The headmen, on the advice of Leys, the governor of Labuan, refused to collect poll-tax, and returning from the island said that the lease of the peninsula was cancelled and that the Rajah of Sarawak had summoned them all to a meeting to discuss resistance. Under the treaty of 1847 between Britain and Brunei, the lease was referred back to the British government, and for some months the situation was delicate. But in the Province if there was uncertainty there was little unrest, although the Sarawak agent at Brunei tried vainly to discover some flaw in the transaction. In May 1886 Leys landed on the peninsula and informed the assembled natives that in the eyes of the Queen the cession was binding and final, a decision that had been conveyed to him six months before.

Another vain attempt by Brooke to check the southward march of North Borneo occurred early in 1885, when Treacher, after securing the Mantanani Islands out in the China Sea, negotiated for and purchased the small Kawang River from its absentee landlord in Brunei. Brooke protested as usual, and supported the claims to the river of a rival, Pengeran Raup. It had been this same Pengeran whose support Brooke had relied upon in 1878 when he endeavoured to stir up armed resistance to Dent and Overbeck. The case, heard by the Brunei Sultan in his role of overlord, confirmed the validity of the cession. Shortly after the cession two Europeans, a doctor and the chief of police, and two constables were attacked and killed by followers of the pretender, and Treacher wrote, 'I cannot help expressing my opinion that Rajah Brooke, by intriguing against us and supporting Pengeran Raup in his illegal claims to the Kawang, and also by interfering in the

[1]Governor to Court of Directors, 15 March 1885.
[2]Governor to Court of Directors, 25 May 1885.

Padas, where judicious methods have obviated bloodshed, is acting a scandalous part.'[1]

Rajah Brooke had not contented himself with efforts to discredit and thwart the Company in the areas they had secured. In 1882, in the move which the Consul at Kuching had forecast eight years before, he had acquired from the Sultan the great Baram River adjoining his northern boundary. Brunei was steadily shrinking, and Brooke was eager for its complete extinction. Coming to the north of Brunei shortly after Treacher had purchased the Padas-Klias Peninsula, he annexed the solitary Trusan River. This move not only barred Treacher's southward march, but also forced Brunei, by this time approaching the final stages of disintegration and anarchy, into the powerful encircling embrace of Sarawak.

Only one river lay between Brunei town and the Trusan, the Limbang, on an arm of which lay Brunei in a position somewhat similar to that of Alexandria on the Nile. The struggle between Brooke to secure the Limbang, and the Sultan to retain it, was to be one of the main events leading to the reluctant intervention of the British government and the proclamation of a Protectorate over the whole area.

There had been no suggestion of a Protectorate in North Borneo since James Brooke had been offered one in 1857; the British government had been quite content with the influence exerted by Brooke and later with the position held by the Chartered Company. No further assumption of authority was envisaged. It was content to watch the disappearance of Brunei and see others undertake the expenses of government. Now, however, fearful of the efforts of Charles Brooke to acquire rivers to the north of Brunei, and so envelop it, Sir Rutherford Alcock, the Chairman of the Chartered Company, in 1884 begged the British government to establish a Protectorate over Brunei.[2]

Alcock expressed the fear that another European power might intervene, particularly Germany. The scramble in Africa had begun, and European nations were engaged in the search for territories elsewhere. Germany had just acquired northern New Guinea, and the Chairman pointed out her interests in the area around North Borneo; the coal mines which were being worked at

[1] Governor to Court of Directors, 15 May 1885.

[2] Sir R. Alcock to Sir J. Pauncefote, 31 December 1884.

the mouth of the Brunei River by W. C. Cowie were another inducement, he said, apart from the anarchy prevailing in the Sultanate, for the intervention of a foreign power. He drew the government's attention to the personal rule of the Brooke dynasty, and pointed out that there was nothing to restrain Sarawak from seceding to another country, as had been suggested before. British interests were in danger of being overlooked, he maintained. These arguments, though valid, were merely pretexts: what the company really feared was an intriguing and powerful Brooke on their border.

Treacher added to the pressure by forwarding a petition from Chinese and Indian traders in Brunei, praying for a British Protectorate. Granville endeavoured to reassure the Company, and, to dispel their fears that Sarawak might pass to some foreign power, he said that the Rajah would be called upon to sign a formal agreement that none of his territory would ever be ceded without the consent of the British government.

This was as far as the British government was prepared to go for the moment. It had been with reluctance that it had finally acquiesced in the expansionist policy of Sir Andrew Clark in the Malay Peninsula; it had not yet entered fully into such a programme, and was not prepared to assume responsibilities elsewhere. Nevertheless the attitude towards expansion was changing, as both the French and the Germans, in Africa and in the Pacific continued to enlarge their colonies. The Chairman wrote to the Governor: 'The proceedings of the German Chancellor in Africa, New Guinea and elsewhere, have thoroughly awakened our Government to the danger of delay and vacillation . . . both Sir R. Herbert at the Colonial Office and Sir J. Pauncefote say that a Protectorate is the right thing; and that they hoped to get it.'[1] The permanent officials were to have their way.

Since the Treaty of 1847, all cessions of land by the Sultan of Brunei had required the consent of the British government. The Company had hoped that the acquisition by Brooke of the Trusan would not be recognized; for it lay to the north, with Brunei territory on either side, and had no connexion with Sarawak. If this bar to their expansion were removed, they would be able to move south, and, if the government did not intend to establish a Protectorate, take over Brunei themselves. Negotiations with

[1]Sir R. Alcock to Governor, 2 January 1885.

Cowie, the lessee of the Muara coal field and possessor of far-reaching territorial and sovereign rights there, were begun, but collapsed when the Court heard that London did not object to the acquisition of the Trusan River by Sarawak. Cowie, since Muara was surrounded by land which Sarawak had seized, subsequently sold his cessions to Brooke and returned to England where he was later to be elected to the Company and to become its dominant spirit.

Sarawak and the Company by this time were openly conflicting, intriguing in Brunei, and endeavouring to frustrate each other's occupation of newly acquired rivers. The British government decided intervention was necessary. Pauncefote at the Foreign Office, his finger still in the Borneo pie, drew up a plan of settlement. He proposed a Protectorate not over Brunei alone but over the three warring states, so that all their future contacts with each other would be through the British government, or rather its deputy, the Governor of the Straits Settlements, who would be appointed the High Commissioner for Borneo.

Territorially, it was suggested that not only should Brooke retain the Trusan and take the Limbang from Brunei, but that he should be given permission by the British government to take all the Brunei territories between those two rivers, and all those between the Limbang and the northern boundary of Sarawak, the Baram River, excluding only the Brunei River. North Borneo was to have the permission of the British government to secure all the remaining Brunei territory between their boundary and the northern outpost of Sarawak, the Trusan, and to obtain all the small independent rivers still intervening in her west coast Residency. To Brunei was left nothing but the small feeder subsidiary of the Limbang River. Pauncefote suggested that Sir Frederick Weld, Governor of the Straits Settlements should be sent to supervise 'the delicate negotiations'[1] that would be necessary.

This was a bad settlement. It is not only hard to understand how Pauncefote could have planned it, but how it secured the approval of the Colonial Office as well. It remorselessly deprived Brunei of life without extinguishing her. In Malaya and Africa, in territories under the control of the Foreign or Colonial Offices, native authorities were being buttressed, and their territories

[1]P.R.O., F.O.12/73, F.O. Minute for Lord Salisbury's approval, 29 October 1886.

preserved; order was being imposed inside the existing framework. But not in Brunei. The thinking behind the settlement was muddled, and its execution has left extraordinary convolutions on the large-scale map of Borneo. With a resurgent Brunei an unhappy harvest may yet be reaped from Pauncefote's policy. The Colonial Office approved however—it rarely argued with the Foreign Office before the time of Chamberlain—and the plan was adopted. Weld left for Brunei, although his departure was delayed five months, until the Treasury gave approval.

In Brunei he found the Sultan insistent on two points; his desire for a British Resident and his refusal to yield the Limbang River. The Sultan had observed the work of his friend Hugh Low in Perak; it was obvious to him that if he were to save his tottering State he must preserve what remained of its territory and secure a British administrator. Weld agreed with him on both issues, told the Colonial Office a Resident should be appointed at once, and recommended Davies, the Resident of the Chartered Company on the west coast, who was also eminently acceptable to the Sultan. He rebuked Brooke and his Consul for their activities in Brunei, and informed the Sultan that he would not be forced to cede any of his territory. He hoped that the Trusan, a white elephant of little or no use to Sarawak from which it was divorced, would be ceded to the Company alongside. Brunei was left in hopes of a new era.

The Sultan was quickly disillusioned. In London Herbert and Pauncefote agreed that Brunei could no longer pay for a British Resident, and neither was prepared to approach the omnipotent Treasury for an annual grant. The suggestion that the Resident should be supported by the Straits Settlements was discarded. No Resident was appointed. Brooke waited a few years, then in March 1890 steamed up the Limbang and annexed it. The Sultan refused to discuss compensation, declined repeatedly, although all Brunei was impoverished, to accept the $6,000 Sarawak had decided was a fair annual rental, and wrote persistently to the Foreign Office asking for his river. Finally in 1895 he was informed that the question was closed, and Sarawak was instructed to spend the $6,000 developing the Limbang.[1]

Brunei acquired no Resident and lost the Limbang. She signed a Protectorate agreement, however, on 17 September 1888, and

[1]P.R.O., F.O.12/106, F.O. Memorandum.

by it Great Britain barred the intervention of any other power in an area which she felt unable to govern. It was not an action worthy of her. The treaty was signed by the Sultan and by Hugh Low, formerly of Labuan, and at that time the leading exponent of the Resident system in the Malay States. Low had built up Perak from a debt-saddled anarchy-ridden country into a prosperous and contented State, and current conjecture named him as the first governor of the amalgamated territories of North Borneo, Sarawak and Brunei. Despite numerous common problems, however, prospects of closer association did not appear possible until after 1946, when both Sarawak and North Borneo, each with an identical superstructure of administration poised ponderously over sparse and primitive peoples, became colonial territories. A similar Protectorate agreement was signed by North Borneo, the Company being well pleased with the additional stability and prestige it thus acquired (Dent himself securing a knighthood), and by Sarawak, which was called on to state that any future question as to the right of succession would be referred to Her Majesty's Government for decision. It was stipulated that relations between the territories should be conducted through Great Britain. In Brunei a wave of anti-European feeling swept the country.

The Limbang River, a fine waterway, and a broad powerful stream which provided one of the main avenues of transport for Brunei, was a sad loss. After 1906, when the British policy of absorption was reversed, the Colonial Office, which had taken over the surveillance of the Borneo affairs from the Foreign Office, thought that the problem would best be solved if Brooke returned the river to Brunei. It was hoped that, as Brooke had failed to acquire Brunei, the reason for his seizure of the Limbang, Sarawak would reconsider its hold. The matter was discussed several times, but no changes were made, although Brunei secured a minor success in 1921, when it won back the administrative and territorial rights at Muara which Cowie had sold to Brooke.

The Limbang question was revived in 1941. Sarawak, apparently convinced that its annexation represented an unworthy page in its history, proposed a financial redress of some $20,000, and $1,000 annually. This was incredulously accepted by Brunei, but the curious deal was cancelled when it came to the hearing of the High Commissioner (then known as the British Agent) through whom all Sarawak-Brunei affairs had to pass.

The hostile anti-European feeling among the peoples of Brunei at the signing of the Protectorate in 1888 helped to aggravate a somewhat delicate situation that had arisen in Province Dent, as the Padas-Klias Peninsula had been called. There was a small river, the Padas Damit, in the peninsula, and this river was not included in the cession, but was governed on behalf of his sister by Pengeran Shabandar, a noble of some character. It had been hoped at the time of the cession that the boundaries between the two would be defined amicably, but this was not to be. He laid claim to the right bank of the neighbouring stream, whose inhabitants insisted they were subjects of North Borneo. His possessions, they stated, ended on the crest of the small watershed between them, and in procession they marked the border with flags. The Pengeran persisted in his claim, and began raiding the river at night. The dispute was referred to Brunei, where in February 1887 the decision was given that the boundary was the watershed. The Pengeran ignored the decision and began raiding by day with larger forces, while his home became a refuge for several murderers and rebels.

The arrival of Hugh Low was imminent; it was also expected that a British Resident in Brunei would be appointed by the end of the year. They, it was felt, would settle the affair, and meanwhile the Governor tried unavailingly to protect his people. Low arrived, and although authorized solely to secure the Sultan's signature to the Protectorate, he offered to arbitrate, as further disturbances on the Padas Damit boundary were reported. His offer was rejected. Governor Creagh, formerly an assistant under Low in Perak, and now successor to Treacher, learning that the appointment of a British Resident was not countenanced, informed the Court he would have to send in an expedition to rescue the North Bornean subjects held prisoners, if the Pengeran refused to accept Low's proposal. The Pengeran Shabandar said that he would do what he liked without reference to any white man, and ignored an offer of arbitration by his cousin in Brunei, where Creagh sent a representative. Low told Creagh he could see only one step to take; swift intervention with an armed force of overwhelming strength, the same policy that had swept Britain swiftly into Upper Burma.

In London the Court appealed to the Foreign Office to intercede, in view of the Charter which stipulated that differences between the Sultan of Brunei and the Company were to be

submitted to the British government for decision. Later the Protectorate was urged as another plea for intervention, and again the Foreign Office declined to interfere. D. Daly, the acting west coast Resident, sent Shabandar an ultimatum; stating that he must either hand over four noted criminals sheltering there and release his prisoners, or the Company would intervene. No answer was received, and at the head of a small force Daly crossed the Padas Damit border on 7 November 1888.

Immediately he ran into difficulties. The Pengeran had built four powerful forts along the river, and although Daly was joined by all the principal chiefs from the Padas and Klias Rivers they were held up in front of the first. Ammunition ran out; only four out of a hundred police could fire the small mountain guns; bayonets were discovered unsharpened; ammunition sent from Singapore was nearly all useless; and the force was badly led and most inefficient. The fighting dragged on. In December two guns and in January some hundred Sikhs were sent from Perak. By February the main fort had been captured. In March the Pengeran ceded the small river, having submitted to the arbitration of Hamilton, the new and very deaf Governor of Labuan, arbitration in which Brooke, still 'a spurious and dangerous element in North Borneo politics'[1] endeavoured to interfere.

Creagh excluded all Europeans from the area for ten years, and received immediate instructions to reduce the police force, as Dent considered that it was apt to make officers less moderate and more dictatorial than they would otherwise be. The Court in London hoped that the natives of the Padas Damit River would be won over by kindness and sympathy. Daly ascertained the names of the subordinate chiefs, and governed the river through them, sending in a medicine chest and a doctor for the wounded and sick, a doctor who stood by helplessly as Daly himself died of fever. The Pengeran was advised by Rajah Brooke that, as he had given no cause or provocation for an attack, he was entitled to claim heavy damages from the Company, but he decided to visit Mecca instead, sending his children to a Singapore school while *en route*.

This was to be the last acquisition of land by the Company from the Brunei chiefs until the close of the century. Various rivers along the west coast were still independent, but their boundaries

[1]Daly to Governor, 14 February 1889.

were well defined and for some years the chiefs conducted themselves in a peaceful manner. The British government had authorized aquisition of these territories by the Company, but Creagh promised that as long as they did not raid his territory for slaves, or harbour criminals, he would leave them alone. This promise he kept. And although the area between the southern boundary of North Borneo, the Padas-Klias Peninsula, and the northern outpost of Sarawak, the Trusan River, was less peaceful and more truculent, and although it had been assigned to North Borneo by Pauncefote, here again no steps were taken for a decade.

During the administration of Creagh there was, however, one other addition to the Company's territory, the British colony of Labuan which was handed over in 1889. The British government, alone of those who over the previous forty-odd years had been reducing the territory of the incompetent Sultans of Brunei, had secured Labuan for nothing. It alone paid no cession money. The island was taken over on 24 December 1846, garrisoned by Indian Sepoys for twenty years and administered by a Governor and a nominated council for forty years. It had long since failed to develop into a northern Singapore and had completely stagnated. When a renewed attempt to work the coal mines failed, Governor Leys in 1886 informed the Foreign Office of its critical financial plight and suggested that, as an alternative to a revival of the Grants-in-Aid which had sustained it before, it should be united with one of the neighbouring states.

By 1888 all the public buildings on Labuan were in the last stages of dilapidation; staff had been reduced to a minimum and less than ten Europeans remained. Both imports and exports were lower than they had ever been, and the annual revenue of a little more than £2,000 could scarcely meet the few demands made upon it. The Chartered Company was asked in July 1889 if it would consider taking over the island. Despite its unprepossessing appearance, it was still a Crown Colony, and its offer to the Company was a tribute to its administration. The offer was accepted immediately, and following the usual interval of time necessary in such transactions Creagh assumed the governorship of the island on 1 January 1890.

Although the island remained a Crown Colony, the Chartered Company had understood that it could govern Labuan in the same manner as the rest of its possessions, making it in administration

what it was in fact, an integral part of North Borneo. In his plans for putting the island on a paying basis Creagh considered imposing the shipping dues and the tax on imports that were enforced in North Borneo. The British government gave the Company to understand that it would not object to any action of the Governor in administering Labuan if it had been approved by Sir Rutherford Alcock and the remainder of the Court in London. In June 1890, however, the Colonial Minister issued strict instructions that the Chartered Company was to govern Labuan as before, that all Proclamations needed the consent of the Crown, and that Labuan's free port was to be maintained. The island was not to be made an integral part of North Borneo. The British government had admitted the inability of Labuan to pay its way as a free port by transferring it. Now it doomed the Chartered Company to support a failing enterprise while denying it the right to put the island back on its feet economically. Providentially another effort at developing the large coal resources at the end of the island was made by a British company; several hundred Chinese labourers were imported; revenue increased and the island's economy became solvent.

Creagh was authorized to abolish the Legislative Council, which for some time had been a farce, meeting scarcely once a year, and to govern by Proclamation. He appointed a Chinese Advisory Board, and promulgated various Ordinances, the provisions of which, like nearly all North Borneo Ordinances throughout its history were taken from the Straits Settlements, or the Malay Peninsula. He then returned to Sandakan, leaving the administration of Labuan in the hands of a Resident. The Court forwarded all ordinances to the Colonial Office, but otherwise did not trouble it, and Labuan continued on its uneventful way, the idiosyncracies of its people providing a basis for the stories of Conrad, Clifford, and later Maugham.

By 1895 the tact and consideration for the people shown by the administration of Treacher and Creagh, both guided and supported by Dent and Alcock, had been replaced by the pushing aggressiveness of Cowie. He had forced Dent off the Court and dispatched to Borneo the first Governor who was not a colonial officer from the Malay States, Leicester P. Beaufort. During his administration there was widespread dissatisfaction which culminated in the one serious native rising North Borneo was to

experience. It is dealt with more fully elsewhere;[1] here all that needs to be noted is one incident of that rising, which led to the acquisition of more territory by the Company.

The rising was led by one Mahomed (Mat) Salleh, who after several brushes with authority on the east coast crossed the country and in 1896 persuaded the wild Bajaus, who had settled along the banks of two of the independent rivers on the west coast, the Inanam and the Mengkabong, to cross the bay with him and attack the government station on the island of Gaya. Gaya was looted and burnt. A force sent to punish the attackers plunged into the territory of the two Brunei rivers and inflicted considerable damage. Salleh fled into the far interior, and while the Company claimed large damages from the Sultan of Brunei, for it was his subjects who had sacked Gaya, the Sultan claimed even larger damages for the destruction wrought along the Inanam. Cowie came out from London and after long negotiation the two claims were dropped. The Sultan surrendered his sovereign rights for $1,200 annually, the various chiefs of the rivers sold their territorial or 'tulin' rights for yearly payments ranging from $2,500 to $200, and the independent rivers of Inanam, Mengkabong, Menggatal, Api Api, Simbulan and Nafas Tambalang became part of North Borneo. Their independence was a nuisance even before the Gaya raid; the Muruts of the interior had found in these territories ideal centres for buying arms and for selling their children; and runaway labourers and convicts had taken refuge there. The Kinarut River, another which jutted into North Borneo territory, had been acquired in 1897 when its inhabitants after driving out the agent of their absentee owner, who had come to exact taxes and slaves, asked Beaufort for protection from his avarice. The territory was now a compact whole.

The rivers between North Borneo and Sarawak, which Brunei owned, were not acquired until the next century. These too had become a source of trouble, as they provided uncontrolled highways into the interior of North Borneo. Lawas, the most important of them, was a renowned slave market as late as 1902. The curse slowly had been stamped out in North Borneo, but the remote inland tribes of Muruts found in the Lawas country a ready Brunei market for their unwanted children, in return for guns and ammunition. Little effort was made by Sarawak to stop the traffic

[1]See pp. 199–207

from its northern outpost, and after obtaining the permission of the British government, which with Mr. Chamberlain as its Colonial Minister had become rather more active in asserting itself, negotiations were begun at Brunei for the cession of these rivers. Divorced from his territory round the bay by Sarawak, and acutely impoverished, the Sultan had lost all power over them, and was content to secure $600 for his rights. The Pengerans accepted annual payments totalling $4,475. The Membakut River was purchased the following year for another $2,400.

A long argument ensued over the Lawas River, which flowed into Brunei Bay opposite Labuan. The Governor of North Borneo maintained that documentary evidence showed that the Pengeran in occupation of the river was not the rightful owner, while the High Commissioner, the powerful Swettenham, held that it was useless to rely on written records, and that the Pengeran, who had been in control of the river for many years, must be treated as the owner. The Chief in question, who traded on his own account, was a man of some personality. He would have nothing to do with the Company, nor with any other white man, except, apparently, Rajah Brooke, who supported him in his dislike of European government. In an effort to win him over peacefully the Company permitted the Pengeran to employ the nephew of Rajah Brooke, acting as their representative, to assist him in the administration, and they made no other effort to control the trade or levy taxes. However in 1905, in exchange for the mining rights along the west coast, which Brooke had secured some years before when the rivalry had been keenest, the river was absorbed by Sarawak, and the young nephew who had made the error of working for the rival concern was relieved of his post. North Borneo had assumed the boundaries it has today.

With the sale of the Brunei Bay rivers, the Sultanate apparently had reached its end. In no way whatever had the establishment of a British Protectorate alleviated the misery, reduced the want, or improved the condition of Brunei, which had developed not into the Venice of the East, but something more like post-1918 Vienna. Hundreds of families had left Brunei to escape the seizure of their women and children by impecunious chiefs and headmen who sold them into slavery. The British Consul, who might have exerted some influence, chose to reside uselessly on Labuan, and from there observed the uncontrolled crime and the impending

anarchy with which Brunei entered on the twentieth century.

Joseph Chamberlain, the Colonial Minister, decided in 1900 that this state of affairs must be ended. He instructed the High Commissioner that the existing administration should be brought to an end on the death of the Sultan, if not earlier, and the country partitioned.[1] Governor Birch of North Borneo urged that, instead of partition, a British Resident should be appointed. With his Malayan experience to guide him he felt that the country could be saved if taken in hand. A son of Britain's first Resident of Perak, but with more understanding and sympathy for the peoples under him, Birch felt that a Resident with twenty police and a boat's crew could keep order, suppress slavery and administer the country on a paying basis. A vernacular school should be established, he said, and the cession payments controlled by the Resident, who would work under the High Commissioner.

Sarawak had not lost hope that Brunei would fall to her, since it was surrounded by her territory. She began contracting her coils. Negotiations for its transfer were begun through the British Consul. The terms suggested, so Birch told the High Commissioner, were that the Sultan would be paid a salary of $1,000 monthly, and would assign all his sovereign rights to the Sarawak government. These the Consul hoped would be accepted by the Sultan under the dual pressure of debt and hunger which he endeavoured to intensify. Birch said that when the Brunei people heard of these secret negotiations the Sultan was told that if he sold his country he and the Rajah would be the first two to die. 'It is all very piteous, and I am very sorry, but believe me there is only one course that is honourable. Abolish the Consul. Appoint a Resident. I do urge you to do this to save the place,'[2] said Birch. He reiterated his pleas with great earnestness, urging on Swettenham the necessity for a Resident both personally and by correspondence. Finally his arguments were accepted. In 1905, following a chance discovery of oil in Brunei territory, a British Resident was appointed. Much human suffering would have been avoided, however, if either the rump of territory had been partitioned or, more in keeping with Malayan policy, if a Resident had been appointed some seventeen years before. As it was, Brunei had been saved just in time.

[1]P.R.O., F.O.12/113, Foreign Office to High Commissioner, 27 April 1900.
[2]Governor to High Commissioner, 18 October 1902.

An effort had been made by the Company at the beginning of the century to secure additional territory to the east. After the quick collapse of the Manila government before the Americans in 1898, Cowie endeavoured to obtain the Sulu Archipelago. Unsuccessful here, and with definite signs that the United States Government did not intend to relinquish its authority over its newly acquired territories, the Company attempted to make legal its twenty-year-old administration of two small Sulu islands some fifteen miles off Sandakan. Cowie instructed Birch to secure them by purchase from the Sultan, and all other islands which were near the North Borneo coast but which had not been included in the cession secured by Overbeck.

Birch warned the Court that this method would not succeed, and suggested that they should approach the United States directly and openly through the Foreign Office. He obeyed instructions however, and the Sultan gladly accepted $3,200 for his islands, at the same time stating in the presence of the United States interpreter that they belonged to the U.S.A. Its reaction was swift; an American warship visited all the islands in the Sulu sea that were more than nine miles from the North Bornean coast, and planted on them the United States flag. By an agreement in 1907 the U.S.A. waived its right to administer the islands lying off Sandakan, but by the Boundary Convention of 1930 they were included within the United States possessions. The Company however were left in possession, though liable to expulsion at a year's notice. Following Filipino independence after the 1939–45 war, Manila resumed authority, though, judging by the numerous raids on neighbouring Borneo, not full control.

Disappointed here, Cowie was to suffer another blow on the west coast. On Labuan the exports of coal which had begun again shortly after the Company took over, continued for some years, and the Chinese labourers imported for the coal mining, a task almost unique in South-east Asia, had contributed towards a slow rise in the revenue of the island. Governor Beaufort, however, managed to produce here, as elsewhere in North Borneo, feelings of irritation towards the régime. The situation was aggravated by the small size of the settlement; for the little collection of officials and others were cooped up with not enough to do, held under a burning sun and hemmed in by the jungle. In such an atmosphere it was not difficult for grievances to be found. One,

which led to violent argument and counter-argument by Chartered Company officials and the Europeans employed by the coal company arose over the railway which A. J. West had built and it demonstrates the pettiness of outlook current in North Borneo at the time.

The Central Borneo Company who worked the coal owned the land on either side of their railway which led from Port Victoria to the coal mine. Built on this land was the Labuan Club, from which for some reason their officials were barred. In retaliation the Coal Company fenced in this land beside the railway, and when two employees of the Chartered Company cut the wire in an effort to reach their club, they were prosecuted. The dispute, one of several, was referred in all solemnity to the Governor and he referred it to the Court in London, accompanied by maps, statements, memoranda and minutes from all concerned. Another dispute, even more trivial, occurred when a butterfly collector rowed out to an incoming ship, introduced himself as the pilot, and ran her aground on the outer shoal, charging fifty dollars for his services.

A more serious affair occurred soon after. Following a deputation of four colonists in 1895, which protested on behalf of the natives, the Chinese, and the Europeans against the administration of the Chartered Company, three petitions were sent to the Colonial Minister in London, Joseph Chamberlain, praying for the British government to resume the rule of the island. They complained that the Legislative Council had been abolished by the Company; that the surplus revenue was not spent in Labuan; that there was no Sanitary Committee; that convicts were sent to work in North Borneo; and that it was difficult to secure currency at times.

Their grievances were answered by the Governor to the High Commissioner of the Straits Settlements, who in his capacity as Consul General for Borneo was dispatched by Chamberlain in 1896 to investigate. He discovered that the Legislative Council, which for several years had been a farce, with only three members on it, and meeting once a year, had been abolished by the Colonial Office. There was no surplus revenue, but rather an annual deficit, which the Company paid. The other complaints were equally without foundation, and Sir C. Mitchell reported to London that the petitions were the result more of local social strife than of any real sense of oppression. Beaufort removed the Resident and

hoped the antagonisms would die from lack of provocation. Chamberlain took no action beyond recommending that the Company establish the right of appeal from the Governor's Court to the High Court of Singapore, a recommendation which the Company did not adopt.

Action was taken a few years later, however. In 1902 the Company approached the Colonial Office for a loan. The Foreign Office, consulted by the other department, took a viewpoint completely opposed to that which they had held twenty years before, when the importance of North Borneo in relation to the China Sea trade had been stressed. They considered that strategically North Borneo in foreign hands could menace British trade in a minor way only, and that British policy should not commit itself beyond maintaining, with a minimum expenditure, a British Protectorate over the area. No loan was given.

Then in an indiscreet letter to a friend at the Colonial Office Governor Birch, after extolling the virtues of North Borneo, suggested that the British government should annex it. A copy of this letter reached Cowie, and he decided that Birch should be instantly dismissed. To this decision the Colonial Office took the gravest exception and for almost the only time in their association a severe knuckle-rapping was administered to the Company by the Colonial Office. Cowie was told not to be surprised if in future existing arrangements were revised. Birch secured a good post in Malaya and the following year (1904), the Company was informed that the British government had decided to resume the administration of Labuan. Cowie wrote a violent letter of protest. Despite the annual deficit, the prestige of administering a British Colony had been adequate compensation. 'Surely you will not subject us to the jeers and jibes of those who are envious of us,' he wrote, 'you cannot consider humiliating us in the eyes of the world. Such a course would be a very serious blow to our prestige, [and be] a step little short of disastrous.'[1] But his protests were of no avail. Labuan was taken over by the Colonial Office in January 1906, being absorbed a year later into the Straits Settlements. It did not revert to North Borneo until the Company had gone into voluntary liquidation following the second world war, and North Borneo itself had become, like its erstwhile rival down south, a British colony.

[1]Mr. Cowie to Mr. Villiers, 22 November 1904.

CHAPTER FOUR

ADMINISTRATION

WHEN Dent became confident that his application for a Charter would prosper, he acted on the suggestion of Pryer, approached Treacher in London, and, securing his release from the Colonial Office for five years, appointed him the Company's first Governor. He established his temporary headquarters on Labuan in August 1881, before the Charter was published.

Treacher had a better knowledge than most of the languages and peoples of what was then an almost completely neglected area. The administrative spadework he was called on to perform, in order to erect a superstructure of administration over an area as large as Ireland, was to be done thoroughly and well, and the framework he built remained the basic structure. The Company was fortunate in so early establishing a connexion with British colonial government, and it is surprising that this feature of its success was avoided by the chartered companies which followed in Africa.

Treacher soon moved from Labuan, where the new colonial governor refused to co-operate, and established his headquarters in a newly discovered uninhabited inlet in Marudu Bay. Here, at Kudat, was the first capital of North Borneo. Great hopes were held of it; coastal steamers would ply down both flanks of Borneo and from the islands to the north and east, it was thought, while the collected trade would be drawn off by ocean-going liners from Europe and China. These high hopes, reminiscent of those entertained for Labuan fifty years before, did not eventuate. A small town grew there, but it was always a sleepy hollow as Dent had visualized, and in 1883 Treacher moved to bustling Sandakan.

By April 1882, the Chartered Company had been formed. Attempts to secure as Chairman the imposing Sir Bartle Frere or Lord Carnarvan were unsuccessful, and Sir Rutherford Alcock, whose contacts both in the East and in the government had been of great use to Dent, remained in the chair. Dent was the driving force, as Managing Director. Various distinguished gentlemen

who play no further part in our story took their places on the Court of Directors; shares were issued to the public; and Treacher quadrupled his expenditure since he was assured by Dent that, although the public had not subscribed to the extent anticipated, yet the finances of the Company were very healthy indeed.

His action precipitated a crisis. The flow back to London of these large drafts on the Singapore bank, and the lack of information accompanying them caused the Directors grave uneasiness during 1882 and the following year. Treacher was spending far in excess of the modest income of the Company. His early reports failed to disclose the detailed reasons for his expenditure, and when in 1883 Dent discovered that he had engaged over forty Europeans with a salary bill of $14,500, he was told that Selangor in the Malay States was administered by thirteen Europeans on $5,000 yearly, and that Brooke was running Sarawak on an annual salary of $11,000. Treacher's estimates for revenue and expenditure for 1883 were found to be far in excess of those sanctioned, and contained no reference to the cuts and restrictions the Court had been stressing as necessary. Dent sped to Borneo, and for the first time gave Treacher, who had left before the Company was floated and had been provided with only general and vaguely optimistic instructions, a description of the Company's finances.

The amount subscribed in April 1882 had been £362,010. Out of this had to be met the claims of the provisional association, and for running expenses the Company could count on no more than £150,000. Treacher had spent nearly £30,000 of this, as well as all the locally raised revenue, and he had planned to spend another £30,000 in 1883. There were few signs of revenue increasing in North Borneo, and expenditure at this rate would soon have exhausted all funds. Horrified, Treacher pulled in his horns. For several years, although deficits continued, his restricted expenditure kept requests on Singapore and London down to a minimum. He withdrew several interior posts, reduced the administrative staff and the police, secured a cut in the cession money to Brunei, and contemplated abandoning the unprofitable west coast. He retained the confidence of London, who allowed him to cut his cloth how he liked. Slowly he established a skeleton colonial administration, putting each European in charge of several departments, and imbuing them all with his drive. From 1887,

when the development of a tobacco industry by Europeans first assumed significant proportions, and land sales and export taxes added considerably to the revenue, the budget of the territory slowly became balanced: the Company had pulled through. Severe though future crises were to be, the first six years of the Company were the most critical.

The division of North Borneo into West and East Coast Residencies begun by Overbeck was maintained, each Residency consisting of various provinces administered by District Officers, or Magistrates-in-Charge as they were called originally. The Heads of Departments were in Sandakan, which also housed the Resident of the East Coast and the Governor, who formed there in 1883 an Advisory Council. Five official members and one unofficial made up the numbers of this body with its rules and orders copied verbatim from those of the Ceylon Legislative Council. The Court wished to see Chinese and native members, and perhaps representatives of European planters, although it was not particularly enthusiastic over the latter, and at its second meeting a native did appear, with Mr. Fung Ming Shan, the 'Capitan China' sitting as a solitary Chinese representative. But the Chinese preferred their own council instead, which they secured in 1890, and the one unofficial was usually a member of the small European business community of Sandakan. Various planters were asked to serve, but they lived far up remote rivers and declined the honour.

The method of raising the revenue of the Company, largely a 10 per cent tax on imports, was that in force in Hong Kong and in the Straits Settlements. The right to collect the tax, whether that on liquor, on opium, or on tobacco, or the right to run the gambling rooms, which the Chinese found as essential then as the British now find the football pools, was sold, 'farmed' it was called, to the highest bidder, who thereupon, under government supervision, engaged his own staff and undertook the task of collecting the revenue. The customs' farm lasted until the early years of the twentieth century, when the Company, following as always the changes in colonial administration on the Malayan peninsula, and able by 1907 to support an adequate subordinate staff for its revenue collecting, abolished it. The opium and gambling farms went later.

The Court wavered a little, but then decided in 1882 that its best interests lay in leaving commercial undertakings to others. It

became a purely administrative company. The hatreds engendered by the Royal Niger Company, which traded as well as governed, and used its power to discriminate against rivals, were not a feature of the administration of the British North Borneo Company. But neither were its profits. The decision was a wise one, although unfortunate for the shareholders. Although it rendered its government impartial, dividends were very infrequent for twenty years or more, and never high. There is little money in administration.

By 1887 when Treacher left the territory it was no longer a wild and unknown land. Witti, Hatton, Pryer, Beeston and others had made many journeys of discovery; young Englishmen were penetrating and peacefully administering large provinces along the west and east coasts and inland. Trade was steadily increasing; planters were moving in; all the departments of an ordered government were functioning. Apart from an attempt to import Chinese ending in fiasco, for which he should not be held responsible, he had done well. The development continued during the stop-gap administration of Crocker, and then of C. V. Creagh, who was loaned by the Colonial Office from Pahang. The British proclamation of a Protectorate over the territory in 1888 buttressed the development that had occurred. This prosperity depended very largely on tobacco and land sales, however, and when in 1893 the MacKinnon tariff in America almost eliminated sales there, a serious slump followed.

Both in North Borneo, where Ada Pryer's diary recorded the dismal scene,[1] and in London, there was a lack of confidence. Several Directors (including Alcock and Lord Brassey) resigned and the Dent brothers sold many of their shares. The new Board of Directors, which was headed by the banker Richard Martin, M.P., and had on it a firm friend of Rajah Brooke in Admiral Keppel, decided there was no future in the Chartered Company. Brooke, whose life-long ambition had been to possess all North Borneo including Brunei, was asked on what terms he would consider taking over. Too confident, Brooke overstepped himself. As an essential pre-requisite, he said, the Company must dismiss all its staff, and free the territory of all claims and burdens. He offered in return an assured 1 per cent profit, plus a third of all revenue

[1]See *Sarawak Museum Journal*, Vol. VI, 1955, 'A Sandakan Diary of the 1890's', by K. G. Tregonning.

exceeding $210,000, the sum he needed for administration. Called on to decide, the shareholders listened to their lawyer, who said that the deal was crude, impracticable and illegal, and they decided against Brooke, perhaps mindful of the uncertain personal rule of the Brookes. There were 111 votes in favour (3,464 shares) and 145 against (10,001 shares). At the same time the slump was overcome in Borneo.

At the general meeting of the Company in London before that at which in February 1894 the plan submitted by Brooke had been declined officially, attacks on the Directors, aimed especially at Alfred Dent, had resulted in the unsuccessful nomination of W. C. Cowie to the Court. Cowie, who, after his trading ventures in the Sulu Sea, had worked a small coal mine at Muara in Brunei with his brother, had sold it to Rajah Brooke and returned to London a comparatively wealthy man. His nomination to the Court was successful in 1894, and with his election and the retirement of Creagh early the following year a new stage was reached in the administration of North Borneo. Previously North Borneo had been governed in North Borneo; the governors had been allowed wide powers and almost unfettered responsibility; Malaya-trained administrators had laid down principles and procedures on native policy, land tenure, labour treatment and revenue collection, untroubled by the Directors in London who, mindful of their ignorance and careful of the Foreign Office, were anxious merely to watch expenditure and husband meagre resources. All that was now to change. Experienced administrators were not popular; puppets were to dance to the strings pulled from London, where local experience was to be ignored, and the Company placed in such a critical position that only the unforeseen development of the rubber industry was to save it from obliteration.

Cowie, who until his death in 1910 was henceforward the dominant figure on the Court, instituted controversial policies of administration and loan raising, expenditure and economies, and taxes and concessions. He retained throughout his life the support of the shareholders, a support founded on the belief that he had an intimate knowledge of North Borneo, and indeed had been largely instrumental in acquiring the territory from the Sultan of Sulu. The original documents show that North Borneo would have become British in any event, and undoubtedly Cowie's controversial policies made the early years of the Company more difficult.

Cowie induced the other Directors to abandon their cautious policy of waiting on the development of the territory, and to embark on a policy of rash and ill conceived expenditure. In this policy his severest critic was Sir Alfred Dent. He opposed the decision in 1894 to construct a telegraph line, later to be followed by a grand trunk road, across the little known mountain and jungle between Labuan and Sandakan, and he opposed the decision to build a trans-Bornean railway. Both undertakings were rushed into without considered investigation, both involved the Company in a considerable waste of money and unprofitable expenditure. But Cowie was the man with expert knowledge, and Dent resigned. His departure was hailed with delight, and one of the little men barking for Cowie echoed both the opinion and the tone of those remaining, by voicing amid general approval that Dent knew no more about Borneo "than a cow knew about a side pocket'.[1] It was the last reference to him at a Company meeting until after the death of Cowie, when his pioneer work was again rightly praised.

Two others who were removed were Crocker, the experienced Manager in London and Governor in Borneo, who was forced to resign, and Creagh, who escaped back to the Malay States. Cowie, who had feared British officialdom while at Muara, decided colonial governors were not for North Borneo. L. P. Beaufort, a lawyer who had never been east before, spoke no Malay, was told to govern Sabah in a business-like manner, forgetting the foolish habits of the Foreign and Colonial Offices. The blunders of Beaufort, combined with those of the Court, were to make his administration noteworthy.

Perhaps the chief blunder was this construction of a telegraph line from Labuan to Sandakan. Cowie from his coast knowledge anticipated no serious difficulties, and was sure there were large tribes of natives and vast untapped reserves of jungle produce in the deep interior. In both respects he was completely inaccurate. He estimated that the track and line would cost £5,000, and would be completed by September 1894. Here again he went astray. The agonized battle to construct the line, recorded in volume after volume of reports which chronicle floods, torrential rains, thick jungle and wild mountains, the lack of labour almost from the coast-line, the stumbling elephants, falling trees and faulty equipment,

[1]28th Half Yearly Meeting of the Company, 15 December 1896.

went on until April 1897, when finally a cable from Sandakan reached London. Its initial cost had been nearly £20,000. To a poor country like Sabah, that was big money. It was all wasted. The plan of building a track had been quietly shelved two years before. Maintenance costs in mountain areas were so prohibitive and the line so little used that report after report from Borneo recommended its abandonment. As with those that had consistently pointed out the stupidities of its construction, they were ignored. There was no doubt about it; Cowie with his mind made up was a very determined man.

In an effort to pay for the line Beaufort was instructed to increase customs dues. By this time the country had developed considerably since Treacher first landed. In 1881 imports had been valued at $160,658. They were $1,663,906 in 1895. Exports in 1881 had stood at $145,443, but they had reached $2,130,600 by 1895. The revenue of the country, derived mainly from customs dues, had risen from approximately $20,000 in 1881 to the figure of $348,948 in 1895. But more was needed to pay for the telegraph and the railway. Among the new items taxed was rice, the staple diet of the Chinese who were the essential backbone of the country. Although it was originally suggested by Darby, the Sandakan business man who was the unofficial on the legislative council, it was Beaufort who adopted the idea, and condemned his government by so doing. It was perhaps the most stupid tax ever imposed in North Borneo. For a decade the Chinese immigration, vital for the wellbeing of the State, almost ceased, and North Borneo languished in economic doldrums.

The Chinese and European opposition to the new taxes was shared by the natives. Beaufort managed to antagonize the latter in other ways, and for the first time in its existence the administration was threatened by a rising, that of Mat Salleh. Arising out of grievances, nurtured by blunders, the revolt was quelled only after the expenditure of large sums of money that could be ill-afforded and the destruction of much valuable property. The revolt had made possible however, in ways that are described elsewhere,[1] the acquisition by Cowie of the remaining independent west coast rivers which had remained under Brunei control when the rest of Sabah had been ceded to Overbeck. With these rivers in the hands of the Company, Cowie was able to prosecute more vigorously

[1]See pp. 199–207.

the plan he had suggested as early as 1890, that of a trans-Bornean railway.

On his return to England from Borneo he had applied to the Court for the right to build a line from Brunei Bay across to Sandakan. He had secured some support but the plan finally lapsed when he was unable to raise the minimum capital declared necessary by the Company. Once on the Court, however, he revived the scheme. He still knew nothing about the interior apart from the agonizing tales of the telegraph constructors, and he was still firmly convinced that an El Dorado of untouched wealth lay in that tangle of jungle and mountain. A hasty estimate of costs was cabled home by the Commissioner of Lands in Borneo, who pointed out that his figures were rather speculative as he had never seen the area nor the proposed route. On such a flimsy basis the Court acted, and the shareholders cheered.

Rail construction had been going ahead vigorously in many parts of the world. In the nearby Malay Peninsula the railroad seemed the essential pre-requisite to the prosperity of the country. Cowie cited Perak as an outstanding example of how increased revenue followed a railway. He omitted to mention, or perhaps he did not notice, that the Malay railways hauled large quantities of tin, a staple in constant demand. There was no such staple in North Borneo.

As railway superintendent Cowie appointed his friend A. J. West, whose previous experience had been the construction of the Labuan Line, a few miles of light track from the harbour to the coal mine. He was given authority independent of the Governor, and instructed to report directly to the Court. In no matter affecting the railway, in the securing and treatment of labour, in the selection of sites, public works assistance, or food supply for example, did the Governor have any authority. Unchecked, unwatched, West was given full control of what was to become the biggest and most important department of the government over which the Governor had no control whatever.

It was all the more unfortunate that West was a cantankerous person with no idea how to organize a department and little inclination to correspond with anyone. He resented all outside interference and was happy only when he was in the jungle at the end of the line, actively engaged in construction. He arrived in 1896, and found that the spot, which Cowie had marked con-

fidently with thick blue pencil as a deep water port in Brunei Bay, was a mangrove swamp leading to shallows and bordered by crashing surf. Unperturbed, he decided that the choice of a port could wait, and began building his line fifteen miles inland. By 1897 he had chosen a spongy piece of land a foot or two above high water mark as the terminus, and named it Weston; Cowie harbour had replaced Sandakan as the eastern port, and West edged slowly towards it.

The trials of trans-shipment at Labuan, where all railway goods had to be unloaded and towed over in barges, had by 1898 convinced Cowie that Weston was not in fact an adequate port, deep water or otherwise. It was decided to build a spur line to Papar Bay, which Cowie considered the nearest suitable harbour. Then that was abandoned, and Cowie chose Gantisan in Gaya Bay, ninety miles to the north, and a site was selected on recently acquired territory opposite Gaya Island where the ruins of the former station destroyed by Mat Salleh still stood. The acquisition of all the independent rivers on the west coast made possible a line southwards across them to the Padas river, which West was endeavouring to reach, and several firms were approached in England. As none were sufficiently interested to venture their money on the project, Cowie caused the railway department to build a jetty at the Gaya bay site (reprimanding the Governor who thought it was under his direction), and undertook to pay for the building of the new line, borrowing heavily to do so.

A private firm was engaged, but before it began construction repeated protests by the local line, Sabah Steamships, at the exposed and dangerous new port, followed by its refusal to use the jetty at Gantisan, led to the selection of a new port, further inside the bay. As many buildings as possible were transferred there, and it was renamed Jesselton, after Sir Charles Jessel, a director. Today it is the capital of the State, with green-clad, razor-backed ridges behind a narrow strip of level land, and the sprawling mass of Gaya Island offshore: a lovely site that was to witness many viccissitudes. It seems a pity that its old Bajau name, *Singga Mata* (where the eye loves to dwell) has been forgotten.

This railway was to save the country. Entered into as an afterthought when Weston proved so impossible, by chance it was to traverse lands suitable for padi planting and the growing of rubber, a new tropical crop just then spreading throughout the Malay

States. In the actual construction of the line, however, another extraordinary administrative blunder was made. West had proved so elusive and remote, burrowing inland up the Padas Gorge, that Cowie decided not to entrust him with the supervision of the new railway. He had lost confidence in Beaufort, the Governor, so he gave full responsibility for checking all aspects of construction to the firm he had engaged to build the line. Thus on the west coast there were three independent authorities, and chaos was the result.

Beaufort soon resigned, and Cowie replaced him with an unholy alliance of three of Borneo's oldest citizens, the Treasurer General, the Colonial Secretary and the Resident of the West Coast. The Resident lived in Labuan and kept out of trouble, but the other two, Cook and Gueritz, lived in Sandakan and were soon at each other's throats. North Borneo reached its administrative nadir. From the outset they were unable to co-operate, and their personal hostility of many years' standing became public. In their struggle for petty supremacy the Sandakan community took sides as the administration became paralysed. The Mat Salleh rising, the railway and telegraph, Chinese migration, the decline in the authority of native chiefs, land and labour questions, combined with trivial but heated arguments over procedure and rank, all formed the subjects for innumerable minutes between the two, and are now preserved in arid volumes of collected memoranda. Finally the Court intervened. From the east coast Malay State of Pahang they secured as governor a man destined to be one of England's great proconsuls, Hugh Clifford. Clifford (later Sir Hugh Clifford, G.C.M.G., G.B.E.), who had been instrumental in bringing the Sultan into the British fold in 1887 and had been associated with Pahang ever since, was heading for a career that included the governorships of the Gold Coast, Nigeria, Ceylon and the Straits Settlements, and the High Commissionership of the Federation of Malaya. The Court could congratulate itself on its acquisition. He was to resign in disgust six months later.

In those six months his crisp, dynamic personality swept as clean as it could. He had the embers of the Mat Salleh rebellion to deal with; vigorous action coupled with tolerant treatment was applied. Every department was shaken out of its rut; new standards of efficiency insisted on; new interior and west coast stations were established and recommendations towards raising the status

and increasing the responsibility of the chiefs sent home. The migration problem and the telegraph position, with its annual costs reaching over £4,000, and its revenue below £250, were attacked. But he was not expected to criticize, and when his criticisms touched the railway, storm clouds gathered. He had not known until he reached Borneo that he had powers over neither West nor the constructors, and he promptly insisted on full authority. He questioned the advisability of allowing both a contracting firm and an inexperienced railway engineer to spend large capital sums without supervision. His criticisms grew more severe concerning the use of labour and the standard of work, and Cowie in July 1900, after several rebukes, intimated to him that his adverse opinions were not wanted; rather he should send home reports of praise which could be published, as it was becoming increasingly difficult to raise money. Clifford was astounded. By nature direct, forthright and impetuous, a giant of a man, he would stoop for no one. He would have none of this deceit, nor any more of this stupidity. He resigned.

In London his move was supported by Martin, the Chairman. But his protest, as well as that of a public meeting in Sandakan, carried no weight with the remainder of the Court who backed Cowie. Clifford was welcomed back to the Malay States and reappointed Resident of Pahang, while by now somewhat dubiously the Colonial Office loaned another of its leading men, E. W. Birch (later Sir Ernest Woodford Birch, K.C.M.G.) the Resident of Negri Sembilan. Here as with Clifford the stubborn determination of Cowie to rule Borneo from London led to his dismissal. But he was a more tactful man, more delicate in negotiation, more prepared to compromise than Clifford, and he governed long enough (two years) to introduce several lasting improvements.

After a hard struggle, Cowie granted reluctantly as a temporary measure the abolition of the absurd tax on rice which had caused almost a complete cessation of Chinese immigration. Birch also abolished slavery, and restated the native rights to land. For the first time since 1882 he induced non-resident Chinese capitalists to invest in North Borneo, and brought in many colonists. He tried to introduce vernacular education. Perhaps most important of all, he instituted a vigorous policy regarding bridle tracks which not only linked up many previously isolated outposts, but also greatly encouraged trade and movement of labour. Cowie looked

on them as useful for bringing produce to the railway, but they soon assumed greater importance, an importance which was noted in 1953 by Governor Hone who in praising the Chartered Company paid tribute to the bridle tracks as an important factor in the smooth and easy administration of the country. Rundum and then Pensiangan in the far southern interior were linked to Tenom and Melalap, the railhead, and then to Keningau along the inland valley to Tambunan and Ranau, where another track wound round Kinabalu to Kota Belud. From Kota Belud a track led south to Jesselton and also to the north, reaching Kudat, while another skirted Marudu Bay. Along the west coast plain as well bridle paths went out from Sipitang, Beaufort and Papar, and on the east it was hoped to make a track from Sandakan to Beluran, the small post on Labuk Bay. Year after year the bridle path assignments of the District Officers continued on the lines laid down by Birch in 1902, until by 1941 there were over 600 miles of these tracks, fit for a man with a pony; from 1930 onwards the Company participated in the Colonial Development Act, receiving £10,000 annually towards their 1927 plan for widening and bituminizing them. This work has been continued by the post-war colonial and independent governments which have built on the foundations laid by the Chartered Company.

While Birch was Governor he was visited by Alleyne Ireland, an American professor studying the colonies of the Far East, one of the few independent critics experienced in colonial administration who reached North Borneo. What he wrote in 1905 was echoed by Governor Hone in 1953 when discussing the Chartered Company employees. Both were 'much impressed by the excellent tact and administrative ability displayed by the government officers. They spoke the language of the people, showed an interest in their affairs, were at all times accessible to everybody who wished to make a complaint or ask for advice or assistance, and appeared in every way to command the respect and goodwill of the natives.'

Both noted that 'the people were governed rather by force of personal influence than by the power of legislation, that the judicial relations were based upon wise and tolerant equity more than upon mere precise law, and that a perfectly friendly understanding existed between the government and the natives.'[1]

The Chartered Company maintained itself throughout the

[1] A. Ireland, *The Far Eastern Tropics* (London, 1905), p. 45.

twentieth century on this administrative tradition. The other chartered companies that later sprang up like mushrooms copied the letter but not the spirit of its constitution. The German company in New Guinea, the British enterprises in Africa, were all swiftly to fall; the British North Borneo Company continued, an anachronism no doubt in a twentieth-century world, but preserved by the calibre of the men who served it. At times, however, as we have noticed, they were threatened by the superstructure in London, where the reign of Cowie was not at all conducive to good government.

Birch felt this even while tactfully pushing his reforms, and when he turned towards the railway he too was in trouble. Unlike Clifford in Pahang, he had played an active part in the railway development programme on the western flank of the Federated Malay States, and he found his role of bystander even more irksome than Clifford had. The contracting firm building the line from Jesselton to the Padas River (Cowie had named the terminus Beaufort in January 1898 before he lost confidence in that governor), was without any supervision, and skimpy and faulty work was the result. The line was rushed to completion and left, as the contractors hurried home. Birch succeeded in securing authority over it, and called for a report. The unworkable line was condemned.

Cowie had the report sent to the contractors, who had accepted 60,000 Chartered Company shares in part payment. They maintained that they had left the line in good order; the defects listed therefore, for example inadequate banks, crumbling sleepers, collapsing bridges and excessively narrow cuttings must have originated after Birch took over. Cowie, who by this time had taken an intense personal dislike to his Governor, relieved him of all authority over the line, and had the writer of the report instantly dismissed. He toyed with the idea of governing North Borneo from London, dispensing with a governor altogether, as the Royal Niger Company had once done. Another engineer, independent of both Birch and West, was put in charge.

Early in 1903 Cook in Sandakan heard that Birch in 1902 had written a plaintive letter to a friend at the Colonial Office, bemoaning the fact that a wonderful country full of possibilities was being ruined from London. He had urged the Government to annex the territory and save it. Cook reported to Cowie, and

Birch was promptly dismissed, although ever since the Charter had been granted the directors, including Cowie, had continued to chant that North Borneo was virtually a colony, and that it was inevitable that Britain would take over. In 1902, however, the Company had been refused a government loan, and this indiscreet correspondence, disclosing discontent in Borneo to the power that had rebuffed him, aroused Cowie's fury. Birch was dismissed, and Martin, after an unhappy period, resigned in sympathy.

This cavalier treatment of a brilliant man did not meet with the approval of Lyttelton at the Colonial Office. Cowie was told late in 1903 that Birch would remain Governor of Labuan, which the Company had administered since 1890, unless his dismissal was rescinded. This created an impossible situation. No shareholder would have felt happy with a Managing Director who dismissed a man in whom the government so obviously retained confidence. For once Cowie yielded, and Birch's application for retirement with a year's notice was accepted. So ended the experiment of borrowing men with minds of their own. Never again while Cowie lived was a colonial officer selected as governor. Gueritz, a Chartered Company employee dependent on the Court for his livelihood, was appointed, and there were no more storms from Borneo.

The constant pressure of sorry facts forced some reorganization of the railway. The Governor at last secured a measure of financial control, and West was given the management of the three lines. These were the original twenty-mile track from Weston to the river opposite Beaufort, completed in 1900, the Beaufort to Jesselton line, fifty-seven miles long, which was thrown together in 1902, and the thirty mile Beaufort to Tenom line, up the Padas gorge, which was finished in 1905, and later extended to Melalap. This ride is a most spectacular piece of engineering and West deserves great credit for building it. He was at his best at construction work; but the wide administrative functions thrust upon him, his secretiveness, obstructiveness and generally independent air, in combination with the ever increasing reports of mismanagement, proved his undoing. Supported through thick and thin by Cowie, he was suspended shortly after Cowie's death in 1910, and left Borneo.

The new Court, who looked at Borneo after the dominating figure of Cowie vanished, sent from Malaya two railway experts. They particularly condemned the Jesselton to Beaufort line.

Every bridge and nearly every sleeper and bank was reported unsafe, the gear was faulty and the management ill organized. It should be completely rebuilt, and placed directly and absolutely under the control of the government in Borneo, they said. They thought that after a considerable capital outlay, good administration and reasonable expenditure would provide a satisfactory pioneer line, adequate for the needs of the country. This was done. By 1923 the 107 miles of railway had cost the company £800,000. Cowie had estimated £107,000, far too low a figure as all tropical engineers would agree; yet the actual cost had been excessive, and the loans incurred to pay for it were to saddle the Company with a most unnecessary burden throughout its existence. In 1924 the line for the first time showed a profit; fourteen years of rebuilding and of reorganizing a wasteful department had finally borne fruit: and by this time it had a staple to haul to the port, rubber.

By sweeping if not crippling concessions in 1905 Cowie attracted to North Borneo some of the fierce sensational race for suitable rubber land that was rampaging through Malaya. Reports from Borneo indicated that much of the land alongside the Jesselton to Beaufort railway was suitable too, a rare stroke of luck, and Cowie leapt at the opportunity.

By 1910, the year of his death, North Borneo was in a substantial position. Added to the export of rubber, which had begun that year, the tobacco estates, the timber camps, the numerous products of the jungle as well as sago, dried fish, copra and coal, all boosted the export trade of North Borneo, the life blood of the country, which stood at over 4½ million dollars, having doubled itself and more in the fifteen years Cowie had been in the Company. But in London Cowie had saddled the Company with debenture loans, and in Borneo he had left a legacy of maladministration and a too rigid remote control that spelt danger if not disaster. Two changes at the helm were necessary before the Company could sail safely on the calm waters of her final years.

The death of Cowie marks approximately the end of the old era, the nineteenth century pioneering age when the tropics were still strange and people were optimistic, and the beginning of the new, the twentieth century, a period when experience replaces naïvety, when international bodies first rise to harass a colonial government and the district officer slowly disappears under a growing pile of papers, a period when some of the cut and thrust,

some of the glamour of the early campaigners, seems to vanish.

In North Borneo the first car, and the first traffic offence, arrives; the first ice works; the first radio; and the first world war. The people of North Borneo are studied by anthropologists and ethnologists; various experts write prosaically on departments of the administration, and the tales of discovery and pioneering vanish. Owen Rutter in the 'twenties and Agnes Keith in the 'thirties give us the new Borneo, a world away from the early works of William Hatton and Ada Pryer.

The place becomes modern. It also becomes a great deal more efficient as many of the old timers depart, still wearing their handle-bar moustaches, their long white ducks buttoned to the neck and tucked into gumboots, with their malaria-coloured faces and their dysentery-affected constitutions. Raffles Flint, Cook, Walker (for twenty-seven years in charge of the Lands Department), Colonel Harrington, E. P. Gueritz, West, Darby, and W. H. Read, the friend of Dent who had participated from Singapore in the first expansion of the British into both Borneo and the then little-known Malay States, all are retired or die, and their places taken by the young men not of a new century but a new age.

In other ways too there are changes. Pony racing, the great enthusiasm of the nineteenth century, is partially replaced by new-fangled fads such as tennis and sea-bathing. Soccer spreads among all races, helped by a Governor who sees that every town has its *padang*, or playing field. Cohabiting with local women is superseded to some extent by European brides. Yet old habits linger; even today there is plenty of the nineteenth century Borneo still surviving, and the reader must not imagine too sweeping a change in a conservative society.

The new Chairman (renamed President) of the Company was Sir West Ridgeway, who had governed Ceylon after a distinguished army career during which he figured prominently in the Penjdeh incident of 1885, when Russia and Britain came nearly to blows on the rocky uplands of Afghanistan. Under Sir West, who promptly visited North Borneo, there was an immediate relaxation of the excessive control exercised by London. Gueritz had been unable to effect even the most minor of land sales without prior reference to the Court; his successor, a Ceylon protégé of Sir West's, was given the responsibility of a governor in this and in other matters.

Ridgeway was not deluded into thinking that ease of communication with Jesselton, which for a time was the capital, presupposed an ability to administer the territory. He and his fellow Directors admitted their ignorance, and wisely called for independent reports. Two Malayan experts reported on the railway; Sir Richard Dane of the Indian Civil Service embodied many recommendations in his scrutiny of the administration; and Sir Allan Perry from Ceylon sent in a valuable and comprehensive paper on the health services. As a result, and in keeping with the new spirit sweeping through the colonies of South-east Asia and elsewhere, the Health Department was reorganized; an Education Department, a Forestry Department and an Advisory Council for Native Affairs were formed; contract labour and the Opium Farm were abolished, the government taking direct and effective control of its sale to the Chinese; and various improvements made in the matter of salary scales and pensions to place the administrative staff on a more equitable footing with the Colonial Service.

Another administrative change which ushered in the new order was the formation of a Legislative Council in 1912. The old advisory council had faded away; dictatorial rule does little to encourage discussion, and it had not met since 1905, when Gueritz, placid soul though he was, had endeavoured to resign. Now Ridgeway formed a new Legislative Council, with seven official and four unofficial members, representing the Chinese community, the planters on the east and west coasts, and the business community. The Chinese representation was later increased to two. This body, and the work it entailed, came somewhat as a shock. As one of the unofficials said, 'the privileges about to be conferred on the community will be specially welcome, because they have not been the result of popular agitation.'[1]

Politics had never appealed in North Borneo. There had been one agitator in Labuan in the days when the Company administered it, a refugee from the Americans in Manila named Bray, who had composed several petitions for the rights of true born Englishmen, but apart from him, in all the correspondence and reports that passed between the Governor and London, there was not a single reference, after Treacher's administration, to any demand by planters or the business community for a voice in the administration. Criticism of the government there had been,

[1]B.N.B. *Herald*, April 1912.

particularly by the planters at the official protection of native land, and although the Legislative Council continued to meet once or twice a year until 1941, criticism of the government was more likely to come from the same sources as in the past, especially the Rubber Planters' Association and the Chinese Chamber of Commerce.

One of the drawbacks to political discussion and representative government was the shortage of people. There were few pickings for lawyers in North Borneo, and their insidious presence had been severely frowned on for many years, with the result that the mainstay of many overseas parliaments was missing. Government officers were always few in number—in 1912 forty-five men were doing the work of sixty—and business men were either too busy in Sandakan and Jesselton or too far away on plantations and estates. In many cases they were now called on to serve on the town sanitary boards as well. Neither of these institutions had full control of local finance, and where the pocket was not concerned interest never flamed. Politically North Borneo progressed through its allotted forty-one years of the twentieth century very quietly, untouched by any settlers' struggle for representative government such as that which ended the administrative functions of the British South Africa Company in Rhodesia.

Ridgeway scarcely had time to act on the recommendations of Dane and company before the outbreak of the World War brought effects, if not as completely catastrophic as those of the 1941 invasion, at least of acute seriousness. German expansion in the South Pacific had been constant for over twenty years. After annexing northern New Guinea she had failed to catch the Philippines as they slipped from the dying grasp of Spain, but she had managed to secure the Marianas, Carolines and Marshalls. A commercial empire had been built, greater even than the territorial (and as little written on); and by the time war broke out British shipping had been pushed away from North Borneo for example, and German ships enjoyed a monopoly. These ships thereupon vanished; there was only intermittent replacement; and severe rationing was necessary for a country by that time dependent on imports for at least half her rice.

The German ships were eventually replaced by the Straits Steamship Company, one of the widespread subsidiaries of Holt Lines. From that time on they built up their Singapore to Borneo

ships; and their fleet now carry away an overwhelming proportion of the territory's exports. A power of the first magnitude, Straits Steamship deserves a seat in the Legislative Council far more than bodies now represented. Before they had expanded to a size sufficient to cope with their new market, however, North Borneo was in dire straits.

The food shortage, intensified in 1919 by a widespread locust plague that attacked the padi fields, reached its peak after the war had ended. Chinese immigration, which had been stifled by Beaufort and not encouraged by Cowie, had shown signs of resuming shortly before the war began. Although it was to be ten long years before the flow began, there were enough Chinese there (26,002 in 1911), combined with the Dusuns (87,951) and the other races to render a supply of rice essential. Their dire need resulted in the unprecedented joint action by Sarawak and North Borneo, who appealed in 1920 for a greater allocation of rice from Burma. For over forty years they had distrusted and intrigued against one another in their efforts to carve up Brunei. Now common hunger forced a brief combination. Such an action was rare.

The Company entered ten lean years with the outbreak of war. Lack of capital and scarcity of shipping crippled all exports, affected all development and weakened the administration, itself further affected by the shortage of staff. Those in London, vainly maintaining that they held positions of government analogous to the Colonial Office, were conscripted. Those in Borneo volunteered. Their places there were taken by natives and Chinese, and a new post, that of Deputy Assistant District Officer, evolved. This step, forced by necessity, was found satisfactory in many cases, and so was maintained after the war, particularly as the rubber depression in the early nineteen-twenties forced the Company to maintain its war-time economies.

Yet strangely enough Ridgeway in London continued paying dividends. A generation of Chartered Company shareholders had come and gone without participating in any of the exciting profits forecast by Dent and Overbeck, apart from a minute 2½ per cent in 1890 (the profits from tobacco land sales). In 1899 it was possible to pay 2 per cent. This was maintained each year until 1905, when it became 3 per cent; 4 per cent in 1907; and 5 per cent between 1909 and 1914. It fell during the early years of the war, but

Ridgeway was paying 4 per cent by 1917 and 5 per cent by 1919. He continued to pay dividends, despite a decided slump, with a decrease in 1921 of 30 per cent in the total volume of trade over the preceding year, with 5,000 labourers being dismissed from rubber estates, and with revenue dropping steadily away from the 1920 figure of $3,611,803. He also continued borrowing, a practice he had copied from Cowie. By 1924 the Chartered Company was in debt to the incredible tune of £1,649,800. It was time to call a halt.

Ridgeway's liberal expenditure had effected a cure for the railways and had promoted road building. More money had gone into resuscitating the Cowie Harbour coal mines in the south-east corner of the territory, and a substantial sum had gone into a post-war project, the British North Borneo Timber Company. This was one of the two big outside investments which stimulated North Borneo after the war. It was granted a twenty-five year monopoly to cut and export timber from state land. The other firm to come into North Borneo was Harrisons and Crosfield.

Harrisons and Crosfield, a well established concern in Malaya, had invested in both the Cowie Harbour and the timber project, and in 1917 it bought out W. G. Darby, who after thirty years of pioneer industry in Sandakan had built up a profitable empire of timber mills, ice works, slipway and shipping, and agencies of all descriptions. In Jesselton and Sandakan today the impressive buildings of 'H. and C.' are eyed by the diminutive offices of some of the great companies forced out of China or bursting out of Malaya, who compete fiercely with the colossus for every scrap of trade. In the twenty-odd years before the Second World War, however, Harrisons (except for the British North Borneo Trading Company) had the field almost to themselves, when they invested their money and spread their ramifications throughout the land.

This liberal expenditure of Ridgeway had given the economy of North Borneo a shot in the arm. It had also set in train another development; there was a prospect of imminent bankruptcy. Mountstuart Elphinstone, one of the Directors, was alarmed at the *sang froid* with which Ridgeway spent and borrowed. In 1924 he brought in Dougal Malcolm. Malcolm had been one of 'Milner's Kindergarten' of post-Boer War South Africa, and was then, as he is today, on the board of the British South Africa Company. His knowledge of how a chartered company should be run was

almost unrivalled. The two, supported by many shareholders, pressed for an investigation. Ridgeway wrote to his former associates at the Colonial Office, depicting his adversaries as commercial scavengers, eager to spend the profits he was anxiously guarding.[1] For a time he was believed and supported. Elphinstone and Malcolm secured the formation of an independent Committee of Inquiry, however, and the true facts were revealed in their 1926 report. Ridgeway resigned. Dividends had been paid out of capital, the Company was heavily, almost hopelessly in debt, and it had been saved just in time.[2]

Ridgeway, while President, had addressed to the British government one of the appeals for annexation which had emanated from despairing Directors at roughly ten-yearly intervals since the Company's formation. He was as unsuccessful as the others. He also told the government that, if pressure against him were not resisted, the commercially minded men who would seize power would ignore the fine points of colonial administration (of which they were ignorant), for dividends (for which they were avaricious). The contrary happened.

Dougal Malcolm, Elphinstone, who became Managing Director, and General Sir Neill Malcolm, one of the founders of the Royal Institute of International Affairs, who was elected President, set to work at once. Year after year careful husbandry allowed payments to be made reducing the black mountain of debentures over them. No further loans were raised. Over £700,000 of debt was redeemed by 1941; it had been planned to redeem it all by 1965. Malcolm and the responsible body of men who served with him, both in London and Borneo, secured the financial stability of the Company as the territory continued slowly to develop. Although he visited North Borneo at regular intervals, he rarely interfered in the administration; his main efforts were financial. Reserves were built up, even during the depression. No hasty expenditure was ever entered into, a rigorous inspection of yearly estimates was carried out, and every dollar was made to go a very long way[3] as the Company practised the old-fashioned virtue of living within its income.

[1]Chairman to Colonial Office, 11 January 1926.

[2]Report, Committee of Enquiry, 9 April 1926.

[3]In 1931 the Chartered Company conducted a very efficient census at the cost of £7,709. In 1951 a similar census of the same territory was organized at a cost of £139,060.

One of the ways in which Malcolm saved money without affecting the administrative standards was by continuing Ridgeway's work of substituting two-way radio contacts for the overland telegraph line. The latter was a most expensive and inefficient luxury, and should never have been installed. Easily maintained radio sets enabled Sandakan to communicate over the jungle with Jesselton by 1914, with Kudat, Tawau and Lahad Datu by 1923, and with four other outposts by 1934. The cross-country wire was laboriously salvaged and put to good use linking up the populous west coast area, where it was of inestimable value for good government. The wireless and telegraph system was financed, in the Postal and Telegraph Department, by the sale of stamps, charming and unusual issues which, never debased, were sought after by philatelists throughout the world to the very great profit of the territory.

Another incidental source of revenue, which is now denied it, lay in the issue of its own currency. The money of South-east Asia is a subject that awaits adequate research; as yet there is little explanation why Singapore made no efforts during the nineteenth century to stimulate vigorously a money economy along her commercial arteries. The legal tender was the Spanish or Mexican dollar, spread thinly throughout South-east Asia from Manila, where once a year the galleons from Acapulco came to buy the Chinese silks stored there. In Malaya currency was usually short, and Swettenham complains of the inconvenience resulting.[1]

The Chartered Company, quick to appreciate the stimulus to trade ensured by a sufficient supply of coins and notes, and fully aware of the legitimate profits to the minter, introduced its own currency from the beginning. Its use spread rapidly, to Singapore, Sulu and Hong Kong, as well as throughout the territory, where it knocked down the cumbersome barriers of barter. The dollar was on a par with the Spanish coin, which was based on silver, and its sterling value dropped from 3*s* 6*d* in 1890 to 1*s* 6*d* by 1902. When Malaya demonetized the Mexican dollar in 1906, the new Straits (and Sabah) dollar was attached to gold, and pegged at 2*s* 4*d*, where it has remained, with minor fluctuations, ever since. The memory of the old Manila galleon and the silver mines of Spanish America faded away.

[1]Swettenham, *British Malaya* (London, 1909), pp. 267–8.

The Company never speculated with this asset, for it was ever mindful of the Charter clauses permitting British government interference, and more perturbed by (fortunately rare) questions in Parliament than a Department of State. The Directors, for the most part conservative business men with a touch of the romantic, were fully aware that a stable currency was essential for a stable trade. By careful control of their note issue they kept on good terms with their agents in Singapore, Guthrie and Company, who replaced A. L. Johnston and Company, and with the great banks of Hong Kong and Singapore. As they could not be induced to open branches in the territory, the government in 1921 founded a State Bank, after a previous attempt by Dent in 1887 had failed. The bank was independent and aloof from the other departments of government, and took over control of note issue and government loans, being particularly usefui in its agricultural advances.

Both in 1921 and 1931 the placid years and the by then widespread administration enabled an efficient census to be held. The first count of the population had been in 1891; but many of the estates failed to respond to the hasty efforts of the government; large areas were without administrators; and the result was a fiasco. In 1911 the general unrest of the west coast again left many heads uncounted, and the total of 104,527 was somewhat conjectural. In 1911 a more efficient census gave a population of 208,183, but here again difficulties in estimating the Murut population of the interior made it incomplete.

In 1921 thorough organization gave the Chartered Company its first accurate knowledge of the people it was administering, filling in the details of the picture known already. The natives of North Borneo were by far the largest element, as they had been before. Out of a total population of 263,252, the Dusuns, Bajaus, Muruts, and other indigenous peoples, numbered 203,041. The Chinese, mainly Hakka and Cantonese, numbered 39,256, while the Europeans presented the impressive total of 665.

By the time of the next census in 1931 North Borneo was prostrate under the Depression. Many Chinese had returned home as various companies retrenched and the unemployed indigenous labourers spent too little to maintain the livelihood of those in the towns. Yet there was a slow increase in total population (277,476) and in the Chinese (50,056), the Hakka community increasing from 18,153 in 1921 to 27,424. The sturdy Dusun added to his

numbers at a healthy rate (from 104,863 in 1921 to 110,483), but the sickly Murut declined from 30,355 to 24,444. The east coast population was less than half that of the narrow west coast plain—74,760 to 141,331. The total figure gave North Borneo the very thin density of 9.3 people per square mile, compared to the 12 of Sarawak or the 47 of the Federation of Malaya.

By 1940 it was estimated (the plans for a census being cancelled), that the population of the State stood at 310,000 people, with the natives of North Borneo numbering 230,000, the Chinese 60,000, and others (including 400 Europeans) 20,000. These official calculations revealed what had been known in a general way before, that the population, while increasing, was doing so only slowly; that there was a steady growth in five main areas—Jesselton town and its rural area, Kudat, Lahad Datu and Tawau; and that there was an equally steady depopulation of the interior. Nothing in post-war North Borneo has reversed these tendencies.

The day to day affairs of the Chartered Company in London were handled by a Secretary and later an Assistant Secretary, with a minute staff in a few small rooms in Old Broad Street. The Directors met but infrequently. Pre-occupation with dividend rates was one of their very minor worries; although a claim by the Inland Revenue authorities as to the liability of shareholders for Income Tax, conflicted with the Company's claims for immunity by virtue of the fact that it was a sovereign independent state, and necessitated a long drawn out discussion, which was not settled until Sir John Simon, the advocate for the Company, secured a compromise in 1929 by which independence was recognized and liability to taxation accepted.

There was no dividend to be taxed that year—there had been a mere 1¼ per cent paid in 1928, breaking a four-year absence from the list of dividend-paying companies—and no dividend was announced until 1937, when 2 per cent was proudly announced. The Depression, coming on top of the vast debenture debt, had made the nineteen-thirties critical years. A loss was incurred in 1932 and 1933, revenue dropping some £30,000, yet Malcolm was able, even here, to reduce by some £81,000 the debenture certificates. From 1934 onwards, with rubber again going up in price (the value of exports from North Borneo rising that year to £568,000 from £179,000 in 1933), a small profit was shown.

By 1937 the value of the shares taken up stood at £3,040,185, a

far cry from the initial flotation in 1882; and with rubber still rising, and other exports increasing in value, a 4 per cent dividend was announced in 1938. This was the last. Looked on by the Directorate, and by the Colonial Office, as a payment as fully justified as, and in many ways comparable to, the interests paid by other colonies on overseas loans for funds to assist development, these dividends had been shared with the employees of the Company, who from 1919 onwards secured a bonus whenever a dividend was paid. A common feature of commercial concerns in the East, this bonus payment, however, has no parallel in government.

Freed of all financial worries over the territory, the British government were in no mood to encourage the hope held by the Court of Directors (the old Honorable East India Company usage still being preserved), and by all the shareholders, that one day the Crown would recognize its imperial obligations and would purchase the territory from them. A Labour government cancelled naval base construction in Singapore, and Conservative governments were no less reluctant to spend tax payers' money on imperial expansion, with the result that North Borneo continued as a twentieth-century anachronism.

But, disappointed though the Company was by its inability to interest the government, it nevertheless maintained with the Colonial Office an informal and intimate relationship that was of the greatest value to it. Sir Neill Malcolm was, like Sir Rutherford Alcock, one of that comparatively small group of upper middle class people who to all intents and purposes ruled England, sharing a background and breeding with many of the higher echelons of the Civil Service. To consult the Colonial Office on the appointment of a new governor, for example, took the form of a personal conversation with the Permanent Under Secretary. On this level, and in this manner, did the Chartered Company conduct its peaceful affairs in London.

The *laissez-faire* outlook on the part of the home authorities, content merely with the 1888 Protectorate arrangement, was not shared completely by those imperial envoys closer to the scene, the High Commissioners of Malaya, who in their role of British Agent for Bornean territories came in contact with three distinct types of government. In Sarawak the rule of the Brookes was arousing disquiet. In Brunei a British Resident remained aloof

from contiguous territories with identical problems. In North Borneo a Chartered Company pursued its independent way. For the better development of all it seemed, perhaps more obviously to Malaya than to London, that there was need both of some sort of Federal link and of closer control by the Colonial Office. These ideas were investigated in particular by Sir C. Clementi in 1933, and recommendations for purchase of the Company reached the Cabinet. No support was given, and in 1935 the project lapsed.

The informal relationship that existed between the Colonial Office and the Chartered Company Directorate in London, which was intimate enough to permit the receipt by the Company of all general directives and circulars to the Colonial Service, as well as all Acts of Parliament applicable to the Colonies, and Orders in Council and Royal Proclamations, applied also in North Borneo, where the staff maintained similar links with Malaya.

In Africa and in India the colonial governments there had long accepted a policy that called for the gradual grant of more and more power, politically and financially, to the indigenous people. The British could not for ever withhold power from those they ruled, for this was recognized as morally unthinkable, and administratively impossible. The only checks to the progress of transferring this power were the necessity to maintain civilization, and the capability of those to whom responsibility was being awarded. In Malaya, however, no such process was under way. Here the British genuinely felt that morally they were not called on to leave, but to stay. To relinquish political power in the Peninsula to the Malays (the only citizens) was transparently unjust to the Chinese and Indian minorities. And financial power, since the Chinese would always be liable to acquire control, was best left, all were agreed, in the impartial hands of the Malayan Civil Service. The British had to stay and govern; otherwise there would be a disintegration of a divided land. This feeling, this outlook, was accepted almost without question by the peoples of Malaya, and helps to explain the paternal administration and the passive years the Peninsula experienced. It was an outlook transmitted to North Borneo, where conditions were roughly similar, and where the organization and activities of the administration, based on ordinances and regulations borrowed almost verbatim, reflected this Malayan background.

The Malay States supplied not only the philosophical outlook to

North Borneo, but in addition a number of its staff. From the time of Treacher and, for example, D. D. Daly, these were of two types. The outstanding young men of the Malayan Civil Service loaned as governors, men such as Treacher, Creagh, Clifford, Birch, Humphreys and Richards (later Lord Milverton), who brought with them their Malayan experience and tradition; and the failures, the drifters, those already in Malaya and unable to find a post. Usually short of staff, North Borneo welcomed them, and, as in the case of Daly, it was often the making of them.

The field of recruitment for the fifty or sixty men judged essential for the administration of North Borneo was extended, particularly from 1925 onwards, to the appointments board of the Universities of Oxford and Cambridge, and a supply of cadets was secured from there. These university students were almost invariably found adaptable, hard-working and useful; their eligibility for the role of district officer was assessed on the results of personal interview with Malcolm.

Before leaving London the newly recruited cadet was advised on the essential clothes necessary for the remote life on the other side of the world. Six stiff shirts and collars and six cricket shirts were the minimum. He would need four white drill suits, three mess jackets, a light suit, riding breeches and a service uniform with helmet (the tailor's name supplied). Crockery, cutlery and glass for at least six persons, to be stored in the simple bungalow on stilts that might be his outstation quarters, were best secured in Singapore. His cricket and football boots, however, golf clubs, squash and tennis racquets had best be purchased in London.

In North Borneo he usually spent a period under the watchful eyes of a senior in the capital, which alternated between Sandakan and Jesselton for some time, eventually returning to Sandakan. He then secured his own outstation, where he found himself the essential king-pin or keystone in the peaceful slow-moving life of a society that would break apart without him. He alone counteracted the fissiparous tendencies that his predecessors had arrested.

The District Officer in North Borneo lived the active life of one who had to be many things. District Magistrate, Protector of Labour, Collector of Revenue, District Treasurer, the local executive officer of every department, and the adviser and friend of all the remote villages he must regularly visit; all this and more he was called on to undertake. Most exacting and time-consuming

were the burdens placed upon him by the Treasury; many considered that the petty paper work recording the receipt of minute sums should have been the task of minor Treasury officials, in order to leave the District Officer more time for his administration and governing. This was in fact recommended by the final Governor, Smith, but no action was taken. Apart from that, however, the life of a District Officer in pre-war North Borneo was to many a deeply satisfying and most enjoyable one.

The work of the administration was made more complex in the nineteen-twenties and nineteen-thirties by the emergence of international authorities. The rules for rubber restriction, the campaign for the control and elimination of opium, the inquiries into labour conditions, all emanated from branches of the League of Nations or other international bodies. The territory, taking its cue from Malaya, complied with their recommendations and directives in so far as they were judged applicable to North Borneo. It was poor but it was honest. It could not afford to be otherwise.

In 1934, acting on an informal suggestion by the Colonial Office, the Chartered Company forsook Malaya as their happy hunting ground for governors and turned for the first time to Africa. Hitherto the Company had accepted Lugard's dictum that 'the racial differences between Asiatics and Africans are so great . . . that methods applicable to the one may be quite misplaced with the other.'[1] It was, however, a wise recognition of the fact that the poor, sparsely inhabited country of North Borneo had problems more like these encountered in a territory such as Tanganyika than in wealthy Malaya. And D. J. Jardine brought to a fitting close the Company's fifty-odd year dependence on colonial administrators.

Jardine, young, enthusiastic, vigorous, introduced changes and reforms into many branches of the administration. At first inexperienced in Asian affairs, he was helped by Residents and departmental heads of long experience, with whom he consulted constantly, and he effected improvements in the education, health, land and native administration departments of the government. These are discussed elsewhere. In his attempts to alter the administrative framework, however, he was not so successful.

In 1935 there were in North Borneo four Residencies, the Tawau (or East Coast) Residency, and the Sandakan, West Coast

[1]Lugard, *The Dual Mandate* (London, 1922), p. 6.

and Interior Residencies, with a total of seventeen districts within them. Jardine considered these too many. In spite of the affected Residents' arguments as to their indispensability, the Tawau Residency was merged with Sandakan, and the Interior with the West Coast. His plans for amalgamating districts, however, met with opposition from every senior officer.

Jardine invoked his African experience. In Tanganyika, districts held between 190,000 to 280,000 people. In Nigeria single districts had populations ranging from 1,500,000 or more. In North Borneo no district had a population greater than 27,000. 'A remarkable disparity',[1] he said. It was, however, pointed out to him that the Chartered Company was administering not so much the law, as in Nigeria, but the people, a much more comprehensive task. And there were few enough of them to perform it. In the previous twenty years various Governors had removed District Officers from ten posts (Ranau, Pensiangan, Tenom, Sipitang, Penampang, Tuaran, Langkon, Lamag, Beluran and Semporna) and had reduced numbers elsewhere. A country as large as Ireland was being administered by fifty-seven hard-worked officers, most of them under thirty years of age. Beyond abolishing the district post at Papar, connected by rail to Jesselton, Jardine could carry his argument no further.

These questions of administration were amongst those discussed at the Residents' Conference, an assembly that Jardine revived, admitting to it District Officers and re-naming it the Administrative Officers' Conference, which first met in January 1935. Jardine absented himself to permit free discussion of any possible suggestion that the Secretariat was over-centralizing authority and power. Following a most varied two-day agenda, the council met again in October, mainly to discuss Jardine's ideas of native administration and indirect rule, which were foreign to Malayan-influenced officers. As a result of this the Native Chiefs' Advisory Council was organized. It provided a valuable guide to native opinion until the Japanese invasion.

Apart from the direct benefit to administration—for some of the resolutions passed by Residents and District Officers were acted upon—Jardine had revived a considerable *esprit de corps* among the scattered staff who rarely saw their fellow members, not even on 'Charter Day', the territory's big public holiday, and who even

[1]Governor to President, 5 August 1936.

more rarely discussed the long-range implications of their work. The country reflected their buoyant outlook; revenue steadily rose; dividends were paid again in London; Chinese immigration increased to such an extent that a check had to be imposed; and peace and tranquillity reigned throughout the land. In *Land Below the Wind* by Agnes Keith these conditions are admirably portrayed.

On his retirement in 1937, Jardine was succeeded by Smith, but his administrative and other reforms were preserved. Smith, however, was unable to find the one important subject necessary for discussion, and the Administrative Officers' Conferences lapsed. They were revived after the War, and are now an annual feature of a government which in this, and in many other ways, owes much to the Chartered Company.

By 1940, the last years for which there are figures, North Borneo had come a long way from the wild unknown days of 1881. Much of the country was unchanged, still untouched and little seen, still undeveloped; still waiting for people to plant padi in coastal areas; still waiting for a geological survey or a lucky prospector to discover whether there was mineral wealth in the rolling tangle of hills inland; still, above all, desperately in need of roads and people. Nevertheless the country had come a long way. Its export trade amounted to $20,270,502, and the government enjoyed a revenue of $4,231,922. Much of this had come from the tax imposed on imports, which by 1940 had reached $9,987,419. It was a prosperous little country with a favourable balance of trade.

But the sands had almost run out. The peace of the Pacific appeared more and more precarious as Germany swiftly brought under its control most of Europe, and as Great Britain reeled back from defeat to defeat. Japanese interest in South-east Asia became unmistakable. There was little the territory could do. Plans were made to grow more rice and to conserve stocks (the 1916–19 famine being remembered), but, as in Malaya and elsewhere, there was little realistic appraisal by officials of eventualities.

North Borneo had remained under British protection since 1888, and basically that had meant under the protection of the White Ensign. The British Empire and the Royal Navy were inseparably linked, and the slow weakening of the latter had coincided with the gradual dismemberment of the former. By 1941 the Navy in the East was but a shadow of what it had been in the

previous century, when men such as Keppel and Mundy had staked its claim to the China Sea. For at least twenty unconsidered years the Navy had guarded the route to China more and more by default. Its furthermost bastions in Hong Kong and Singapore, like its flank protection in North Borneo, no longer sufficed to match the power of a rival, Japan. So by the inexorable logic of the world, they were doomed to fall. As events were to make clear, the Royal Navy no longer held the China Sea, nor, indeed, the Indian Ocean. Japan, with an overwhelming superiority built up over twenty years, particularly in air-sea power, faced by 1941 the pitiful remnants of a once unchallenged Royal Navy. North Borneo was friendless and defenceless, and defenceless, she fell. The Chartered Company never returned.

CHAPTER FIVE

THE ECONOMIC DEVELOPMENT OF NORTH BORNEO[1]

In the manner of his age and decade Dent had been a great optimist in thinking that there was wealth in North Borneo. At intervals during the previous 300 years, Europeans had scrutinized it and found it wanting, or, less perceptive, had attempted to make a fortune there and failed. There seemed little reason why the same fate should not befall him. Conditions there had not improved; if anything the state of the area was worse than ever. At the time of his acquisition there was scarcely one exportable commodity being produced; nor was there anything from the outside world coming in, apart from firearms. With few desires and less wealth, the poverty-stricken, pirate-ridden indigenous peoples offered at their best an extremely unstable base for any future economic development. Out of this chaotic, unproductive country Dent expected to make his fortune. To the surprise of many he accomplished this, with a knighthood into the bargain.

It was the successful economic development of North Borneo that secured the continuance of the Chartered Company, although the Company itself was never more than the administrative body encouraging the efforts of others. The encouragement at times was little more than shouts of support from the side-lines; at other times liberal subsidies and grants were made to struggling companies, and other help was provided. No imperial grants of aid ever came to sustain the Company; alone it watched and helped to develop this backward and economically stagnant land, and succeeded in the task.

The Company was maintained in the beginning by the successful revival of an ancient trade, the export of edible birds' nests, which remained a regular and dependable source of revenue throughout Chartered Company days. When Pryer was in Sandakan and the Charter was still being discussed, it was almost the

[1]The statistics of price and quantity given in this chapter are derived from the Official Annual Reports, published annually in the B.N.B. *Herald*.

only source of revenue. For centuries a Chinese delicacy, the nests had been taken from caves in a hill at Gomanton and loaded on to junks whose constant sailing up the Kinabatangan River may well have given that mighty stream its name. (Kinabatangan means 'China River'). By 1878, however, when Pryer first visited the area, piracy had long kept them away, and the trade was moribund.

The Company had inherited the share in their sale held by the Sultan of Sulu, and Pryer was anxious to arrange for their collection and disposal in as efficient a manner as possible. Although the river had been cleared of pirates, there remained the obstructions of the chief in charge, Pengeran Samah. He refused to allow their collection to be organized, and maintained a truculent and uncooperative attitude. He was finally killed while attacking Pryer in 1884, and that year the lease of the caves was rented for $9,000, $3,000 more than the total received between 1880 and 1883.

The administration not only had a share in this rental but also derived an income from the nests by means of the general 10 per cent export tax. Efforts were made to discover other caves. Some were found in Darvel Bay, where the swifts obligingly made the nests the Chinese enjoyed so much. Their collection was placed on an organized footing, with increased profits going to all concerned, and native rights of ownership carefully respected. During the sixty-year rule other birds' nest caves were located, both on the east and west coasts and on the islands offshore. By 1936 when there were twenty-two specified groups of caves, $46,549 worth of birds' nests were exported. This sum had been trebled ($125,155) ten years before when prices were high in China. Over the centuries the droppings of the swifts and the bats who shared the caves had covered the floors with guano, in the Gomanton caves to a depth of over twenty feet. Early efforts to export this as a fertilizer resulted in the repeated report from government analysts of 'valueless'.[1]

The birds' nests flowing into the growing port of Sandakan were accompanied by another revival vital to the Company, the export of jungle produce. With the peace brought by Pryer the interior peoples began to carry down the rivers again such wares as rattans, a thick climbing cane used extensively for furniture making; gutta-percha, a sap from a tree somewhat resembling

[1]Governor to Court of Directors, 14 April 1885; B.N.B. *Herald*, September 1889.

rubber, but with the useful characteristic of becoming soft and plastic when heated and when cooled retaining the shape into which it has been moulded; damar, a gum from a tree used in varnishes and paints; and other minor products such as kapok, illipe nuts, camphor, lakka wood and elephants' tusks.

This produce was secured by the Chinese shopkeepers in Sandakan and shipped to Singapore, where it was (as it still is), cleaned, graded and re-exported to world markets. The birds' nests, however, went to Hong Kong. Considered now a trade almost too insignificant to be worthy of statistics, this export of jungle produce gave one of the few considerable items of revenue to the young Company. In 1885 for example the export of rattans, gutta-percha and birds' nests totalled $129,800, almost a third of the total export trade of $401,640.

These exports stimulated the economy of North Borneo and helped to maintain the Company in its first anxious decade. They were joined by what was to become one of the economy's big bulwarks during the twentieth century, timber. This industry had begun in a fortuitous manner. One of the small band of pioneers, De Lissa, from Australia, had acquired 100,000 acres near Sandakan on which to grow sugar. Almost simultaneously the world price collapsed. De Lissa, desperate, discovered a ready sale for the timber he had felled on his estate, particularly the soft wood, serayah, resembling cedar. In February 1885 the first shipment, on the barque *Ellen*, went to Australia. By the end of the year large rafts of cut logs, one of them nearly half a mile long, were being towed down the rivers and across the bay to the harbour, and shipped overseas. The timber trade had begun.

The great market of the nineteenth century, however, was not Australia but Hong Kong. In 1887 news of a probable great railway expansion in China, with sleepers needed for hundreds of miles of track, was followed by the installation in 1888 of the first efficient sawmill. Billian, the North Borneo hardwood, found a ready sale. The British Borneo Trading and Planting Company was boasting by 1890 that it employed a larger staff than the North Borneo government. In that year $44,584 worth of timber was exported, mainly in sailing vessels to China. Twelve years later, despite a new levy by Beaufort in 1895 that trebled the tax, exports had risen to $374,911, and were second only to tobacco in a list of forty-five exported commodities valued at $3,671,004.

With the twentieth century came the first suggestion of conservation; Governor Birch stated in 1903 that river banks were being stripped and that government control was necessary, and in 1909 the Commissioner of Lands recommended the employment of trained forest men, as there was 'absolutely no check of any sort kept. The opportunity for fraudulent declaration of the terms of the lease—only mature timber to be cut, the whole lease to be worked etc.—is very obvious.'[1] By 1910, 1,218,967 cubic feet of timber, valued at $642,935 was being exported, and the new Court of Directors that replaced Cowie thought that a much more systematic surveillance over, and control of, the timber industry was needed.

It was decided to form a Forestry Department. The services of a Japanese timber man, Fusaji Goto, were secured in 1913 on a temporary basis. He was replaced in 1914 by an American from the Philippines, D. M. Mathews, who organized this new department. He found on arrival that Hong Kong absorbed virtually all the timber exported from North Borneo, nearly all of it in log, and he considered that there were tremendous possibilities in increasing the export of timber to other parts of the world. Time was to prove him correct.

The Court in London were well aware of the immense stacks of timber on the east coast, and after the War was over the Chairman looked for new capital. The export trade was in the hands of four concerns, of which the chief was the North Borneo Trading Company. Before 1916 this company had held fourteen leases of land totalling nearly 500,000 acres, but failure to work them had led to the government's resuming the land that year. This lack of enterprise was the result of shortage of capital, and Ridgeway in 1920 with the help of Harrisons and Crosfield secured the formation of a £1,000,000 new company, the British Borneo Timber Company managed by W. Darby, the old pioneer, and gave it a monopoly for twenty-five years to cut, collect and export timber on all State land. This meant virtual control of all timber cut and exported from North Borneo, and forced the smaller companies to procure licences from, and to be directed by, this new colossus. It brought into North Borneo much needed new capital and some unnecessary bad feeling, but it provided a valuable stimulus to the timber trade.

[1]Commissioner of Lands to Governor, 11 May 1909.

The new company was most unpopular among the other four concerns. In 1923 they protested vigorously at the amount of land it had reserved and at its grudging reluctance to grant permits to work land which it was not using. Darby admitted their grievances, and as a concession permitted the Forestry Department to issue licences to cut timber on State land for ten years. Despite the difficulties allegedly created by the B.B.T., the two Chinese firms in Sandakan had managed to increase their exports from 374,002 cubic feet in 1919 to 610,590 by 1922. Their protests at the new monopoly through whom they had to deal, however, reached even the House of Commons.

Timber, mainly in log with a small proportion of cut planks, was exported now in ever-increasing amounts. The trade to Australia was revived, and 164,000 cubic feet was exported there in 1922, when timber exports totalled 1,919,159 cubic feet. After Hong Kong, Japan and the United Kingdom were the main markets. By 1930 this trade had increased to 3,525,452 cubic feet, valued at $2½ million. In this year the Forestry Department speeded up its establishment of Reserves which it had begun in 1923 against the wishes of the timber companies. By 1937 the Reserves totalled 291,307 acres, 1.55 per cent of the total land area, compared to Forest Reserves in Malaya which totalled 27 per cent. This figure was low in spite of the urgings of H. G. Keith, the erudite and outspoken Conservator of Forests, who attempted in face of much government apathy to protect and develop what was perhaps the finest asset possessed by the company. In 1937 timber exports reached the record figure of 6,272,011 cubic feet and Sandakan had become one of the great timber ports of the world. The worsening international situation restricted shipments to Europe soon after, and by 1940 figures had dropped to 4,910,028 cubic feet ($2,220,890).

A subsidiary but extremely profitable timber export which did not fall under the control of the British Borneo Timber Company was the export of cutch, a khaki dye from mangrove. This industry was begun in 1892 by the Bakau and Kenya Extract Company, with exports valued at $17,997. As the armies of the world replaced their colourful uniforms with a colour more befitting the twentieth century, the industry continued to develop. By 1940 the export of cutch from Sandakan had reached the figure of some 5,345 tons, valued at $629,908, an export surpassed in value only by the trade in rubber and timber.

In London there was a tendency to consider that the timber produce of North Borneo was an asset that needed little care or nursing; the chief concern was with the encouragement of the sale of softwoods and hardwoods rather than with adding to costs by an enlargement of the scope of the Forestry Department. Despite overseas indifference, however, Keith had by 1941 built up a well organized team with clearly defined responsibilities in timber administration, silviculture and research. Here, as in much else, the influence of Malaya was felt. His rangers were trained at, and his department influenced by, the Forest School and the Forestry Research Institute at Kepong in Malaya.

Close on the heels of the timber industry came tobacco, to give North Borneo the first of its two genuine booms. Its beginnings were somewhat casual. At the government experimental garden, established in 1881 at Silam on the east coast, almost every other tropical crop except tobacco was grown and reported on, and it was against some opposition that a part of the land granted to the Sabah Land Farming Company was planted with tobacco. This company, a struggling little enterprise which had been encouraged by Medhurst in Hong Kong primarily to grow sugar, had as the manager of its estate near Sandakan a penniless and opinionated ex-planter from Deli named Saunders. He had tried to secure employment with the Chartered Company, but no official had considered tobacco as a possible money-maker, and it was only his presence in North Borneo that had induced Major, the head of the Chinese Company, to hire him.

As sugar was no longer a paying proposition, Saunders was permitted to grow, amongst other things, a crop of cigar leaf tobacco. On the estate there was much mismanagement and a considerable amount of ill-fortune. The Chartered Company had to prop it up several times, but in February 1884 a few sample bales were sent to London. Experts pronounced the leaf equal to the best in the world. A small crop in 1885 in the Amsterdam markets reached a price higher than the best from the overcrowded Dutch tobacco area of Deli, while that of 1886 maintained the same top standard. The rush set in. Encouraged by liberal grants of land, the absence of an export tax, the much looser and less authoritarian government supervision, and the high prices the tobacco was fetching, the land-hungry Dutchmen flocked to the east coast. By this time, however, Saunders, the man responsible

for it all, had been dismissed and his company had collapsed.

By 1890 there were sixty-one estates listed as growing tobacco. They stretched down the east coast, from the German-managed plantation on Banggi Island, round Marudu Bay, and far up the long remote rivers, the Labuk, Sugut, Kinabatangan and Segama. There were some near the government outposts at Lahad Datu and Tawau, as well as round Sandakan Bay. Here the solitary and imperious Dutchmen lived gargantuan lives, topping their huge meals with immense quantities of gin, and then labouring hard enough for a dozen ordinary men.[1] As a result of their labours the export figures rose from the $822 of 1885 to $396,314 five years later, when the government began charging a modest export tax. By 1895 it had reached $1,176,000.

The bales of tobacco went almost entirely to the Amsterdam market, and there in 1891 the first blow the industry had received was delivered by the chief buyer, the United States of America. In order to encourage the consumption of the tobacco of its Southern States, now being welcomed back into the fold after the civil war, a high tariff was placed on the imported leaf. Americans stopped buying overseas, prices dropped and depression settled over Deli and North Borneo. Many estates were abandoned, London panicked and tried to sell to Sarawak as its land revenue abruptly ceased.

After the initial blow, and the weeding out of the weaker concerns, however, production continued to increase on those remaining as the price rose again somewhat. Labourers began receiving 'leaf money', a bonus based on the amount of leaf collected. The labour position, previously chaotic, became stable, and reports of the employees favourite method of reprisal against low wages and poor conditions, firing the drying sheds, abated. But the boom was over; the number of estates continued to decrease.

An attempt was made by Cowie and by Crocker, for some years the manager of the Company, to introduce the Dutch 'culture system' into Borneo. This was an effort to direct the natives into growing tobacco. A considerable amount of rough native tobacco was grown behind Kinabalu, and its sale was to become one of the mainstays of the Kota Belud market; but to order the natives to grow a crop which the government alone

[1] An eye witness account of their now vanished and remote way of living is given in the B.N.B. *Herald* of 1 June 1929. ('The Borneo Planter of Yore.')

would purchase for a fixed amount, to dispose of as it saw fit, was something dangerously new. The high hopes that Cowie held, that District Officers could order a whole district to plant tobacco, soon vanished. By 1896 Beaufort, the Governor, was plaintively telling the superintendent of tobacco culture that 'if only you can succeed in getting four or five families to plant and cultivate tobacco seed this year, next year I am sure you will have twenty, and eventually perhaps a great industry may spring up.'[1] The natives could not be coerced, however. With Mat Salleh on the roam, it was a most inopportune time to try, and the scheme completely collapsed.

In 1902 tobacco exports had reached the highest figure, $2,018,182. There was a slow decline after that. Some of the causes appear obscure; there was little official correspondence on the question of flooding and disease, which apparently affected the position considerably. The change in taste from the cigar to the cheaper cigarette which swept the world in the twentieth century must also have affected the high class cigar leaf estates, and the enormous increase in tobacco production by the U.S.A. was undoubtedly another factor. The quick profits of rubber growing had a more obvious influence, and several estates changed over, with, however, indifferent success. Another attraction of the rubber industry was that unlike the tobacco fields the crop needed few skilled labourers.

By 1910 the tobacco estates had shrunk to twelve. By 1913, as several more estates closed, and the Sugut and Labuk were surrendered to the waiting jungle, the west coast ports for the first time surpassed the east coast in the volume of trade handled. There followed a long drawn out agony. In 1915 the total crop was 1,779,880 lb.; in 1922, it had shrunk to 977,355 lb. ($921,692); planted on four estates. By 1928 there were only two, and in 1929 tobacco production ceased, the last estate being that of the Batu Puteh Company on the Kinabatangan.

There was then a flurry of subsidies, negotiations and assistance, and the government resuscitated an estate near Lahad Datu. The corpse of the tobacco industry was scarcely cold before new life was breathed in, and production began again. In 1933 the crop stood at the modest figure of 345,333 lb., and it was decided to close, but in 1934 when the Depression was slowly receding, one

[1]Governor to Superintendent of Tobacco Culture, 28 February 1896.

of the few great British companies who have invested in Borneo was induced to participate. The Imperial Tobacco Company of Great Britain and Ireland stepped in and took over. With their capital they sustained the industry, although on a small scale. In 1940, 415,023 lb. valued at $435,242 were produced on 400 acres. This estate was revived after the war, and remained until 1960 the solitary reminder of a once flourishing industry.

Tobacco sustained the territory in the critical years of its beginning. With the new century came a new crop, rubber, which has been the mainstay of the country ever since. It is a product more suitable in many ways to North Borneo than tobacco. Its ease of cultivation requiring little skilled labour compares favourably with the constant watching and continual toil necessary to produce tobacco. It is affected by fewer diseases; it is in far wider demand, and unlike tobacco it can be grown lazily and profitably by individual smallholders on indifferent soil.

The story of the introduction of rubber into South-east Asia is well known; how at the instigation of India the seeds of the wild rubber tree were brought from the Amazon; how the Kew Botanical Gardens cultivated them and sent plants in 1876 to Ceylon and Singapore;[1] and how, despite ridicule and indifference, experiments there led planters after the collapse of coffee in the eighteen-nineties to replant with this new crop. This action led to the greatest boom Malaya had known, a boom in which North Borneo also shared.

Plants were sent to North Borneo in 1882, and were treated with the indifference that was general throughout South-east Asia. In 1884 the government experimental garden was growing them to provide shade for its paths. The first commercial trials were not made until 1892, when seventy-five acres were planted at Bongaya on the river Labuk. The crop was first grown on the west coast, its subsequent stronghold, when the experimental garden was transferred to Tenom in 1899. By 1902, as compared with the 4,000 acres in Malaya and the 3,000 in Ceylon there were hardly a hundred acres planted in North Borneo. Then came the rush.

The Chartered Company had constructed a railway on the west coast. It had originally been intended to run from Brunei Bay

[1] These lines are written in the University of Singapore, standing on land once part of the Botanical Gardens where these seedlings grew. Old rubber trees still decorate the grounds.

across North Borneo, but circumstances had changed this plan, and it ran along the coast between two new towns, Jesselton in Gaya Bay and Beaufort on the Padas River. From Beaufort unimportant spurs went inland and to the sea. Most of the land beside the railway was undeveloped, and the Agricultural Department pronounced it fit for this new crop. In Malaya the estates were springing up everywhere; and in America the motor car industry was expanding. Cowie leapt at the opportunity. At the annual dinner of the Chartered Company, affairs which he had built up to gatherings of several hundred guests or more, he announced on 12 December 1905, two great inducements. The government would guarantee a 4 per cent dividend for six years on all companies formed to plant rubber in North Borneo, and furthermore, that there would be no tax or levy on exported rubber for fifty years.

On the day that these concessions to rubber growers were made public the Dunlop Pneumatic Tyre Company announced that it was 'unable to meet the demand for motor tyres.'[1] This reflected the ever-increasing rubber shortage, and the response was immediate. Although it is questionable whether the grandiose gesture of tax-free rubber for fifty years was at all necessary, twelve new concerns took advantage of the offer, and, helped in several cases by the agricultural department, which cleared and prepared likely looking areas in hopes of a sale, planted large areas alongside the railway line and elsewhere in North Borneo.

By 1907 there were 3,226 acres planted with rubber. Ten years later, when London ended the 1905 concession of no tax for fifty years, it had grown to 34,828 acres, and exports totalled 5,474,560 lb. compared to 5,000 lb. ten years previously. In addition planting on small areas by individual owners, both native and Chinese, was widespread.

With the end of the war came the first slump. Everywhere in the East stocks had piled up waiting for shipping. Suddenly it was available, and the European market was flooded. The price of rubber fell catastrophically and the bonanza was over. In 1920 North Borneo exported 9,195,435 lb. as prices fell to a few cents from the five dollars per pound and more that had been common. Estates began closing or economizing, and many of the 21,417 labourers became unemployed.

This post-war depression, felt wherever rubber was grown,

[1] *The Times*, Wednesday 13 December 1905.

brought about the British government's intervention. The estates, which a few years earlier had been paying fabulous dividends, were now in need of protection. This was attempted by the Stevenson scheme of restricted output, replacing the earlier Rubber Growers' Association scheme in which a few North Borneo planters had participated. It was not particularly successful. Introduced in 1922, it included Ceylon and Malaya, with North Borneo and Sarawak as voluntary appendages. North Borneo was assigned an exportable quota of 60 per cent of her previous output, but following protests in 1923 had it raised to 75 per cent. She introduced no legislation and left it to the companies to organize their own method of restriction.

This scheme, combined with an increase in demand as the industrial machine of America picked up speed, helped to raise prices. It also helped to increase planting in the many countries that were not involved, however, particularly in the Dutch East Indies. As their rise in production became noticeable, and others were seen to be benefitting from the Stevenson restraints, the scheme was abandoned in 1928. In that year North Borneo had exported 15,033,412 lb., and the planted area consisted of 67,230 acres of estates and 28,807 acres of small holdings.

The great world economic depression dealt rubber, along with every other primary product of the world, a grievous blow. By 1931 the estates had cut their labour force to 10,971 people, half of what they had employed ten years earlier. Rubber by 1932 had dropped so low in price, to a few cents a pound, that it cost less to buy than to produce, and estates stopped production and closed. Several concerns went bankrupt. Rubber exports that year, although over 12,000,000 lb. fetched only $702,780; eight years before they had been worth $10,796,780. This condition was paralleled elsewhere. Negotiations were undertaken by the governments concerned, and in 1934 a much more comprehensive scheme of restriction was arranged, embracing every rubber-producing country in the East.

In this North Borneo participated, banning the sale of further land for rubber planting and accepting the export quotas decided upon by the international committee sitting in London, on which it was ably represented by Sir Andrew McFadyean. In 1938 the Rubber Regulation Agreement was extended for a further five years. It came to an official end in 1944. In the period before the

war the quota was slowly increased each year, as prices rose and conditions improved. By 1940 North Borneo was exporting 39,474,026 lb. valued at $14,444,759. The Chartered Company had shared in this for a few years only, in 1938 imposing a small levy on exports not affected by Cowie's promise, that is on rubber planted after 1917.

The imposition of the rubber restrictions in North Borneo, largely a matter of planter regulation supported by the local officers, has come under severe criticism.[1] It has been maintained that the smallholders, who were forced to reduce their output by 50 per cent, were treated most severely, the restriction being far in excess of the cut imposed on estates. The smallholders were not represented at the conference of rubber growers called by the government to recommend the legislation necessary, and they may not have been considered fully or sympathetically. Their position unlike that of the planters has been little appreciated throughout the East, and North Borneo was not alone in reporting in 1935 that 'there was genuine distress among the smallholder class, both Chinese and native.'[2]

In 1937, when the Governor estimated the output of the smallholders at 6,000 tons, compared to the 14,000 allocated to the estates, the actual planted land of the smallholders exceeded that of the estates by over 5,000 acres. The smallholders' land had been assessed by the Rubber Committee in North Borneo as yielding 215 lb. per acre. (In Sarawak it was shown that smallholders averaged 490 lb. per acre.) The estates were assessed at the very high figure of 505 lb. per acre. There seems some reason to accept the judgement that 'in British North Borneo the smallholders were treated worse than in any other producing territory',[3] although it is as well to remember that in this same period they increased their area to 50,438 acres, an increase of over 20,000 on their holdings twelve years before. The starved man rarely grows like this.

Timber, tobacco and rubber: these were the great mainstays of the territory in the days of the Chartered Company, but they were not the only ones. In addition there were other products

[1] P. T. Bauer: *The Rubber Industry* (London, 1948), pp. 104–7.

[2] Annual Report, 1935.

[3] Bauer, p. 106. See also K. E. Norr: *World Rubber and its Regulation* (California, 1945), p. 111.

contributing to the country's economy which brought some income to the State, through land sales and export taxes.

In the nineteenth century the government, struggling, eager and ignorant of tropical agriculture, encouraged the growth of various crops that failed completely. These included sugar, tapioca, opium, silk, soya beans, orchids and pineapples. Several attempts were made to grow coffee. Pryer endeavoured to grow it in 1894, as his wife notes 'Willi brought back with him a big branch of coffee, very fine large dark leaves and bunches of cherries clustering at every pair of leaves,'[1] and in the same area in 1935 800 acres were under cultivation and the hundred Chinese growers had been organized into a co-operative movement by Keith. In the intervening years low prices had discouraged its cultivation. Low prices had also put a stop to the growing of pepper, which like gambier, a very wasteful crop which vanished with the advent of rubber, had been encouraged in the nineteenth century. Pepper cultivation was revived during the depression by special land concessions, and like coffee, was grown in a small way near Sandakan. Jute had been planted in 1881 at the experimental garden at Silam, but with little success. Nearly fifty years later enterprising Japanese planted 200 acres with it up the Kinabatangan, and in 1939 exported 23,867 lb. The kapok tree was indigenous, and it had been one of the specimens sent to the Imperial Institute in 1895, but its cultivation was never undertaken by a European, and the native could never compete against the graded and cleaned estate production of the Dutch. It was exported to China in negligible quantities mainly from Tuaran.

The products of the graceful coconut tree, which yielded sustenance to thousands, were of greater importance than these. The export of copra, the meat of the coconut, from which is extracted a vegetable oil, became more and more important in a world crying out for fats. In the Tawau and Lahad Datu area District Officers endeavouring to induce the roaming Bajaus to settle down were instructed to tell them to plant coconut trees, and subsequently coconuts became one of the chief exports from these ports. Land under coconut cultivation increased from 11,700 acres in 1914 (when it was first computed) to 56,487 acres in 1940. Exports ($935 in 1887) rose to $780,062 by 1929 but failed to recover from the depression, and by 1939 totalled $359,414.

[1]Diary of Ada Pryer, 7 March 1894.

An enterprise sponsored by the Chartered Company which failed, but which has since been revived, was the breeding of cattle. Pryer had endeavoured to foster a cattle farm on an island in Sandakan Bay. This failed. Forty years later in 1921 the government organized a similar farm in the interior near the rail-head, hoping by its example to improve breeds and to increase the small export of meat from North Borneo. Efforts to enter the Singapore market failed, however, and the farm closed in 1926. The demand for meat from the developing oil industry in Brunei and Sarawak, and from the southern Philippines, where Cowie had once sold cattle, led to a continuing small export particularly from the Kota Belud area. It was valued in 1940 at $77,212.

There was one other export crop of significance to the Chartered Company, and that was manila hemp. Here again Pryer was the pioneer, growing it on his estate near Sandakan. It did not assume economic importance, however, until the Japanese Kuhara Company acquired an old tobacco estate at Tawau which they converted mainly to rubber. A few acres were devoted to other crops however, and in 1919 they exported a first experimental shipment. They continued to grow it on a small scale, until the rubber collapse of 1930. A considerable portion of their estate, the largest in the territory, was then planted with manila hemp, and exports began to increase. By 1940 5,819 acres were planted, and exports were valued at $569,572, having risen from $569 in 1930. The production was revived after the war, although not by the Japanese, and Tawau remains the one place in the British Commonwealth where this crop is produced.

The staple crop, however, was rice, the basis of the way of life of all the non-European inhabitants of the territory. There were two types: that of the interior, known as dry rice, which was grown in temporary areas of cultivation on hill slopes, and that of the irrigated and flooded coastal plains, the wet rice. Although the area devoted to its cultivation was greater than that given to any other crop except rubber, and its culture was the chief industry of the native peoples, there was never enough rice produced for the territory to be self-sufficient, and large quantities were always imported.

The Chartered Company constantly endeavoured to encourage cultivation and to increase acreage and output. In the nineteenth century it did this by a policy of denial. Both Pryer, in 1878, and

Beaufort, in 1894, imposed taxes on imported rice, hoping that the resultant high price would stimulate home production. There are no signs that this occurred. By increasing the price of the staple food these taxes, particularly the high long-lasting one of Beaufort's, affected adversely the all-important flow of labour, without any resulting advantages. In spite of this lesson learned from Beaufort the Court recommended that a tax should be imposed in 1934. It was, however, ignored.

Production was encouraged in the twentieth century by the Agricultural Department who devoted to native agriculture their main interest, with special emphasis on improving the rice cultivation. Little attention was paid to dry rice, which in 1940 constituted 42 per cent of the total production in the State. In fact this semi-nomadic crop has received little attention from agriculturalists anywhere. Wet rice, however, was studied in an experimental padi plantation, firstly at Keningau in the interior, which was abandoned in 1926, and then after 1938 at Penampang, near Jesselton. Here research showed that the local varieties of rice were more resistant to disease than overseas seeds, and their import was discarded.

From 1931 onwards the government was empowered to direct labour to destroy the locusts which periodically threatened the padi fields. This power was used sparingly, but was several times necessary. From 1939 the native authorities had power to requir the cultivation of rice on any native land considered suitable. This was a war measure, aimed at building up stocks. Production increased, but so also did the population, and North Borneo continued to import an amount roughly equal to the amount locally grown. This was 257,268 pikuls in 1939. Wet padi had increased from 28,926 acres in 1914 to 41,242 in 1939.

In one part of the territory, the Padas-Klias peninsula on the west coast, the cultivation and consumption of rice was replaced by that of sago. The sago palm was indigenous to North Borneo, well over 300 square miles of it being one vast sago swamp. It was exported to Labuan and thence to Singapore, a trade of some antiquity. A constant cry in the Annual Reports that listed these (and all other) exports was that 'these lazy people will cut and sell just as much sago as will provide food and clothing.'[1] In 1888, a few years after the acquisition of the peninsula, sago export was

[1]Annual Report, 1909.

valued at $50,014, small enough in all conscience but of considerable weight then. Aided by the establishment of Chinese mill-owners, and by a long drawn-out surveying and demarcating project which established individual ownership in a clearer form than before, and followed by the appointment in 1925 of an agricultural officer to watch over the industry, this area increased its exports, although never to the extent hoped for, as constant low prices discouraged it. By 1940 production was valued at $183,286.

The economy of the territory was further diversified by marine products, particularly the export of dried fish from the east coast, where the lumbering Chinese junks made Sandakan their home port from 1880 onwards, while Japanese motor fishing-fleets began competing from 1926 with a base at Tawau and a cannery on Si Amil Island. Exports in the twentieth century rose steadily, and the Japanese, highly organized and benefiting from the extensive research of their government, encroached more and more on the preserve of the unco-ordinated and non-powered junks of the Chinese. By 1940 exports of dried fish were valued at $551,528, and it had become the fifth largest export in the State, only rubber, timber, cutch and hemp surpassing it.

A small export trade in seed-pearls from the Labuk Bay in the 1880's attracted luggers from Australia, but these were warned off what the Chartered Company made a native preserve. This soon fell into the hands of Chinese shopkeepers controlling Bajau divers, and reached its maximum in 1929, with an output valued at $69,768. It was strangled by the development of the cheap cultured-pearl in Japan. This was also undertaken in the shallow waters of North Borneo, $3,158 worth being exported in 1938, but demand from Japan then ceased, and the industry lapsed for want of a market.

The Chartered Company had great hopes of the discovery of minerals. A mining rush would bring the much needed population and provide the even more needed revenue. In old travel books descriptions of the varied and fabulous wealth of North Borneo were heavily underlined, and conjectures written in the margin as to the location of the various places. Despite all this, however, only three minerals, gold, coal and manganese, have been worked in North Borneo, and the copious notes amassed on the others remain but hopes.

Gold has remained the great speculation in North Borneo, for

although efforts to work it failed yet all the evidence points to a large field somewhere in the tangled mass of hills by the headwaters of the Segama River. Pryer first reported gold in 1880. 'It was only yesterday that Hadji Mahommed Omar said there was no doubt of gold up the Sugamah'[1] he wrote, and acting on this and on his information concerning other minerals Dent dispatched a trained mineralogist named Hatton the following year. Hatton killed himself before accomplishing much, and it was not until late 1884 that Treacher, the Governor, was able to confirm Pryer's chief. His Commissioner of Lands went up the long winding river, discovered numerous areas of gold-bearing sand, and wrote 'if the proper quartz beds were discovered it would be very rich.'[2] Unfortunately they never were.

By 1886 there were 400 Chinese panning the various tributaries of the upper Segama, particularly the Bole, and the rush had caused Treacher to issue—rather optimistically—land regulations and to ban Europeans from the area. There was enough there, just, for a frugal Chinese, but European miners would have been a nuisance. Treacher formed in Sandakan a Gold Committee, who endeavoured to advise those more adventurous than themselves of the dangers likely to be encountered struggling up the 200 miles of unprovisioned and uninhabited river. A track constructed from the nearby coast at Silam was a failure.

As the sands ran out of gold so the Chinese drifted away. Only five were left in 1887, but hope had not faded. Pryer, who had incurred the displeasure of London, was posted to the headwaters as 'Resident of the Gold Fields'.[3] One of the prospectors that year was an experienced miner from Australia who accompanied the Commissioner of Lands. This man, Sefton, thought that at the headwaters of the river would be found a large quartzite field. He did not stay, however, moving instead to Malaya where he opened up the afterwards wealthy Raub Gold Mine in Pahang.

In London two gold companies had been formed, the British North Borneo Gold Company and the Segama Gold Company. Both had a very brief career, being unable to discover a reef or to work the alluvial gold in remunerative amounts. Later, in 1897, the British Borneo Gold Syndicate attempted the task, bringing a

[1] W. Pryer to R. B. Read, 15 September 1880.
[2] H. Walker to Governor, 21 November 1884.
[3] Court of Directors to Governor, 23 March 1887.

dredger in 1898. This again was a failure; the shallows, rapids and numerous other obstructions being too much of a handicap.

Expeditions up the Segama in 1903 and then in 1905, by the British Borneo Exploration Company, formed that year and granted a monopoly over the exploration and exploitation of all minerals in the territory on the proviso that it spent £10,000 annually, were unsuccessful, although again gold traces in the river sands were found. A determined effort in 1928 by Dunlop, a thirty-year officer in the Chartered Company who on retirement formed his own company and tried to find this elusive reef hidden by the jungle, was equally unsuccessful. In 1933 Keith went exploring to find gold bearing rocks, to be followed in 1938 by a prospector named Goldsborough. No commercial production of gold resulted, but North Borneo is convinced that there is gold somewhere in the hills.

Of more importance to the Chartered Company was the discovery of coal. Small outcrops in various parts of Sandakan Bay were investigated from 1880 onwards, each new discovery convincing Pryer, ever the enthusiast, that the future of his town was assured. None of them proved of commercial importance but their constant discovery kept hopes high. In 1898 a Sandakan Bay Coal Field Company was formed, and although this company failed like its predecessors yet its prospector, Phillips, discovered in the far south-east of the territory near the Silimpopon River a large coal field of considerable economic importance.

A new company, the Cowie Harbour Coal Company, was formed in 1905, a railway was built from the 'King Seam' to the river, and the first consignment of twenty-five tons was shipped in July 1906. The Silimpopon Colliery continued in existence for nearly a quarter of a century (1906–30), one of the few coalfields in South-east Asia. Its export of coal gradually increased in the first twelve years of its existence to 60,000 tons, and then dropped to an annual average of 54,000 tons. A record 87,543 tons was produced in 1922, when the company had a labour force of 1,000 men, including some very unruly Chinese who had served in the labour battalions in France during the war. The colliery was one of the first employers to abolish written contracts, all its labourers working hard on piece rates.

The Company from 1926 onwards was in need of increased capital, for to export the low grade ore at a profit it needed to

produce a far greater quantity than was possible with the plant available. Prices began falling and demand slackened as ships converted to oil, and coal sold dropped in value from $599,195 in 1926 to $358,395 four years later. It was impossible to raise more capital. Both the Chartered Company and Harrisons and Crosfield had participated in forming the coal company, but neither could support the coalfield in the depression, and work ceased in 1930. Despite numerous other reports of coal finds along the west coast and in Marudu Bay, this was the sole commercial working of what appears, if in small and scattered amounts, to be a rather common mineral in North Borneo.

In July 1906, the month that witnessed the first export of coal from Chartered Company territory (if we exclude Labuan 1890–1905), saw also the arrival in Marudu Bay of the first steamer to take away a cargo of manganese from the territory. Manganese had been discovered there in 1902, and after investigation by experts, who reported hundreds of thousands of tons of it, the British Borneo Exploration Company, who had taken over in 1905 from the British Borneo Syndicate, arranged to supply 20,000 tons of manganese ore to a firm in England.

A light railway was shipped out complete with trucks and engines, a wharf constructed and a steam launch and lighters acquired. By November 1905 there were 18,000 tons of ore stacked, according to the local manager, Robertson,[1] but the first shipment did not leave Marudu Bay until October 1906, the steamer having waited from July. This mysterious delay was the beginning of the end.

On arrival in England the 2,771 tons of so-called high class ore was rejected as worthless, and the Exploration Company, who had spent some £70,000 on the manganese project at Taritipan, was sued for a large sum. This was settled out of court by a compromise, but the company was crippled. They struggled on for several more years, hoping to realize the optimistic reports of the earlier experts. As strange reports of Robertson being 'half mad, constantly thwarting the government, very suspicious, very religious yet very aggressive'[2] percolated out of Marudu Bay, he was replaced. The change made little difference. In 1907 at the mine there was 'wide scale bribery, corruption, graft and inefficiency'.[3]

[1]Worth: *Memoranda on Mineral Prospecting in North Borneo* (1937), p. 43.
[2]Governor to Court of Directors, 5 March 1906.
[3]Governor to Court of Directors, 3 July 1907.

Work finally stopped in February 1908, and despite reports of manganese in several other localities, notably Mount Madai, no other attempt to export it has been made.

Of the other minerals that have attracted attention in North Borneo, diamonds seemed most promising. An experienced Kimberley digger reported in 1904 that land up the Labuk River was 'blue ground, identical with that from which diamonds are extracted in South Africa.'[1] Identical it may have been, but despite high hopes and much search, no diamonds ever appeared.

At one time it appeared possible that copper would be exported, as the Exploration Company from 1908 to 1912 undertook development work on the Kawang River, a remote tributary of the Kinabatangan in the far interior of the country. By 1912, however, it was decided that the quality of the ore was too low to warrant further expenditure, and work ceased. Copper was reported in other parts of the territory, but always there were many factors to prevent profitable production. This applied also to iron, which was reported in 1905 in sizeable quantities in Marudu Bay and elsewhere; to tin, which a small party of Chinese worked in 1902 near Tawau; to chromite, which Dr. Piltz, the geologist of the Exploration Company, discovered in the black sands of Banggi Island in 1909; and to antimony, investigated without success from 1881 to 1904 up the Labuk.

Interest in these minerals faded after the failure of the Exploration Company, which was liquidated in 1916. All its monopoly rights over minerals then lapsed, but it had transferred its rights over oil to a subsidiary. Long after other expectations had been disappointed, the hopes of the Chartered Company were maintained by the optimistic search for oil, which was renewed again and again, and seemed on the point of success.

There was oil in immense quantities just below the border on both east and west coasts, and as early as 1880 there had been repeated reports of oozing oil where the apex of an oil triangle would be, on the Kudat Peninsula at Sequati.[2] This was investigated from time to time, particularly in 1893, 1897, 1902 and 1922, the last date marking an effort by the Kuhara Company to acquire an oil base for Japan in South-east Asia, much to the alarm of the

[1]Chairman, Chartered Company's 44th Half Yearly Meeting, 13 December 1904.

[2]J. Hatton: *The New Ceylon* (London, 1881), pp. 93–95.

British government; main hope centred further south, however, on the Padas-Klias Peninsula, the old Province Dent.

This site first attracted attention in 1890, and was inspected by the government in 1891, its engineer reporting 'the land more or less saturated with petroleum extends over an area of about a square mile . . . at 10 feet below the surface oil and gas rose in large quantities but I found it impossible to sink further as water was coming in.'[1] Various oil companies, including Royal Dutch and Bombay Burmah, became interested, but nothing was done until 1908, when the British Borneo Petroleum Syndicate was formed, took over the concessions, sent out as manager a Shell Company man, and began serious investigation. The Syndicate ran out of capital and its bore was unsuccessful. In 1912 it came to an agreement and handed over its rights in North Borneo to a Dutch firm, transferring its attention to a more profitable field near by in Brunei. In 1918 a subsidiary of Anglo-Iranian entered the field; in 1922 the Japanese Kuhara Company began investigations; in 1924 the rights were acquired by a Singapore group; and ten years later the Shell Company made inquiries.

In 1934 the Chartered Company granted exclusive rights to search for and work oil in North Borneo for seventy-five years to the Anglo-Saxon Company, a newly formed subsidiary of Shell, and, at the request of the Admiralty, secured representation on its board. For many years before this it appears that those allocated the oil rights by the Chartered Company did little or nothing, not through indifference but through policy. A large oil discovery would have upset the inter-war petrol and price equilibrium. Shell, whose chairman was determined to find oil in the British Commonwealth, prosecuted its search with energy, employing an air company for aerial survey, and undertaking a systematic geological survey of the Peninsula as well. No success had been reported when the outbreak of war in 1939 brought an end to their activities. The Chartered Company, with oil derricks clustering almost at its frontiers, never struck oil. Post-war hopes were shattered in 1954, when the latest exploratory derrick in the Klias Peninsula closed down after unsatisfactory drilling.

The Chartered Company thus gained little revenue from the minerals or oils of its land. The territory provided the government with revenue from the primary products of its soil, from its rubber,

[1]Consulting Engineer to Governor, 12 October 1891.

timber and tobacco. There was sufficient revenue to sustain a competent government, but though it increased, there was never enough to permit extravagance or even to encourage large-scale long-term projects of expansion. Road construction, the crying need for an unopened country of which by 1939 only 318,330 acres, or 1.7 per cent of the total area, were cultivated, was never possible on a really significant scale. Nor were other projects that demanded considerable finance. Yet in the economic history of North Borneo the significant fact remains, that the administration of the Chartered Company permitted an economy to develop, enlarge and increase steadily in value year by year from the $64,029 of 1879, the first full year of customs returns, to the combined import and export figure in 1940 of $10,292,083.

It is on this basis, strengthened still further by the colonial régime of 1946–63, that the independent State of today builds for the future.

CHAPTER SIX

NATIVE ADMINISTRATION

MANY people think of a Chartered Company as an unsympathetic concern meting out harsh treatment in an effort to exact dividends, while native institutions are denied or abolished. Fortunately these errors and crimes were avoided in North Borneo and in its administration of the native peoples the Chartered Company need not fear comparison with British administration in, say, the States of the Malay Peninsula or elsewhere.

At each stage of its development the Chartered Company was fortunate to have at the head of its affairs in London and in Borneo men of long public service who had earned the confidence of Ministers of State. Men of the calibre of Sir Rutherford Alcock or Sir Neill Malcolm, governors with the experience of Treacher or Birch and most of his successors, were never likely to conduct affairs other than in the finest traditions of British colonial administration. The most damaging thing that could happen to the Company in London was the disapproval of the British Government. Parliamentary notice was undesirable, for any suggestion of criticism brought about a loss of public confidence, and made the Company's slender finances even shakier. This then was the situation: although the territory was run on a shoe-string, and much bureaucratic paperwork which colonies of the Crown found essential was eliminated, yet these considerations apart, the country and peoples were administered, both by choice and by necessity, on the principles followed by the Colonial Office, with whom the Company maintained the closest possible ties.

The Company was fortunate in other ways, and these helped to develop a collective mental attitude. It never had enough money to equip a large armed force, so that it was rarely arrogant or unmindful of the views of the people. It had a service of enthusiastic and devoted officers, recruited largely from the universities of Oxford and Cambridge, who accepted North Borneo as a career, returned to England once every five years and in the meantime

studied the languages and customs of the territory in perhaps a more thorough and sympathetic manner than that adopted by the colonial officer, who might be called upon to serve in a number of different colonies in the course of his career. It also had an apathetic body of over 4,000 shareholders who, after the failure of their optimistic expectations in the nineteenth century, had become resigned and undemanding, coming to life only when there was talk of British annexation.

When William Pryer landed in Sandakan Bay on 11 February 1878, he had with him instructions from Overbeck. Written the day before, in the diminutive cabin of the *America* which had brought them from Sulu, these instructions remained the guiding rule for all those who came after him. The pattern was set from the beginning. 'It will be your duty to cultivate friendly relations with the native authorities as well as with the people under your control, and any changes you may introduce should be effected gradually and with due regard to the existing customs and habits of the people,' said Overbeck. 'Conciliate them and secure their good will.'[1] This Pryer was singularly well fitted to do, and the success of Sandakan was due as much to his sympathetic administration as to the economic advantages of the area. Dent too was alive to the importance of native administration, and, seeking a governor for the territory, he wrote 'the prejudices of the natives will have to be respected in every way, and wherein they lay will perhaps be ascertained best from a man who knows the customs and languages of the people of these parts.'[2]

The people of these parts were divided into two great groups, pagan and Muslim. The Muslims had arrived in Borneo after the pagans whom they pushed inland away from the coasts, and they were more civilized, chiefly as a result of their religion. The faith had been spread round the coast of North Borneo mainly by the Malays, the Norsemen of the east. In turn a conqueror, a pirate, a trader both lawful and unlawful, and unlike the Norsemen, a missionary of the faith, the Malay himself was settled in North Borneo only in very small numbers on the west coast rivers, but his influence had been extensive. He moved among the other Muslim communities, all of whom were of related ethnic stock, with an assumption of superiority, which is disputed now, as it

[1]Overbeck to Pryer, 10 February 1878.
[2]A. Dent to E. Dent, 18 February 1878.

was then, by a larger Muslim community on the west coast, the Bruneis and Kedayans, who still enjoy a certain racial prestige, since they come from Brunei, a State with an ancient royal house, something the indigenous North Borneans had never had.

Perhaps the most important Muslim people, however, were the Bajaus. At the time of the cessions they were almost entirely wanderers on the sea, living in their boats with their characteristic striped sails, although there were also some fierce and lawless villages in Darvel Bay on the east coast, and in the Kota Belud area on the west. They had a tradition, which is still repeated, that their ancestors provided the escort for the beautiful daughter of the Sultan of Johore when she travelled to wed the Sultan of Sulu. They failed to prevent her capture on the way by the Sultan of Brunei, and reluctant either to return to Johore or to sail on to Sulu, they adopted instead a gipsy life in North Borneo. Fearless, with a great love of colour, on the west coast especially, they were adept at annexing other people's live stock and equally skilled in providing an irrefutable alibi afterwards. Their lawlessness and impatience of control caused much trouble, but their independent attitude and frank roguery were traits that commanded affection.

The Illanuns, who came originally from the southern Philippines, were likeable characters too, but in 1878 they were still firmly wedded to the gentlemanly practice of piracy and slave raiding. In the first half of the nineteenth century their prahus had ranged not only the waters of the Indonesian Archipelago, an area larger than Europe, but had slipped through into the Bay of Bengal as well. Their support was won by Pretyman when he landed on the west coast, and he was able to counterbalance them against the Bajaus on the Tempasuk plain, and so to keep the peace. On the east, however, several punitive expeditions were made against their coastal villages, and constant vigilance was needed to check their piratical tendencies. Their great day of sea mastery had been a hundred years before; the advent of steam was one of the reasons why this new settlement endured. Other Muslim settlers included Suluks, whose language was one of the several spoken by Treacher. As a race they were slightly more vigorous than the Illanuns and slightly more colourfully dressed than the Bajaus. Illanun and Sulu often were indiscriminately called Moros. Up the eastern rivers there were small scattered villages of Orang Sungei, people of Dusun stock who were almost without exception

Muslim. A few other minor Muslim tribes were scattered along the coasts.

These people, widely dispersed and numbering perhaps 100,000 in all, had little organization beyond that of a chief who controlled a few riverine villages. Over him was the absentee deputy of the Sultan of Brunei on the west coast, or the Sultan of Sulu on the east, the possessor of the rivers. The Brunei lords in particular had each an agent controlling their allotted river, depriving the chiefs of nearly all authority and the people of nearly all their sustenance. The piratical Marudu Bay area was too hot for either Brunei or Sulu, and the Serips there were virtually independent. They lived a poor life, these Muslims, but were far removed from savagery, as Pryer noticed.

'I sailed over to Nakoda Meyer at Upak. He has a large house, partitioned off with scarlet hangings. The floor is well matted and strewn with pillows, some of red figured silk. Hadji Omar, Panglima Rahman and one or two other Hadjis and Nakodas were there all dressed in their best. Chocolate of the best kind with small cakes was served on good dishes, and as I glanced around and saw the assemblage, all quiet determined looking men accustomed to danger, and all leaders of men, I felt a sensation of pride at being at the head of them. Also as I noticed the light but handsome arrangements of the room, the style in which things were done, the cleanliness of everything, the grave and polished manners of the guests, I could not but think more favourably of Mahomedanism which had been the cause of it all; as without it they would be a set of savages.'[1]

Inland away from the Muslim fringe on the coast and on the river banks lived the pagans. These people too had come from overseas, but at a much earlier date. They are thought to have been originally of one stock, although this is debatable and unproven, as indeed is almost everything anthropological in North Borneo. Long ago they had slowly divided in North Borneo into the Dusuns and the Muruts. The watershed which the Dutch and British had agreed on as a boundary was apparently an ethnological barrier too, for south of it, outside Sabah, the people had no connexion with the pagans of North Borneo.

Of these pagans the Dusuns are the predominant race in the State, their villages stretching over the plains and hills round

[1]Diary of W. C. Pryer, 24 March 1878.

Marudu Bay and along the west coast area. In some places, where the short flowing western streams have not permitted Muslim penetration to any distance, Dusun villages are only a few miles from the coast. Unlike their river neighbours however, who would never dream of going anywhere except by a boat, the Dusuns, short and stocky, are great walkers. Their agriculture too is superior. It is their buffaloes which the Bajaus seek, while their irrigation methods provide an ample rice crop each year from padi-fields that shine, a translucent green, all down the west coast. Reaching into the interior the hill Dusuns perch precariously on the slopes of hillsides, growing dry rice, or gathering jungle produce. This, however, is more the custom of the Muruts.

The Muruts are described as 'one of the lowest and most debased races of the human stock' by Hugh Clifford, one of the first of the company's employees to meet them.[1] He continued, 'they were lazy, improvident and abominable in their habits. They converted their annual crop of rice into atrocious native liquor, wherewith they achieved a condition of chronic intoxication punctuated by periodical drunken orgies. In these men, women and children alike took part, for these drinking bouts had a deep religious significance and sanction. At such times all the members of the tribe absorbed incredible quantities of the poisonous stuff, which they sucked up from the jars in which it was stored by the aid of long bamboo tubes. For the greater part of every year the people suffered from famine; for not only the rice, but the tapioca and the jungle roots with which they sought to replace their squandered crops, were turned into liquor of which there was always a stock in hand, even when the tribe had not tasted solid food for many hours.'

Divided by the ranges and the jungles of the interior, the Murut lived in isolated villages or individual longhouses, perched on the crest of a razor back ridge. The longhouse, built for defensive purposes, would house the entire community in a number of dark, evil-smelling rooms opening off a central corridor. Their culture was low and their demands except for heads, were few; in the nineteenth century they were found suspicious, conservative and extremely unhygienic. They are much the same today.

The Dusuns too lived in longhouses when the Chartered Company arrived, but this practice died out among them when the need

[1]H. Clifford: *In Days that are Dead* (London, 1926), pp. 31–32.

for communal protection vanished. Today they live as do the other peoples of North Borneo, in the typical Malay house, an attap bamboo or wooden structure on piles, with two rooms and a verandah. It is placed usually over or as near to water as possible, and on one side of the padi-field. The Dusuns especially are honest, peace-loving people with a keen desire for children, the mild men of Borneo. Among them, as among the Muruts, theft was unknown. An early planter of the interior employed 600 Dusuns and Muruts once a month to bring up stores from the coast. If one of them tired he left his bundle by the side of the track, and there it remained safely until he returned to fetch it. Any article dropped by a porter was picked up and placed in a prominent place for the owner to find it. All the company's coin was carried into the interior by the Dusuns in open canvas bags. None of it was ever taken. This essentially honest outlook, although contaminated by contact with civilization, still exists today; at the beginning it made an important contribution to the peaceful administration of the territory.

North Borneo was verging on anarchy when the Europeans arrived. It was the immemorial custom of the Muslims and the pagans to acknowledge the authority of a headman and a chief. The Bajaus did this in their usual independent way, which meant that they did so only when they wanted to. The Dusun chief was little more than a slightly more powerful headman. In no case was the title hereditary; there was no suggestion of any paramount chief, no leader of the Illanuns or other tribes; but nevertheless, within those limits, such was the social order. This order was on the point of collapse. The east coast villagers had either fled inland, to flee still farther into the immensity of the jungle on the sight of any one else; or had been made captive, or had turned pirate. The few that remained were saved by Pryer. On the west the Pengerans appointed by the Brunei court, when in its prime, battened on their river territories, or those parts which they could control, while their slave raids produced chaos in those parts they could not.

The first section of the territory to be free from Sulu was Sandakan Bay, while the Brunei overlords were removed first from the Tempasuk area. In both places the newly-established Residents endeavoured immediately to work through and strengthen the position of the local headmen and chief. The positions were still in existence, but the personal tyranny of the

oppressors had rendered their authority negligible; few were willing to assume responsibility. The slow process of building up this native authority was to take many years. Pretyman on the west coast instituted a weekly meeting of Bajau, Illanun and Dusun chiefs, but this was only a partial success. He continued to work through them, and shortly before the granting of the Charter he called together all the chiefs along the Tempasuk River to enable him, so he said, 'to name the headmen in each village according to their nomination. These men are to be responsible for the conduct of their village, and to make reports of any thefts; they are to declare from time to time to their chiefs or to the Resident if there is any particular man for whom they cannot be held responsible. It is I think quite time to try and place some responsibilities on the headmen of the villages. The chiefs were equally shy in their day, but are more ready to assert themselves now, so let us hope the headmen will do the same, although it will not be an easy matter at the beginning.'[1]

On the east coast the local chiefs had maintained their position and authority to a greater degree; for although pirate and slave raids had been fierce, the Sultan of Sulu had not the large retinue of noble followers which had enabled the Brunei monarch to plunge the more populous west coast rivers into anarchy. Pryer managed to win the support of the few chiefs in the then scantily inhabited bay, and with their help worked to spread peace and develop trade.

With the arrival of Treacher and the beginnings of a permanent and extensive system of government, the support of the native authorities was further recognized by the payment to headmen of a small salary, in most cases five dollars a month. Sometimes this seemed a waste of money. 'We are trying to govern the native through his headman,' Treacher reported to Dent, 'but we find it very difficult to discover headmen of any influence, the population being so split up into antagonistic kampongs.'[2] At times, in fact, this payment made confusion worse confounded, for on the death of a headman the village would disperse and rebuild in two or more other vantage points, each leader claiming to be a headman, and each, usually, receiving his five dollars a month. For over twenty years this subsidy was enlarged and extended, until

[1]Pretyman's Diary, 28 November 1879.
[2]W. Treacher to A. Dent, 26 May 1882.

it had reached the stage where any native who cared to build a couple of attap huts and call himself chief of them received government recognition and a monthly five dollar payment. This support for local institutions was not given because of any belief in the theory of indirect rule; the young Governors and the Court of Directors were faced with the task of keeping law and order in a large territory with an inadequate European staff. It was cheaper, and it appeared satisfactory in its results, to pay the native chiefs. It was a practical step aimed at overcoming a local difficulty, and not the realization of any theory on native administration.

The headman's authority was further increased by an ordinance in 1891, taken as usual from the Straits Settlements, which established a system of village administration. This permitted the Resident, or the District Officer under him, with the approval of the Governor, to appoint headmen. The hereditary principle had little support among the natives, and under Chartered Company rule the European administrators were themselves appointing chiefs and headmen after consultation with the local elders. The 1891 ordinance merely legalized an already existing practice. It also defined the responsibilities and powers of the appointed headman. He had to notify the nearest magistrate or police officer of any notorious bad character; any robber or escaped prisoner; any outbreak of disease; or any crime or disturbance. He had to investigate any unnatural death, or crime, or any suspected offence, and hold any suspected person, referring him to the nearest magistrate. He had to lead his village in any resistance to attack. He was to allot village land, to supervise house construction, and to encourage the villagers to be industrious. He had to suppress slavery. He was given various powers as a minor magistrate, and was held responsible for providing food and transport on the written order of the district officer.

This directive was revised and amended from time to time by proclamations or new Ordinances, particularly by the Village Administration Proclamation of 1913, and by the Native Administration Ordinance of 1937. The basic spirit and instructions remained the same, however, and the increasing powers of the headman and chiefs were guaranteed throughout the period of the Company's occupation of the territory.

By the turn of the century, however, the position and authority of the chiefs had been gravely weakened in many areas by the

development of the country. Round Marudu Bay and elsewhere, where there were tobacco estates with large gangs of labourers earning quite substantial wages, it was almost impossible for a chief or headman to maintain his authority on a salary of five to ten dollars a month. Over large portions of the territory there was a growing number of chiefs and headmen who proved more and more disinclined to exert themselves for the government. Smallpox or cholera were not reported; bribes were taken to pervert justice; there were numerous resignations after long periods of backsliding. 'Dato Igalis resigned during the year. The only reason that can be assigned for this momentous step is that he found it too fatiguing to draw his pay, the which operation constituted his month's work as far as the government was concerned.'[1]

It was decided shortly after the death of Cowie that the steadily increasing recognition and payment of every headman must stop. The principle had worked satisfactorily in the early days when the five dollars had claimed the support of the headmen, and if they had not been over energetic in fulfilling their obligations at least the territory had been occupied with the minimum of disturbance. By 1910, however, five dollars was a negligible sum, and the system was dropped.

One of the reforms instituted by Ridgeway was a re-organization of the native chiefs. At a conference in London in 1912 it was decided to divide them into two (later three) grades, and to issue them with a special badge and diploma or *surat kuasa*. Their numbers were to be gradually reduced as their salaries were increased, with the object of securing fewer but more efficient men. The grade one chiefs started on a minimum of twenty-five dollars a month. There were twelve of them that year, with a hundred minor chiefs, the great majority from the west coast. By 1920 the corps of paid chiefs had become more compact and select, and it was exercising a greater influence on the life of the native population. In 1923 it was laid down that promotion from grade three to the next grade was automatic after the chief had served satisfactorily on the maximum salary of $240 for two years. Promotion to grade one, however, was not to be automatic; each district was to have only one grade one chief and then only if there were a chief whose attainments were above average. By 1928 an elite of 'strong men with courage and brains who were accustomed to wield

[1]Annual Report (Sugut and Labuk), 1909.

authority'[1] as one old planter put it, were being paid salaries of over $700 each yearly, and were occupying key positions in native administration.

In that year it was decided to abandon the policy which the administration had enforced from the beginning, that of proclaiming certain areas native, and in those areas either prohibiting or restricting entry by Europeans or Asian aliens, in order to protect the indigenous inhabitants. Applied mainly but not entirely to the interior, the policy had worked well. Now Governor Humphreys considered that it was 'a confession of failure to say, after all these years of administration, that we cannot protect inoffensive traders from the dangers of intercourse with depraved savages, or alternatively (there is some discrepancy in the different theories held about the interior) the Arcadian innocence of the Murut from the contamination of alien exploiters.'[2] As a result restrictions on entry and free movement of Chinese and other aliens in the interior were removed by the abolition of inland passes; trading shops were permitted away from the safety and scrutiny of government stations; and agricultural development was encouraged by the abolition of exclusive native areas. The right to remove any undesirable was retained, and used occasionally. There were no ill effects. The native chiefs were strong enough, and the supervisors of the District Officers adequate enough, to safeguard native rights.

In 1915 in an effort to increase the efficiency of the chiefs, the Governor formed a number of District Councils. These consisted of all the chiefs in a district, and were planned to meet, with the District Officer presiding, at frequent intervals. Sixty-seven chiefs were appointed to fifteen councils. These were never successful, and the plan was replaced by a system of Residency Councils in 1917. This too failed.

However an annual meeting of all the chiefs of the territory (first convened at Sandakan as a durbar on the occasion of the jubilee of Queen Victoria in 1887, when they were entertained by fireworks and the firing of a maxim gun), was revived and held in Jesselton for the grade one chiefs in 1915, 1916 and 1917. It then lapsed, but was revived in 1936 by Governor Jardine, who came fresh from Tanganyika, full of enthusiasm for indirect rule. It had

[1]R. K. Hardwick to Governor Jardine, 7 October 1935.
[2]Governor's Memorandum, 21 August 1928.

been suggested to him in 1935 as one of the recommendations of the Administrative Officers' Conference, which considered that the meeting would enhance the prestige of those attending it and increase their sense of responsibility.

Jardine and Malcolm agreed, and the Native Chiefs' Advisory Council, as it was called, duly met in May 1935. The chiefs invited, mainly the grade one chiefs of the territory with the honorific title of *Orang Kaya Kaya* (*O.K.K.*) were those from Tawau, Semporna, Lahad Datu, Sandakan, the Kinabatangan and the Labuk rivers on the east, Kudat in the north, Kota Belud, Papar, Mempakul, Inanam, Penampang, Beaufort and Sipitang on the west, and Pensiangan, Keningau and Tambunan in the interior, seventeen chiefs in all. They elected their own chairman, and discussed an agenda composed of complaints and suggestions which they had sent in before the meeting.

At the opening ceremony, the only one attended by Europeans, Jardine felt it necessary to state the government view on some of the points to be discussed. To the natives of North Borneo the most terrible crime was incest, and the chiefs, with the conservatism of their kind, wanted a reversal from the severe penalty of imprisonment, which had become the sentence, to the old punishment of death by stoning. The Governor could not agree. The chiefs were anxious also that chiefs should be chosen only from descendants of chiefs. This, the Governor explained, was in many cases the fact, but there were many sons who were unsuitable, and it was better to appoint experienced ex-police men and others. He urged them to put their sons into the force for training. He could not agree either with the Kota Belud Bajau chief who had asked, typically, that the rifle licence should be dropped. It was the government aim to decrease the number of firearms, not to help to increase it.

Undaunted by government rejection of part of their agenda, the chiefs continued their discussion. They met again in 1936, 1937, 1938, and, the Conference being postponed twice, in 1941. In each case they sat in Jesselton. They provided the administration with a clear picture of the hopes and grievances, in all cases minor, that were peculiar to the natives, and their discussion was of great use to the government. It was a strong recommendation from the Native Chiefs' Advisory Council that induced the Governor, under the threat of a Pacific War, to promulgate the Native Rice Ordi-

nance in 1939. By this law the Governor could declare any piece of land held under native title to be rice land, and, unless excused by the chief, the owner had to cultivate rice on it. If necessary he had to clear it or, if it was already under cultivation, abandon the other crop. The government would never have dared to dictate the type of crop to be grown, despite the outbreak of war and the memory of 1916–20 rationing, and it says much for the chiefs' sense of responsibility that they faced up to the realities of the situation.

The meetings undoubtedly benefited the chiefs as well. Experiences were exchanged, similar problems discussed, a greater sense of dignity assumed. The incidentals of the conferences, the long journey to Jesselton, the junketings, the crowds and contact with civilization all increased their prestige in their own districts. The Native Chiefs' Advisory Council was revived after the war, and is continuing to do good work today.

These chiefs were appointed under the provision of the 1891 proclamation, which stated that any custom of the people as to the right of nomination or succession would be respected. Nomination was preceded by informal discussion; in many cases, particularly in Dusun areas, a new chief had been elected; in others a particularly strong man stood out; but often there was no leader, no man the village or area was prepared to follow. In their nominations, then, the government relied more and more on a trained class ready to hand, the police force. The indigenous natives who replaced the majestic Sikhs as the twentieth century progressed became on retirement an excellent addition to the ranks of the chiefs, whose prestige and authority were slowly increasing.

The founding of a Police school in 1916 improved the efficiency of the native police. For a time the sons of native chiefs attended it, but then unfortunately they were sent to their own school, identical with other vernacular schools. The police recruits were taught at their school to read and write in Malay, and then the fundamentals of arithmetic, geography, hygiene, first-aid, general knowledge, the procedure of a court and the duties and responsibilities of an N.C.O and headman. The force improved considerably following the formation of this school, and the N.C.O. on retirement, was often appointed as headman or chief. Such a one was Pawan, one of the principal native chiefs of the interior, who died in 1919. He was a Dyak from Sarawak who joined the police force in 1890. For some years he was the senior N.C.O. at Keningau, where he

acquired an intimate knowledge of the area and the people, who liked and trusted him. On his retirement in 1902 he was made a chief there, and through the years his excellent work, particularly as a magistrate, increased his status, many minor chiefs coming under his authority.

The chiefs had widely varying backgrounds, however; several began as estate labourers; others graduated from the territory's gaols. Beginning their sentence as wild up-country Dusuns or Muruts, or incorrigible Bajau buffalo-stealers, they became aware of discipline, law and labour. When they returned to their villages they had learnt Malay, a little about hygiene and cleanliness, and a smattering of the laws of the land. These advantages, combined with a certain spirit, which had been responsible for their criminal activities and which distinguished them from their more apathetic neighbours, made them often the most useful intermediaries a District Officer could find. In many cases they were appointed headmen with excellent results. A few, such as Pengiran Aji Pati who for many years in the nineteen-twenties was the head chief of the Labuk and Sugut rivers, were former traders. The most outstanding chief of the territory was probably O. K. K. Mohammed Saman, who was elected unanimously chairman of every Native Chief Advisory Council. By 1936 he was recognized not only as the leading Muslim on the west coast but as the senior chief in North Borneo, the closest that the different tribes and peoples ever came to accepting a chief paramount over all.

In 1937 he applied to retire and asked for a pension, and the opportunity was taken by the government of stressing a fact that was in danger of being forgotten. 'No native chief should be led to expect a pension, for he should never retire. The people should recognize that the chiefs are theirs, and although the government pays them a salary they are not professional agents of the government. Their chiefdom, once recognized, is permanent and irrevocable. The people must regard their chiefs not as placemen but as the traditional authority who cannot be divested of authority by retirement. O. K. K. Saman is still mentally fit and his leadership on the west coast unchallenged and undisputed, and it would be a retrograde step to permit him to retire. In any case his salary is his for life.'[1] Saman withdrew his resignation, and went on six months' leave to Mecca.

[1]C. R. Smith (Governor) to Sir Neill Malcolm (President), 12 August 1937.

The major contribution by the chiefs and headmen to the administration of the country was made through the native courts. From the beginning active participation by the chiefs in the deliberations of justice had been a feature of the government. Overbeck had laid down the rule that on the bench with the Resident there must always be a chief from the same tribe as the accused, while if the dispute were between people of different tribes, both were to be represented in this way. But even before the first Governor arrived in 1881 the Residents, finding that they had too much work to do, were allowing a great deal of judicial authority to courts composed of chiefs alone.

These courts had been a feature of the territory before, but had become discredited during the prevalent anarchy. Their revival, the result mainly of the need for economy, and the obvious inability of a solitary District Officer to hear cases all day and every day, was not an instantaneous success. Natives were satisfied with judgements given by the impartial European, but appealed often against the resuscitated authority of the native court. As the chiefs and headmen regained the confidence of their villagers however, these appeals grew less, and the Residents and District Officers referred many of their cases to them.

In 1891 the Village Administration Ordinance empowered headmen to try all cases that involved natives only, except where the crime was murder, kidnapping or a major robbery. It stipulated that there should be in most cases a minimum of three headmen on the bench, and the case should be heard in the presence of both accused and accuser. The decisions were to be in accordance with local custom, and although no written record of the case need be kept, a short summary should be given to the District Officer. Often in the early days this was a verbal message.

One of the first actions of Treacher and the other early administrators, who brought the territory under control, was to start the native court functioning in the newly occupied area, and to let the locals settle their disputes in the organized manner that they remembered. For example, in the Klias peninsula, which was annexed in 1884, Davies, the Resident, quickly instituted a native court, and backed it with the authority of the government. But it was little needed. He reported 'We went up to Kota native court, which Pangeran Abbas is carrying on well. There were nineteen headmen sitting, the unpaid ones giving their opinion as well as

the paid ones, and some three hundred people present. I think that even Rajah Brooke if he could see the native court settling disputes twice a month and the influx of peaceful settlers, would have to approve.'[1]

When the Company moved into the interior there were further difficulties. So scattered were the few houses, so meagre the authority of the headmen and chiefs, that in some cases the establishment of a native court had to be postponed until sufficient Muruts or hill Dusuns to form a village could be induced to leave their solitude and live together. Even then the District Officer had to preside at the native court; to persuade them to settle feuds, not by the capture of more heads until each side were equal, but by the swearing of oaths and payment of compensation; and he could not leave until the headmen had learnt their tasks.

They were helped by such men as G. C. Woolley, who had become such an authority on the varied and bewildering mixture of Murut *adat* or law that in 1907 at the suggestion of their chiefs he reduced the customs dealing with divorce, adultery and marriage to a common pattern, while still upholding their essential principles. The chiefs referred many cases to him for final judgement.

The case of Tambunan shows the pattern. 'For the later half of the year the native court has been held at regular intervals of ten days. The court meets in the station and is well attended, the audience on one occasion being over 100 persons. The cases are quickly dealt with by the paid chiefs. A record is kept and a small fee charged which is paid by the loser of the case or otherwise as determined. There has been no appeal from their decisions, which are guided by a schedule of native customs and penalties such as now enforced throughout the interior. There was only one case of a headman abusing his power.'[2]

The authority of the chiefs was such that by 1910 the use of police to fetch those accused to their court had long fallen into disuse. Their wisdom in deciding cases was at times reminiscent of a Solomon. At Kota Belud, long the home of Bajau cattle-thieves, six unimpeachable witnesses swore in the native court in August 1912 that a young buffalo belonged to the plaintiff. Six equally unimpeachable witnesses swore that it was owned by the defendant. The presiding chief ordered them each to bring out

[1] G. L. Davies (Resident, W. Coast) to Governor, 7 April 1886.
[2] Annual Report, Tambunan District, 1907.

what they said was the motner of the calf. The two animals were tethered, the calf released in between, she went at once to her mother. The plaintiff won back his buffalo.

In 1913 this whole system received the delayed blessing of law. Section 10 of the Village Administration Proclamation[1] decreed that a native court should be constituted in every district. On it were to sit those people who had been sitting on it for the previous thirty years, the chiefs and headmen, and they were to try all offences arising from a breach in the laws and customs (religious, sexual or general) of the natives of the district. In the case of a sexual offence the court were to be guided by the customs of the woman's race. The right of appeal lay not through the western-trained judicial branch of the government, but through the District Officer and the Resident, who were in far closer touch with and more sympathetic to local custom.

Year by year the native courts continued their unspectacular work. No interference was made by the government, and the chiefs rarely needed to ask for support. Some 2,000 cases, two-thirds of them on the west coast, were heard annually from 1920 onwards. This figure was approximately the same as the number of cases heard by the magistrates and session courts combined. Occasionally, when a chief appeared with the stature of Pengeran Abbas, whose judgements were acknowledged for nearly thirty years (1884–1913) among a large number of villages in the Padas river area, or Mahomed Saman in the nineteen-thirties, the practice of sending them on circuit was instituted. Their efforts were equal to several District Officers, and the court houses, invariably built by the natives, were crowded when they appeared.

At the 1936 Native Chiefs' Conference it was moved by the chief from Beaufort (O. K. K. Saman) that the government should have a book of Muslim customs printed for the guidance of native courts. As a matter of fact, he mentioned, he himself had written such a book. It was based on a list of customs drawn up in 1921 by Haji Omar which the Beaufort natives were still using. Unanimously the council adopted his draft, although Haji Omar had never been accepted as an authority, and although the various races, on whom lay the thin veneer of Islam, viewed infringements in a very different light, and local custom had always overridden Islamic law.

[1]This Proclamation incorporated proclamations III (1891), XIV (1903), III (1904), and Notifications 124 (1893), 180 (1903) and 55 (1904).

The government decided not to print the code as compiled by Saman, but it was sent out to the various chiefs, for their information and guidance only, in late 1936. At the 1941 Conference, attended by fifteen leading chiefs, there were several complaints from Muslims that the penalties laid down by O. K. K. Mahomed Saman were at variance with the custom of their particular district. The code had been taken as binding, having come from the Governor, and it is regrettable that the *Undang Undang Native Court—Mahkamah Adat Orang Islam* as it was called was not retained in a pigeon-hole at administrative headquarters. All chiefs were advised to modify the code in accordance with local tradition, and this was subsequently done.

The administration of the native, then, was largely carried out through the medium of their own chiefs and headmen, and by their own institution, the village court. From the Great War period however, some use was made by the government of the more advanced natives in posts of direct administrative responsibility and these were known as Deputy Assistant District Officers. The first such appointment was that of Pengeran Osman to the control of the Labuk and Sugut rivers, a large sparsely inhabited district untouched by European enterprise. He reported direct to the Resident. By 1923 there were two other purely native areas being administered by a D.A.D.O., the Kinabatangan River and Pensiangan. A Chinese D.A.D.O. was stationed at Kudat. At the Residents' Conference of that year it was decided 'that the employment of Asiatics as D.A.D.O.s has proved successful with limitations, the officers selected being clerks with a long residence in their districts and with a powerful influence over the people but with few qualifications which would have made them a success had they been moved to other districts. There is very little material to replace them and any future extension depends upon the success of the vernacular schools and the material being trained in them.'[1] By 1938 there were natives in administrative control of the Labuk and Sugut district, the Kinabatangan River and Pensiangan, while other D.A.D.O.s were at Papar and Tenom. By 1940 the government was allocating them $11,520, while native chiefs were receiving $23,449.

Another function of the chiefs, apart from the magisterial duties of the court, was the collection of poll-tax. This was a traditional

[1]Residents' Meeting, October–November, 1923.

tax of some antiquity, and for many years it was the major contribution of the natives, minute though it was, to the revenue of the country. They regarded a land-tax with an unexplained horror, many assurances being necessary when the government purchased new rivers that no tax on land would be imposed, but a poll-tax of a dollar a head was accepted with equanimity, as demonstrating those villages which were under the protection of the administration. Trouble arose, however, between 1885 and 1895 when the decline of the headmen and chiefs led to the use, especially by Beaufort, of native agents, strangers to the district, who were sent upstream to collect the tax. Unsupervised, they preyed on the natives after the manner of the agents of the Brunei nobles. Bloodshed inevitably ensued.

Undoubtedly these collectors contributed to the unrest that assisted the Mat Salleh rising. It was not a creditable time for the Company. In London the Court realized the dangers and pulled in its horns. The tax was restricted considerably. On the east coast where the payment had been exacted with some difficulty, and had yielded little more than $1,000 by 1895, it was abandoned that September. Clifford managed to impose a boat-licence fee on them in 1901, a tax more related to their marine existence. In the interior the tax was abandoned too, and on the west coastal area and Marudu Bay, although the tax was continued, it was placed once again under the control of the headman. The inland tribes were told that only those villages the government could protect would be taxed, and that if they desired protection they should move closer to the coast. This became an important factor in repressing lawlessness and in extending the authority of the government. As late as 1912 a voluntary payment was refused and the chief sent back to the interior, as the government could not accept it until it was in a position to protect the chief and his people from their enemies in Dutch territory. As a result the village moved closer to an interior station.

The gradual abolition of this tax was proposed by Governor Birch in 1902. It was estimated to bring in $18,700 that year, but Birch estimated this sum could be doubled by a land-tax. He was not interested in the land-tax as an addition to revenue however, although that aspect of his argument may not have escaped the Court in London. He considered it mainly as a measure that would increase habits of stability and permanence of residence.

At that time there was no native title to land, although their possession had always been respected, and great pains had been taken to protect them, in many cases at the expense of the European settler. Labuan in 1849 had been the first colony in the Empire to make registration of land transfers an essential prerequisite to their validity, and this still applied in North Borneo. But all dealings in land between the native and a European, as distinct from government and European, were not only invalid—they were forbidden. It was this persistent government defence of native land rights that first led to the formation of the Planters' Association in 1888.

That in its turn led the government to define its position. Governor Creagh collected the opinions of all his senior officers on land regulations necessary to protect native rights, and embodied them in his land proclamation of 1889.[1] This stipulated that before any title-deed to land could be issued to a European the chiefs had to be informed of the area under consideration, and the headman or chiefs had to be shown the surveying marks erected for their information. The District Officer was not to leave it to the chiefs to bring forward any claims; he himself was to make careful inquiries aimed at protecting native rights. These rights covered all land under cultivation or including houses, together with a reserve of adjoining ground at least three times the area of the land under cultivation, and also land including fruit trees, grazing land, burial-ground, tombs or shrines or native tracks and rights of way. These rights were to be settled by either a reservation of land or a monetary compensation. The native was allowed rights of appeal to the Governor, to whom were to be submitted all plans for compensation before the issue of the title-deeds would be authorized.

The enforcement of this proclamation again and again led the planters to attack the Chartered Company. Its defence of the native rights, more perhaps than any other action it took, justifies its native administration as an enlightened and impartial one of which it can well be proud. Birch was apprehensive that in the rush to plant rubber which was about to begin in Borneo, these old rights, where natives owned lands with no proof acceptable in a western court, would be in danger. He introduced a law in 1903 to protect the native by giving him a written title. He repeated the traditional land rights; he again forbade any dealings by Euro-

[1]Proclamation III (1889) Protection of Native Rights to Land.

peans with natives for land and he authorized the voluntary acceptance of a written title by any native holding land under customary tenure. He had surveyed the whole of the Putatan valley, a closely populated and intensely worked area, and title-deeds were prepared for the 3,000 individual lots. They were completely ignored. The native felt perfectly safe as he was, and the title-deeds lay unclaimed in the district office, while the payment of poll-tax continued.

This situation was ended by the rubber boom during the next decade. The west coast land became sought after by European companies as well as by a large number of Chinese smallholders. Land began fetching good money, and as a title-deed became more important the concomitant quit-rent was accepted by the native owner. There was a dramatic change in their attitude, and headmen and chiefs kept requesting surveys and title-deeds. The year 1909 first saw the slow change in the native outlook, and each year from then onward the survey teams were struggling to keep up with their assignments. The scale of rent was fixed in 1913 at fifty cents per acre, payable from the second year after registration; such a rent lapsed (with the title) if the land ceased to be worked. The government had given instructions three years earlier that native land-owners were not to be pressed for payment, and the 1913 quit-rent received was negligible.

The task of issuing land-titles was made extremely difficult by the various native rights, particularly possession of isolated fruit trees and sago trees. The sago area, mainly in the Padas-Klias peninsula, was a surveyor's nightmare, as the suckers of one clump, claimed by several people, would grow together with suckers from a farther tree, owned by others, and their ramifications made the allocation of correct boundaries extremely complicated. In 1916 for example, an average year, 3,441 individual lots were surveyed. The isolated fruit trees also involved the land settlement branch of the Lands Department in considerable work. Under the law a native owning a fruit tree (he needed only the word of a headman as proof) could fence it in and continue to enjoy the fruit even when the land all around was alienated. Many Dusuns in particular only remembered that they owned an uncared-for tree when the land had been purchased and the felling of the jungle had revealed it. If the area had been prepared for a rubber estate the wide-spread burnings would have rendered the tree useless, and the

Department had to negotiate compensation. Sums of 400–500 dollars were paid and in one case $1,400.

The demarcating was extended into the interior, and it was hoped to reproduce what already was happening along the coastal plain. There Dusuns, Bajaus and Besayas were proving to be more efficient agriculturalists with a secure title-deed, even when, in the case of Membakut and the Padas peninsula, old promises were being honoured and no rent was being exacted. But inland discontent was caused. Muruts near Keningau in 1912 ran away into the jungle on being asked to point out their land, and in Tambunan too there was passive resistance. The Muruts had strange ideas of government. At Keningau they held firmly to the belief that taxes they would be called on to pay included a dollar tax for every visit by a man to his wife, who would be forced to live on the opposite bank of the river; a dollar would have to be paid for every large fish caught, and one out of every two babies would have to be given up. At the same time the government caught an Indian trader who had gone upstream without a pass and who was selling the Muruts pieces of twine to be tied round the toes as a sure preventive against cholera. There seems little doubt that the distrust of the land policy felt by this credulous and suspicious people was one of the factors that led to the Rundum revolt.

On the coast too the native land policy brought trouble. At Papar a notorious trouble-maker, strongly influenced by the long established Roman Catholic mission there, found for the Christian Dusuns imaginary faults in the change from traditional tenure. Their land claims were taken to court in 1911. All their expenses were waived, counsel was given them, eighty-nine witnesses were called, and finally after a hearing that lasted a month the judicial decision upheld the original government surveys, though stipulating that there should be further compensation for three or four acres. The Dusuns retired content and the proceedings gave ample proof throughout the territory that native rights were well protected. Nine years later, however, their grievances were communicated to the Anti-Slavery and Aborigines' Protection Society in London, who by the nineteen-twenties were almost out of a job. The old complaints were revived, and the Court of Directors with the approval of Parliament appointed an independent commission. It was decided that the whole affair was nonsensical, as it had all been settled in 1911, and there had been no complaints since

then. The report stated that 'few colonies have the same excellent land code as North Borneo . . . [it] requires the collector before assessing lands to enquire into native titles, [and it] lays down the most concise and also the clearest and most accurate statement of native claims that I have ever seen.'[1] No further action was taken.

Year after year, particularly in the decade of 1913 to 1923 native holdings were surveyed. The rent roll grew steadily, rising from $39,781 in 1914 to $107,291 in 1920, then to $213,942 ten years later. By 1940 the quit-rent total had reached $371,269. As Birch had forecast, it provided a far greater and more reliable revenue than the poll-tax, under which $63,628 was collected in 1940. Governor Jardine in 1935 had suggested that east coast natives, many of whom escaped paying quit-rent as they were fishermen, should pay poll-tax. The Administration Officers' Conference rejected it as a breach of trust, but it was imposed in 1937. A further suggestion, that Javanese and other non-Bornean peoples in the territory should pay, was rejected. Many of them in any case paid other taxes which exceeded three dollars, and were therefore exempt.

The requests by natives for land-deeds increased considerably after 1937, when an amendment to the land laws aimed at encouraging the production of rice permitted land held under native tenure to be worked rent free for the first six years. Over 3,000 applicants made claim for survey, many of them being Dusuns in the interior or Bajaus and Suluks on the east coast, who had not troubled to change their ways. By 1940 39,575 people held land under native tenure, secure in their possession while they worked their land, their rights safeguarded by the excellent code that had protected them under the administration of the Company. The native chiefs endeavoured to strengthen these rights still further in 1938, when they moved that no native should be permitted to dispose of more than 33⅓ per cent of his land in his life-time except to his heirs. There was to be no selling in excess of this proportion to the Dusun wife of a Chinese trader for example, or even to any other native to whom he was indebted. The government decided that legislation to enforce this would be impracticable, and a native was permitted to effect land transactions with other natives in perfect freedom, as many would say was his right.

[1]Correspondence on the Subject of Allegations against the Administration of the British North Borneo Company. (Comd. 1060). December, 1920, p. 12.

Governor Jardine, however, was not unmindful of the curse of debt from which primitive peoples suffered, and which was common throughout South-east Asia. In Tanganyika the native was prevented from borrowing to excess by a severe restriction on the granting of credit to him by a non-native, unless the transaction had the approval of the district officer. This protected him from the Indian merchant who before this law was enacted would loan a native goods or money at exorbitant interest rates, and keep him indebted in some cases for a life-time. Jardine had been receiving reports in 1934 of the complete debt bondage to Chinese shopkeepers of the pearl-shell collectors in the Labuk and Sugut area on the east coast, and he felt that they needed protection. In 1925 the estates had been forbidden to advance more than five dollars to any labourer, so that their employees would not become indebted to the degree where they would be forced to remain to pay off the loan, and he thought that an ordinance similar to the Tanganyika law would protect all natives in the same way.

His senior administrative officers considered that any restriction on credit would be most unwise. The Interior Resident said there was no great amount of exploitation by the Chinese there, as they were anxious to earn a good reputation with the natives and so win their custom. On the west coast it was pointed out that most of the Chinese traders had lived for many years among the natives, married there and were on excellent terms with their wives' people, on whom they were dependent. On the east it was considered that the system of advances by cash or kind was limited, and that although the Chinese would welcome any ordinance to restrict it, the native would deplore it. Smith, the Government Secretary soon to be Governor, wrote that 'nearly all the trading between native and Chinese is conducted "on account", and I submit without abuse. The native more often exploits the Chinese than vice versa. The typical Chinese trader gives the native a very square deal, it is very much in his interests to do so.'[1]

However an entirely different picture was presented at the Native Chiefs' Advisory Council meeting in 1941 when it was proposed that loans and credits from traders to natives should be restricted to five dollars. O. K. K. Kahar from Klagan on the east coast said that many of his people were hopelessly in debt to the Chinese. He pointed out that there was provision in law to

[1]C. R. Smith (memoranda for Governor), 8 December 1934.

restrict to five dollars the money a labourer on an estate could borrow, and he felt it should apply also to shop-owners. The fishermen or collectors of jungle produce in his area were virtually the employees of a Chinese shopkeeper. They were unable to find a ready market for their produce except with the storekeeper, and so they were unable to get the real value. Through accepting advances and loans they were completely in his power. Mahomed Salleh, another chief, was in vehement agreement. He said it was not unusual for men in his district (Sungei-Sungei) to be in debt for $600 to $700. The proposal aroused considerable discussion, as did a similar motion, that natives should not be compelled to accept goods in lieu of money in exchange for their jungle produce. The Governor, commenting on the later motion, thought that it was a matter for the headmen and chiefs, and that it was impossible to enforce a law on this. He thought the Chinese side to the former proposal should be considered. 'The Chinese trader may sometimes abuse the present customary advance system but, to those who know its origin, sympathy with the Chinese trader is not absent. It is the native who demands continuance of the system (running up book debts of many thousands of dollars in the Kinabatangan), and he will not release the trader from it.'[1] There the position remained. Native indebtedness to the Chinese is widespread over South-east Asia, and North Borneo is not alone in failing to agree whether it should be abolished or not.

In 1935 Jardine wrote one of his memoranda, this one even lengthier than most. Entitled 'Indirect Rule and the system of administration of the natives of North Borneo', it was designed to form a basis for discussion at the October 1935 Administrative Officers' Conference, and it urged a far greater degree of native responsibility than then existed. The various objections raised applied to other parts of Malaysia. R. K. Hardwick, a prominent unofficial noted 'I do not know of one chief today who could withstand the temptations of subtle bribery as practised by the Chinese. And once this evil is established, who will rule indirectly?'[2] The East Coast Resident said that his headmen were all in debt bondage to the Chinese and their administration could not be left without supervision. The Financial Secretary pointed out that whereas Tanganyika derived 49 per cent of its revenue from native taxes,

[1]Governor C. R. Smith, memorandum, 11 November 1941.
[2]R. K. Hardwick to C. R. Smith, 17 May 1935.

which provided ample funds for local financial responsibility, North Borneo's revenue was largely derived from customs dues, and native taxes yielded only 9 per cent. In many purely native areas, such as the Labuk and Sugut or the Kinabatangan River, Keningau or Tambunan in the interior or Kota Belud on the coastal plain, there were usually large deficits; $13,000 in the case of Keningau. Native financial responsibility over a small area in those circumstances was impossible. Various Residents noted how few districts there were where there was one race in marked predominance, and this made any introduction of local rule very difficult. The chief of police said that the natives were far too primitive to raise and spend their own revenue. He instanced one of his police, a Murut corporal with twenty-five years service, who when sent to arrest a murderer cut off his head and brought it in. He thought that perhaps old customs were still too strong for unsupervised local administration, and that in any case the people were peaceful and contented as they were.

At the conference Jardine admitted that in fact there was a large measure of indirect rule in North Borneo, and that in particular the native courts were a healthy and thriving institution. He dismissed two of the three main objections to giving to the districts control over finance. He thought the chiefs who ran the courts efficiently would watch their budgets too. The officers who had thought the Court of Directors would never acquiesce in revenue being side-tracked were under a misapprehension. Sir Neil Malcolm was all in favour of more local rule. Jardine had to admit, however, that the presence of the Chinese made impracticable any scheme of native local government in most parts of North Borneo; the Chinese had too great an influence.

He left the meeting, having recommended local responsibility in the case of the inland areas, where it might revitalize the Murut country and help to check the depopulation. His senior officers considered his plan, but it was decided that for the territory to have two types of government would be confusing and inefficient, and that it would be far better to increase the powers and the pay of the chiefs and the authority of the native courts.

Jardine, by now aware of the complexity of the problem of self-rule, which post-war Malaya is now experiencing on a much larger scale, was still anxious to introduce financial responsibility, the king pin of local rule, into the territory. This he accomplished.

Early in 1936 with the co-operation of C. R. Smith, his right-hand man, he established a native administration centre on the Keningau plain, at Bingkor. Twelve villages with a population of 2,700 people were included in it, and the centre was put under the control of a capable chief, Sedoman. By April he had had built a native court house, a school, a rest-house for the other chiefs, and a small dispensary. By June Jardine was recommending the granting of a measure of financial control, permitting Sedoman to collect the taxes and licences. By September the vernacular school was attracting a hundred pupils while 200 parents attended the native court. There was a great development of a community spirit, and Jardine wrote 'nothing is more calculated to promote willing tax paying by natives than a knowledge that a proportion of their taxes is being expended directly on the institutions designed for themselves and their children.'[1]

In November the Court agreed that the revenue raised at Bingkor should be collected and disbursed by the native authority. The Treasury in Sandakan endeavoured to control the financial arrangements, but were rebuffed by Jardine who quoted Lugard to them, saying that the local authority should be trusted with full financial responsibility. On the eve of his retirement he noted that the financial responsibility was accepted in a satisfactory manner, and at the Native Chiefs' Advisory Council in May he said that he hoped that his successor would experiment in other suitable areas.

Bingkor continued to run its own affairs, but was never able to raise enough funds to become fully autonomous. Jardine had begun a rather veiled system of subsidies, the Education Department being called on to pay for a teacher and the Medical Department meeting the costs of the dispensary. These were continued. In 1940 revenue raised (from poll-tax, the tax on native liquor, court fees, etc.) was a little over $1,000, while expenses totalled $2,989. The deficit was covered by the departmental votes. However each year the budget was estimated by Sedoman and the other chiefs, who cut their coat according to the cloth they knew they would be receiving, and the experiment on this modest scale was undoubtedly a success.

A considerable amount of its success however was due to the somewhat exceptional qualifications of Sedoman, who controlled the scheme from its inception. He was vigorous in building a

[1]Governor to President, 19 September 1936.

school, which soon had an average of 120 students, but his vigour was too overpowering for Abu Bakar the schoolmaster, who was almost as assertive as Sedoman, and had to resign. The Bingkor experiment was dangerously close to being a one-man affair. It was Sedoman who had irrigation channels dug, so that in 1938 the acreage in the Bingkor area was considerably enlarged. In 1938 he saw that a more substantial court house was built, and encouraged a nearby hill village to move into the area. Another Dusun, Impak, built a shop, a padi store and a water wheel padi mill, which further increased the value of Bingkor. However it was hit by a severe influenza epidemic, and there were many deaths. The centre had scarcely recovered when the Japanese invasion transformed the valley from a native area, where all non-indigenous races had been excluded, to a military centre, and all native authority collapsed. The experiment of Bingkor, minute though it was, was the first attempt in British Malaysia to grant financial control to a native area.

The institutions of native administration in North Borneo stand today where they stood when the Company ceased its administration in 1941, and their work maintains again a stable and peaceful territory. Native chiefs and headmen, native courts, District Officers and Deputy Assistant District Officers, Native Chiefs' Advisory Council and Residents' Conference—in no way has the post-war rule differed in its native administration from that of its predecessor. This was a most significant tribute.
the present government can well envy the Chartered Company for its reputation among all peoples for an impartial and praiseworthy rule conducted in a manner eminently suited to the territory, the old hands of the Company can have only sympathy for a government that in order to justify itself must endeavour to organize its own extinction, while preserving, at the same time, the stable base that it has inherited.

CHAPTER SEVEN

LABOUR

FROM the beginning of the Chartered Company administration almost until the end the territory was under-populated, and its crying need was for labour. In post-war North Borneo there is again a shortage, and the national government faces a difficulty in remedying the deficiency that never confronted its predecessor, which always had the vast reservoir of China to tap. As will be narrated, the Chartered Company twisted and turned to various sources with indifferent success in its efforts to augment its scanty population. In the end it was always China on which it relied. Now this supply is barred by the bamboo curtain of communism, and the national government must solve a problem, that of a non-Chinese labour pool for North Borneo, which never confronted the Company.

Alfred Dent laboured for a little under the delusion from which Cowie later suffered, that North Borneo was somewhat similar to parts of Equatorial Africa, a land teeming with people. He was enlightened by the reports of Pryer, Pretyman, Von Donop, Burbidge and Witti, all of whom carried out interior penetrations and all of whom reported on its emptiness. He turned at once to China, saying that 'the present population was about 100,000 and the Chinese must be looked to as the chief helpers in opening up the country.'[1]

There had been Chinese in North Borneo before. Both its largest mountain (Kinabalu) and its longest river (Kinabatangan) bore witness by their names to a long Chinese connexion. St. John in 1863 had attributed the superior agriculture of the west coast to a remnant of Chinese civilization,[2] and Burbidge had asked 'what cleared out the Chinese?'[3] For despite many signs that there had

[1]A. Dent addressing the Royal Geographical Society in 1881. See *Proceedings* of the R.G.S., April, 1881.

[2]Spenser St. John, *Life in the Forests of the Far East* (London, 1863), Vol. I, pp. 293, 383.

[3]Burbidge to Pretyman, 10 August 1878.

once been Chinese populating the west coast, perhaps when Brunei had been powerful and, relatively speaking, peace had reigned, there were scarcely a dozen left in the whole of Sabah by the time the Europeans arrived. In Sandakan Bay there were two traders from Labuan, in Marudu Bay a few more, and one or two shops with links with Labuan were scattered near the coast opposite. That was all.

Treacher and Dent set out to rectify this deficiency. In Borneo the Governor immediately repealed the registration fee of two dollars which Pryer had imposed on all immigrants, and abolished the tax on rice and other imports, substituting a tax on exports. In London the Chairman appointed Sir Walter Medhurst as Commissioner for Chinese Immigration and sent him off to the East to spread the story of the new Eldorado. For many years consul and consul-general at Shanghai, with long experience of China, knighted and respected, there was every indication that he was a brilliant acquisition to the Company. Yet he failed completely to understand his mission or to grasp the requirements of North Borneo. Of all the attempts by the Company to secure labour this was the most expensive, if not the most badly handled.

Medhurst went to China early in 1882. He was charged with the responsibility of initiating a system of Chinese migration of labourers and agriculturalists to North Borneo and of inducing business men to invest their money there. In all this he failed. 'It is unnecessary for us to point out how important it is that you should always work in consort with the governor'[1] Dent wrote. But it was not unnecessary, it was most necessary, it was imperative, for Medhurst ignored the Governor completely. Treacher and Pryer, advised by Hugh Low of Perak, prepared a scheme calling for a gradual and cautious flow of agriculturalists, timber-cutters, labourers and fishermen. By December 1882 Pryer had cleared land, had four large reception huts ready for an initial batch of 100, and was supplying details to Medhurst. These were disregarded.

On his arrival in Hong Kong Medhurst took no steps to ascertain the plans of Treacher, and failed to realize the lack of enterprises in Borneo. Singapore was booming, he considered, because of the mass of Chinese there. The same must apply to Sandakan. He chartered a steamer and issued a proclamation offering free passages. He made no conditions, undertook no selection. Down

[1]Court of Directors to Sir W. Medhurst, 8 September 1882.

into Sandakan poured a flood of the unsuccessful shopkeepers of Hong Kong, the most unnecessary, the most unwanted of all the types of Chinese that he could have secured.

As ship after ship arrived at Kudat and Sandakan, and disgorged its unwanted cargo into the already over-crowded towns, Medhurst in Hong Kong blandly accepted the compliments of the Court, as yet unaware of his stupidity. Towards the end of 1883, having spent the $50,000 allotted to him, he returned to England. A side-line to his activities had been his efforts, on behalf of W. MacKinnon, to secure 300 Chinese porters for service with Stanley on the Congo. As with his Borneo efforts, this too failed.

The Hong Kong artisans and shopkeepers eked out an existence in Borneo buying and selling one to the other. There is a limit, however, to the living that can be obtained in this way, and a few had ventured into the jungle as traders. But they were very few, and those who did were out-manoeuvred by their cousins from Singapore, men well versed in the language and the desirabilities of the interior, who, while their compatriots starved in Sandakan were far up some river trading with the natives. The great majority of these Hong Kong immigrants were terrified of the jungle, and refused to undertake any agricultural work there. Treacher wrote 'Pryer sent some Chinese up to the Gomanton caves to bring out samples of guano, but they appear to have become so terrified by the solitude of the jungle through which the track lies and by the big trees so different to what they have been accustomed to in their own country that they returned in a few hours without reaching the caves.'[1] They, and the great majority of their associates flocked back to Hong Kong throughout the later half of 1883. By December an infinitesimal number of Medhurst's migrants remained, and the shipping subsidy was discontinued. Not for the last time the Company had wasted a large sum of money.

The majority of Chinese who have migrated to South-east Asia have immediately forsaken any background of agriculture in their new home and have left the heart-breaking job of padi planting to the indigenous inhabitants, contenting themselves with the profits of the middleman. Not so the Hakka. Somewhat despised by the other South Chinese the Hakka has clung to his agriculture and (in many cases) to his Christianity. To a community of these people near Hong Kong came news of the

[1]Governor to Court of Directors, 30 March 1883.

proclamation of Medhurst offering free passages to North Borneo, and they decided to investigate.

They were led by a priest named Leschler, who sent two delegates down to Kudat in November 1882. They inspected the ground offered them, discussed the situation with Treacher and then, in April 1883 were joined, with a little of the solemnity and seriousness of pilgrim fathers, by their community of ninety-six God-fearing souls. The Hakkas, who did not smoke opium, were not encouraged to immigrate by Medhurst, but from this humble beginning they have grown to number 44,505, and have become the pre-eminent race in North Borneo. They have remained true to their traditions, and labour in the smallholdings and the padi-fields, leaving the intricacies of the towns to others.

Medhurst had not been helped by the retrenchment then being undertaken by Treacher. Under orders from London the Governor had been unable to expend any worthwhile sum on public works, and had been unable to offer work to the unemployed in Sandakan. Nor had he been encouraged by the complete lack of agricultural estates, and of any industry employing a considerable body of workers. Apart from the government there was not one enterprise of any size, and the shortage of labour, as distinct from the shortage of population, had not yet come into existence.

Medhurst had succeeded, however, in stirring into sluggish life one small company. Its driving force was a German, Ernest Major, who had been to North Borneo and acquired there land on the east coast. He secured financial support from another European and three Chinese, and together they precariously floated the Chinese Sabah Land Farming Company in January 1883.

This solitary little enterprise[1] sank within a few years, despite frequent and costly government subsidy. But before it finally disappeared it succeeded in reaching the Amsterdam tobacco market with one small crop. This was pronounced by experts to be equal to the best cigar leaf in the world, and, encouraged by various concessions, North Borneo was invaded by planters, the majority of them Dutch or German from the tobacco fields of what was then the Netherlands East Indies, and they spread their estates round Marudu Bay and far up the long east coast rivers. By 1888 the *British North Borneo Herald* was reporting the doings

[1]An even smaller company, the Yaen Yew North Borneo Cultivation Trading Co. never began operations.

of such men as Van Soon, Voorwijk, Van de Moeven and Voorwarts, and the shortage of labour had come to stay.

Treacher had been hoping for agricultural estates for some years. In late 1882 he had taken as the basis of his labour code the Straits Settlements Ordinance of 1882 'to amend the law relating to Employers and Labourers under contracts of service.' This law restricted labour contracts to five years, and stipulated that the terms of the contract had to be explained and signed by both parties within six weeks of work commencing. It could not be broken except by mutual consent. An employer could arrest any labourer and take him before a magistrate. If the employer lodged a complaint against a labourer, and such complaint related to wages, the magistrate could order that a part or the whole of any wages be deducted. If by breach of contract a labourer caused serious inconvenience to the employer, he could be sentenced to six months' imprisonment. An employer had the right to deduct from the salary of the labourer amounts equal in value to the goods which he supplied to him for his wants.

This law was soon superseded by another Straits Settlements law, more suited for the control of overseas labour. This was the 'Indian Immigrants Protection Ordinance' of 1881, which with the necessary substitutions of North Borneo for Straits Settlements became law in 1883. Treacher said that 'one of the first steps towards obtaining the recognition of North Borneo as a British colony is the enactment of a measure for the protection of coolies based on the lines of similar measures approved of by a British colony.'[1] At this stage the hope that Britain would annex North Borneo still burnt bright; it remained a factor affecting her legislation throughout her history, of greater influence perhaps than the clauses of the Charter which gave the British government the right to interfere.

This proclamation (No. XII of 1883) gave power to the Governor to appoint a Protector of Labour, and then made provision for the examining of newly introduced estate labourers at their port of entry. Estate managers were bound to furnish half yearly a return of their labour force, stating the number, the incidence of sickness, births and deaths, desertions and arrests during that period. The Protector was directed to visit each estate and report on the conditions, particularly those of the hospitals

[1]Governor to Court of Directors, 11 October 1883.

and quarters, and to ensure each half year that the labour rates of pay and hours of work (ten hours daily with Sunday free) were observed. The employer was held responsible for providing suitable accommodation, food, water and sanitary arrangements. He was liable to a heavy fine if a hospital were not installed, and if, in spite of this, the Protector decided that an estate was in a particularly unhealthy area, he had the power to close the estate and render null and void the contracts of the labourers.

This ordinance had been designed by the Straits Settlements to satisfy the doubts of the Indian government who were apprehensive at the recruiting in South India for the estates in Malaya. In Malaya it had the effect of bringing over thousands of Tamil migrants who lived a life far better than that they had left. So great was the flow to the peninsula, so satisfied were the Indians that North Borneo endeavoured to do likewise.

As the tobacco boom began the government opened a correspondence with Calcutta requesting permission to recruit in India. The labour ordinance was identical with that of the Straits Settlements, India was told in 1887; and by 1891 the Indian government had given permission; an Indian Immigration Proclamation had been published; and an Indian Immigration Agent had been appointed. Twenty years of correspondence built up a voluminous file, but no Indian labour ever reached the estates of North Borneo. Further attempts by the government, in 1913 and in 1926, each time to secure free Tamil labour, each time approved by the Indian government, resulted in identical failure. A sceptical Planters' Association was not surprised. Between India and North Borneo lay Malaya, richer and nearer, and connected by regular shipping lines, and who tranships at Paradise?

The planters and the government, after an unsuccessful attempt in 1889 to secure the scores of African slaves which the British Navy was rescuing from Arab dhows and liberating in Bombay, turned again to China. By 1890 the tobacco boom was at its height and Chinese labourers were hired by written contract in both Hong Kong and Singapore. Paid a large advance, as was the custom, many took the opportunity to leave their ship in Labuan, often the first port of call where, unlike Singapore, a breach of contract was not a criminal offence, and to return to Singapore. This caused intense bitterness. The Chartered Company secured the administration of this island in 1890 and was

able to eliminate much of the desertion. The Planters' Association, formed in 1890 to protest, in the first instance, at Chartered Company defence of native rights, still maintained, however, that labour was short.

The government made several efforts to stimulate a flow of Chinese at this period. It induced the leading Chinese of Sandakan, the 'capitan china', Mr. Fung Ming Shan, the sole Chinese on the legislative council, to write a eulogistic letter to the Hong Kong papers. He described how he and his friends Ng Wei-nam, Woo Yik-nam, Ja Kwok-ying and others had arrived in 1882, had stayed at the shop of Chee Hing Leung kept by Chun Chee-ting who had made a respectable fortune out of supplying the government, and how all of them had since done well.

Another move was the formation in 1890 of the Chinese Advisory Board, consisting of a government representative, nine members and a president. For many years this post was held by Fung Ming Shan, with three Cantonese and Hakkas and two Hokien or Swatowese being elected. It had been formed at the request of the leading merchants of Sandakan, and it was welcomed by the government as enabling it to ascertain the views of the Chinese community. It had of course no power, other than the weight of its advice, but it helped demonstrate abroad that Chinese interests were being considered.

Neither of these two moves were of particular interest to either the planter crying out for labour or the Borneo-shy labourer. The latter derived his information from hearsay, not reading, and what he heard from returned labourers in Hong Kong or Singapore were tales similar to the following. 'There is scarcely a coolie on Van Marle's, Bruch's or Voornijk's estate who has not been entitled once or oftener to have his contract cancelled in consequence of brutality, starvation, neglect to supply medicine or food, and absolute fraud in the matter of wage payment . . . Van Marle's estate has been carried on apparently upon a system of the most incredible brutality. The coolies have been swindled, cheated and half starved. They have been flogged in the most merciless manner, and have been refused medical treatment when suffering from the wounds inflicted upon them by the flogging whip, the tail of a stinging ray. The manager (now in prison) has utterly ignored all orders given him by the protector.'[1]

[1]Governor to Court of Directors, 4 May 1891.

This particular piece of sordidness was quickly cleaned up. Marle and his assistant were sentenced to a year's imprisonment and then deported, and two of his overseers were goaled as well, but the temperament of the tropical Dutch and the difficulty of supervising them remained. The government did its best to tackle both problems.

The labourer, deliberating whether to accept a contract to labour in North Borneo, was not reassured by the stories of sickness, another factor which contributed to his nervousness. Disease was common in those early days, with new estates scrambling for quick profits and neglecting the dead labour. In 1890 nearly 2,000 of the 8,061 Chinese on estates died before the end of the year. In 1891, in the twenty-one estates which submitted returns, the average death-rate was over 20 per cent. Several estates had death-rates of over 40 per cent. On one estate near the Segama River the Protector had to slog through ten miles of morass knee deep in mud to reach the quarters, to find every European in bed with fever (where he joined them before returning), and a death-rate that year (1891) of 38 per cent. With general conditions such as this, it was no wonder that in Hong Kong of 300 labourers signed on for service in Borneo, only four could be persuaded on board the steamer in April 1891.

The high death rate, it was thought in Borneo, was due only partly to the work and the fever. The government was of the opinion that a large-scale deception was being undertaken in the Hong Kong Government Emigration Office, where the labourers were officially examined and signed on by the estates. Here strong vigorous men were passed as fit; but in Sandakan there stepped from the ship weedy and sickly specimens who nevertheless claimed to be the same people. It was not until 1910, however, that the medical examination took place in Borneo and not Hong Kong or Singapore.

Dr. Dennys, who was both the government representative on the Chinese advisory board and the Protector of Labour, attempted in 1894 to break into the Chinese controlled recruiting organization. With the support of the planters scattered along the Kinabatangan River he established himself at Hong Kong. He was certain that he could obtain suitable men at thirty-five dollars, as compared to the sixty dollars being charged by the Chinese. He failed. The Chinese brokers formed an unbreakable union, and by offering

lower rates to the estates in Marudu Bay and elsewhere, induced the Kinabatangan planters to desert him one by one. He then suggested in 1895 that the government should take over, and import all labour itself. This had never been done in Singapore; and London, annoyed at loaning him for a futile venture into what it considered the realm of private enterprise, refused to consider the idea.

By 1895 the labour condition and the condition of labour had both greatly improved. The estates had realized that a certain amount of care saved them a considerable amount of money. By 1893 more frequent inspections had been organized by an expanding government which was able to exercise a greater scrutiny over the estates and the labour inspectors found more substantial coolie lines, better food and more satisfactory sanitary arrangements. Pay and bonuses had increased as the estates prospered, and remittances back to China had begun. The death-rate had dropped to 12 per cent, the contract had been cut to three years and labourers in many cases were signing on again. A Royal Chinese Commission, annoyed by hostile treatment in Australia, had come and pronounced itself satisfied with the conditions; in China outbursts against Christians had induced many Hakkas to follow the first small settlement at Kudat; and in 1889 eighty-one immigrants arrived near Sandakan.

In 1895 this slow improvement in the position was stopped. The Chinese flow to North Borneo faltered, failed, and then began to flow back to China. Beaufort had become Governor, Cowie had become Chairman and between them they ended for a decade the immigrations of Chinese so necessary to the country's economy. This was achieved quite simply. Cowie, believing that a large population existed in the interior, refused to sponsor any migration plan whatever. His costly schemes, of which the chief were the trans-Bornean telegraph and railway, were the ideal public works on which to employ large gangs of Chinese who would later settle down in their new country, but he refused to hire outside labour. Several times the directors of such works in desperation secured labour from Singapore. In each instance they were severely reprimanded. Beaufort added the finishing touches by imposing heavy new taxes including one on rice, the staple diet.

The estates, who continued to secure their labour independently, were affected far more by Beaufort than by Cowie. The duty on rice added about 5 per cent to its cost, and it produced a loud

outcry from the Chinese, through their Advisory Council, and from the planters, through their Association. In 1898 they combined and with the native chiefs sent a strong petition to London, listing grievances, protesting at the increased charges, and particularly at the tax on rice. This was one of the irritants which undoubtedly influenced supporters of Mat Salleh, for rice was the staple food of everyone, and many were so poor that an increase in the price, however slight, was extremely serious. There was a widespread belief that it was unwarranted, and attention was drawn to the fact that in Singapore at a time when it was being taxed in Borneo the legislature was paying a rice allowance of a dollar a month per man to those in its employ in view of the high price.

Further protests were unavailing, and the Chinese stopped coming to North Borneo. Cowie in London blamed this on Mat Salleh, but Darby, the prominent unofficial on the legislative council (on which the Chinese had been refused a representative) was echoing the opinion of everyone in the territory, including the new Governor, Hugh Clifford, when he wrote 'there must be some good cause why the immigration of Chinese to this State, situated so close to China, has been so stagnant. Under favourable conditions it should have developed of its own accord, but it has not. I cannot help thinking that this, in no small measure, is due to our customs tariff, and, in particular, to the tax on imported rice.'[1] This was no small admission for it seems probable that it was Darby who had suggested the tax in the first place. Cowie, however, remained obdurate and the tax stayed, while in 1902 a new tariff to provide funds for the railway added others to it.

With this the situation grew considerably worse. After the new taxes were announced an exodus of Chinese became noticeable. The opium 'farmer' reported a monthly decrease in sales, Chinese merchants in Sandakan and Jesselton reported a gradual slackening of purchases, and Birch began wiring back to London the exodus figures. Twice he felt it necessary to reassure the merchants that steps would soon be taken to remedy the situation. He apparently confided his dislike of the rice tax to Alleyne Ireland and the eminent colonial historian criticized its effects most damningly.[2] In Hong Kong the planters were unable to secure any labour, and a recruiter went illegally to Foochow. He there secured 169 men,

[1]W. G. Darby to Governor, August 1901.
[2]A. Ireland, pp. 50–52.

who were sent down for work on the railway. Birch watched in fuming impotance as, housed abominably and underfed by West, they nearly all died. Returning to Foochow the recruiter was met by a riot and imprisoned.

In China at the turn of the century outbreaks against Christians and Chinese had culminated in the Boxer War. Both Clifford and Birch had put forward plans for enticing some of the persecuted Christian Chinese to North Borneo. The earlier scheme fizzled out in 1900 with ten migrants, but Cowie acquiesced in Birch's plan of settling labourers on the railway, allotted £6,000 to the project and in 1901 the British Church Missionary Society in China was approached. It sent down a Mr. Hsü Jen Wen in January 1902, as the representative of 500 agriculturalists. Birch offered them six free acres of land, free passage and a loan of fifty dollars per family. Despite these terms the Chinese did not budge and the scheme was a failure. Without doubt it was ruined by the rice tax.

Its failure, and the exodus figures decided Cowie. In February 1903 he suspended as 'a temporary measure until further notice'[1] the hated tax on rice. A steady flow of migrants now began, over 2,000 entering North Borneo by July, the majority being Hakka (881) and Cantonese (568). Convinced against its will the Court allocated $60,000 to assist the movement. By December, however, railway expenditure had forced economies on Governor Gueritz and the allowance was curtailed. The migration continued under its own impetus, however, although on a minor scale.

The Company had endeavoured during this period to secure labour from another source, the Philippines. In 1892 Dr. José Rizal suggested that his compatriots, who were tired of Spanish rule, might form a settlement. Now the national hero of the Philippines, he was then a suspected revolutionary or an inspiring leader, depending on whether one regarded him from the Filipino or Spanish viewpoint. He planned an agricultural settlement up the Bengkoka River in Marudu Bay, well known to his friends from Palawan Island. The idea failed to materialize, but news of it reached the Manila authorities, and may have influenced their decision to shoot him.

In 1898 Spain found that it had been defeated by the United States of America in a Cuban war. One of its unsuccessful actions

[1]President to Governor 3 February 1903.

had been a naval engagement in Manila Harbour, and in the territorial arrangements that followed the Philippines were secured by the victors. For a few years there was commotion and uncertainty in the waters to the east and north of Sandakan, where Filipinos were attacking both their old and their new masters. It was these lusty patriots that North Borneo endeavoured to secure.

Their leader was Aguinaldo. In 1898 he and his friends were offered free passages and twenty acres of land, later to be increased to a thousand. Efforts to contact this elusive man, whose movements were veiled in the secrecy befitting an underground leader, were almost fruitless. But the Hong Kong agent managed to get in touch with one of his associates, Howard Bray. Bray, an active worker in Manila for the independence movement, had supported Rizal and Aguinaldo for some time. He had been responsible for introducing the latter to the Americans in Hong Kong, with disastrous results. Even before Aguinaldo he appears to have realized that the throwing off of the Spanish yoke was not leading to independence, and whereas the reaction of Aguinaldo was to fight again, Bray's idea was to clear out.

Bray wrote to Borneo saying 'if the Yankee flag is to fly over the Philippines I in company with many more Filipinos intend clearing out.'[1] His conditions however were too steep for the Company to consider. He wanted Banggi Island made over to him, and his Filipinos allowed the right to govern themselves; particularly to administer justice under the old law of the Spanish Filipino code; and the right to exclude Chinese. Over 400 Filipinos sought refuge in Sandakan, and others from Palawan went to the west coast; Bray himself settled in Labuan where he became active in presenting petitions against grievances, but the Banggi settlement was not approved as Bray would not abate his demands. There was no large-scale influx of labour.

Another migration scheme, to bring in Christian Filipinos and settle them along the east coast, was debated between various departments in a somewhat academic way throughout 1935, but that too failed to materialize. Independent migration between the two has always continued however, much to the annoyance (when it has concerned Chinese, who are banned migrants) of the American and Filipino leaders, but somewhat to the profit of the Filipino customs men.

[1]Government Commissioners to Court of Directors, 23 May 1899.

Under the sedate and restricted governorship of Gueritz (1903–09), no further wild-cat schemes for labour were projected. Gueritz was more concerned with securing settlers, smallholders as they were called, people whom he considered of far more benefit to the State than a drifting coolie. He wrote, 'I have not proceeded as hitherto in obtaining immigrants through recruiters, which has proved so disastrous, but have sent as delegates two of the most successful of our old migrants who will bring down the right class.'[1] These two men, Yong Ah Kit and Lee Ah Pin, returned in 1906 with 150 Hakka men, women and children who were settled on the west coast. A highly successful venture, although the cost, twenty-three dollars per head, could be ill spared from railway construction.

By 1907 tobacco had almost vanished from North Borneo, and its scattered estates were replaced by a compact collection of rubber plantations. Health conditions were much better; the estates were easy to inspect; and steady remittances rather than woeful news went back to China. In that year there were thirty estates, worked by 10,467 people. Of this number the majority were Chinese (5,856), all but 181 of them being on a written contract of three years. The estimated number of adult Chinese in North Borneo at this time was 13,000. The remaining labourers were mainly Dusuns, Muruts and the coastal natives, of whom 1,137 worked on a monthly contract. Some estates, the British Borneo Para Rubber Company Estate for example, were relying exclusively on this local labour force.

In Malaya labour regulations and enactments had been revised, and North Borneo followed suit in 1908. Its Labour Proclamation set out in much greater detail the restrictions binding on employer and employee alike, designed to protect the rights of each party. The employer was protected by clauses which listed the offences for which fines or punishments could be exacted, and others which stipulated the wording of the written agreement. The employee was protected by clauses which specified the actions of the manager or overseer which were punishable offences, others stating ration scales, rules for the layout of estate hospitals and labour accommodation, and a comprehensive list of regulations of labour that employers had to observe.

As this enactment was not considered sufficiently favourable to

[1]Governor to Court of Directors, 7 December 1905.

the labourer by the Straits Settlements (who communicated their criticism to the Colonial Office) Gueritz modified the proclamation in 1910 to satisfy them. There were two major additions. It had been found that an employer often dodged the necessity of recovering a debt from a time-expired labourer, which he could do only in the civil courts, by inducing him to sign on again, and then deducting the debt from the customary advance. This was forbidden. The other addition limited this advance to seventy-five dollars. This was introduced to prevent a labourer borrowing so much that he remained always in debt, and was forced to sign up again and again in a hopeless effort to free himself.

As conditions greatly improved North Borneo began to receive, unsolicited and unassisted, the migrants which it so badly needed. The first small trickle, which in the nineteen-thirties was to swell to a flood, was the unexpected arrival in 1906 at Kudat, long the Hakka 'Happy Valley', of 190 Chinese, the largest single group ever to arrive.

During the rubber boom in Malaya the Indian Immigration Committee had taken the recruiting of labour out of the hands of the estates and in 1907 centralized it in a government body, which in 1910 abolished the system of contract labour. Liberal pressure from London had influenced this move, and the Chartered Company, ever mindful of the dangers of Colonial Office disapproval, endeavoured to do likewise.

Though fully aware of the growing distaste for contract labour as a restriction on the liberty of the individual, the Company had to admit that at that stage it could not attract sufficient labour to North Borneo merely by the promise of employment, somewhere, sometime. The labourer wanted it in black and white. As the signing of contracts was now forbidden in Singapore and Hong Kong, the planters turned to Java.

There had been Javanese labourers in North Borneo since 1882, when seventy were recruited in Singapore by the agent of the Company, W. H. Read, and shipped to Silam, the experimental agricultural station. Occasionally a Dutch planter would secure labour from there, and in 1890 Creagh, the Governor, approached Batavia officially, while in London the Foreign Office recommended his application to the Dutch ambassador. Both approaches were rebuffed, however, and there was no migration.

In 1907, however, following a further appeal in 1903 and nego-

tiations in 1906, the Batavian government gave permission for estate managers to recruit for three years in over-crowded Java. From the beginning the Javanese showed the tendency that made them somewhat unpopular with the government of the territory. Instead of staying in the country after their three-year contract had expired, as the Indians were doing in Malaya and the Chinese in North Borneo, they went home. By the end of 1909, 8,449 had been recuited and 5,068 already had returned home.

The licence was not renewed in 1910, but following the abolition of contract labour in Malaya, and the notification from the Colonial Office that after July 1914 recruiting in this manner by North Borneo would not be permitted in Singapore and that it would be viewed with disfavour in Hong Kong, negotiations were begun again and a new agreement was reached with the Dutch. By this arrangement the North Borneo government was allowed an official recruiter in Samarang, and was permitted to engage 2,000 Javanese annually on a three-year contract. The government was notified by its planters of the number of labourers required, and collected from them the ship-fare and the incidental charges.

From 1914 until 1930 this three-year permit from the Dutch government was renewed. At intervals its representative toured North Borneo investigating conditions on the estates from Tawau to Beaufort, and occasionally the Chartered Company sent a man to Java to iron out minor difficulties. The scheme was satisfactory to all concerned, and there were no grievances. The Dutch were anxious to employ their shipping line, Royal Inter-Ocean, on direct shipments, but this was done somewhat infrequently, as the small numbers annually involved, in the vicinity of 200 to 400, and in some depression years merely a score or more, generally made it impracticable. Usually they transhipped at Singapore.

Between 1914 and the end of 1932 when the government ceased importing them (the Dutch were to abolish contract labour in 1934), 9,969 Javanese came to North Borneo and 1,489 settled there, the majority being women who married. All the others had been repatriated except for 725 who had died. Another agreement was negotiated by the government in 1938, this time for the recruitment of free Javanese labour. It called for a minimum of five estates wanting at least twenty men each. Despite previous eulogistic praise of the Javanese by estate managers no such number was forthcoming, and the scheme was shelved.

Recruits from Java did not meet all the requirements of many of the planters, and efforts were made, from 1911 onwards, to introduce the *kangany* system which had been working in Malaya. A *kangany* was an old labourer sent overseas to his former village to obtain coolies for his estate, who received a fee for each man he recruited. This was used to a considerable extent, but here too there were complications; for example the Silimpopon coal mines relied exclusively on labour recruited in this way, but in 1914 their man was arrested and imprisoned in China, having broken the 1904 agreement between Britain and China not to recruit outside Hong Kong.

In 1915 the government approved a new labour contract, which came into force the following year. It was valid for 300 days only, and was effective only inside North Borneo. The daily wage (a minimum of thirty-three cents) and hours of work (maximum of nine) were fixed, as was the minimum age of the labourer (eighteen years). The Protector of Labour had to sign every page of the estate store price-list, and had to inform every labourer that he was entitled to a free acre of land after his year's service. Every District Officer had been made an Assistant Protector, and their state inspections were by this time constant and thorough.

In 1916 the labour force in North Borneo numbered 17,172, with a death-rate of 1.8 per cent. There were fewer desertions than from Malayan estates. By 1921, the year of the first trustworthy census, the labour force had risen to 25,769, 10.3 per cent of a total population in the State of 257,804. Of this estate labour the Chinese comprised 36.9 per cent (Cantonese 4,793, and Hakkas 3,140, being the largest groups), with the Javanese 33.38 per cent (8,693), and the indigenous natives of Borneo 23.35 per cent (6,378). This latter group were employed by law entirely on verbal monthly contracts, and more and more the yearly written contract was being abandoned among the Chinese as well.

Sir West Ridgeway, who succeeded Cowie as Chairman in 1910, recognized clearly the dependence of the estates on Chinese labour and of the territory on a Chinese population. To improve the position of both he dispatched to Hong Kong in 1911 W. S. Young Riddell as a Chinese Immigration Commissioner, placing him in charge of all recruiting for North Borneo and making him responsible for the organization of a scheme for agricultural immigration. Riddell had gained his experience in the rather unsavoury

episode of Chinese emigration to the Transvaal; in China he was a complete failure.

Both the planters and the government hoped that he would be able to lessen the cost of importing labour. The recruiting agents in Hong Kong, a tight little syndicate, were making it extremely expensive. What with advances, free passages and recruiters' charges it was costing over eighty dollars to secure a labourer, with no guarantee that he would accept a contract on landing or would labour for over a year.

Riddell in 1912 got himself into serious difficulties. He appears to have antagonized everyone; the President in London by writing in pencil; the labour agencies in Hong Kong by trying to eliminate them; and both Chinese and British officials by ignoring them. Against the strong advice of Sir F. Lugard, Governor of Hong Kong (later Lord Lugard), he went to Amoy. There he optimistically informed the Court that he had arranged for regular monthly shipments of 200 labourers to North Borneo. But complications set in, increased and intensified. He managed to collect 100 men, but found no ship from Amoy for Jesselton. Struggling against the Chinese authorities there, who it seems had not received their consideration, he moved them to Hong Kong. A vessel hired here refused also to sail, and the labourers clamoured to return to Amoy. In Amoy again the local officials were adamant. There was to be no recruiting. By September, full of indignation, he was bound on a vain journey to Peking, and Ridgeway had written him off as a liability, telling the estates to make their own arrangements. This they did, as before, with their agents in Hong Kong.

The government had burnt its fingers badly, and it made no further attempt to control Chinese labour in Hong Kong. The estates, however, became less and less dependent on recruiting from this source, as from 1924 onwards there was a steady stream of migrants to North Borneo, both assisted and free. These were recruited for labour in the territory itself. In 1927 the labour law was amended somewhat, giving the Protector and his assistants more powers, limiting the number of days by which a contract could be extended for time absent or in hospital, and forbidding any alteration of the terms of the contract, even with the labourers' consent, unless the Protector also approved. The minimum daily wage was raised to fifty cents. In 1929 the ordinance was again

modified, the main change being to restrict advances in excess of five dollars from the manager to any labourer.

In 1931, when the only comprehensive census was held, the estate labour force numbered 18,204. Again the Chinese were most numerous, with 3,830 Cantonese and 1,940 Hakkas, in both cases a considerably smaller figure than ten years before. The depression had hit North Borneo heavily, and many estates were moving over to a care and maintenance basis. There were 6,077 Javanese and 4,252 indigenous inhabitants of North Borneo. (These census figures, incidently, are at complete variance with the Annual Report, which lists a labour force of 10,276.) This was a smaller labour force than ten years previously, but it did not signify a smaller total population. That had risen to 270,223. By 1940 the labour force numbered 20,503, according to the Annual Reports, and on that reckoning had doubled itself. Indigenous natives by this time comprised the largest component, 9,529, with 7,717 Chinese and 2,333 Javanese.

Indentured or contract labour which had been steadily decreasing in importance over the previous ten years was abolished in December 1932. As the Governor said 'enlightened opinion throughout the world is travelling the same road',[1] even if in some cases it was some distance ahead. The ordinance attracted little notice. 'Free' labour, in the form of locally hired hands, had been the mainstay of some estates for many years. The Menggatal Rubber Estate, for example, had had a labour force of local natives since its opening in 1908. By 1910 a fifth of the labourers had been under verbal contract, and this percentage slowly increased during the following twenty years. By 1932 there was no need whatever for the close control that was obtained by a written contract with penal clauses. Contracts of over a month continued to be signed but they were henceforward always terminable by either party at one month's notice.

The increased ease with which estate managers could secure labour in North Borneo was due partly to the numerous safeguards protecting the indigenous labourer, and partly to a steady flow of migrants from Hong Kong. These, however, had been preceded by the movement south of some rare birds of passage, North Chinese from the far province of Hopeh. West Ridgeway, who was passing through Peking in 1913 on his way across Asia

[1]B.N.B. Official Gazette, 21 December 1932.

back to England after a visit to Borneo, and his friend, the Ambassador conceived this idea. Arrangements were made by Forbes and Company, an old firm in Peking, and the Chinese government signed an agreement in August 1913.

Under its terms the North Borneo government gave ten acres to every family, free of any charge for two years and then at a fifty cent rent. They were given a free passage to and from North Borneo, and were to be paid thirty-five cents a day until their crops were ready. Accommodation and tools were to be provided, and a school erected. A Chinese official was to watch over them and the bodies of those who died were to be returned to China.

This agreement was for a maximum of 250 families in the first instance, but when the Court learnt that the cost of the first shipload of 107 families, which left Tientsin just before the ice closed the port in late November, was £2,500, all further arrangements were cancelled. The cost was prohibitive. So began a unique colony in South-east Asia. There are several million Chinese scattered in the Nan Yang, but all of them, apart from this minute settlement, are southerners. This colony is the sole settlement of northern Chinese in South-east Asia.

In the first few years the little community, self-contained and watched over by their Chinese official H. V. Woon, slowly shrank. Nine families were repatriated as undesirable by the end of 1914, and a bunch of fifteen went in 1924, all but four of them paying their own fares home. By 1925 the group had sunk from the 433 who had landed to the low number of 353, there being only seventy-three families left out of the original 107. From that date, however, the number began to improve. Encouraged by a marriage bonus there were, by 1940, ninety-five North Chinese families totalling 533, with a further twenty-one men who had married Dusun girls, and whose forty-six children were living in the Shantung community as it was called. The total therefore was 621, and steadily increasing. From the beginning, when there were eight families, a number of them were Muslim.

For the migrants it had been a hard battle. Their disadvantages had been many. Few of them were farmers, none of them knew anything about rice or its cultivation. They landed at Jesselton wearing jackets padded to keep out the cold winds that swept the Great Wall, and with felt slippers that fell off in the mud of

Borneo. Their women had tiny bound feet, and at the beginning were of no use to their men at all. The land allocated to them near Jesselton was useless for almost everything. Simpler and more easy-going than the Cantonese, they fell an easy prey to the shopkeepers' wiles.

They were saved by their hard work, by the liberal government subsidy and by their children. Their children were the indispensable interpreters in all matters of business. 'In the barter trade between the Northern Chinese and the Dusuns the go-between is usually a small settler boy. The manner in which the younger generation have picked up the Malay language is marvellous, and it is very amusing to witness a bargain being struck, a big six-feet two inch Northerner and a stocky Dusun being entirely in the hands of a small boy ranging from 8–12 years old, who conducts the business to the satisfaction of both parties.'[1]

For these children a school was provided and lessons conducted in Mandarin. It began in 1917 in the kitchen of Captain Woon who was very popular, and that year thirty children were in attendance. From 1923 until 1940 the little school had the same headmaster, Han Lin Chuan, with from 1932 an assistant to help him in a six-year course. By 1940 there were sixty-five at the school, which had long outgrown the airless kitchen, and which since 1935, thanks to Governor Jardine, had its own schoolhouse. So did the Chartered Company maintain scrupulously its part of the bargain. There was a Roman Catholic school there as well; by 1940 it had twenty-seven pupils.

The settlers were assisted not only by their children but by the liberal government subsidy of fifty cents per day for every couple, plus five cents for every child and another fifteen cents for every additional adult. This was found no longer necessary in 1915, as, except for three families, the community had become self-supporting. Other assistance given them by the government included medicines for their doctor, nearly 2,000 ducklings, as well as planks, attaps and nails with which to build their homes. A grant of fifty dollars made to the groom at every wedding was paid from 1920 until 1934. The whole brood, divided in China into groups of nine families, each with a headman who for six dollars a month reported cases of sickness and conditions generally, was watched over by H. V. Woon with all the solicitude of a mother-hen.

[1]Annual Report, 1915.

The children and the government assistance helped, but basically the northern Chinese pulled through by their own tenacity and capacity for hard work, the same qualities which at the same period were transforming Manchuria from a wilderness into the closely settled heart of China. The northerners quickly forsook padi planting on their ten-acre lots, and turned to other occupations. With the Dusuns, despite an initial propensity to steal and eat buffalo, friendly relations were established. Not so, however, with the southerners, and to this day they have kept apart. Some turned to business, having come from the towns, and manufactured bamboo brooms, padi-crushing machines, Malay caps and hats. But the majority stuck to their land. After gruelling struggles with the soil the settlers, by planting rubber and vegetables, and in 1935–36 by conducting their own extensive irrigation and swamp clearing scheme, established themselves on a firm footing. Paying them a well deserved tribute the local newspaper said 'the northerners have knocked a living out of barren hills and swamps where even the Hakkas would have toiled in vain.'[1]

In the burst of extravagant enterprise that produced the north Chinese Shantung settlement the government also supported several other sponsored migrations of Chinese. These were undertaken through the Basel Mission Society, Lutherans with strong connexions with the Hakkas in Canton province. Small groups of them, numbering perhaps 600 in all, were brought down in 1913 and were settled, not without some confusion, at Kudat, and on the west coast at Menggatal, Telipuk and Inanam. They were provided with tools and a cash subsidy, and their development watched and recorded anxiously. There was little cause for anxiety, as they were given better land than the north Chinese, knew all about rice and other south Chinese foods, and had strong connexions near by. They throve, and the government transferred its anxiety to securing repayment of the large loans made to them. By 1940 there was still over $5,000 owing, some $25,000 having been paid back by these industrious people who had arrived penniless twenty-six years before.

However, the great increase in Chinese population that occurred in North Borneo, particularly from 1921 to 1941, was promoted by

[1]B.N.B. *Herald*, 2 January 1934. (See also J. Maxwell-Hall, 'Our Northern Chinese Settlers' *Kinabalu Magazine*, Vol. II, Nos. 3–4, Jesselton, January–April, 1953.)

a further scheme of the government, which had the great advantages of simplicity and decentralization. The Chinese settler in North Borneo was offered a pass which he could send to his wife or any other relative in China, and which entitled them to a free passage to the territory. North Borneo by now was well established, placid and secure, and although in the first year of this new scheme (1921) there was no response, only twenty-four passes being issued, with the slow recovery of rubber the demand began. It was encouraged by the promulgation in November 1923 of new land terms for non-indigenous Asians, which offered land rent-free for the first six years if cultivated within six months of occupation.

By 1924 over 800 free passes had been issued. The Court of Directors in London wrote that, as nearly all these migrants would be without capital, it was 'important that district officers should visit the new migrants at frequent intervals to see if they were receiving hospitable treatment from their relatives.'[1] It need not have worried. The scheme became firmly established. The government undertook no complicated plan, made no elaborate preparations. It was a system which suited the fiercely individualist Chinese completely. Settlers applied for 1,054 passes in 1927, when for the first time a two-dollar deposit was required, to guard against their sale in Hong Kong. The popularity of the scheme did not suffer. After 1929 (1,665 passes) the depression brought a lull, only a few hundred relatives being brought down in 1930 and 1931. The government, which had been spending nearly nineteen dollars per pass, were grateful to conserve the ear-marked funds. A restriction was imposed on the number of free passes, and from 1934 onwards they numbered about 400 to 500 a year. Each deck-passage was costing the government over twenty dollars by 1935, although this was reduced to thirteen the following year.

The reduction in free passes was made possible by the great increase in the number of unsolicited Chinese who began pouring into the country. In 1927 an incredulous Governor reported nearly 1,000 unaided migrants who had paid their own fares from Hong Kong. In 1928 there were 2,724, and after the depression the flood increased. North Borneo, for long the ugly duckling, had suddenly become popular. In 1934 there were over 3,000, by 1937 nearly 8,000, and the government had become alarmed.

[1]Court of Directors to Governor, 15 January 1925.

It rushed to turn off the tap. In ten years 34,031 unassisted migrants had come, and the resources of the territory were strained. The unprecedented step was taken of restricting Chinese immigration.

In April 1938 the State decreed that every incoming migrant must possess a minimum of seventy dollars. Immigration figures dropped immediately, only 3,342 arriving in 1938, and although the minimum sum necessary was reduced by the Governor, after some prodding from London, to fifty dollars in 1939, and in 1940 to twenty-five and finally to ten, numbers continued to decrease; 1,992 arriving in 1939 and 2,472 next year. By that time much of China was involved in war, and migration was unfortunately for North Borneo somewhat reduced.

These migrants were absorbed into the towns, villages, countryside and estates of North Borneo. They benefited the Chartered Company from the point of view of revenue in two direct ways, namely by their consumption of opium and their predilection for gambling. British colonies throughout the east had taxed both to their great profit; North Borneo did likewise.

In the Straits Settlements and Hong Kong the right to collect these taxes, on opium and on gambling, was sold or 'farmed out' to the highest bidder. The successful applicant, invariably a Chinese business man, set up his government authorized opium house or gambling place and there, and there alone, could these practices be enjoyed. Various Governors instead of renting these 'farms' as they were called separately and annually, tried to combine them and farm them for three years. This would make a worthwhile profit possible to the farmer, who would spend money to bring in as many Chinese as he could, Chinese who would buy his opium and gamble in his establishment. Cowie, positive always that the country would be booming a few years ahead and that tenders for the farms then would be very much higher, repeatedly refused. A fine chance of attracting private capital was lost until 1907 when he acquiesced in the idea.

By the twentieth century European opposition to opium smoking was crystallizing. As a method of raising revenue it was becoming tainted. In Malaya in 1910 the government took over the farms themselves, and in 1911 the first International Conference was held, followed by a convention signed by all the delegates at Geneva. The Chartered Company, informed by the Colonial

Office that it was expected to abide by its restrictive terms, took over the farms in 1914.[1] At that date its consumption of opium by Chinese males was 5.75 tahils per head as compared to Singapore's 6.06. Many of the Hakkas in North Borneo abstained from opium, and in that respect were of no use to the government at all. The Chartered Company, however, disregarding dividends, always encouraged their immigration.

From 1927, under a further restriction that decreased governmental revenue, no person was permitted to indulge in a pipe unless his name was registered at a government place of sale. In 1926 the price had been raised 5 per cent. That year it had yielded £26,400. By 1928 although sales had dropped considerably, some £93,498 was obtained, 19.24 per cent of the annual revenue. From then on the money obtained fell away. Only £23,547 (7.20 per cent of the State's revenue) was received in 1934, and the sum decreased each year. In 1938 it was decreed that no new names should be added to the register of smokers after 1939. In that year there were 2,504 smokers of opium as opposed to the 4,106 of 1930, a small proportion of the 23,578 Chinese adults whom the 1931 census revealed were in North Borneo. This was not the gentle death knell of opium smoking, as anyone acquainted with the east will confirm. Opium is still enjoyed today in Jesselton and Singapore, but neither country now extracts any revenue from it, and world opinion is satisfied.

The pressures for the abolition of licensed gambling were equally successful. In 1927 the Chartered Company followed Malayan practice once more. It had been a profitable source of revenue, £126,549 being secured that year. The right to gamble was forbidden to all races except the Chinese, and they were restricted to seven centres, of which five were to be abolished by 1929. There was to be total prohibition of public gambling by 1 January 1931. This process was gradually carried out. Today the Chinese of North Borneo, deprived of one of his greatest pleasures, and not yet inundated with the gambling lotteries of Malaya, reads with interest of the fourth largest industry in the home-land of his former ruler: gambling on the football pools.

North Borneo, unique in its settlement of North Chinese, attracted also a large proportion of the small Japanese colony in South-east Asia. It was one of the few territories that for

[1]Sarawak did not follow suit until 1924.

some time encouraged their migration, in its desperate attempts to remedy the labour deficiency.

Efforts to secure Japanese labour began in 1893, when Governor Creagh wrote to Japan after an unsuccessful correspondence with India and Java to secure labour. The Japanese government sanctioned agricultural immigration, and promised to assist and representatives of the Southern Emigration Association came down with a small party of fifty settlers for the east coast. Within a year they were all dead, and although others continued to migrate the great majority were women, and the beneficiaries were the brothels of Sandakan. Japan turned her interests north-westwards, to Korea and China, and the scheme was abandoned.

Following official Japanese visits to the territory in 1909 and 1910, and a Chartered Company visit to Japan in 1914 (which was somewhat frowned on by the Foreign Office)[1] the Japanese in 1915 established a base for their future activities by purchasing an old estate at Tawau. A comprehensive agricultural colony scheme, however, submitted by a Japanese concern with governmental approval, was rejected by the Court. Times had changed since 1893. Japan had defeated Russia, was seizing German islands and her maritime expansion southwards was menacing. The British government, though an ally of Japan, intimated to the Chartered Company that it must not discriminate against the Japanese but it must not encourage them.[2]

This policy was faithfully observed. But the trouble was that the Japanese were so persistant, and needed so little encouragement. During the Great War period they expanded considerably. The driving force was the Kuhara Company, one of the great combines in Japan. By 1919 it was running rubber plantations, coconut fields and copra works, and fishing fleets on the east coast, and had acquired the oil rights of the territory for five years.

This expansion did not continue. The Kuhara rubber estate was maintained, and hemp growing was undertaken successfully nearby from 1931. Their modern fishing fleet exported considerable quantities of dried fish. A colony of some 1,000 Japanese centred on Tawau. Their proposals for a large colony of rice growers in the interior, in the Kota Belud valley, made again in 1937, and reiterated with emphasis in 1940, met with no encouragement,

[1]Colonial Office to B.N.B. Co., 17 June 1914.
[2]Court of Directors to Governor, 30 June 1916.

however, and the government watched with apprehension such activities as the comprehensive charting by the fishing fleet, which pointed all too clearly to a future situation which would make worries over labour shortages seem very minor indeed.

There was one other suggestion for a labour supply in these final years, a somewhat bizarre one from the Archbishop of Canterbury. He was perturbed over the plight of the Assyrians who were suffering in northern Iraq, and was supported in his plea that shelter be found for them within the Empire. In 1934 Sir Neill Malcolm in London was approached. He rather hurriedly passed the suggestion on to the Governor, warning him that the Company could not assume financial responsibility. The Governor sent back a survey of a possible settlement, but the Archbishop was not interested in the contemplated costs. The unhappy Assyrians finally found shelter in British Guiana.

Despite the absence of the Assyrians, the labour force in North Borneo by 1940 was a polyglot one. With the indigenous races predominating, there were also various types of Chinese, Javanese, Filipinos, Japanese and Malays. Protected under an excellent labour code, wooed by liberal offers of land when they left work, the labourers were a contented lot. Not so the planters. For despite the multi-racial source, the supply of labour in 1940 was similar still to that of 1890. As the chairman of the North Borneo Planters' Association said in 1940 in Beaufort, 'the present labour position is bad and is getting worse.'[1] This remains true today.

[1]Governor to President, 24 September 1940.

CHAPTER EIGHT

HEALTH

When Alfred Dent secured his charter, North Borneo was no more free of disease than any other country placed in the equatorial jungle. As in Africa the administration at first was engaged in the consolidation of its own position, in making the tropic territory more healthy for the Europeans and the people they employed to aid them in its development. It was not until later that the principle was accepted of providing a health service for the indigenous people themselves.

For many years after its formation the Company was hampered in its health efforts by the two deficiencies of nearly all nineteenth-century tropical dependencies; a lack of money and of knowledge. The most common disease of all was malaria, but both its cause and its cure were matters of the wildest conjecture. It was endemic throughout the land, striking newcomers with a viciousness spared to those long acquainted and half drugged into apathy by its frequent recurrence. Beriberi was another unexplained mystery. Cholera visited the island at intervals and swept its horror-full track through the villages; flight into the jungle was the only salvation, but often they took refuge too late. Smallpox was well known, tuberculosis familiar, and the ravages of yaws (particularly in the interior) the rule rather than the exception. Leprosy was an old curse, and pneumonia gained many victims weakened but not killed by what had gone before. The dirt diseases, dysentery, enteric fever and ankylostomiasis, to be combated in the twentieth century with pronounced success, were unchecked and widespread. To all this the people were resigned. Both by their faith and by their character they had always accepted it as foreordained. The European, more vigorous, and unhampered by traditional attitudes fought it with all the weapons at his command; in the nineteenth century these consisted mainly of faith, hope, and considerable quantities of gin and quinine.

When Treacher arrived to usher in the new order he had a principal medical officer with him, who endeavoured to form a department. He was confronted by a crisis almost as soon as he landed, as a cholera epidemic sweeping through the Philippines spread early in 1882 to North Borneo. Over 1,000 natives died up the west coast rivers; his measures, however, saved Sandakan. As the administration began expanding Treacher established a post at the mouth of the Labuk River (which he named Balmoral), near Omaddal in Darvel Bay (Port Elphinstone), and up the Kinabatangan (Penungah). In each case malaria and other diseases attacked the district officers, and in 1883 they were forced to abandon the posts. The medical officer could give no help.

By 1890 there was a disturbing new feature, the high mortality rate among the labourers, Chinese and native, brought in to work on the tobacco estates. The Straits Settlements labour code adopted to protect them admitted the ineffectual efforts of the medical world by giving the Protector of Labour full rights to close an estate if an area was particularly unhealthy. The Protector in 1890 was W. L. Pryer, and his theories of the causes of the diseases then responsible for an annual death rate of 20 or 30 per cent of all labourers on various plantations merely echoed the opinions of the few medical officers in the colony. They show why there was so little done.

The two diseases in particular that were annihilating the labourers were malaria and beriberi. The most important cause of these diseases, wrote Pryer,[1] was the turning over of new ground. He did not elaborate on this point, it was too well known to need comment. Everyone knew that the most unhealthy period of an estate was at the beginning, when the ground was being upturned by the felling of trees and the hoeing of the soil. This permitted the dreaded escape of vapours. But another important cause, particularly of beriberi, was the location. If the estate were on low lying land, often flooded, the beriberi poison flourished. Fever too was more common on low wet ground than on higher levels. A third cause of these diseases was stagnant air. Estate hospitals should never be under forest shade, where the air was still, and the habit of bathing every morning in the rivers where the mist still lay was also most conducive to disease. Better not to wash at all than in the morning stream, he recommended. Pryer

[1]Protector of Labour to Governor, 29 September 1890.

thought, however, that all estate diseases were encouraged by the food eaten by the labourers and he felt that they should be encouraged to eat a more varied diet of meats and vegetables with their rice, their preserved eggs and dried fish.

And apart from the physical causes of disease, Pryer thought that there were mental hazards involved which did nothing to promote a cheerful disposition and which left a labourer prone to sickness. Most tobacco estates were far up some east coast river, and hacked out of the virgin forest which, black and threatening, hemmed them in. There was no communication with the outside world; for five years perhaps, the world of a coolie was bounded by his labourers' lines and the rows of tobacco plants. No wonder he showed little fight for life. Pryer could do little to remedy either the physical or the mental causes of these diseases. The Medical Department was almost equally at a loss, and throughout the 'nineties, in North Borneo and elsewhere in the primitive tropics, life was indeed 'nasty, brutish and short'.

The work of the Medical Department, although in many cases unavailing, was obviously a full time occupation. All the more unfortunate then were edicts of Cowie, one of which reduced the pay of those doctors posted to Sandakan or Labuan, as it was assumed they would be able to remedy the cut by indulging in private practice, and the other which made them available, as government servants, for court duties. This led to a question in the House of Commons in 1898, and was one of the points of grievance submitted in a petition from twenty-five business men, Chinese and European, late in 1897. That a doctor 'should be called on to attend profitably one of the parties in a case before him is anomalous,' said the petition.[1] The practice was abolished.

A great change was brought about in the outlook of the medical authorities in North Borneo and elsewhere in the tropics by the founding of the School for Tropical Medicine in London, itself both a result of earlier successful medical research in the tropics, and the cause of far greater successes. The successful study, cure and prevention of tropical diseases can be said with only little exaggeration to have begun with that foundation. North Borneo was among the territories which immediately complied with the request of Joseph Chamberlain, the Colonial Minister and driving

[1]Petition of Grievances from Mr Darby and others to the Chairman of the Chartered Company, December 1897, p. 2.

force behind the move, who asked that 'in view of the possible connection of malaria with mosquitoes, please take the necessary steps to have collections made of the winged insects in your colony which bite men or animals.'[1]

The influence of this little adjunct to the Albert Docks Hospital in London reached the territory, as did so much else, via Malaya. The death rate on estates was very similar, the diseases awaiting a cure were identical. The Federation with her new wealth was generous and far-sighted in her expenditure. In 1900 at Kuala Lumpur, the centre from which Malaya had been brought into the British fold as an appendage to Singapore, an Institute for Medical Research was built, and the government had the courage to support a young district surgeon, Malcolm Watson, who became famous for his efforts in applying the Sir Ronald Ross's discoveries as to the cause and prevention of malaria. From Malaya Watson's theory and techniques travelled to North Borneo; but whereas important areas of urban Malaya were rid of the mosquito by 1914, in North Borneo the disease remained for many more years. The use of nets, however, and the revival of enthusiasm for quinine, assisted the prevention if not the cure, which belongs to a later part of this chapter.

By the beginning of the 1914–18 war another great step in tropical medicine had been taken. The cause of beriberi had been discovered. In this Borneo itself can claim a share. Dr. Charles Hose of Sarawak, later to collaborate with his friend W. McDougall in erudite anthropological authorship,[2] became convinced in 1890 that the disease had something to do with diet. He continued to work on rice. His investigations were carried on by others, and by 1911 De Haan, Chamberlain and Eijkmann had shown that a substance so minute that there were only ten grains of it in a ton of rice was absent from the milled and polished article. This particle was isolated and named vitamin B1, now recognized as essential to our diet. Its absence caused beriberi.

The Medical Department were prompt to experiment. At the suggestion of Harrington, the police commandant, the polished white rice diet of the inmates of the Sandakan prison was withdrawn in 1911, and replaced by an unpolished variety. Although extremely nutritious it was an unattractive brown colour, and the

[1]Colonial Office to Court of Directors, 24 December 1898.
[2]C. Hose and W. McDougall, *The Pagan Tribes of Borneo* (2vols.), London, 1912.

prisoners rioted in the mess hall, anxious for their beautiful white rice. Strong action was necessary, but by the end of the year only one mild case of beriberi remained in the prison hospital. It became generally recognized that the best way of curing beriberi was to commit a crime. In the kampongs however it remained difficult to convince the villagers that the source of beriberi lay in their beloved rice. Beriberi remained. Every year some 200 sufferers were treated. As late as 1940, 190 cases were admitted to the government hospitals, and twelve there died.

Following the appointment of Sir West Ridgeway as President of the Company, and the report submitted to him in 1912 on the medical services of North Borneo by the principal medical officer of Ceylon, Sir Allan Perry, whom he had secured for this undertaking, a re-organization of the Department was undertaken, and a more liberal allocation of funds made to it. Cowie had refused to sanction expenditure for the rebuilding of Labuan and Sandakan hospitals as being 'not works upon which the money of the shareholders should be spent';[1] this outlook was abandoned, and never afterwards revived.

By 1913 the government was maintaining hospitals at Jesselton, Sandakan, Beaufort, Kudat and Tawau, which during the year at a cost of $58,000 cared for 1,804 in-patients and 19,485 out-patients. Every estate or factory was visited by government health officers, and their reports, via the Court of Directors, reached the Company's head officers. The death-rate had fallen from the 30 per cent of the eighteen-nineties to 2.5 per cent. The fall, as in Malaya, was due to a variety of causes; chiefly the new knowledge of tropical diseases; the regular inspections made easier by the locale of most estates on the west coast railway and not, as before, far up east coast rivers; and the great improvement in the estate hospitals. Labour was so short that it paid to care for those already employed, rather than import more.

With both Europeans and estate labour cared for, the suggestions of Sir Allan Perry with regard to the indigenous people were acted upon. The Court in London sanctioned expenditure on inland dispensaries. It thought that these might help to overcome the native distrust of and reluctance to use the government hospitals, and that it might help retard the decline in the inland population. The first dispensary was built at Tambunan, and

[1]Chairman to Governor, 3 September 1901.

although the war hindered expansion, by 1919 two more had been built, at Tenom and at Kolam Ayer, and trained dressers were put in charge and placed under the watchful eye of the District Officer. Unfortunately the natives regarded these dispensaries with the gravest suspicion for some time. Along with the new-fangled title-deeds and rent for land, and schools for children, they were something to be avoided.

Although the vital statistics had for some time revealed an apparent depopulation of the interior, the government had not been unduly alarmed, for it was aware of the superstitions against registering births held by the village headmen, whose duty this was. Year after year the low birth rate in the official figures was attributed to the fears held by the natives that if the birth of a baby were notified it would die. The whole method of registering the vital statistics was quite inefficient, as illiterate headmen in remote villages had quite enough to do without remembering all the births and deaths in their areas, and European officers were too few to maintain a close scrutiny. Efforts during the first two decades of the twentieth century to place this registration system on a better basis were partially successful, however, and showed an extremely high infant mortality rate.

The interior District Officers and the principal Medical Officer were unanimous in agreeing that the Murut drinking habits were responsible in a large measure for the death rate. The Murut, in a manner very similar to the Mois of Indo-China (from whence it is thought he came, via the Philippines, to North Borneo),[1] made an intoxicant from his rice or, more usually, his tapioca, named tapai. Stored in great jars, and then drunk through hollow bamboo pipes, it was, and is today, consumed by all, men, women and even children still at their mother's breast. There is a large-scale consumption during planting, cultivating and harvesting; during the processes involved in irrigation; at a birth, marriage or death ceremony; on the return of a friend or the arrival of a guest. On all these occasions tapai was demanded by a long established social custom which had the strength of a religious ordinance, from which there could be no divergence.

The new Court with the fresh outlook that tackled affairs after the death of Cowie decided that with the establishment of dispensaries there should also be an effort to reduce this chronic

[1]Hose and McDougall, Vol. II, p. 247.

drunkenness and so perhaps increase the number of fertile marriages. A levy or tax on rice (of two cents per *gantang* of rice) was instituted in Murut country. In 1914 it was collected at Tenom, Keningau and Ranau, and in 1919 in Tambunan. In 1914 $1,086 was collected, nearly all in rice, and by 1919 the figure was $3,057. As well as levying a tax the District Officers under rather naive instructions from London began lecturing the Muruts on their bad habits. Even the Governor participated. At Keningau in 1911 he managed to persuade the assembled chiefs to forbid boys under four to drink, but his proposal 'that they should include women with the children, and prevent their wives from drinking to excess was unanimously held to be quite beyond their power.'[1]

By 1920 it was felt that the tax was a failure. In no two areas was it levied in the same way: in Tenom a small monetary payment was enforced, in Keningau payment consisted of one part of rice harvested out of every four, in Tambunan an assessment was made on the rice acreage of all non-Muslims, and a tax in proportion evolved, in Ranau a flat-rate per head was charged and in Pensiangan they paid nothing at all. But despite the variations, the result was the same; chronic drunkenness was undiminished. The tax was criticized from the administrative viewpoint. A tax in kind was retrograde; the collection was undertaken by the headman, and he was irritated by the many petty amounts. The Muruts regarded the tax as a drinking licence, which once paid permitted them to go on a longer orgy than usual. London recommended that the tax be abolished.

However the Governor persisted. The whole proceeds of the tapai tax went towards supporting the six inland dispensaries, which, however, became rapidly more expensive than the Murut country on its own could support. In 1924 their annual expenditure was $6,255, while the rice tax that year yielded $4,957, mostly in kind. The tax, which dropped to $2,875 in 1928, thereafter was absorbed into general revenue, although the people were told constantly that the tax was to stop excessive drinking and to help pay for their medical posts. Throughout this period the Court continued to express alarm at the Murut infant mortality rate (273.5 per 1,000 in 1920), and to press for greater action by the Governor, and the Medical and Native Affairs Department. The 1931 census, which revealed that the natives of North Borneo had

[1]Governor to President, 16 June 1911.

increased by only 0.75 per cent during the previous ten years, and that the Murut population was declining, increased its anxiety.

Apart from the dispensaries, the tax on rice, and the other efforts in the interior by the Medical Department, the Murut population problem was tackled in another way, which lies as much within the field of native administration as of health. It appears more convenient to deal with it here. As one of the main reasons for the depopulation was the lack of fertile marriages, concern was felt by the Court at the number of Muruts who left their women and worked for long periods on coastal rubber estates. This migration over the hills of the young able-bodied Muruts resulted in serious evils, which both London and Jesselton recognized. It left rice lands abandoned, and still worse, it left women abandoned too. The birth-rate was affected; prostitution of the surplus women left behind increased; there was a wide spread of gonorrhoea; and the Murut labourer lost much of his background and became a coastal drifter. In a drastic move that illustrates again how often the Chartered Company put interests other than commercial first, it recommended in 1920 that the employment of Muruts and inland Dusuns on all estates be completely forbidden.

This was discovered to be impracticable, much to the relief of the planters suffering from a chronic shortage of labour. However the decision was taken in 1922 that indigenous labourers must be ordered back to their villages for a short leave from the estates. The Tenom Borneo Rubber manager was but one of many who complained that this order jeopardized the estate. The Chartered Company informed the managers that it had a responsibility to protect the indigenous inhabitant, and that the estates must import their labour. In 1923 seventy-seven Muruts and hill Dusuns on Papar estate were informed they must take a holiday and go back to their wives, and later, other estates along the Jesselton-Beaufort line were similarly informed.

The weakness of this ordinance was soon obvious. Every labourer had a will of his own, and many resented being ordered home, away from work where there was money to a village where there was a shortage of food. Many never went home, but moved to another estate, and it was most difficult to ensure that a Murut actually went back inland. A committee of government in 1923 found itself baffled. The Muruts resented the law, so did the planters, and there were few signs that the ordinance was effecting its purpose.

One method by which the planter retained a labourer was to advance him money, and force him to work until the debt was paid. Contract labour had gone, but this debt bondage guaranteed that most of the labour force, Chinese or native, stayed for several years. The Chartered Company began to restrict this too. In 1924 no employer could advance to any Murut or other indigenous labourer more than twenty-five dollars. No debt over that amount could be recovered. In April 1925 it was reduced to ten dollars, in August to five. This move by the government was most unpopular. Many of the old arguments that had been used to demonstrate the indispensability of contract labour were now produced again to show the necessity for indebted labour. And to the old arguments were added some new points. At a meeting of the North Borneo Planters' Association with the Governor in 1927 Mr. Lease, one of the pioneer planters, insisted that the minimum debt that should be allowed was thirty dollars, 'that being the statutory fine for adultery, and the payment of such fines being the main motive for the Murut seeking work on estates.'[1] He further claimed, as a statutory right, the authority to forbid at his pleasure marriage of female labourers. He insisted he stood *in loco parentis* to them, and was entitled to protect himself against loss of labour entailed by pregnancy. These claims were demolished by reference to the labour laws, and the planters were told that this attitude was against public policy and could not be allowed.

Neither the restriction on loans, however, nor the compulsory leaves appeared to have any effect on Murut depopulation. The later law was allowed to lapse, and the government placed their hopes mainly in their inland dispensaries. But although the health services by 1935 had shown the Muruts some astonishing results, improvements visible even to their tapai-dazed eyes, the race continued to decline.

In 1935 Dr. A. J. Copeland, formerly a district surgeon in North Borneo and prior to that assistant to the Downing professor of medicine at Cambridge, published an article on the Muruts in the *Lancet*[2], in which he instanced the suspicion of the natives towards the inland dispensaries and their refusal of treatment. He gave figures substantiating his argument that malaria, venereal

[1]Mr Lease at meeting between North Borneo Planters' Association and the Government, 17 January 1927.

[2]*Lancet*, 25 May 1935.

disease and tapai drinking, but particularly malaria, were killing the race. This report was sent to the Colonial Office, the Colonial Office sent it to the Chartered Company in London, the Court of Directors sent it to Borneo, and in Jesselton Governor Jardine, a new Governor with new ideas, and a little money to implement them, summoned from Africa Dr. J. O. Shircore, formerly the director of medical and sanitary services in Tanganyika.

Shircore was commissioned, along with G. C. Woolley, a retired administrator who had become a Murut authority, to obtain reliable statistics of either progress or decline; to investigate the main diseases and their causes, particularly those affecting women and children; and generally to study the ethnological, sociological and economic conditions of the people. Shircore and Woolley spent nine months in the interior—Woolley previously having spent twenty years—but their report, while valuable enough, did not produce what both London and Jesselton had hoped for, a speedy solution of the problem. They recommended that the prevalence of malaria there be studied; that a maternity and child welfare centre be established; and that a district native sanitary staff should be formed. Shircore placed far more emphasis as causes of sterility on malaria and gonorrhoea (rampant in 77·36 per cent of those he examined) than on the drinking of tapai, which he said was rich in vitamin B. His recommendations were acted upon, but in the few years that remained of peaceful administration no significant results were noted.

The post-war colonial government, using Shircore's report as a basis, and spurred on by the 1951 census, which listed 18,724 Muruts as against 30,355 thirty years before, secured the services in 1953 of Dr. I. Polunin, a lecturer in social medicine at the University of Malaya, Dr. Mary Saunders of Singapore and Dr. J. Landgraf, to undertake further study. It would seem, however, that the seriousness of the problem calls for a greater response. The Muruts were a dying race, and a concentrated and sustained effort to save them still seems essential.

The campaign undertaken in the interior, at a cost completely unrelated to the economic importance of the area, and justified only by reference to social and humanitarian principles that Chartered Companies are not expected to hold, was not the main medical effort expended in the territory. Particularly after the report of Sir Allan Perry had led to the re-organization of the

Department, and the discoveries of western medicine had given it something to work with, a variety of diseases that had afflicted the population since time immemorial were tackled with success.

Smallpox was well known among the peoples of North Borneo long before the coming of the Chartered Company, and although inoculation was attempted repeatedly during the nineteenth century, the disease remained a constant threat to the health of the community, as the intense humidity and heat rendered useless virtually all the lymph sent for inoculation purposes. An epidemic on the west coast in 1905 struck 12,000 people and 2,773 died, including over 1,000 in the Papar district. There had previously been two violent epidemics in the same area.

Sir West Ridgeway in this predicament remembered his Indian experience. Inquiries were addressed to the authorities there, asking how they combated smallpox in their hottest and most primitive areas. A prompt answer had the problem solved. By 1913 the Medical Department was receiving from Hong Kong monthly assignments of 200 tubes of lymph, transported in the ship's refrigerator, and in Sandakan kept at the ice-works of Mr. Darby. From here the lymph was dispatched as required to the various centres, either in the cool heart of a banana tree stem or in the ice-chests of the local steamers. It was then carried round the various districts in thermos flasks filled with crushed ice, readily available at Semporna, Lahad Datu, Kudat, and Jesselton on the coast, and Kota Belud and Tenom in the interior. In 1911 the Governor had been told it was useless to proceed with an elaborate anti-smallpox campaign, as the vaccination results were always useless. By 1914, however, a regular programme had been drawn up. Over 46,000 people were vaccinated in Sandakan during the War, and by 1920, after the main port of entry had been covered, three vaccinators of the Medical Department were regularly at work, immunizing over 5,000 people yearly along the west coast and there was also constant work in Sandakan and the other ports. In 1926, not an exceptional year, 11,625 people in all were vaccinated, and due to the cold storage of lymph it was successful on 91.9 per cent of the cases. This percentage was maintained while the number vaccinated increased slowly over the next twenty years, 14,048 being treated in 1940. Once the success of the lymph had been established there was no reluctance on behalf of the people to be vaccinated, and smallpox was almost completely

checked in North Borneo. The last smallpox epidemic was in the Tuaran district in 1915.

Another disease, tackled with energy once its cure became known, was ankylostomiasis, or hookworm. It was first recognized in North Borneo by Dr. Dingle, then the Sandakan district surgeon, who in 1913 recorded numerous cases of it throughout the territory. Nearly 300 cases, mainly government employees, police and prisoners, were treated in the government hospitals the following year, yet the disease remained widespread. In 1920, acting on an offer made during the war, the International Health Board, financed by the Rockefeller Foundation, sent a doctor to North Borneo to initiate a campaign against hookworm. Dr. Clark H. Yeager was made a deputy health officer, and given every assistance. During 1921 he examined 6,460 people in the west coast Residency, of whom 88.9 per cent had the disease. Nearly all were cured. He returned to America at the end of the year, but the services of four of his staff were retained, and the campaign was continued under the supervision of the district surgeons. From 1924 onwards all government servants, school children and labourers on the small holdings near Sandakan and Jesselton were examined twice yearly and treated when necessary. In four years the number infected had dropped from 71.1 per cent to 10.3 per cent and by 1931 had reached 4.5 per cent. The campaign was continued each year, with some 8,000 people being examined annually in the two towns; there were also mass treatments, mainly among the west coast natives, averaging over 10,000 each year until 1941.

The most dramatic cure of a tropical disease was that undertaken in 1924 by Dr. Campbell, the interior district surgeon, in a campaign to eliminate yaws. This more than anything else dispelled the distrust of western medicine felt by the native and made popular the hospitals, district sick rest-houses and dispensaries, some of which had been closed through lack of support. The first year only 242 cases were treated although the disease was widespread in the interior, and Dr. Campbell decided on a publicity campaign. 'At Keningau five bad cases of yaws were selected, and in front of 200 sceptical natives were treated with a single maximum injection of Neosalvarsan. Yaws to the native mind had been for years considered as one of the necessary evils of existence, and while our explanations and promises were received with much interest there was expressed considerable doubt and some ribald

laughter. Four days later when the cure was effected, applicants poured in for treatment. 1,254 cases were treated, all cured.'[1]

The campaign in the interior was continued, native dressers were trained to administer the injections, and the treatment was extended in 1928 from the interior to the west coast. Treatment continued amongst the Muruts, however, where it was estimated by the Medical Department that at least 10 per cent of them were afflicted with the disease. The number of yaws treatments rose from 2,266 in 1928 to 8,785 in 1933, and then remained at or near that figure until 1941 brought an abrupt end to all medical services. By that time yaws, previously so common, had been almost completely eliminated.

It was this successful and dramatic treatment of a disfiguring disease which more than anything else won over the natives, banished their suspicions, and induced them, in ever increasing numbers, to seek from the doctors and the dressers of the Medical Department a cure for their ills. It had taken a long time. In 1914 the Court had been perplexed when a survey of the government hospitals had shown that nearly all the inmates were Chinese and that the natives ignored them. It was partly in an effort to overcome that reluctance that the establishment of the first dispensary had been authorized that year. As late as 1925 the principal medical officer had to admit that the Kudat hospital was often empty, and that, as its facilities and the efforts of many dispensaries were not appreciated by the people, he wondered if a little advertising might help. The treatment of yaws was the advertisement needed, and there was a marked increase in the numbers treated at hospitals and dispensaries.

By 1926 the department had established eight interior dispensaries, each one in charge of a trained native or Chinese dresser, supervised by the interior district surgeon who was on constant circuit. Each dispensary was built to a similar pattern, a wooden or attap hut 18 feet wide and 36 feet long, open on one side, and surrounded by a fence to keep out the crowds. A platform or bench ran round the three walls, and in the centre stood a wide bamboo table, a strongly built structure useful for medical work including the giving of a large number of intravenous injections for yaws. The wide bench was at a height convenient for examining sitting patients; it could also be used as a temporary resting place for

[1]Annual Report (Medical Department), 1925.

those awaiting treatment. Such dispensaries were primitive, but popular and approved of by the League of Nations.[1] In 1926 they treated 18,062 people, free of charge; in 1931 55,455, a figure which doubled itself in three years, and which had grown to 274,785 by 1940, only a little short of the entire estimated population of the territory (309,776). By this time there were twenty dispensaries located at villages scattered over North Borneo, including two that were constantly travelling in the Marudu Bay area and up the vast reaches of the Kinabatangan.

In addition to its dispensaries the government slowly enlarged its hospital services, there being nine hospitals and ten sick rest-houses at the major centres by 1940, which treated 361,334 out-patients compared to the 1,659 of 1907. Although the numbers had changed, the diseases had not; the main causes of death in 1940, as in 1907, were malaria, dysentery, beriberi, tuberculosis and pneumonia. The expenditure of the Medical Department in 1940 was $277,976, and its efforts were well shown by the health figures of the labour force. It numbered 19,095, and its death rate, which had been dropping for forty years, was 9 per 1,000.

A health move directed more at the townspeople than the interior was taken in 1927, when through the co-operation of the health authorities of the Straits Settlements the department sent two Chinese girls to Singapore for training in midwifery. The infant mortality rate in the urban areas, although not as high as in the interior, was a matter of concern, and it was hoped to combat it to some extent by providing trained midwives. This had been suggested as early as 1919, when Dingle, the principal Medical Officer, had recommended that Chinese girls should be sent for training and that the leading ladies of Sandakan and Jesselton should give lectures and visit the pregnant. Both recommendations found little support. Nursing has never been popular among the Chinese, although western influence now is breaking down the prejudice against it; and no one in Sandakan or Jesselton could agree on which the leading ladies were, or what they could do.

By 1936, however, ten women had been trained in Singapore, and were stationed in Sandakan, Jesselton and Kudat, and a scheme for village midwives was begun. Two midwives were sent

[1]The Development of the Medical Service in the Interior (Memorandum in reply to the League of Nations Questionnaire, 29 March 1933, by A. J. Copeland).

on their return from Singapore to Beaufort and Jesselton, to work in the villages near the town, and two more were later sent to Papar and Membakut. By 1940 there were thirty-seven registered midwives and their work had helped to reduce the infant mortality rate to 180.8 per 1,000.

Two recommendations of Dr. Shircore in 1936 had been acted on, and they also helped to reduce the death rate. A maternity and child welfare centre had been opened at Penampang after a Colonial Development Fund of £1,000 in 1938 had made it possible, and by 1940 two more were established. A training scheme for a number of interior village sanitary inspectors was evolved by Dr. Tregarthen, who in 1937 attended a League of Nations international conference on rural hygiene in Java. The inspectors were trained at Keningau in rules of health; they were taught to recognize the diseases transmitted by water and by dirt, and how they could be prevented; they also learned the elements of hygiene, for instance sanitary methods of disposing of excreta. It was a valuable step forward in village cleanliness; but when war came to North Borneo there had been time for only three annual courses. Six students each year had been trained, and were employed by the Medical Department. An enlargement of this vital but simple course in village hygiene may lead the way to the prevention of much disease both on the coast and in the interior.

North Borneo's Medical Department, as with every department, worked hard on a shoe string. The London directors were constantly reminding it of the remarkable progress in the field of public health made by Malaya, a far wealthier state. This had the useful effect of keeping North Borneo's sights high, but a fairer comparison may be made with Sarawak, an older-established and slightly wealthier state than North Borneo, but one where conditions were somewhat similar.

In 1935 North Borneo had slightly more hospitals than Sarawak, and treated double the number of in-patients and three times the number of out-patients. The two states were both campaigning against yaws, but in Sarawak the number of injections given was less than two-thirds of the total given in North Borneo, while smallpox vaccinations in Sarawak were one-fifth of the number given in North Borneo. In the minor charges of a medical department, the Chartered Company unlike Sarawak maintained a thorough state-wide meteorological service, and while the registration of vital

statistics was compulsory throughout North Borneo it was limited in Sarawak to the towns of Kuching and Sibu. In all fields North Borneo undertook a greater amount of work; yet its medical staff numbered sixty-two, twenty less than in Sarawak.[1]

Dr. Shircore had recommended also the establishment of a malaria research centre, to investigate not only the Muruts and the interior generally but also the coastal region. In Malaya the mosquito carriers had long been discovered; not so in Borneo where malaria had continued, checked but not prevented. Shircore had suggested that the London School for Tropical Medicine be approached for a research officer. A young investigator, Dr. J. McArthur, was selected, and began his work in 1938. The account of his successful research and his discovery that the main carrier of malaria in North Borneo was a mosquito long recognized as one of the most harmless of insects in Malaya, while the dreaded carrier in Malaya was harmless in North Borneo, reads like the most exciting of detective stories.[2] By his work he has done more to rid the territory of its most lasting disease and so improve the standard of living than any of those who have gone before. It seems a pity it has gone unrewarded.

He began his work in Jesselton where he showed conclusively that the long suspected mangrove swamps, being tidal, were free of malaria. He suspected, but did not prove, that the source of malaria lay in the hills behind the town. His investigations showed that whereas 9.5 per cent of the native children showed malarial symptoms, only 2.3 per cent of the Chinese were infected, and only 1.5 per cent of the small community of North Chinese. This low percentage, although pleasing, was puzzling, for the dreaded malaria-carrying mosquito of Malaya was present in large numbers. His main work, however, was inland. He based himself at Tambunan, where 60 per cent of the people had enlarged spleens, a sure sign of malaria. Yet in the rice growing area, where flooded padi-fields, irrigation channels and sluggish streams gave ideal conditions for malaria-carrying mosquitoes to breed, incidence of the disease was minimal, and for months he was unable to catch a mosquito. As he worked towards the rushing streams and the

[1]A Comparison between Sarawak's and North Borneo's Health Services, 1932–5 (File 01015).

[2]'The Transmission of Malaria in Borneo', by John McArthur, M.R.C.S., L.R.C.P. (*Transactions* of the Royal Society of Tropical Medicine and Hygiene, Vol. 40, No. 5, May 1947).

jungle of the hills that surrounded the valley the malaria increased. In the hill ravines it was 100 per cent, yet he was still unable to see a mosquito. Finally a few were caught at dusk. For an hour, no more, enormous crowds of them appeared, fed on ponies and buffaloes, and then disappeared. But none was infected, none was carrying malaria.

McArthur captured six different types, and again the mosquito feared in Malaya, the *anopheles maculatus*, was among those present in large numbers, but only in the more healthy villages. Of the six types, long and patient research showed that only one, the *Anopheles leucosphyrus*, which appeared near dawn for a very brief period, had any preference for human blood. He was inclined to disregard it, as it was harmless in Malaya, but finally in April 1941, after more than two years search involving more than 1,500 negative dissections, an infected specimen was captured. McArthur had proved that the mosquito feared in Malaya was harmless in North Borneo, and the type considered harmless in Malaya was the chief carrier in the territory. Yet, although the area was highly malarious, the carrier was extremely rare. It bred intensively in the rivulets in dense jungle, appearing for a very short time late at night to feed on humans. Lengthy experiments showed that the best way to eliminate this mosquito was to admit the sun, by clearing the jungle, and either burning the ground or introducing grazing cattle, which polluted the streams. By these means the mosquitoes were prevented from breeding.

This was good news for the Dusun and Chinese padi planters of the plains. It showed why all cleared areas were healthy. But his brilliant work offered little consolation to the Muruts sharing the deep jungle with 'the lady with the white ankle' as their enemy was called. For the most part they gained their livelihood by such means as gathering jungle produce, which involved no clearing, and the small areas they burnt on the hillsides to make temporary dry rice fields were not large enough to have any appreciable effect upon the mosquitoes. The eradication of the mosquito in such a vast area was impossible, and the Muruts today are little better protected than in 1941, when Japanese imprisonment finished McArthur's further researches. Even on the coast malaria was still common in 1941. That year 1,235 people were admitted to hospital with it, and forty-six died.

Throughout their existence the Chartered Company endeavoured

in vain to rid their territory of the curse of leprosy. In 1891 there were nine lepers in Sandakan hospital, all Chinese except one, and Berhala, a small island at the harbour mouth, was made a leper colony. In 1893 they were repatriated to the Canton leper hospital, but another shipment was necessary a few years later, and in 1898 the practice was discontinued, following protests from Hong Kong, where some of the lepers had fled after escaping from the Chinese hospital. The small island of Copuan far up Sandakan harbour was purchased by the government and converted into a home for them. Here they were out of sight and out of mind, and it was not until the new order of things which came in with the second decade of the twentieth century that their condition was improved.

At this stage, 1913, there were thirty-two lepers on Copuan, all male, while three female lepers were living in an attap shed near the Sandakan hospital. They were free to wander at night, and one had become pregnant. On Copuan there was no dresser, no supervision of any kind; their houses were rotten and overcrowded, and four murders had gone unquestioned. The place was destroyed by fire, and the inmates were taken back to Berhala island. Ten sturdy houses, each built for four people, were erected, a police guard and dresser installed and a conscientious district medical officer endeavoured, in the glim light of the knowledge of the time, to cure them. Their numbers slowly increased despite all efforts, and by 1940 there were seventy patients there, of whom forty-five were Chinese. It was to this island that the Japanese transported all the civilians of Sandakan captured after their arrival in early 1942.

Post-war North Borneo faces the same medical problems as before. The diseases prevalent before the war and uncared for during the Japanese occupation are again being combated, and research into the most noxious is being continued, but with more success.[1]

A great step forward has been the recognition among the territories of British Borneo that they could benefit in attacking their common diseases by common work. Co-operation, lamentably lacking before the war, is now increasing. Various experts and specialists range the whole region, and a combined or united health service appears to be within sight.

[1]For this see K. G. Tregonning, *North Borneo* (London, 1960), pp. 131–7.

CHAPTER NINE

EDUCATION

THE history of education in North Borneo begins with one of the earliest appointments made by the first Governor, William Treacher. It was that of an Imam and Malay school teacher at Sandakan, or Elopura as it was then called. After consultation with the chiefs in the bay, Sheik Abdul Dalunan was selected, and urged to begin his traditional task of teaching the young and to hurry on with the erection of a mosque. To assist him the government gave a block of land and a gift of money, while Treacher added his own personal donation when the building was begun. The Muslims, however, had long since lost their propagating enthusiasm; Sandakan was a long way from Mecca; and this small-scale attempt to proclaim the faith and instruct the young soon died out.

Another effort to educate the children of Sandakan was made a few years later by Pryer, the founder of the town. He asked the Chinese and Muslims in 1886 whether they desired a school, and when they answered enthusiastically in favour, he endeavoured to form one. The Colonial Secretary gave a room in his house, the Governor gave his unnecessary Malay interpreter, and the European population gave eighteen dollars as a monthly contribution. Pryer secured books from Singapore and the school opened on 9 August with nine pupils. But a voluntary effort such as this, even though organized by such an enthusiast as Pryer, could not last. By 1887 Sandakan was once again without a school. Educational enthusiasm was difficult to maintain in North Borneo.

Into the breach stepped one of the distinctive appendages of British expansion, the missionary society. A Roman Catholic group was the first to arrive, Father Byron building a small school and opening it in August 1887. He made no effort to convert people to his faith, charged no fees and endeavoured to impart to his score or so students some of the goodness of his heart as well as more material instruction in reading and writing. In 1888 the first Protestant preacher arrived, the Reverend W. H. Elton. Elton is one

of Sabah's finest pioneers, a man filled with the same immense energy and unsophisticated enthusiasm as Pryer. His active faith stands out of the simple church diary which he began and which is still continued by his successors.

He was told on his arrival in Sandakan that every European there was contributing to the Roman Catholic school, and that few had funds for more; undeterred he opened a school at once in the attap shanty where he held services. For two months there was only one pupil, a little Chinese boy. In what seems a rather uneven exchange he taught the parson Malay and Chinese while the parson taught him English. His wife arrived in January 1889 to become the friend of lonely Mrs. Pryer and to open a boarding school in May.

In December his first assistant arrived, Mr. Richards. Sandakan gave Richards perhaps its most dramatic welcome. He was sitting down to his first dinner with the Eltons, his news of London scarcely audible against the noise of heavy rain that had been falling for days, when suddenly the side of the hill behind them collapsed, burst open the dining-room doors and filled the room three feet deep with liquid mud. Elton took it as a sign, as indeed it was, and began levelling the top of the hill for a church. The government, in the unimaginative manner of its kind, said it was impossible: but laboriously, in spite of grave difficulties with labour and finance, he levelled the top, laid the foundation stone in 1893 and saw his church consecrated in 1906. It stands today over Sandakan, a solid stone church without peer in the whole of that timbered island, one of the few historic buildings in North Borneo. It is more than historic; it is a sign to little men of the faith that can move mountains.

With the construction of this church under way Elton sent Richards to China. Many of the Hakka Chinese migrating to North Borneo were Christians, and Elton was determined to preach to and teach them in their own tongue. Many were living at Kudat. There Elton and three Chinese hacked out a clearing and marked a site for a church and school. Back in Sandakan his wife was conducting a girls' school, and caring for the twenty boy boarders at St. Michael's.

When Elton left North Borneo in 1913 after twenty-five years unremitting activity, he left behind him a completed stone church, and a boys' school and girls' school with over 100 pupils in

Sandakan. These had cost $70,000 and were free of debt. He had also founded and helped to build another church and school in Kudat; he had sent a missionary to the Muruts, perhaps the only one to visit them for at least thirty years; and he had at least one of his pupils ordained into the church and had seen him begin teaching. There is sometimes a tendancy to scoff at missionary activity in the Orient, but today Elton's name is spoken of with kindness and affection by aged Chinese in Sandakan and remembered by many Europeans, while the value of his work has proved lasting.

Not only was there Elton, labouring at his stone church on top of the pinnacle, but there were also other missionary bodies who did much good in the face of an inertia towards education that only the Chinese did not share with the rest of the community. Nevertheless the activities of the mission bodies were on a far smaller scale than in Africa or China. In those great areas with their large populations missionary effort and financial expenditure were concentrated, whereas in the smaller country of North Borneo the missions' activities centred upon education rather than proselytization.

The oldest mission of all was at Papar on the west coast where the Roman Catholics had been since 1881. By the turn of the century they had another mission school at Putatan besides those at Sandakan and Papar. There were Protestant schools at Sandakan, Kudat, Jesselton, Labuan, Papar and Putatan. The students, nearly all Chinese, numbered 450. The missions had ignored Sir Rutherford Alcock, who advised them to confine their activities to the interior. Mission schools were confined to the coast. The government had copied the Straits Settlements policy of subsidy, but mainly for reasons of economy, and partly because it believed that a book education was of rather dubious utility to a Putatan Dusun or Papar Chinese, only the four mission schools in Sandakan were receiving grants, $1,140 being allotted in 1905.

The beginning of a more modern approach to education coincided with similar developments in the field of medicine, and the establishment of the Medical Department. The government again taking the Straits Settlements as its guide decided to engage in direct educational activity. An Education Department was formed in 1909, with inspectors of schools appointed for the east and west coasts, to ensure that the government subsidy, which was

extended then to the west coast, was not misspent. In 1913 a single Chinese-speaking Cambridge M.A. was appointed chief inspector for the state; two years previously the Company had decided to pay $1.50 for each student at a mission school, provided that the Education Department had assured itself that the student and the school were satisfactory. By 1913 twenty-three mission schools were receiving this half-yearly grant, and it was decided to revise the award. At schools teaching Chinese and Dusun or Malay, the payment would remain at $1.50, but where English was taught the sum would vary according to the standard reached, ranging from $1 to $6 at the sixth standard. The total grant that year was $2,672, with 753 students at mission schools. In response to government urging, one mission body, the Roman Catholics, had established a school in the interior, at Limbahan, the Protestants having failed at Keningau.

In 1915, in a courageous and rather surprising attempt to give much needed strength to native institutions, a school for the training of the sons of native chiefs was established at Jesselton. This was the first government vernacular school. By the end of the war there were twelve students on the roll, hailing from villages as far removed as Tawau and Lahad Datu on the east coast, Rundum in the deep interior, and Kota Belud on the west coast. Their ages ranged from nine to twenty-five years.

The pupils were given a three-year course in Malay on a syllabus suggested by the Education Department of the Straits Settlements. The Native Affairs Department of North Borneo does not appear to have participated at all. By 1921 the school had fallen from favour with the chiefs. There had been a revival of Muslim faith dating from the 1890s when a Mahommedan Association had been formed, and the lack of any teaching of the Koran was a deficiency even more resented by the chiefs than the lack of English instruction. Their children had been withdrawn, and by 1921 there were only six pupils attending, all pagan Muruts from the interior. They were taught, housed, fed and clothed free of charge, but the education given them was precisely that of the government vernacular schools which had begun that year.

In an effort to arrest the decline, arrangements were made in 1923 for instruction in the Koran, and, as a further bait, lessons in English were begun. Both innovations proved very popular. The school had strayed from its path, however; no elementary

instruction in administration was given, no advantage taken of the opportunity for training sons to be better chiefs than their fathers. So lax was the hereditary principle of chieftainship that only a few students returned to their villages and succeeded their fathers; the great majority found the coffee shops of Jesselton too attractive, and took service with the government as clerks. By 1926 twenty-three had graduated and sixteen coastal natives were attending this one school whose grant of $3,346 was more than half that advanced to finance all the mission schools. It had become a waste of money. A great opportunity had been lost, and in 1930 the school was closed.

When he became President Sir West Ridgeway was not at all satisfied with the education policy of North Borneo. In the face of much indifference the governments in Kuala Lumpur and Colombo had both pressed forward with their schooling policies, and he considered that the Chartered Company was neglecting its responsibilities. The 1914–18 War curtailed any new moves, but at its conclusion a pace forward was made. Malaya had revitalized her vernacular schools after their neglect had been examined by Richard Winstedt, and the government had founded a new teachers' college with emphasis on the agricultural life for which many natives were destined. North Borneo followed suit, and the government took responsibility for vernacular education, that is education in Malay, rather than in the English of the subsidized mission schools. Here as in medicine, administration and elsewhere, the proved advances of the Malay States were introduced into North Borneo.

The first proposal to establish government vernacular schools had been made at the beginning of the century by Governor Birch. He had visualized as a beginning six government schools on the west coast, with Malay, Dyak and Chinese teachers. Lessons would be given in agricultural pursuits; trades such as boat-building and carpentary would be taught; and personal and school cleanliness would be insisted on. Each school would have its own padi field and garden, not so much to teach agriculture, although the Agricultural Department would assist, as to demonstrate that no face was lost by dirty hands. He had requested a grant of $5,000 with which to begin the work. It had been refused by Cowie as a project that would not be immediately profitable.

By 1921, however, the government were no longer content to

leave the education of its people solely to the missions. North Borneo's Director of Education was writing 'let us take up our own burden rather than subsidize others to sport our natives with an educational mixture of very doubtful quality,'[1] while the Governor told London that he 'acknowledged the valuable educational work which has been done by missions, but he was not alone in recognizing that certain missions in the past have exercised a marked political influence over the natives. The notorious "Papar Land Case" which was the starting point of the recent Aborigine Society's attack was fomented by Christian natives adhering to the Roman Catholic mission at Papar, and in earlier days the opposition to a land settlement in Putatan was undoubtedly influenced from mission sources. In both cases the priests were foreigners.'[2] It was this friction, combined with the example of Malaya, that led North Borneo to establish government vernacular schools.

Winstedt, then Director of Education in the Federation, advised personally on the syllabus, and in 1921 helped to induce two young teachers to leave the fleshpots of Malaya for the wilds of Borneo. Each brought an assistant, and with much optimism two schools were started, at Kota Belud and Papar, with two more, at Keningau and Menumbok, the following year. They were not a success. Kota Belud had closed by 1924, and the others barely managed to keep their heads above water. The government, prodded by Ridgeway, persisted, and at Bundu and Sipitang in the South two more were built. Bundu failed, but Sipitang and Menumbok attracted the Bruneis and Kadayans, natives with a slight sense of Muslim culture in their memories of royal Brunei, and their acceptance of a Malay education when all else shunned it sustained those schools. Apart from these, however, there was only spasmodic and scattered interest. By 1930 the government had managed to build ten vernacular schools, at which there were 391 boys on the rolls. The number was not large, but this was not for want of trying. Thoroughly pessimistic by this time, the Director of Education warned the Governor to be very cautious about opening new vernacular schools, as it was essential first to be convinced of a genuine local demand.

Unnoticed, however, the tide of opinion regarding education was beginning to turn. In Malaya, Indonesia and elsewhere the

[1] Director of Education to Governor, 14 March 1921.
[2] Governor to Court of Directors, 6 June 1921.

constant pressure of the west was exerting a tremendous influence, year after year becoming more and more effective as films, newspapers, magazines, books and the hundred and one constant illustrations of western scientific and industrial progress made it inescapable. Old beliefs were weakened as Asia changed, and new western ideas, as a result of their very reiterance, were considered and gradually accepted. This was true of the most trivial importations—long trousers, shirt and tie, sand shoes, Saturday night at the cinema—as well as the most potent—nationalism, democracy and education. No backwater is unaffected by tidal changes, and the early indifference to education in North Borneo was replaced by eagerness.

In 1935 the chief of Tuaran submitted for discussion at the newly formed Native Chiefs' Advisory Council a proposal that his village be given a school. The head of the Education Department demurred, and pointed to the failures at Kota Belud, Pimping and Bundu, and the general apathy towards schooling. Jardine the new Governor sensed the changed position far more accurately. 'I cannot too strongly impress upon you,' he wrote to the Education Department, 'the marked indications of a growing interest in education among the natives. Strike while the iron is hot and turn this growing interest to the best possible account. Submit proposals for four further schools.'[1] He then reviewed the capital expenditure planned for 1936 and cancelled enough to allow the schools to be built.

Jardine tackled vernacular education vigorously, with the full support of the Court of Directors in London. Before his arrival the government schools had been described as 'little better than unprogressive village schools,'[2] but from 1935 onwards a new spirit was infused into them. He brought with him from Africa a recollection of the success of physical training. This was instituted in all schools, with the help of the police force where it had already been introduced. School uniforms too replaced the slovenly dress that had helped to make the schools shabby. The young Muslim boy on his way to school became in North Borneo, as he is today in Malaya, one of the most charming sights in those tropic lands.

The Governor carried out frequent inspections of the enlarging network of schools and endeavoured with his limited funds to

[1]Governor to Inspector of Schools, 17 August 1935.
[2]Annual Report (Education Department) 1938.

build more. The native chiefs who had asked in 1936 that vernacular education be made compulsory for all native children (so completely had the tide turned) kept meeting him on his circuits and stressing the need for a school in their district. One of them, in Semporna, most uncharacteristically grew tired of waiting for the government to act, and in 1935 built a school himself. However this new enthusiasm was hard to accept by those long resident in the country, and an attempt to restrain Jardine's passion for new schools was made by the Government Secretary in 1936. He thought that schools had been opened or planned at most likely centres of education, and that no more government expenditure should be incurred, as schools in other areas would fail. Jardine pressed him, however, to suggest possible savings in expenditure for 1937, and Smith (the Secretary) rather reluctantly admitted that by restricting a few minor pieces of construction envisaged by the Public Works Department there would be funds for perhaps one more school. He made the tactical error of listing two alternative villages both deserving of one. In neat red ink Jardine wrote 'Both',[1] and left it to Smith to find the money.

These vernacular schools were almost entirely for boys. In 1929 a few girls had secured admittance to the Tawau school, and there was one pioneer at Menumbok on the other coast. Jardine in 1936 ordered an investigation into the question of female education, which he considered particularly important for the improvement of living conditions in the villages, for the health of the rising generation, and for the elimination of the unhappiness caused when the male was educated and the female not. At that time there were a few girls at the government schools in Jesselton, Papar, Tambunan, Sandakan and Tawau, and Jardine, after weighing the disadvantages and dangers arising from co-education had to order that no further girls be admitted, as he did not have the money for separate institutions.

In 1940 estimates were submitted for a girls' vernacular school in Papar, but it was not constructed by the time the Japanese came. The native chiefs, at their meeting in November 1941, debated the proposal that girls from seven to eleven be admitted to vernacular schools, but they agreed with Jardine that it was not satisfactory for girls to enter boys' schools, and the resolution they finally passed called for the provision of schools for native girls

[1]Governor to Government Secretary, 30 August 1936.

with women teachers. On 8 December 1941, the Governor, commenting on this resolution, informed his Residents that as soon as practicable he would act in the manner wished by the chiefs. That morning the Japanese had raided Pearl Harbour.

The government relied considerably for its teaching on the adventuresome Malays tempted over from the Sultan Idris training College in Malaya. By 1940, out of fifty-three vernacular teachers in North Borneo, there were eleven graduates of this College. They had prevailed on the Governor in 1940 to abolish the old practice of having one ten-month term, and the usual three-term year with, in addition, observance of all government holidays had been introduced. They were active supporters of the government physical education and daily gardening routine, and they also taught (in Malay) reading, writing, arithmetic, geography and hygiene. North Borneo geography and hygiene books had been produced, and a departmental quarterly was being published. The most popular sport was soccer which may yet prove the most enduring of British legacies to North Borneo. Badminton and volley ball were also played. All three sports and the Boy Scout movement served to unite the many peoples of the territory, but before the war this was apparent only in the case of soccer.

Various attempts were made, mainly by the District Officers who, under the Inspector of Schools, supervised the schools in their area, to improve the health and morale of these children. From 1936 onwards they were issued with two suits of school uniform annually, and a certain standard of smartness was insisted on; from 1938 annual dental examination and treatment was undertaken, and free tooth brushes supplied. An attempt to institute daily milk drinking failed except at Tuaran, although an experiment at the Sandakan school showed a great improvement in the weight and alertness of those who drank milk compared with those who did not. Hookworm treatment had been carried out for some years. After several experiments a standard school unit was adopted, well designed for the local conditions. It admitted a free flow of air, was clean and cool, and easy to construct from local materials at a cost of $900. Its drawback, that it could not be joined to another unit, was not apparent until after the War when the huge expansion of schools by the colonial government led to changes. By 1941 there were twenty-eight primary vernacular schools well established, from Tawau in the east to Sipitang in the

west, and in the interior as well. They were attended by 1,663 students. There were long waiting lists at all these schools, an amazing change from the deserted school rooms of twenty years before. The small fee previously charged was abolished in 1937.

Mission education had also progressed during this period, although not without some set-backs. Several mission schools in various parts of the country, even in Jesselton itself, were forced to close through lack of support. They had one asset lacked by the vernacular schools; they taught in English, the key to economic advancement. They progressed slowly. More could have been done if the various missionary bodies had not been so deeply committed in other parts of the world. The missionary enterprise took care of all secondary education in the State.

In 1921 the three societies—the Roman Catholics, the Society for the Propagation of the Gospel (Church of England) and the Borneo Basel Self-Established Church (Lutheran)—had established twenty-six schools, with 984 students. By 1927 there were thirty-nine schools with 1,983 students, a thousand more. In 1930, the Education Department revised its system of grants, as it was found that the payment of a sum to a school on the one condition that the boy and the school reached a certain standard was unduly hard on the little school with low funds. It created a vicious circle, whereby the school was unable to improve itself without a larger grant from the government, but the government would not pay a larger sum unless the school improved itself. The block grant system was introduced, the head of the mission receiving a direct grant and allocating it among his schools as he thought fit. It was introduced for a trial period of three years, but was continued in 1933 until the Japanese occupation. The government paid out $7,700 in 1933, rising to $14,178 by 1940. This sum was divided among fifty-two mission schools teaching 3,922 pupils.

As was the case elsewhere the Education Department did little to supervise the mission schools, whose hours, terms, holidays and curriculum were decided by their governing bodies. The standards aimed at by all after 1933 (when it was instituted) were those set by the Cambridge University Syndic examinations. Between 1933 and 1939, when the lower examination was abolished, seventy-three students passed the Preliminary examination, forty-six the Junior and one the Oversea School Certificate. By 1941 seven mission schools were holding classes at the Junior standard.

In 1939 the Court of Directors agreed on a drastic change in education policy, and informed the Governor that the missions in future were to expect no increase in the government grant. No matter what their improvement in standard or their expansion actual or projected no application for increased grants would be considered. The government would pay a fixed sum until further notice, but it reserved the right, which it intended to implement, of decreasing such a subsidy. As the Governor said, 'we have embarked on a programme for providing elementary vernacular education, and we have a big and expensive task ahead of us. We must plan for girls' schools, vocation training and secondary education. All funds must be reserved for these great advances. The missions were the pioneers of education, they have done good work, and have received grants in aid for many years. But we must shoulder our own burden.'[1] In Sarawak too, where the educational level and effort, if unequal, was approximately the same although there was no education department, church work was in disfavour. 'Mission schools have been functioning for nearly a century but results are very unimpressive.'[2] In truth it was perhaps time to question the long neglect of secondary education by the governments not only of Sarawak and North Borneo but of Singapore and the Federation as well: but that this was best done by limiting the mission schools was open to question. In North Borneo there was the added point that a great number of the Chinese students were Hakka Christians already. The war came to Sabah, however, before the government's edict was felt by the churches, and they continue to receive assistance from a post-war Education Department.

In addition to the government vernacular schools and the mission English education, there were the Chinese schools, completing the familiar trinity of South-east Asian education. If the Education Department bothered little about the missions, it knew least about the Chinese schools. In this respect the government was on an equal footing with those of Malaya and Sarawak. What scrutiny was cast over these schools was cast by the Protector of Chinese; the inspector of schools left them well alone, an isolation that was welcomed and reciprocated by the Chinese.

[1]Governor to President, 8 July 1939.

[2]E. R. Leach, *A Report on the Possibilities of a Social and Economic Survey of Sarawak* (H.M.S.O. 1950).

A race with a fanatical enthusiasm for education, for the prestige of being a scholar, for a knowledge of the accepted texts the Chinese in North Borneo, as in every other territory where they settled, soon set out to give their sons a better education than they themselves had received. Mission education satisfied some, for there they learnt English. But there they also forgot—or never learnt—Chinese. The Chinese are not the only migrants who hunger for that which is of their home land during exile, and to preserve and sustain their culture they were compelled to form their own schools. At great sacrifice to many, the various dialect groups from the southern provinces of China organized the education of their young.

By 1909 there were six schools teaching the Chinese script, which the pupils memorized by writing out an immense number of diversely formed characters, afterwards learning by rote some of the old classics. As in Malaya, there was no government support for, and little interest in, these schools, except for a small subsidy in the nineteen-twenties for the school at the Silimpopon coal mines, which conducted classes for adults and had a salutary effect in keeping law and order. By 1929 there were fifty-five schools with 1,849 pupils. They were all mixed institutions, boys and girls attending a four-year primary course, followed in a few cases by a further two years in English. By 1940 the number of schools had only increased to fifty-nine, but the attendance had risen to 4,779.

These schools were by no means stable. Whether it was established by a clan, by the Fukiens in Sandakan or by an enterprising Hakka in Tuaran, for example, the school depended for funds on the support of that sectional Chinese interest which it served, and to whose loyalty it could appeal. In many cases the school failed, but there was always a resurgent demand for another school and as the migration of Chinese into North Borneo continued, school failures became less frequent.

The life of a Chinese school teacher, although honoured with a certain status, was at the best of times as insecure as that of his school. Throughout South-east Asia the tradition had grown up of restricting the authority of the headmaster by school committees, both of schoolboys, who often made their wishes felt, and of adults who ran the school. 'Every teacher finds sooner or later that he has his patrons or friends on the school board, but as all the board

members are small local shopkeepers they are also all rivals, and if one is your friend then others are your enemies. As a result the teacher's tenure of his job is remarkably uncertain. At the same time, the boards being small and money being raised by local subscription, the teachers' salaries are even more uncertain.'[1] Yet despite the insecurity, these Chinese schools continued to increase in all British controlled areas of South-east Asia, subjected only to an annual inspection by the governments who became more and more concerned with the elimination of undesirable political literature. This was mainly of fiercely nationalistic type, issued by the Kuomintang. The governments had the right to ban books and deport people, and this right was exercised several times. In North Borneo, however, outside political influence was meagre and unimportant. China left them to their own devices.

In addition to the Chinese schools there were, by 1940, three Japanese schools with 180 pupils. These were run by the Tawau rubber estate, and included children from the nearby Japanese controlled hemp estate. At all these schools, vernacular, mission, Chinese and others, 10,993 students were taught in 1940, and the expenses of the Education Department amounted to $40,279. This did not include any capital expenditure or maintenance charges on the government schools, which were met by the Public Works Department, while the Immigration Department provided for the North Chinese school near Jesselton which had been established in 1917 when these rare birds of passage had been induced southwards.

The demand for education which by the end of the Chartered Company period had spread to all peoples became more and more insistent. It survived the war, if anything intensified by the starvation diet imposed by the Japanese, with compulsory instruction in their language and other unpopular innovations. In the enthusiastically welcomed expansion which followed the liberation the number of pupils by 1953 had trebled (24,105) and was still increasing, while the expenditure had soared from $40,279 in 1940 to $1,896,687. With the future of the territory in his hands, and much of its finance, the Minister of Education in Sabah today holds the most important job in the State.

[1] Ju-K'ang T'ien, *The Chinese of Sarawak* (London, 1953), p. 8.

CHAPTER TEN

SLAVERY

PIRACY and slave raiding flourished unchecked in Borneo waters until the coming of James Brooke in 1842, and it was only with the advent of the steamship some time later that any effective means of prevention became possible. The curse was still widespread on the eastern coast, where until the arrival of the Chartered Company there had been only the intermittent and ineffectual intervention of Manila. Sulu, Balignini and Lanun warriors cruised up and down, swooping on any native craft that was incautious enough to be sighted, raiding any kampong that was ill defended, and not afraid to attack any European vessel that lay becalmed near that land below the wind. The pirates ranged widely; with the monsoons to carry them they for long periods forsook the somewhat unrewarding coastline of North Borneo and cruised as far as the crowded routes to Singapore and the Straits of Malacca. Their story has been told in numerous narratives, some written with all the excitement that contemporary association can bring, and the reader is referred to the works of Keppel, Mundy, Mills, Hill and Spenser St. John. In this and the following chapter, however, we must confine ourselves to the story of how piracy and slavery were eliminated from the Sabah scene, and how law and order were established over the rebellious peoples of the interior.

The beginnings, as in so much else, were made by Pryer. Here is his description of the scene as he found it.

When I arrived here in 1878 I found the only place in this bay to be a small village hidden away in an obscure corner at the far end. The entrance was frequently blocked by pirates and the reason given to me for the small trade with surrounding islands was the danger of the navigation caused by them; there were two Chinese traders only. The Kinabatangan river was blocked by a suspicious and jealous chief. The knowledge of and trade with the interior was virtually nil. The coast line was in the hands of the rapacious Sooloos by whom the natives of

the foreshore (Bajaus) were ground down and oppressed in every way; the natives of the forest (Booloodoopies) were forced to yield to their exactions to such an extent that but very few years more would have witnessed the extermination of large sections of them. The natives of the interior, of whom virtually nothing was known, did their best to keep themselves as far from the Sooloo creese as possible.

Slavery was rampant and slave boats containing cargoes of unfortunate starved wretches in such a condition that it turned one's stomach to look at them were frequently to be seen here or in the Kinabatangan. Robbery was rife, there was no security for either life or property, the soil was almost entirely uncultivated, and it is difficult to say in what way matters could have been in a more deplorable state.[1]

The first necessity, if peaceful trade were to be restored, was to check the pirate raids. In 1877 there had been a particularly devastating raid in which fifty or more large prahus ranged the entire north-east coast, and, unmolested, carried off some 600 natives into slavery, selling them in Sulu. In 1878 they came again, and captured sixty-five. Pryer cleared Sandakan of pirates, sinking several of their boats with the aid of Cowie, who was then censured by the Governor of Labuan for aiding in a warlike act. Further aggressive action by Pryer followed. Many of the pirates had settled in Tungku, in Darvel Bay, and Pryer in 1878 was able to prevail on a solitary naval gunboat to bombard and destroy the village, and, more important, sink its boats. It was a decisive event. Here was a new force, and although the Navy rarely returned the large-scale slave-raids dropped almost to vanishing point. Spain too had helped, extending her power effectively at least round the coast of the southern Philippines, and menacing Sulu itself.

By the time Treacher had arrived in 1881, large-scale slave-raiding was a thing of the past. The elimination of the widespread institution of slavery, however, which took over twenty years, was considerably hampered by the continuing demand for slaves both in the Sulu archipelago and in Brunei, from which raids were made, albeit on a small scale, into North Borneo.

The first proclamation of Treacher on his arrival in North Borneo was that in which he made public clauses 7, 8 and 9 of the Charter, by which the company undertook to abolish slavery and to respect the religious beliefs and the native customs of the people. He set to work immediately to fulfil his obligation, and to

[1]Pryer to Governor, Labuan, 5 June 1880.

implement the reforms already introduced by the three isolated Residents, being urged on by the Directors in London, who were anxious to retain the goodwill of the government.

Pryer had tackled the slave question as vigorously as his limited powers had permitted him. Most if not all of the labour on the coastal rivers was being undertaken at that time by one or other of two types of slave. There were the *ulu ulih Pesaka,* known as *anak amas,* domestic slaves who had belonged for several generations to one family. A slave was an *anak amas* if both his father and grandfather, or more likely mother and grandmother, had been owned by the same family. He was not completely without rights, for native custom decreed that he (or she) could be sold out of the family only with his consent. Usually he was treated well, often granted a good deal of liberty, entrusted sometimes with trading ventures that entailed too much risk for the owner, and was considered almost as one of the family. The position was not ideal, however; these slaves often were treated as viciously and as barbarously as an evil tempered man treats a dog. The other type of slave was the *ulin ulih beli,* the bought or captured slave, a slave with no rights, no place in the family, who could be disposed of in any manner the owner thought fit, in all ways a *bona fide* slave as the term was understood.

Pryer had been forced to hire slaves from their owners to work for him. To labour for wages was considered by the only other class existing, the owners, as more degrading than being a slave, and the most impoverished of free men said they would work for him only if he would buy them. Some of those who helped to build Elopura had been captured within a mile or two of Singapore harbour; others had been dragged from becalmed prahus in the Philippines, or snatched from kampongs in Sumatra and Java, and sold in Sandakan by the Balignini. Pryer had begun a quiet process of liberation. His authority was strong enough by the middle of 1878 to grant freedom to any slave who ran to him with a story he could prove of ill treatment; and he gave independence to those he purchased from impecunious owners, paying $40 for a man and $60 for a woman.

On the west coast the Residents who preceded Treacher had accomplished very little. Slavery was widespread; Witti, the adventurous Hungarian who preferred unauthorized exploration to administration and incurred the enmity of Dent for so doing,

compiled a list of slave-dealers, and estimated in 1881 that one in every three Muslims along the coast was a slave. Traffic in slaves was hardly diminished: they were brought to the coast in Lanun and Sulu bottoms and were retailed at Sulaman, Mengkabong and at the great slave centre up Marudu Bay that Brooke had once stormed, Bengkoka. For several years the posts at Papar and Tempasuk had been so weak that escaping slaves had been returned to their owners; the only improvement had been a concession gained by Witti which alleviated the condition of those enslaved through debt, a type of slavery unknown on the east coast. Witti had made it customary for the debt to be reduced according to the duration of the debtor's servitude.

In contrast to the coast there were very few slaves in the interior. The pagans there were either too poor or too nomadic to keep them. However a slave was useful for purposes other than labour. Slaves were bought by interior villages who had found themselves one ahead in a blood feud; faced with the probability of an imminent raid a slave was handed over, his subsequent death would even the score, and the feud would lapse for the time. Sometimes he would be dispatched in the manner known as *semanggup* or *sanginan*, adaptations of which were practised by most if not all of the isolated tribes of inland North Borneo. The slave, purchased often at great sacrifice to the village, would be caged or tied securely, and then after twelve or twenty-four hours around the tapai jars the Muruts would either jab the victim to death, uttering with each jab a message to a deceased relative or friend which the slave was expected to pass on, or else as the village shouted their messages to the dead they would transfix their slave at the end of a spear with one concentrated lunge through the heart. Slaves were also used to satisfy another barbarous custom; no woman would accept a man as her mate unless he showed a skull as a sign of his manliness.

This was the situation that confronted Treacher. Slavery was widespread, especially along the coasts, of long standing and permitted by religion. Any effort to force its immediate abolition inevitably would lead to large scale opposition, which might spell disaster to the administration. Treacher, feeling his way, proceeded gradually and carefully, retaining the goodwill of the people while depriving them of their slaves.

His first cautious step was embodied in his 'Provisional Rules and Regulations concerning Slavery' published in 1881 shortly

before the Charter was issued in London. It became illegal for any foreigner, Chinese, European or other, to own a slave. Their importation was forbidden. Slaves were free if they could prove cruelty, or if they could pay the liberty price, the sum to be fixed by the Residents. These comprehensive rules were somewhat undermined by the proviso Treacher was forced to make, which excluded Sulus and other nearby natives from the catalogue of foreigners. If they had been domiciled in North Borneo for five years before the transfer they then were local inhabitants, and as such permitted to own slaves. He strengthened native tradition by stipulating that no slave could be transferred to another master without the slave's consent, and that in any case no slave family could be separated.

This restraint upon the practice of slavery seemed too violent to A. H. Everett, the Resident at Papar. He maintained that the enforcement of the provisional regulations would cause a revolt, and refused to take any action. He was dismissed and took service with Sarawak, and later as Charles Brooke's agent intrigued in Brunei where apparently his scruples against the abolition of slavery were not affected.

Treacher felt secure enough in 1883 to follow up his first steps against slavery with more drastic measures. On the second anniversary of the granting of the Charter he proclaimed that henceforward all slaves once brought into Sabah by their owners would be free, whether intended for sale or not. Any slave woman who had had illicit connexion with, or a child by, either her master or any other person with the connivance of her master, would also be free. No inhabitant of Sabah could buy slaves overseas, whether in Sulu, Brunei or elsewhere; and finally, all children born of slave parents after 1 November 1883 would be free.

The Court of Directors in their London zeal had instructed Treacher to go further, and prohibit the transfer of a slave to another master. They failed to realize that this was a long established custom which somewhat lessened the evils of the slave system. Treacher obeyed orders and enforced the ban, but was besieged immediately by hardened slave-owners begging him to alter the law. Treacher relayed their arguments to London. The transfer was employed by the domestic slaves, usually when one of them, invariably a woman, was unable to live in peace with the slave-owner's wife. The transfer benefited all concerned especially

the men of the house, and more often than not it originated with a shrill tempered request from the slave herself. London relented and the ban was lifted.

This proclamation made only two years after the Charter was granted, had far-reaching results, particularly the clause relating to the children. The war slaves had not been reinforced for two years, and this edict deprived domestic slavery of its formerly constant source of supply. It sounded the distant death-knell of slavery in North Borneo. But its enforcement was difficult, there were many loopholes, and it was at least twenty years more before slavery was finally stamped out.

The power of the administration was too weak, and the visits of the Royal Navy too infrequent, for this proclamation to be strictly enforced in all parts of the territory. One of the least controlled areas in the nineteenth century was lovely Darvel Bay, whose many islands reaching almost without interruption across to the Sulu archipelago encouraged the naturally water-loving and independent Bajaus to persist in their former habits. Slave-raiding was both an economically profitable and socially acceptable occupation; there was really little else for a gentleman to do. When Tungku was destroyed the Bajaus retreated southwards across the bay, and attempts to stamp out slavery there were complicated by the reluctance of the Sandakan authorities to suggest to the Dutch, who were then in an ill defined position a little farther south, that they could maintain their hold only by force.

As a first step to gaining control Pryer in 1884 sent a native clerk southwards from Silam where he had established an experimental farm. It was a conciliatory move that failed; the clerk was chased back across the bay by a fleet of Bajaus, and reached the little jetty only a few boat lengths ahead of his nearest pursuer. The implementation of the slave policy in Darvel Bay was postponed.

In 1886 Treacher tried again. Discoveries of gold up the Segama river had suggested the possibility of a road overland from Darvel Bay. To press forward this project, which was one of the first tracks made in North Borneo and one of the most useless, a European was stationed at Silam, and later moved to Lahad Datu, an old trading post of Cowie's which superseded the older post. The track was a failure, but the constant reports of Callaghan, the magistrate-in-charge, of attempts at kidnapping and raiding by the Bajaus and Sulus, who in 1886 had Silam in a state of siege, moved Treacher

to secure a naval gunboat from Labuan. The Bajaus had grown so bold that they attacked H.M.S. *Zephyr* on sight. Their temerity was repaid by the destruction of thirty of their boats and three of their villages around Omadel. It was a most salutary victory.

For a moment the bay was peaceful, and Treacher was able to introduce at its island-studded southern end the first suggestion of law and order. In 1887 a large number of Chinese had arrived in Sandakan fleeing from the blood and fire activities of the Spanish on Sulu. They were led by Toonah, a Chinese merchant, whom Treacher induced to settle in an uninhabited spot—a narrow passage between the mainland and the islands—at the southernmost tip of the bay. He was made 'capitan china', given the power to settle disputes and disturbances among his followers, and allowed the right to fly the Sabah flag and collect duties. This new village was named Simporna. Semporna as it is now called is still a pretty, almost idyllic spot, surrounded by sparkling blue water and hilly islands. Toonah's influence among the Sulus and Bajaus, who flocked to the southern islands nearby, was considerable, but as the slave-raiding became thoroughly commercial, with one barrel of gunpowder the customary price for a slave, who was then island hopped to Bolangan, Tawi Tawi and Sulu, it seems possible that Toonah, who by his death in 1895, had amassed a considerable fortune, was somewhat of a disappointment to the government.

In 1891, however, the hand of the government was greatly strengthened when it adopted a Straits Settlements Ordinance making it an offence for any village to harbour a slave-dealer or a kidnapper, or to retain in the village any newly enslaved person or criminal wanted by the police. The responsibility was thrust on the village headman, who by this time was being incorporated into the administration. District Officers were furnished with reports and attempts to acquire children or to buy slaves were suppressed. Slavery was slowly dying out. Continual improvement in the conditions of the ageing slaves followed the annexation of the various independent rivers along the west coast where slavery had flourished until their purchase.

There still remained, however, as the nineteenth century ended, two nearby sources of demand that reached into North Borneo, one on the east, the other on the west. The sale of captured men and women into Sulu slavery was the great factor in keeping the east unstable, while the slave market of Lawas on the west was the

other centre of this evil. Both had trafficked in slaves for many years, but whereas Lawas, owing to the proximity of Labuan, could draw only a small supply of slaves from its hinterland, slavers from Sulu had ranged the far seas, and throughout the nineteenth century it had been one of the great slave marts of South-east Asia.

Sulu itself is one of a chain of hilly islands; and patches of timber interspersed with grassland on its slopes, give it a park-like appearance. Its main town, Jolo (or Tianggi) was in the eighteen-fifties and before a typical Malay kampong where every one lived out over the water. It was notable only for the great ferocity of its inhabitants (particularly when they wore their chain armour), and a depth of water greater than average. A British frigate had anchored in the main street with a clear four fathoms beneath her, and lines of stilted houses had stretched even farther seaward. This village vanished, however, when the Spanish secured a permanent foothold, and a new town was built on the land. Slaving decreased but it still provided a livelihood for those members of the nobility who could not fasten on to any part of the annual cession payments from North Borneo which, then as now, seemed too little to so many.

The Pryers visited Sulu in 1898 as the Spanish control of the Philippines was yielding to a new colossus, and as this part of South-east Asia has been so little described the notes of Ada Pryer written in Jolo at that time are offered to the reader.

What struck us most [she wrote] was the wall with its numerous little turrets and look out stations surrounding the miniature city. This wall surrounds the entire place, including the sea front, so that landing at the pier a pair of large iron gates painted black and picked out with white have to be passed before ingress is obtained into the town. Inside it has a half continental, half oriental air, a broad boulevard planted with trees stretching away before one, with Chinese shops on either side. Tianggi is in fact a well laid out garden with broad tree-lined streets, the houses nestling beneath the spreading branches of acacia, famboyant, dedreps and coconuts, while tiny public gardens well planted and cared for are come across in every direction, enclosed within low white washed parapets of ornamental stone work. The lattice-work windows of the houses are composed of some mother of pearl opaque looking substance, they have no verandahs, the numerous trees affording sufficient shade.

The little place is kept extremely trim and neat by a large body of convicts for whom no other work can be found. The inhabitants for the

most part are rather shabbily dressed and weedy looking soldiers who loaf about doing nothing, and the general impression conveyed is that everyone has just awakened from a long sleep and is proposing to take another nap as soon as possible. There appears to be no business or trade going on. In the evening there was a large band of Manila men in uniform playing in the main street who performed extremely well, but beyond a number of fair haired children who rushed about wildly in a pack there were very few people about, not so many perhaps as the band.

A point that struck me as odd was the wearing of the queue (pigtail) by the Chinese, implaited and coiled round the head. The Spanish oblige them to do this evidently not understanding that it is a sign of disrespect if a Chinese speaks to a European with his queue tied up, he will never dare to address a mandarin until he has let it down. The fact of the matter is that no Chinese are allowed in the Philippines at all but are only there because a very heavy bribe is paid yearly to the higher authorities to wink at their presence. It is said that on this account alone the Captain General pockets $120,000 every Chinese New Year.

The women we saw were mostly wearing the Filipino costume, a short bodice cut low at neck and waist, in fact little else than a broad band of cloth with large wide sleeves, a skirt and a short overdress. In the case of the man the chief point is that they have the odd habit of wearing their shirts loose instead of being tucked inside their waist sash. The Spanish lady or two that we came across wore no head covering although on her way to pay an afternoon visit, and the cut of her dress was that of a morning gown, such impedimenta as English women adopt, veil, gloves, etc. are cast aside, and proportionate comfort must obtain.

At night, at frequent intervals, was heard the sharp cry of 'Alerte' passing from one watch tower to another along the city wall. The Spanish are in constant fear that their town may be rushed by the Sooloos and the greatest precautions are taken to prevent anything of the sort. Certainly we had very bad accounts of what was occurring outside, conflicts among the natives, only a week before a man had been cut over just outside the walls. The children have to be gathered carefully to their homes each evening for fear that they might be stolen and sold as slaves, and thefts of all sorts from ponies to dollars and boxes of clothes are rife. Every man walks about with his parang which on the slightest provocation is drawn, in fact the greatest lawlessness seems to prevail everywhere.[1]

This state of affairs changed when the Americans came, with memories of the abolition of slavery in their own country still

[1]Diary of Ada Pryer, 23 June 1898.

fresh in their minds. Vigorously and not without incident the slave markets on Sulu and Tawi Tawi were abolished, and American patrolling of the seas became constant and regular. The lazy convicts, the Spanish women, the watch towers crying 'Alerte' against slavers, all vanished, and a less colourful if more efficient administration replaced them.

In August 1899 General John C. Bates made an agreement with Sultan Kiram, whereby the latter accepted the sovereignty of the U.S.A. and 3,000 pesos per year. He undertook to abolish slavery in his dominions, but little was done until 1903, when a Moro province was created, and this led to the introduction of a modern system of administration the following year, headed by Major General Leonard Wood. In 1914 a further extension of the general administrative system was introduced, and in 1915 the Sultan was prevailed on to relinquish formally all political and civil power by the Filipinos in Manila, who regarded such titles as Sultan as contrary to democracy, the delights of which they were then enjoying. In those years more than just the Sultans were swept away; slavery went too.

It vanished too from the east coast of Borneo. The Chartered Company secured a much more effective control of the island-dotted area by the establishment of a post farther south than ever before at Tawau. The Dutch were induced to retire, and a British officer chose a new town site in 1898. Within twenty years this new post had a flow of trade valued at over a million dollars, and despite several disastrous fires it has continued to expand. This growing prosperity and extension of efficient government on either side of the Sulu Sea reduced slavery to negligible proportions.

By 1902 there was no longer need to tread warily. All forms of slavery were abolished throughout the territory by proclamation, and the offence made punishable under the ordinary laws of the land. Before 1902 there had been a few discontented old domestic slaves buying their freedom for $30, but by that year they were all free men.

The complete implementation of this ban took perhaps another ten years, as occasional cases of slavery occurred in the remote interior. The curse had been swept from the Brunei Bay area by the cession of the notorious Lawas River to the Chartered Company, who found it a problem too hot to handle, and passed it on, to Sarawak. Brunei received a British Resident rather belatedly

in 1907, and he took steps immediately to abolish a market that had thrived under British protection.

The Company continued its extension of authority inland. A large government expedition crossed over from the west coast to Cowie Harbour on the east in 1906, meeting several chiefs who had never seen a European before. One of them, Inal, told of Si Madun, another Murut, whom he had persuaded to stop a rampage by giving him three slaves to kill. Dyaks too were causing trouble. Many who had served in the police force had been given land at Rundum, in Murut country, and they had reverted to their old practice of raiding villages, taking the heads of the elders and keeping the children as slaves. This practice was suppressed in 1907 by Fraser and Maxwell-Hall, and there were no more cases. The Dyaks' efforts to keep Muruts captive after the Rundum rebellion of 1915 were nipped in the bud in a matter of days.

On the east coast the colourful Bajaus, Moros and others continued to provide incident. In 1905 a slave was liberated in Lahad Datu by the magistrate after he had sought protection there, and his owner and friends, seven Moros (Suluks) from the islands, promptly ran amok, killing and wounding over twenty people. Both in 1912 and 1925 there were cases of slavery in Semporna in which important Bajaus had found it easier to abduct and enslave rather than to court and marry the girls of their choice; there were also reports of Chinese girl slavery from time to time.

These incidents were exceptional, however, and rare after the proclamation of 1902. By and large slavery had vanished from North Borneo by 1903. The young administrators had succeeded in a little more than twenty years in abolishing with very little force what had been a widespread institution sanctified by faith and hallowed by immemorial usage. It was an achievement not without merit.

CHAPTER ELEVEN

REBELS

THE establishment of law and order in North Borneo, and the suppression of native anarchy was accomplished not without resistance, but in the main it was resistance of a minor kind. The Company was too weak to be arrogant, too poor to be powerful. A grumble of discontent from a kampong was viewed as seriously as others viewed the rising of a Zulu nation, and Mat Salleh, the only rebel of prominence, who could boast of occasional bands of 200 men or more, was treated as another Mahdi. In truth the constant reiteration of the theme which advocated co-operation with the local inhabitants and respect for their customs and institutions produced a contented populace, and although there were clashes, as was inevitable with people of different cultures coming in contact with the West, they are easily over emphasized.

It was just as well that there was never a large scale rising, for the police force of the Company was extremely weak; in 1882 it numbered no more than fifty men, mainly Sikhs secured from Hugh Low in Perak, as was Inspector De Fontaine, who replaced the pioneer commandant in 1883. He found the force scattered around the east and west coast stations totally undisciplined, with arms of different types and six different uniforms. He tightened up their training and organization, but the force deteriorated again under a new commandant, Beeston, who was employed mainly in searching for gold. By the turn of the century, when twenty years of minor incidents had cured much of the inefficiency and established a tenuous tradition, the police numbered just on 300 men, mainly Sikhs. This was the entire armed strength of the territory.

Following the practice of the Federated Malay States the police force gradually ceased to employ men from North India, and turned more and more to the indigenous native. It had been held that he was quite unsuited for the service, whether the military aspect of pursuing rebels or slaves, or the civil duties round the polyglot wharves of Sandakan and Jesselton. Nevertheless confidence

in him increased. By 1918, when the force under the leadership of another thirty-year service man, Harrington, had reached belatedly its maximum number, 823, over half were Borneo men; and as the force was slowly reduced that proportion increased. The country from 1920 onwards was peaceful and law abiding year after year; throughout the thirties when Sarawak maintained a force of a thousand, with thousands more as a reserve, Sabah was policed by a little over 500 smart and well trained men, of whom, by 1940, 451 were natives of North Borneo.

These were years without incident; but not so those of the nineteenth century as the following pages will relate. Perhaps the first clash on a scale larger than a single amok was that in 1884 in which access to the caves at Gomanton was denied to Pryer. The caves were used (and are today) as nesting places by myriad hosts of birds. The nests are a prized Chinese delicacy, and are not unpleasing to the Western palate. The chief controlling the path to them refused to allow them to be collected unless his exorbitant demands were met. After repeated discussions Pryer and De Fontaine with his small police detachment were fired on, and in returning the fire the chief, Pengeran Samah, was killed. Law and order replaced the chief's unchecked misuse of independent power, and the collection and export of birds' nests has continued to this day, to the profit of all concerned.

A larger but painless expedition occurred on the west coast the following year, when De Fontaine took forty-four police up to the headwaters of the Kimanis River, inland from the site of vanished 'Ellena'. They slogged on laboriously for six days, their destination being a small collection of attap huts proudly called Puroh, where a murder had occurred. By the time the police arrived the murderers had fled. The huts were destroyed and the force tramped back again. No one had been killed, but it had been a valuable exercise for the untried police.

The long days of marching, the discomforts, the failure to make any arrests and final lack of incident typify many such fruitless police actions; the nineteenth century version of sweeps against the Malayan Communists. But one punitive expedition undertaken in 1885 in an attempt to catch Kandurong, a cattle thief, suddenly flared up when rather foolishly De Fontaine brusquely demanded carriers from a kampong on the Kawang that had only just been acquired by the Company. There was much intrigue over this

river, and Pengeran Raup, a rival to the former owner, still maintained it was his. Backed by Charles Brooke his influence was still felt, and without a doubt it was a delicate situation. No Bajau likes long treks on foot, nor is he eager to carry the loads of others, even though he is paid for it. De Fontaine and Fraser, the government doctor, and two of the police were suddenly killed. This reverse was not the sign for any rising; on the contrary, those concerned had been buffalo thieves with little support. A British gunboat burnt the village and the river people received more sympathetic treatment. Kandurong, following another unsuccessful expedition in 1888, swore obedience to the government.

The years 1888–9 were energetic years for the police. Apart from the expedition after Kandurong into the interior across the recently named Crocker Range, there was the Padas-Damit war, in which forty-two of the enemy and seven police were killed in four desultory months of warfare that strained the slender funds of the Company to the limit; there was a sudden massacre of over fifty Dyaks near the southern border by a thousand Muruts, which entailed two engagements by the police and the destruction of two Dusun kampongs before peace was restored by the swearing of oaths and sacrifices around a ceremonial stone; and shortly after that there was need for an expedition against the Muruts behind Padas.

In 1891 there took place in the far interior a most bloody massacre, apparently a private revenge, now decently obscured by time. Raffles Flint, another of the small group of pioneers who lived in North Borneo for thirty years or more, led a band of Dyak police after the natives who had killed his brother. They lay in wait outside a longhouse on the Kalabakan river near or over the Dutch border. As the morning mist rose they killed between 110 and 130 people, men, women and children, without loss to themselves. Flint, who was described by a fellow officer as a most generous and benevolent host,[1] and who figures in the Governors' reports as both pompous and inefficient, here seems to have been panicked into the role of murderer. It was not an action worthy of his great ancestor, Stamford Raffles.

With the eighteen-nineties we reach the climax of police activity and the largest rebellion of them all, that of Mat Salleh. Owen Rutter has written of this in a most thorough manner,[2] but only

[1] C. Bruce, *Twenty Years in Borneo* (London, 1924), pp. 14–15.
[2] O. Rutter, *British North Borneo* (London, 1922), pp. 188–213.

from a study of published material which in some instances is either inaccurate or insufficient. The original sources reflect little credit on the government, which handled the affair in a weak and vacillating manner. The people concerned in the administration were Beaufort, the most incompetent Governor North Borneo ever acquired, and who, in the manner of nonentities, had a town named after him; Cook, for a time the acting head of the government and who like Raffles Flint had lived too long in North Borneo, and had become arrogant, petty and credulous; and Cowie.

Mat Salleh himself was a tall pockmarked man of mixed Sulu and Bajau blood who lived as lord of a small village up the Sugut river on the east coast. He was a commanding personality, independent, proud and fiery, imbued with the warlike and colourful characteristics of his ancestors. He was married to a relative of the Sultan of Sulu, who was widely held to be a witch; she never set foot on earth, but was carried everywhere. She and her associates were strong influences. They all distrusted western authority, a distrust that became in time a blind dislike.

In many other parts of Asia the reaction of the East against the intense influence of Europe was manifested at this time. Its domination was challenged in the rapidly developing Malay States; Tonking resisted the French until 1897, and a long drawn out fight against the Dutch in North Sumatra was continued into the twentieth century, the early years of which were to see the Filippinos lose and the Japanese succeed in a struggle against the west, the latter stimulating by her victory all the stirrings of nationalism that were permeating the East. In a blind inchoate way, these stirrings in Asia found expression in North Borneo in Mat Salleh.

The revolt of Mat (Mohamed) Salleh began late in 1894. Two Dyak traders who with much temerity had penetrated to the headwaters of the Sugut were murdered. There is no information as to the rights and wrongs of the case, for Mat Salleh, at whose kampong the murders had occurred, cautiously refused to meet the Dyak police sent from the coast to investigate unless his men remained armed. He subsequently dropped down river, however, and swore obedience to the government on the Koran. He was then ignored.

The river remained unpoliced, and Salleh began to entertain thoughts of greater power. A discerning government would have

incorporated him in the administration; it began instead to harass him with minor complaints. He had passed a police post near the river mouth without stopping; he could not produce two robbers who had fled upstream; various other complaints were lodged against him. The obvious step, the establishment of a government post at the Sugut headwaters, was not considered, and Salleh was left alone in his glory.

Irked by these irritants Salleh in August 1895 came downstream and then along the coast to Sandakan, there to lay his grievances before either the Governor or Pryer, long known to be an understanding friend of the natives. Neither was there, and when he was reported at the harbour mouth at the head of a large armed following, the town was terrified. Cook, the Treasurer who was in control, noted in his diary the wildest rumours of his strength, while Salleh, anchoring at the point, sent in a petition of grievances from ten headmen of the Sugut.

Salleh was told by letter to go home; that he had committed a crime by coming armed, and that the correct procedure was to forward his grievances to the District Officer, not the Governor. He waited peaceably at Buli Sim Sim near a deserted Sandakan for four days, saw no European, received no reply to his complaints, no answer to his letter. Cook sheltered behind his police kept in hasty defence at their headquarters, and stayed well away from Salleh. When a native brought news that he had sailed Cook waited a cautious ten days and then, when the Governor arrived, sent a timid detachment of police to pursue Mat Salleh and to burn his small village of five huts to the ground.

From the fastnesses of the Sugut headwaters Salleh wrote asking why he had been attacked, and stating that if the matter was left in the hands of Pryer he would return to Sandakan. Pryer by this time had left the Company, and was living as a planter. Never a friend of Cook's, he had clashed already with Beaufort, the lawyer whom Cowie had hoisted into the Governor's chair. Salleh's request was ignored, and after several blundering attempts had failed to find him in July 1896 he was declared an outlaw. Raffles Flint set off to capture him. Not surprisingly, as the Company had almost entirely neglected the river, Flint could not secure the support of one local chief. Most of his men were ambushed, and in panic he fled back to Sandakan. Equally alarmed, Sandakan refused him its machine gun, and the commandant

was sent back up the river. He built himself a large fort only a little way upstream, which Salleh sailed past on his way downstream, afterwards retiring up the Labuk. Flint asked for gunboats; the Directors asked the War Office for artillery; and Salleh was told all would be forgiven if he allowed himself to be banished.

His reply was delayed, but swift and unexpected. In July 1897 he sacked Gaya. He encountered little resistance, and the settlement on the island off the west coast, the Penang of Borneo, was thoroughly looted and burnt. Only the small Bajau village, whose inhabitants had helped him, was spared. As the news of this skilful and audacious raid was reaching other west coast stations, Salleh vanished up the Inanam River, his childhood home. This, like Mengkabong, was still under Brunei control, and its Bajaus had comprised his striking force.

The whole of the west coast was alarmed at this attack. The burning sheds, shops and offices of Gaya had been visible to a long length of coastline. Viciously the Company struck back. A force from Labuan and Kudat swept up the Inanam and Mengkabong rivers destroying every village and all the rice crops. Claims were instituted against the Sultan of Brunei for the destruction of Gaya, while Salleh, after months of conjecture had placed him almost everywhere in North Borneo except in Government House, endeavoured in November to capture Ambong. Here a warning saved the village but not the Residency, which after a pre-dawn battle was burnt to the ground by the hundred-odd Tempasuk Bajaus, Suluks, and Dusuns serving Salleh. He then fled into the remote interior, where at Ranau his men were building a powerful fort.

It was this predilection for seeking refuge not in the fastnesses of the jungle but in fortified posts where all manoeuvrability was lost that spelt the ruin of Salleh. It was a strange choice, shared oddly enough with most of the other rebels in North Borneo. Painstakingly a force followed him, winding upward from the Tempasuk around the slopes of Kinabalu and then sliding down into the interior valley. At every stage it could have been harassed or ambushed, but its journey was uneventful. Then came disaster. The fort was charged and an English officer with six Dyak police were shot down in an unavailing effort to force an entry. Fifteen others were to die later.

Charles Brooke of Sarawak caused further trouble by ordering all Dyaks in North Borneo to return to Sarawak or be proclaimed

outlaws. Practically all of them were serving in the police, and this incitement to them to desert at a critical moment did little to improve relations between the two States. To point the contrast the Royal Navy sent several gunboats. These bombarded a recalcitrant village as the police of the Company captured Ranau, destroying many of Mat Salleh's followers in the process. The fort, which had taken two years to build, had stone walls 8 feet thick and was more powerful than most of the bunkers in which the Japanese defended their Pacific conquests in the 1941–5 war. It was pulled to the ground.

The destruction of the Ranau fort and the presence of the British gunboats decided the west coast natives. They began settling down again, like pigeons coming back to roost after a disturbance. Delayed poll-tax was handed in, and a round of oaths of allegiance began. Salleh in the interior had lost much of his Sulu and Bajau support, and was attracting no one but criminals and wild men. Cowie, who had arrived from England as Managing Director, summoned a council meeting in January 1898 which decided unanimously to pursue Salleh with vigour.

Cowie was convinced, however, that Salleh could be handled peaceably. He felt that he knew the territory better than any of the local administrators, a not uncommon attitude in London, and he decided on a dramatic *volte-face*. Going behind the council he offered Mat Salleh a complete pardon and a cessation of hostilities if he would swear obedience. Cowie used his old business partner, the Sultan of Sulu, as a go-between, inducing the Sultan to write urging Salleh to surrender. The Sultan also wrote secretly from Mecca, urging Salleh to continue fighting, so deep are the friendships of business. Cowie had his way, and in April the two met. Cowie, consciously Rhodes-like, was alone and unarmed; Mat Salleh, wearing a gold cap, a green tunic and embroidered Sulu trousers with a red waist band, was accompanied by several hundred armed men, many of them new followers scenting a change of fortune.

Cowie promised Salleh a complete pardon for himself and all his followers. He was told he could have the Tambunan valley in the interior, and that the government would delegate its authority over the people there to him, and would not trouble him. This was extremely generous of Cowie, for the Chartered Company had penetrated into the remote valley only twice, for a

fleeting moment, and had never exercised any authority there at all. Only Witti, the early explorer in his unauthorized trek, and later a roaming District Officer had passed through, both very quickly to save their lives from the Dusuns. The occasional message from the Dusuns always stated in an unequivocal manner that if the government left them alone they would do likewise; but if invaded they would resist. That remained the position in 1898. This valley and these people were now offered to Salleh. He accepted, and later while moving inland signed a written agreement.

Then it seems a rather clumsy double-cross was attempted. The verbal agreement granted a complete pardon to every follower; the written excluded the large number of escaped prisoners who were serving with Salleh. Cowie blamed Beaufort for the difference, Beaufort condemned Cowie for the Tambunan deal. Rumours from the jungle said that Salleh considered the verbal agreement as binding as the written one, but Cowie wired London misleadingly that Salleh had revoked a large portion of the terms (which he had not), and the Court ordered a resumption of hostilities. Cowie was pledged to peace, however. He told London that Salleh had understood the verbal agreement to mean that his convict followers had been pardoned, and the Court again ordered a resumption of hostilities. Further cables led to a complete estrangement between the two. Cowie, still asking for authority to grant what he had already promised, and determined on a peaceful settlement, was unable to make himself understood. He was told to hand over his authority to Beaufort. He had previously wired that he had no confidence in the Governor, and he now said he had been betrayed and must resign. He left immediately for England.

In Singapore the Mat Salleh troubles were discussed by Swettenham the High Commissioner, the Resident General (W. H. Treacher), and the senior Naval officers. Cowie was urged to return to Borneo. Cowie, however, sped back to London where he regained the confidence of the Court, while in Borneo Beaufort maintained a precarious peace, despite the previous orders from the Directors. He was, however, blamed most unjustly by Cowie for the wave of resignations that swept the provinces of the west coast. Hewett, the Resident, Reddie, the Police Commandant, Ormsby, the District Officer of north Keppel, who had beaten off the night attack on Ambong, and Wise, another officer, all re-

signed. They all shared the view of Ormsby, who wrote to the Governor in June 1898, saying he could not support Cowie's policy 'of sacrificing the interests and risking the lives of the loyal natives in order to propitiate the disloyal ones',[1] while Hewett maintained that Cowie had raised a hunted outlaw to the position of a powerful chief with the whole territory at his mercy.

In the Tambunan valley Mat Salleh was the focus of attraction for all the bad hats in the country. With forced labour he began building another fort, more powerful than that previously at Ranau. He lived with his followers among the Tegaas Dusuns, at the upper end of the valley, and soon began raiding and molesting the Tambunan Dusuns in the south. With Salleh breaking their old jars and taking their rice their dislike of the European abated, and early in 1899 they asked Fraser, the nearest District Officer at Keningau to protect them. The Governor visited them in January, his first visit to the interior, and decided to establish a post in the valley.

By this act the government broke the bond it had made with Salleh (despicable though that had been), to give him the Tambunan Valley. At least this was the opinion of Swettenham, who held that it was but a justifiable protest by Salleh when he declared that, as the Company were taking Tambunan from him he would take Sandakan and Labuan. Fraser, working with great tact and skill, induced the Tegaas and Tambunans to swear peace, but as Salleh's powerful fort neared completion and he himself remained alone and isolated in the valley there were repeated incidents, and pressure began to increase.

Cowie in London now threw in his hand. His much vaunted local knowledge which had impressed if not the administrators, at least the shareholders, had been gained from the deck of a steamer, and was only made impressive by his courage and determination. In fact he knew nothing of the interior, and he weakly washed his hands of the affair. He tried bribing Salleh with thirty silver dollars a month; then told the Governor that he could not understand why Salleh objected to the Tambunan post, and that he was to act on his own initiative. Salleh by the end of 1899 was dominating the valley; he had gone unopposed to the coast and collected arms and followers from the Lawas River, and was aiding the Inanam, Mengkabong and Menggatal rivers. The west coast was

[1]Ormsby to Governor, 21 June 1898.

again disturbed. He had four large forts built, with numerous fortified villages, and 1,000 Tegaas and 300 Bajaus to man them. Beaufort had resigned. Cook, again in charge, organized a powerful expedition. Again it was permitted to wind its laborious way into the interior, and painstakingly capture outposts and flanking positions, and finally attack the forts. Then, as a new century dawned, a chance shot by an almost desperate mountain gun was successful. Mat Salleh was killed.

Hugh Clifford the new Governor arrived on the scene shortly after. He shipped the widow back to Sulu, urged on the pursuit of Salleh's fleeing followers, and commended Fraser as a better District Officer than any in the Malay States; he felt sure he would pacify the area and administer it in a most efficient way. He then returned to the coast, and he subsequently embodied Mat Salleh in two novels as a doomed young Malay chief, dealing with his memory in a most sympathetic way.[1] Although it is over fifty years now since Salleh was killed, his memory is by no means forgotten. The natives around Mount Kinabalu still point to oath stones which they say were erected by Mat, and tell how their grandparents were made to swear a solemn oath not to take part in his apprehension in any way whatsoever.

Mat Salleh had attracted to him the most ruthless and desperate characters of North Borneo, and they proceeded to make trouble. Mat Salleh was killed in February 1900; in April Kudat was raided. The Resident there had heard that Mat Sator, Salleh's principal lieutenant, was advancing with 300 Bajaus, Lanuns and Dusuns, but took little action. The town was surprised, and inefficiency and negligence enabled the force to capture the magazine. The Company was saved a far more costly sacking than that inflicted on Gaya by the raiders themselves. Instead of falling on the naked town the natives contented themselves with carrying their magazine loot on to the front lawn. This alone saved Kudat from destruction. They were caught in a cross fire after being in undisputed possession of the magazine for over an hour. Mat Sator and two other leaders were killed, and the band withdrew. Kudat let them go, hearing with indifference sounds of the massacre of nearby Chinese smallholders.

[1] *Sally, A Study* (Edinburgh, 1904) and *Saleh, A Sequel* (Edinburgh, 1908). Mat Salleh's career was the subject of another novel, *The Golden Rain*, by Owen Rutter (London, 1928).

Clifford arrived on the scene with campaign-hardened Dyak police a few days later, horrified at the inefficiency in this sleepy hollow. He galvanized the panic stricken Kudat staff into action, discovered that the base of the peninsula, where columns of smoke told of burning villages, had not been visited for ten years, and on a surprise expedition later captured thirty of the raiders.

The years 1901 and 1902 were busy years for the police, as the remnants of Mat Salleh's gang raided and burned up and down the west coast. They were led by two notorious men, Kamunta and Langkap, who at one stage caused as much panic in Jesselton as in Kudat or Sandakan. Early in January 1901 when there were rumours that the rebels were nearby, all the Europeans gathered in one bungalow and despite the crush stayed there for several nights. Nothing happened, but the west coast continued to be swept by alarms and attacks.

By mid-1901 it was estimated that there were approximately fifty rebels responsible for the unrest. Vigorous police sweeps combined with the establishment of more European officers north of Jesselton slowly reduced the raids. The establishment of Kota Belud in particular, in the heart of the Bajau country, near the place where Pretyman had built Fort Arthur over twenty years before, was of decisive importance. By January 1902 the raiders had dropped to sixteen. Many had surrendered, including Santara, one of Salleh's fighting lieutenants, Timus and Sarah, both murderous outlaws, and seven more who had raided Gaya. The seven went to jail, the three were shot. In April Kamunta was hunted down at sea, and in a close-quarter fight four of his men were captured and three, including his wife, killed; he himself escaped. In May he surrendered. A tall strong Lanun with wild cruel eyes, he had been a ruthless murderer; Birch, the new Governor, was lenient with the followers, but Kamunta was shot by a firing squad. So too was Langkap the following year, by which time the rebellion was over.

Si Gunting, a Dusun of Mumus in Marudu Bay, who had been a rebel in the wild area around Kinabalu since 1894, but had never joined forces with Mat Salleh, was now hunted down with more vigour. Finally, after many brushes and escapes, but causing little damage, he surrendered in 1905. A slightly built and insignificant looking man, he was pardoned and ultimately installed as a government chief. He became a solid supporter of the government, like a reformed Boer commando, and lived to a ripe old age.

There were various minor outbreaks as civilization impinged on these primitive people. In Sulu there was a violent outburst against the Americans, who in their short tours of duty never learnt the language nor understood the people. The chief interpreter for them was Willi Schuck, a former member of Cowie's gun-running company. He saw over 1,000 Sulus rise in rebellion, and watched over 400 of them be killed or wounded. Their leader, Palla, had attempted the year before with a small band to raid Lahad Datu. Further up the coast, a headman, Musah, rounded on the police to save a relative, then sacked Paitan. He stayed in the wild north-east area, scorning all idea of a fort, and remained uncaptured although constantly pursued. Finally in 1913 both sides agreed to drop the whole affair.

There were other acts of lawlessness, many too minor to be mentioned. One that has become legendary concerns R. K. Hardwick, who had lived a life of incredible adventure and who had himself become a living legend by 1954. In 1908, hot on the trail of Musah, he was ordered to Tigabu Island, off the east coast, there to arrest a trouble-maker from the Philippines named Si Kisi who was terrorizing the inhabitants.

After a tense morning with a hostile or timid population Si Kisi came on board the government launch and surrendered. Hardwick sent him aft to a small schooner on tow, instructing his police to bind him securely. On board the schooner Si Kisi snatched a knife from a policeman whose throat he cut with one savage sweep. He bounded back on to the launch, and making for Hardwick in berserk rage, he killed a baby girl and a boy, and then slashed at the European, exposing his brain and toppling him unconscious down the open hatch.

Recovering, weak through excessive loss of blood and deserted by his crew, Hardwick's life was saved by a terrified Chinese stoker who hid among the stacks of wood fuel. Leaping down to administer the *coup de grace*, Si Kisi paused to slash at the stoker's protruding buttocks, giving Hardwick time to stagger up the ladder and over the side. Unnoticed by the murderer, he managed to reach the schooner, and secure a rifle.

The positions were now changed, and the hunted became the hunter. Hardwick re-boarded the launch, and by this time almost as berserk as Si Kisi, killed him. He narrates the ending. 'In my demented rage I turned on the corpse, hacked off his head and

hurled the body into the sea.'[1] With the head on the deck beside him as a trophy, he returned to Kudat in a state of collapse, rarely more than semi-conscious and mostly delirious, his ghastly wound wrapped in folds of native tobacco to stop the bleeding and to act as a disinfectant.

Further mischief in the early nineteen-hundreds by bands of Bajaus led to the transference of the redoubtable Fraser from the Interior to the East Coast Residency. He found that the Bajau settlements were too scattered to be adequately policed, and in 1909 he removed the sea villages of ill repute that were dispersed around Darvel Bay and concentrated them in the narrow straits, at 'Trusan Treacher' as it is called, near the Semporna police station. Under his supervision the truculent Bajaus and Moros moved, tardily but surely, into an area of control.

One of the more difficult tasks that the armed constabulary was called on to perform in the early decades of the twentieth century was the introduction of law and order into the sparsely inhabited and little known mountain tangle towards the Dutch border, which itself had only recently been delineated.

Sarawak headhunters had swept in there in 1908, collecting seventeen Murut heads. The Muruts were head hunting themselves, and it was decided to establish a post in the deep south, at Rundum. This area had been unknown before 1898, but Fraser had sent a patrol there the following year, and a district officer had been established at Tomani in 1907. Cowie supported the proposal, despite the financial loss, in the hope that it would stimulate the rail-head. Rundum, at least three laborious days' journey from Tenom, deep in a lonely valley surrounded by dense jungle, was opened in 1910. Maxwell-Hall, now living as a South-east Asian squire outside Jesselton, and whose books are noted in the bibliography, was the first District Officer. Closer contact was thus obtained with the scattered Murut longhouses on their ridges, and slaving and headhunting were curbed, to the great annoyance of the inhabitants.

This annoyance found vent in the 1915 revolt. An earlier flare-up, in 1909, had been extinguished before it could spread, by the arrest of Linggam, the ringleader, just as he was about to join forces with another powerful leader, Melayak, who was killed. This swift piece of work had been the accomplishment of G.

[1]*Sunday Times* (Singapore), 12 October 1952.

Woolley, brother of the great archaeologist, and brought a letter of praise from London. Previously he had been criticized by the Court, both for stressing reports of a Murut combination, when the Court knew that the Muruts, suspicious of any association, never combined, and for his frequent inclusion of Malay words or phrases in his reports, words which only Cowie knew, and then, when checked for that, for occasionally quoting a Greek tag, which confused them all.

Woolley, however, knew his Muruts, and there was no trouble until after his departure. By 1915 Rundum had been found too isolated, both from civilization and from the natives. Unknown to the government, the Muruts, who for centuries had lived their self-sufficient lives hostile to every one, were slowly combining against this strong outside pressure which was effecting a complete reversal of their lawless customs. Slowly resentment and determination built up, encouraged by an exceptional leader, Antanum, who managed to visit villages and areas always mutually hostile before. Then, when the omens were favourable, the storm broke.

Baboneau, the District Officer, was ambushed as he was in the process of shifting his quarters from Rundum to Pensiangan, the proposed new post. Although one of his party was killed, he escaped and reached Pensiangan where he had established a small police detachment; he then made a most hazardous retreat to Rundum. The whole countryside had risen in a sudden and inexplicable way.

The rebels cut the newly laid telegraph wire, but not before he had informed Tenom of his plight. As aid set out Rundum was attacked by 1,000 screaming Muruts, while captured policemen were being tortured to death. Many of the enemy were armed with blowpipes, spears or useless muzzle-loaders, as the Chartered Company after many years of agitation had secured a ban on the sale of arms in Brunei. Nevertheless the situation was desperate, and relief came just time to save Baboneau's life.

Fleeing from the police force that had marched to the rescue the Muruts took refuge in a powerful fort at Selangit on the Tagol river. A strange habit this, to hole up, a habit that made it much easier for the police than if they had been forced to deal with nomadic wanderers flitting through the jungle. The fort could not be stormed, but the mountain gun killed the leaders including Antanum the controller, who had induced Muruts to combine from

areas as far removed from one another as Dutch Borneo, Tenom and Keningau. A strange man with strange powers, on his death the Muruts broke up, but not before Pensiangan had been burnt, and Mesopo attacked.

The situation never again became threatening, although there were delicate and patient years of negotiations ahead, in which Morrell, the District Officer, cut the throats of innumerable hens and swore innumerable oaths as each individual Murut household was induced to live in peace and settle down in its former haunts. No reprisals were exacted for the rising, no harsh measures were meted out; Pensiangan became the administrative centre in 1917, and one of the excellent bridle paths built by the Company connected it to Melalap, the rail head. Rundum was abandoned in 1920, and the scene of the moonlight attack by 1,000 howling savages is peaceful and hardly visited today. Some of the Rundum leaders were exiled to Kudat. When they returned ten years later they were men of importance. Ten or more friends were needed to carry their luggage, and they were loud in their praises of the government. Few of their fellow tribesmen ever crossed the coastal range however; they remained in the interior, a primitive dying people.

On the east coast too incidents of revolt were rare after 1910, for although rebellion lost none of its charm, it lost a considerable amount of its excitement. Yet typically enough Chartered Company occupation of North Borneo ended with an incident in 1941 at Tungku, the very place where Pryer had smashed the pirate stronghold in the beginning. Here Anggaris, an Illanun, had refused to answer a summons from the native court. Word reached the assistant District Officer along the coast at Lahad Datu, W. K. C. Wookey, and he set off to support the local authority. Anggaris was under the influence of his brother Andamun, another lawless character, and the two of them sold all their belongings, ignored their wives and children and indulged in an orgy of drinking, dancing, and gong-beating until the police arrived.

Wookey and Edge, a police officer from Sandakan, met Andamun, Anggaris and seven others on the beach near Tungku. For two hours in the hot afternoon they argued, endeavouring without force to induce them to surrender and obey the summons of the native court. Tungku was deserted, its inhabitants scattered in the jungle. Andamun kept urging his followers to resist. As darkness

approached Wookey realized that they must be arrested, as they showed no signs of submission. He subsequently reported 'I had my revolver behind my back by the barrel with the intention of knocking Andamun on the head. I was standing about a foot from him. Andamun held a barong (a large chopping blade) in his right hand and a dagger in his left, which he held behind his head.' Nearby Edge faced Anggaris in a similar attitude. At a cry the four struck simultaneously. 'I tried to strike him on the head while he raised his barong and slashed me. Their followers rushed forward as I fell and the police immediately opened fire.'[1] The well-aimed volley killed six, including Anggaris and Andamun, thus saving the fallen Wookey's life. Two followers escaped, but surrendered. The disturbance, which was due chiefly to a long-standing feud between the brothers and the native chief, ended. Only the wailing wives remained. Wookey and Edge recovered from their wounds in Sandakan in time to witness the Japanese occupation.

This chapter has concerned itself with rebellion and unrest to the exclusion of everything else. It is an unbalanced picture if the reader does not remember that all the time over the greater part of the territory, even at the worst moments of Mat Salleh or in the mad month of the Muruts, peaceful administration by young European and Asian officers was being carried on. Add up all the incidents, and the history of the Chartered Company is still a peaceful record, and a proud example of sympathetic government. There are virtues in poverty, as both Sarawak and North Borneo have shown. It makes certain that grievances will be remedied. After the Rundum rebellion, years of peaceful rule created a climate of opinion in which revolt seemed more and more out of the question, and produced, both among the indigenous races and the Chinese, a satisfied and contented people. In the light of present-day conditions in South-east Asia this achievement of the Chartered Company should not be belittled, and may well be envied.

[1] W. K. C. Wookey (assistant District Officer, Lahad Datu), to Resident, West Coast, 9 June 1941.

CHAPTER TWELVE

1941–1946

LEGALLY the administration of the Chartered Company ended in 1946, but in fact it ceased to govern the territory after the Japanese invasion, and the narrative of its rule closes then. Yet although the period between is obscure historically, it is lightened by vivid flashes of heroism or anguish that deserve to be chronicled and which should not be ignored.

In pre-war North Borneo, as in Malaya and the Dutch East Indies, the general order of things politically, economically, and socially, seemed eminently satisfactory to those in control. The only cloud on the horizon, the growing power of Japan, was not particularly disturbing. If the Japanese invaded South-east Asia, many thought that there might be a naval war fought in the China Sea, and that Jesselton, Labuan and perhaps Sandakan might be raided by detached cruisers. Even after the collapse of France and the lack of pressure from China, although initial setbacks were considered possible in North Borneo, perhaps even occupation for six months or so and a possible invasion of Malaya, it was accepted that the British Navy ultimately would defeat the Japanese fleet and that would be that. The fall of Singapore was a possibility not considered.

Its fall was assured from the start, however, owing to the great naval preponderance of Japan, a preponderance she was never called on to use. Aircraft carriers, battleships, heavy cruisers, Japan had them all, and with them dictated the strategy of her attack. She regarded the invasion as one gigantic plan, whereas she had against her powers who looked—until too late—merely to the defence of their section of the circumference.[1]

The deep-rooted assumption of superiority held by the pre-war European, in North Borneo as elsewhere in South-east Asia, was so contrary to all the facts that it is hard to grasp the mental

[1] S. W. Roskill, *The War at Sea* (*History of the Second World War*. United Kingdom Military Series, Vol. 1, London, 1954), p. 560.

climate which produced it. Yet it was unquestioned. Even with the weakness on one side, and the experienced strength on the other glaringly obvious, there was this almost general air of complacency. In North Borneo for example, as the situation in the East became threatening, no order was ever made for the evacuation of women and children, not even when in late 1940 the north of Indo-China was occupied, nor when a little later, the commander-in-chief in the Far East informed the Governor that his territory could not be defended.[1] Indifferently the rabbit gazed at the snake, and knew not that he was a rabbit.

In July 1941 the Japanese moved several hundred miles further into South-east Asia by occupying without incident south Indo-China. They were now a short sea voyage from Malaya and the islands, and fleet operations could be undertaken against the whole unco-ordinated area. The vast Japanese Navy was mobilized, and the British and American governments froze all Japanese assets in their countries, thus denying them the ability to purchase rubber, oil and scrap iron. In North Borneo the Japanese, note books well filled with photos, facts and maps, left for home on temporary visits. By November Japanese aircraft were flying high over Malaya and the Sarawak oil fields, and their ships and soldiers were massing in Indo-China and Formosa.

On 6 December the expected invasion fleet for Malaya was sighted, and troops landed in Kelantan next evening. This was a Sunday, and across the Pacific a dramatic strike at Pearl Harbour by a mighty carrier force had eliminated the major elements of the one navy that might have saved Malaya and North Borneo. Landings had begun in the Philippines too, and were swiftly completed. Borneo was invaded on 17 December. An uncertain and temporizing Sarawak neither defended nor destroyed her oil installations at Miri, and they fell an easy prize to a Japanese force of 2,500 troops protected by a carrier, a battleship, three cruisers and four destroyers.[2]

Just as Britain once had occupied western Borneo in order to protect the flank of her China Sea, the same strategy dictated that the Japanese should do likewise, and North Borneo and Sarawak were occupied incidentally to the main onrush of conquest. The

[1] A. E. Percival, *The War in Malaya* (London, 1949), p. 63.

[2] S. E. Morison, *History of the United States Naval Operations in World War II*, Vol. III, p. 191.

STATE OF SABAH
1963
MILES
0
50
ROADS
RAILWAYS
P. BALEMBANGAN
PULAU BANGGI
KUDAT
P. MANTANANI BESAR
P. USUKAN
KOTA BELUD
WEST COAST RESIDENCY
P. MENGALUM
TUARAN
P. GAYA
JESSELTON
PENAMPANG
PUTATAN
PAPAR
KUALA PENYU
PULAU LABUAN
VICTORIA
BEAUFORT
WESTON
SIPITANG
KENINGAU
TENOM
TAMBUNAN
INTERIOR RESIDENCY
TOMANI
SAPULUT
PENSIANGAN
SANDAKAN
SANDAKAN RESIDENCY
LABUK BAY
BELURAN
LAHAD DATU
TAWAU RESIDENCY
TAWAU
PULAU SEBATIK
KUNAK
DARVEL BAY
KENNEDY BAY
SEMPORNA
BRUNEI
SARAWAK
KALIMANTAN

Japanese arrived at Labuan on 1 January, securing the sheltered harbour without loss. Already they had leap-frogged down the Philippines to secure Jolo in the Sulu Islands on the other side of the territory on 25 December. By 6 January Jesselton had been occupied, some troops coming in the back way, having landed at Weston and arriving from Beaufort by rail; and by 19 January, a flotilla of small landing barges had bucked through a monsoon storm to occupy Sandakan. On 15 February Singapore fell, and the imprisoned people of North Borneo sank to the depths of depression.

As part of a long prepared plan, part of the over-all project for the occupation of its Greater East Asian area, the territory was divided by the Japanese military commander into two administrative areas, Seikai Shiu and Tokai Shiu. The former comprised the previous West Coast and Interior Residencies, and the latter was the old East Coast Residency. But whereas the Company had controlled the territory from the coast, and with instinctive British concentration on sea-borne trade had developed the ports while neglecting the interior, the Japanese moved in strength inland, and controlled the area from the centre.

The Japanese occupation force numbered 25,000 men. Its main centres were at Ranau and Pensiangan, one sheltering behind the bluffs of Kinabalu and the other in the deep interior of the far south. These two bases were connected by another at Keningau, centrally situated. Here and at Ranau air strips were built by forced labour, which also constructed new tracks, bringing Ranau closer to the west coast area of Jesselton, and connecting it, via the Labuk River, with Sandakan in the east. Pensiangan developed connexions with Tawau and Tarakan, troops being ferried down the Sembakong River.

The occupation of the territory had been effected through a well-laid plan. But once the former administrators had been transferred from Berhala Island to the prisoner of war camps at Kuching, the government of North Borneo worked on no plan at all. The Japanese had no long-range conception of what they should do, and they quickly earned the hatred of the Chinese and the other peoples, who had regarded their arrival with impotent dislike, by their plundering, looting, cruelty and general maladministration.

There was widespread conscription of women for prostitution

and a regimentation of men and women for labour. The collection of foodstuffs and other commodities was severe, and a poll-tax of six dollars per head was levied, as well as other fines and penalties. Exports and imports were negligible, and were controlled, by 1943, by a few newly established Japanese firms. All departments of government became at best inefficient, and were usually inoperative. The health and livelihood of the people grew steadily worse as civilization slowly slipped from North Borneo.

In Malaya the first and most important opposition to the new occupying power came from the Malayan Communist Party. The M.C.P. was composed almost entirely of young Chinese and they had taken to the jungles as the country was overrun, to preserve and even enlarge their organization under the terrible conditions there imposed. In North Borneo there had never existed a Chinese communist party, for on the first sign of hostility to the existing order the young rebel and the books he read had been shipped back to China. By this method all forms of revolutionary propaganda had been eliminated from the territory.

As in Malaya, the first signs of dissatisfaction came from the Chinese. Their shops had been looted, their trade had been eliminated, their women had been raped or appropriated. As 1942 gave place to 1943, the news of American naval successes in the Coral Sea and Midway replaced the tale of British retreats, the Chinese became more and more restive. In the Philippines groups of guerrillas, stirred by General MacArthur's slogan of 'I will return' had organized resistance throughout the area, from the northernmost tip of Luzon to as far south as Tawi Tawi, where agents reported on the still massive numbers of the Japanese fleet that anchored in that erstwhile pirate haven. These guerrillas, controlled by the Americans, had established a ship reporting agent near Sandakan, and many were the sinkings in the Sulu and Celebes Seas by Australia based submarines as a result.

In 1943 these guerrilla agents for the United States forces extended their influence to the west coast of North Borneo, where their representative, a Sulu Iman or priest named Marajukim contacted Albert Kwok Fen Nam.[1] Kwok was a young Chinese from Sarawak who had settled in Jesselton only a few years previously after a Shanghai education and Red Cross work among his

[1] For details of Kwok and his 'Double Tenth' revolt, see Maxwell-Hall, *Kinabalu Guerrillas* (Kuching, 1949, reprinted 1963).

people there. With the Imam he sailed for the Sulu Islands and worked actively against the Japanese under the Filipino leader Alezandro Suarez. He returned to Jesselton without incident in a small prahu, and there formed his own force, the Oversea Chinese Defence Association. Headquarters were at the house of a friend, Lee Khum Fah, in Menggatal, near Jesselton. Here a cadre of food and arms was hidden, some $11,000 collected and a force of 200 men enrolled.

Kwok was able to maintain contact with the Sulu Islanders peering anxiously south-eastwards in the direction of the on-coming Americans and Australians, and in the later half of 1943 with Colonel F. G. L. Chester, a former west coast planter, whose remarkably bold landings and investigations in North Borneo like those of N. Combe and R. K. Hardwick a little later, have yet to be published. Chester managed to get word to Kwok not to do anything in the nature of a rising, that his task lay in collecting and despatching information, and that it would be another year before North Borneo was liberated.

Kwok, however, was unable to restrain his plans or his followers in the face of ever increasing cruelty and abuses by the Japanese. The country was in a parlous state, with conditions constantly growing worse. Kwok heard that the occupying force planned to conscript 3,000 able bodied Chinese males for heavy labour, and also to undertake a further levy of Chinese girls. He decided to strike. From his headquarters in Menggatal orders went out to the villages of Inanan, Tuaran and Talibong for a converging attack on Jesselton on the night of 9 October, the night preceding the Chinese National Day of 10 October, or 'The Double Tenth' as it is called.

The land attack of 100 Chinese, many armed only with a parang, was supported by a sea force organized by Orang Tuah Panglima Ali of the Sulu Islands. A flotilla of Bajaus and other islanders landed at the sea wall by the market, the traditional place of anchorage, and rushed into the town simultaneously with Kwok's men. Completely surprised, all the Japanese between Jesselton and Tuaran, numbering some fifty in all, were killed. Jesselton was free.

Japanese retribution was swift and savage. From the well-manned interior stations planes bombed and machine gunned the coastal villages, and powerful units reoccupied Jesselton. The

Chinese and native supporters, amongst whom had been Musah, the old rebel, lost heart for the hopeless cause. An unsuccessful attack by the Mount Kinabalu Salvation Guerrilla Band (as Kwok's force was now called) on Kota Belud gained no new recruits. Kwok and a dwindling, dispirited group of followers clung to the coast, hiding near Penampang and hoping for help from Sulu as whole villages were burnt by the frightened Japanese, and innocent people were tortured to death.

Kwok surrendered on 19 December, hoping that his death would cease the blood bath. Ten days later a consignment of arms and men arrived from Tawi Tawi, and returned without landing. Kwok and 175 others, the great majority unconnected with the affair, were decapitated on 21 January 1944 at Petagas. A further 131 were transported to Labuan, where all but nine died before the liberation.

Despite this wholesale repression the spirit of the Chinese and the sea natives was not broken. A second revolt was planned for 13 April 1944. Some one was a traitor; the evening before the rising all the leaders were arrested and summarily executed. There was no outbreak. Retribution on the islands, where the Japanese believed most of the malcontents to be, was catastrophic. On Suluk Island every male was killed, so too on Danawan. The Mantanini Islands were completely depopulated. Along the west coast too there were mass executions. Some 16 per cent of the west coast population was killed or died in this period.[1]

While this most bloody and horrible scene was being enacted on the west coast a further tragedy was preparing in the east. Here at Sandakan 2,000 Australian soldiers who had been captured in Singapore had been engaged on airfield construction; 1,500 had been there since June 1942, while the remainder had joined them in April 1943. The work was hard, the hours long, the food inadequate and the treatment harsh.[2]

In August 1943, after the escape of seven Australians, including Lieutenant Blow, who stayed on to fight in the Philippines, the Japanese discovered several wireless sets in the camp, and suspecting a plot removed all officers to Kuching. Only two chaplains,

[1] J. Maxwell-Hall, *The Japanese Occupation* (Appendix G, North Borneo, A Report on the Census of Population held on 4 June 1951), pp. 233–7.

[2] For details, see L. Wigmore, *The Japanese Thrust* (Australia in the War of 1939–1945, Vol. IV), Canberra, 1957, pp. 593–604; see also K. G. Tregonning, *North Borneo*, ch. 1.

three doctors and one or two others, too ill to move, remained. This step caused the breakdown of an elaborate intelligence organization in Sandakan which had worked the wireless, disseminated news, and had endeavoured to set up an escape organization with the help of loyal Chinese and Bajaus in the area.

With the removal of the officers conditions greatly deteriorated. The rations were reduced, and by September 1944 over 200 men, suffering from malaria and dysentery, and weakened by exhaustion and starvation, had died. Work on the airfield began to taper off, and by 10 January the strip had been constructed. By this time the Americans and Australians under MacArthur had leap-frogged to Morotai; North Borneo seemed the next step, as reconnaissance planes appeared overhead and agents of the Special Reconnaissance Department became active.

The Japanese began moving their prisoners inland, to Ranau. Already weak, ill and starved, the Australians stumbled into the jungle in two groups. One, towards the end of January, consisted of 870 men; 536 followed on 29 May 1945. If officialdom had shown a little imagination these men could have been saved. The Allies were well aware, from reports by Chester, Hardwick and others, that the Japanese in Sandakan were few in number and poor in quality. A rescue raid would have presented few difficulties. But Sandakan presented no tactical or strategic prize and so was ignored, while the plans rolled forward for the landings, in early June, of a massive force in Brunei Bay, on the other side of the island.

The prisoners, apart from the 292 grievously ill who had been left in Sandakan, where they all died, were marched across to the Labuk River, upstream, then faced with the new track to Ranau. It is a terribly difficult route even for the fittest; to the Australians it was a death march. Everything was against them, the mud and jungle, the back-breaking slopes, the rain, the absence of all shelter, the lack of food and medicine, and as they penetrated ever further into the interior, the rifle butts and bayonets of the Japanese. No one who fell was left lying alive. A few reached Ranau, there to die as the Japanese set them to perform superhuman tasks on the newly constructed airstrip. Of the 2,000 Australian prisoners who had been sent to Sandakan, only six survived to see the liberation. These had all escaped either from Ranau, or on the march from the coast.

On the east coast resistance was revived in the few months before invasion. In the strategically valuable Brunei Bay area which MacArthur was planning to seize, paratroopers and special agents went ahead to prepare the way. They were assisted by local men, stalwarts such as Mohamed Yassin, the headman of Sipitang, who organized a mixed force of Chinese and natives which operated successfully against the coastal Japanese in the area, and Diow Siu Gong of Merepok. The main drive, however, came from men such as Combe, Harrisson and Hardwick, all of whom returned to Borneo after the war.

North Borneo was finally liberated from her torment by a Brigade of the Australian 9th Division, whose shoulder flash ('T' for Tobruk) became part of the post-war flag of a grateful country. On 10 June 1945, they landed on Labuan under the personal supervision of MacArthur and the protecting guns of the United States 7th fleet. A new landing on 19 June seized Weston. Moving up the railway perhaps the last Victoria Cross of the war was won by a raw-boned Australian from Kalgoolie (Private T. Starcevitch) in a fierce little interlude with some despairing machine gun posts. Jesselton was entered on 28 September, and Sandakan on 19 October. Both towns had been obliterated by Allied bombing. Only one building survived in Jesselton, in Sandakan none. There was nothing but a ghastly shambles.

When the war ended there were 21,000 Japanese troops in North Borneo. The very great majority of them were in the interior. Instructions were sent to them to pile their arms and then march to Beaufort, to the prisoner of war cages being prepared for them. This resulted in one final death march. The 6,000 Japanese in Pensiangan duly heaped their weapons and set off on the long trek northwards. Along the 150 mile route the oppressed Muruts waited to exact a long contemplated retribution. Only some scattered and terrified hundreds reached safety, as old head hunting ceremonies were revived in the interior villages.[1]

Behind the Australian troops there moved in a Civil Affairs unit, commanded by Brigadier C. F. C. Macaskie, who in pre-war days had held almost every important post in the government. He was the highest ranking Chartered Company employee in freedom, Smith the Governor having been taken prisoner. With him was

[1] I. H. N. Evans, *The Religion of the Tempasuk Dusuns of North Borneo* (Cambridge, 1953), p. 304.

Maxwell-Hall, a retired Judicial Commissioner, who then presided over the earliest and perhaps the bloodiest war crimes' court of the war. They were assisted by a motley group of North Borneo, Sarawak and Malaya men, official and unofficial, who had been collected in Melbourne. Their task was stupendous. They were back almost to the days of 1881, the days of the first administration. Everything had gone, everything was lacking in this, the most war-torn and devastated segment of the British Commonwealth, and once again a British administration had to start from scratch.

In London Sir Neill Malcolm, the President, and his fellow members of the Court of Directors had come to realize that the cost of re-establishing their territory on a sound footing would be quite beyond their means. A private approach to the British government was followed by informal talks. The discussion became more formal, but there was never any suggestion that the government, which recognized the impossibility for the Chartered Company to reconstruct the shattered land, would not assume the responsibility itself. Broader considerations, however, arose; the Crown had been reviewing the somewhat unsatisfactory position of another twentieth century anachronism, the personal rule of the Brookes' in Sarawak. The decision was made to take over the two territories.

Not without incident and some reluctance Sarawak became a British Colony on 1 July 1946. North Borneo, by virtue of an Agreement signed on 26 June, which provided for an initial payment by the Crown of £860,600, to enable the Chartered Company to redeem its outstanding debentures, and which then, after allowing several minor sums for the payment of all maps and documents, appointed an impartial arbitrator (Lord Uthwatt) to ascertain the fair price of the Borneo sovereign rights and assets, became a Colony on 15 July 1946. A subsequent decision of the government added Labuan to its territories. The Chartered Company had ended.

CHAPTER THIRTEEN

BRITISH COLONY: 1946–1963

WHEN the war ended North Borneo was in a terrible condition. No other part of the British Commonwealth, not even Burma, had been so utterly devastated. In some respects the country was back to pre-1881 standards. Recovery was slow, for Britain itself—and indeed all Europe—had been savagely mutilated, and everything material was lacking or in short supply. Borneo was at the far end of a queue and was rarely served. Laboriously, with infinite difficulty, in the face of shortages of every kind, the inhabitants of Sabah set about rebuilding their shattered land.

North Borneo was a British Colony for only seventeen years. These years, however, witnessed a remarkable development—indeed, a whole book could be devoted to this post-war growth—but it was a development that grew out of and maintained very much of the pre-war pattern ot life. In hardly any important way did the Colonial Administration radically alter the Chartered Company legacy. Although undoubtedly the post-war regime improved very considerably on that which had gone before, in most walks of life there is discernable in Sabah still a tradition which is inherited from the days when the pattern was established. In very many ways, this was a good pattern. Its inheritance gives the strength and stability of a living tradition to independent Sabah. It is a tradition clearly seen when we consider the economic, social and political developments of the Colonial period.

When the war ended Sabah had slipped back to a bare starvation and subsistence economy. Its primary products such as rubber and timber, on which the majority of the population had depended for their livelihood, were integral parts of an export market which for nearly four years had not existed. The chaos this caused was widespread. It was added to by the fact that before the war the people of Sabah had depended on the sale of these commodities (as well as others mentioned in chapter five) for the purchase of much of their rice, imported from Thailand. This too had been unavailable. Both

exports and imports had been vital for life. There was thus a desperate effort to revive the pre-war pattern of trade. The hopes entertained with peace were sustained with difficulty in the immediate post-war years, as the frustrations of reconstruction and rehabilitation were not easily or quickly dispersed. But slowly there was recovery.

In this economic recovery the major effort of the government was devoted to re-establishing, then to extending, the transport facilities of the State. It is still a major concern, for agricultural progress in Sabah since 1881 has depended upon the development of the land, and land cannot be developed without roads. In addition to roads the needs of the State demand adequate harbours; and as all of Sabah's ports had been destroyed, this was the first concern of the government. At the same time the west coast railway was repaired (particularly the Beaufort-Jesselton section), its destroyed bridges rebuilt and its bombed and burnt out rolling-stock slowly patched up or replaced. It was a laborious task but gradually the rubber began to roll to Jesselton again. By 1947 15,000 tons were exported.

The railway provided the only link between the string of rubber estates and the capital, Jesselton, and the outside world. Papar was only about twenty miles down the coast, but as far as the movement of commodities was concerned, once the train had gingerly crossed the Bailey bridge over the river and had vanished down the line, it was as isolated as when W. C. Pretyman met the Dusun padi planters in 1878. Deliberately no track had been made, in order to force a use of the railway. So too Beaufort, further down the line, was equally isolated and dependent upon the railway, and in 1949 a committee of government studied the situation, to consider whether this dependence was not perhaps excessive; and to recommend whether a road might not be more advisable.

The committee, meeting in the difficult days of post-war reconstruction, found it impossible to look far ahead. It balked at the costs involved in the construction of a fifty-six mile road to Beaufort and advocated an extension of the railway. This at least was functioning. Although this latter suggestion was not acted upon, unfortunately no attempt to build a west-coast highway was attempted and the development of the most populous area of the State was hamstrung. The railway served the rubber estates, and the towns of Papar, Beaufort and Tenom (and Keningau), as best it could. It

was, however, rarely adequate. These towns, linked to one another and to the outside world only by this line, on which few trains ever ran, entered upon almost two decades of gentle growth; their expansion, and that of the whole west coast and interior, would have been far greater had a road been built. It was only in the sixties that this was grasped, and a major construction initiated to link Jesselton via Penampang with Papar, and then to Beaufort. Another road was begun on the other side of the Padas River to replace the railway to Weston and then move down to Sipitang. The road from Jesselton and Penampang is travelling south closer to the Crocker Range than the railway, and both by opening new land, as well as by linking Jesselton to Sipitang (and, one hopes, to Keningau as well) the development of the State will be greatly stimulated. A road link to Brunei and finally to Kuching is at last foreseeable.

The effect of a road on development was apparent when the pre-war road out of Jesselton north to Tuaran after the war was extended along the bridle path to Kota Belud. Along this road, metalled after 1956, moved a steadily increasing stream of bicycles, motor bikes, cars, jeeps, buses and trucks. It became the most active rural area in the State.

Until about 1953, North Borneo's effort to drag itself up from the abyss of the war was invariably known as rehabilitation. There was an attitude of repair and make-do, a carry-over from the war. After 1953 a new forward look became apparent. The war at last receded. With a base established, it was possible to plan for expansion and to initiate not recovery but new growth. In communication this was clearly evident in the new programme for earth roads, or jeep tracks, initiated by the Governor, Roland Turnbull. Between 1881 and 1954 some 300 miles of road had been built. Between 1954 and 1957 Turnbull doubled this. The new roads begun by Turnbull, their construction in many cases being entrusted to District Officers, opened the way for hundreds of the land-hungry, who had been packed into overcrowded shop-houses and huts in Beaufort, Sandakan, Papar and the other towns and villages of the State. As soon as a road began, the would-be farmer moved out, and the Land Office was besieged with applications for survey and possession. After several decades of agricultural stagnation, the response was staggering.

To the earth roads or jeep tracks was added, as part of a com-

prehensive State five-year plan for development between 1959 and 1964, a major trans-Borneo road, linking Jesselton to Sandakan. Work was initiated at either end. Another road by the end of 1961 linked Jesselton via Kota Belud with Kudat, along a route that had been a pony track before the war. Increasingly during the late nineteen-fifties, and early nineteen-sixties, this road construction was aided by large British Government grants, and speeded up by the last British Governor of North Borneo, Sir William Goode. It was replacing the pre-war isolation of the east coast, and the few miles of west-coast road, with hundreds of miles of bitumen. Steadily the main towns of the State were becoming linked. Radiating out from each one a network of feeder roads was assisting in the agricultural development of the State. Slow though the recovery was during the nineteen-forties and early nineteen-fifties, by 1963 a communication transformation had been effected by this determined government endeavour. This augurs well for the future, provided the impetus can be maintained.

The capital resources of Great Britain had played a part also in the major reconstruction of the ports of the State. Rehabilitated after the war, in some cases patched up by the Australian soldiers before they left, the wharves of Labuan, Jesselton, Kudat, Sandakan and Tawau became increasingly tottery and inadequate. During the nineteen-fifties and nineteen-sixties, as the volume of cargo handled doubled and doubled again from 508,857 tons in 1951 to over 2½ million tons in 1963 they were all solidly rebuilt and enlarged, at a cost of many millions of dollars. No comparable widespread harbour development has occurred elsewhere in South-east Asia. This growth continues.

A completely new form of transport for North Borneo began after the war with a civilian air service, initiated by Malayan Airways in May 1949, from Singapore. Landing strips at Labuan, Jesselton and Sandakan constructed by the Japanese were used; while an internal feeder service, Sabah Airways, began in June 1953, between Labuan, Jesselton, Kudat, Sandakan, Lahad Datu Tawau and Keningau. These air services have been steadily enlarged both in towns served and in aircraft size, and after 1955 (as Borneo Airways) were extended to Sarawak and Brunei as well.

The steady, if at times excruciatingly slow, development in transport and communications was a major factor in the growth of the economy. The main pillars in this economy, when independence

came in 1963, were the same stalwarts of the pre-war period; rubber and timber.

Rubber emerged from the war years in remarkably good shape. If anything, the rest in tapping given to the rubber trees during the Japanese occupation had been beneficial. It was possible, once a labour force had been recruited (and this was the difficult factor) to begin production immediately. Nearly all of this rubber, however, came from trees planted perhaps twenty or more years earlier. These aged acres indicated a diminishing yield. Rubber research was producing new trees capable of yielding far more latex than the earlier types. As the old trees neared the end of their useful life, there was urgent need for replanting.

The economic world after 1945, however, in no way resembled that of 1918. No slump, but a steady boom began, and rubber growers were reluctant to cut down old trees and replant, even if seven years later the new trees would yield double or more. Little replanting therefore was initiated. North Borneo was averaging a mere 400 pounds of rubber per acre in 1954, compared to the average for modern strains of 1,000 pounds. In the following year, in order to induce them to modernize, the government began taxing the producers, to provide a considerable subsidy for those who cut down their trees and replanted. This inducement, denounced by many, had beneficial results. The response, particularly from smallholders, was almost overwhelming.

This re-planting, together with the new planting that followed the new roads, produced a rubber industry in Sabah by 1963 fashioned very like Malaya. Just over half of the rubber area of 203,000 acres was owned by indigenous smallholders (122,000 acres) while the estates of over 250 acres were just under half. Over 41 per cent of the total rubber area consisted of the high-yielding strains planted after 1955. The proportion of smallholders to planters surprises those who view the rubber estate as synonymous with the rubber industry. As in the between-war period, the smallholder can be the forgotten man. Democracy and independence may change that; economic power often precedes political power. While it is improbable that new European agricultural investment will occur, and few new estates are likely (unless Asian capitalists enter the field), smallholding is certain to increase rapidly.

A post-war alteration to the rubber industry which appears permanent has been the replacement of natural by synthetic rubber

in many markets. Synthetic (or manufactured) rubber, by its ability to compete successfully against natural rubber in certain circumstances, has had the effect of stabilizing the price of both. Should natural rubber rise in price, the demand for synthetic increases; and vice versa. The post-war scene has not witnessed (except during the Korean War of 1950–2) the violent fluctuations in rubber prices of the pre-war period. Although no country cares to depend for its revenue on an export crop, rubber has become one of the more reliable of such crops. In 1963 the rubber exported from Sabah was valued at $32.1 million.

Rubber, however, had become merely the second crop of Sabah. Timber had become the major export, and the major contributor to the revenue of the State. Here was living wealth which had languished to a certain extent pre-war. The sluggish conditions of world trade then had led only to a steady unspectacular growth; after 1945, however, the situation changed remarkably.

There were two major developments which affected favourably the post-war timber industry in Sabah. These were a great new market, and a number of new producers. There arose in Japan in particular an overseas demand quite unknown before. In 1947 there was exported 1,567,000 cubic feet. By 1952, five years later, this had risen only to 2,741,000 cubic feet (as compared to the pre-war record of 6 million in 1937).

During this period of slow post-war export expansion the government was chafing at the rate of royalty payable on the export of this timber, for this had been established pre-war with the only company permitted to export timber, the British Borneo Timber Company. It bore little relation to the post-war value of the timber. The government also was increasingly perturbed at its inability to have the forests developed properly. One company was not nearly sufficient. Negotiations were then entered into with the British Borneo Timber Company whereby it agreed to give up its monopoly right of export from mid-1952.

The result was instantaneous. Attracted by the fine timber and the unsatisfied overseas market a number of new companies invested in Sabah. Chief of these were The Bombay Burmah Trading Corporation, Kennedy Bay Timber Co. and The North Borneo Timbers Ltd. They were given concession areas down the east coast, and under their drive the export of timber rose rapidly, doubling to 4½ million cubic feet in 1953, and doubling

again to 9 million cubic feet in 1954.

In 1955 there was a momentary dispute between the small local woodmen, who exported by annual license, and the major firms, who by their large capital investment had the support of the government. Apparently unfair treatment of the former was indicated by a Legislative Council Paper No. 45 of 1955, which gave certain preferences to the large concessionaires. The grievances of the small men reached the British Parliament, and the local administration in 1956 compromised on its original policy, permitting the annual licensees greater facilities for export than had been envisaged earlier.

The government also tacitly compromised on a policy introduced immediately after the war, of requiring timber firms to instal sawmills. Experience has shown that the vagaries of taste and local requirements are so diverse that it is more economical to export uncut timber to the various remote markets, and to mill it there. The government, however, introduced in its concessions a stipulation that 30 per cent of the timber exported had to be milled. Several firms spent large sums on erecting mills, which never showed a profit. Others ignored the requirement, and the government ignored them; while giving no compensation to those who had honoured their contract.

Timber extraction from Sabah, however, expanded at such a rate that almost unnoticed it became the major industry of the State. In 1961, for example, rubber exports equalled $41.2 million, whereas the timber export of 63.1 million cubic feet (of which 80 per cent went to Japan) was valued at $102.8 million. The timber expansion continues. In 1963 exports were valued at $149.6 million.

The third major export commodity by the nineteen-sixties was copra. This had become in essence a two-fold export. In Sabah itself the area under coconut cultivation slowly increased from 35,000 acres in 1949, to over 80,000 acres in 1963. The quality of the copra, and indeed the management of the whole industry, received little attention. Scientific research here and in the timber industry remained in its infancy. It remained an industry almost entirely in the hands of smallholders, largely Chinese. In this respect, the right of Chinese to own land was a social and economic factor of great importance, in permitting them to establish roots in the country, and to develop a keen sense of belonging to Sabah. This right is not well established in other countries, with a resultant instability.

The cultivation and export of Sabah copra, however, became overshadowed during the nineteen-fifties and nineteen-sixties by the re-export of copra brought from the southern Philippines and north Sulawasi (Celebes). In Sabah (in Sandakan and Tawau in particular) this copra fetched a good price. The owner secured a worthwhile currency, and was able to purchase useful but otherwise unobtainable goods. None of this was possible in his own country where the price was low, the currency near worthless and commodities non-existent. Sandakan and Tawau stood out as beacons, playing much the same role as Singapore, a hundred years before. Local copra exported in 1961 totalled 20,692 tons, while a further 47,170 tons was re-exported.

Another crop which continued to expand production was manila hemp, or abaca. Further very fertile volcanic soils were discovered outside Tawau, and while the pre-war Japanese estate was developed, the Agricultural Department investigated the new areas. The hemp for many years was afflicted by a serious disease, bunchy top, which required most anxious and constant precautions, but finally, at the cost of millions of dollars, the area became substantially safe and exports rose. By 1963 they had reached 3,638 tons.

Timber, rubber, copra and manila hemp were all pre-war crops. A new agricultural commodity introduced in the late nineteen-fifties on to the volcanic soils near Tawau was cocoa. Over 4,500 acres, linked by new roads to the most bustling port in Sabah, were growing this by 1963. Near by, however, a nineteenth-century mainstay had finally collapsed. In 1961 the Imperial Tobacco Company closed the one remaining tobacco estate on the Segama River. This company, the only one to attempt tobacco growing after the war, had given employment to many Cocos Islanders, who had been brought to Sabah when their Indian Ocean island had become overpopulated. Fortunately they were absorbed into oil-palm estates near by. Other oil-palm estates in the nineteen-sixties have been pioneered by Unilever in the Labuk area, north of Sandakan, which had lain empty since the first flurry of tobacco estates died out there in the eighteen-eighties.

Throughout the colonial period the government made strenuous efforts to have the country self-sufficient in rice. This same policy was pursued in Malaya and Sarawak where it was even more unsuccessful. Sabah possessed in the Dusun or Kadazan on the west-coast plain an indigenous padi grower, still content, but else-

where people found that no matter how the industry was planned, the return from it was never sufficient for them to improve their standard of living. Discontent is the basis for improvement, and this desire for improvement had become one of the basic attitudes of nearly all Asia, had indeed set all Asia on the move. With rubber it was possible for the small man to better himself, but it was not worthwhile competing against the excellent cheap rice produced by the millions of Thai and Burmese. As an acre of rubber would secure more rice than an acre of padi, padi was not grown. Against this attitude government butted its head in vain.

Out from Kota Belud cattle rearing after the war became strongly entrenched, with great promise for the future. The Bajaus, at home on horseback, and induced into co-operative ventures by wise leadership, improved both the quality and quantity of their cattle—and, to a lesser extent, their buffaloes—by fencing, selective breeding, cultivation of grasses and rotation of cattle. The cattle industry of Kota Belud may well become a considerable revenue earner.[1]

Although it is now developing at a far greater rate than before the war, the economy of Sabah still remains an agricultural one. Timber, rubber, copra, cocoa and other crops are the main exports. The sea around Sabah, particularly on the east coast, is also yielding a revenue, the Japanese-Chinese prawning, netting and fishing as before the war. The value of all exported marine products totalled over $4 million by 1963. These exports earned a revenue considerable enough for a bustling trade, which—after a long slow re-establishment—increased with every post-war year. Factors which assisted this trade were the growth of exports, the dynamism in particular of the Chinese and British, the re-establishment of peaceful and competent administration, the rising population and their desire for better things, and the generous aid from the British Treasury. The re-building of every town in the State in itself created a large trade; and this re-building merged in the nineteen-fifties into new building, and the steel, the cement, the electrical gear, the air-conditioners, the refrigerators, the furniture and fittings continued to move in ever-increasing quantity over the new wharves, along with the tractors, cars, trucks, railroad coaches, buses and bicycles, bought by the timber, rubber and other primary produce that the ships collected.

[1] I have dealt in more detail with this in my book *North Borneo* (London, 1960), pp. 62–7.

The main firm engaged in this two-way trade remained Harrisons and Crosfield[1] which competently kept abreast of the developments within the State, adjusting itself admirably to the new demands. The buoyant economy attracted the two great East Asian British banks, which had not considered the State during Chartered Company days as a possible source of revenue or investment. The Hong Kong and Shanghai Banking Corporation and The Chartered Bank both established branches in North Borneo after the war, and their new buildings are prominent in the reconstructed towns of independent Sabah. Several Chinese banks also established offices.

The buoyancy of the post-war economy, and the volume of exports and imports, attracted large ocean-going steamers to Jesselton and Sandakan, with cargoes direct from or to Europe. But this service was infrequent; as before the war, the main life line was that provided by The Straits Steamship Co., from and to Singapore. This company managed to establish a weekly service to all the ports of Sabah by 1949, and although other lines deal with the large timber business, this is the major trade route of the State, the *Kimanis*, *Kinabalu* and other vessels nearly always sailing with full cargoes for servicing and trans-shipment at Singapore.

This economic development, by providing the government with a considerable revenue (levied largely by means of an export tax) permitted a parallel development in the basic social services, in particular in health and education. This development was based, of course, on a widespread desire; the people's pre-war attitude of indifference scarcely existed by 1945, since all had become convinced of the utility of modern medicine and schooling. Indeed so great has been the demand for both that the post-war colonial government often found it hard to satisfy requirements. Rising expectations have not ceased with independence. A continuing demand for social services will be made upon the politicians of modern Sabah.

The end of the war found the hospitals in Sandakan, Kudat, Lahad Datu and Labuan completely destroyed, and the others damaged. There was widespread sickness and ill health. The government faced this social problem almost alone. There were hardly any private doctors in North Borneo for many years; there are very few even today.

After the war a medical department was re-established, which

[1]See K. G. Tregonning, *North Borneo*, pp. 194–7, for an outline of its history.

erected temporary-type wooden buildings to meet immediate needs. As the malnutrition of the war years was replaced by adequate food, as the new drugs developed during and after the war began to arrive, and as doctors, nurses and dressers began to operate, the sickness rate declined considerably. By 1951, of the 851 beds available in the temporary hospitals of the State, nearly half were empty. A substantial re-organization in the health services was thus initiated.

The number of beds available for general diseases was halved; two general hospitals, at Sandakan and Jesselton, were designed and built of permanent materials; other, smaller cottage hospitals also were constructed. The establishment of dispensaries was maintained, and a number of travelling dispensaries moved by rail, by water, and on the new roads of the State out from the towns to the kampongs.

A factor assisting considerably in the improvement of the health services was the new attitude on the part of the Borneo people towards the profession of nursing. Previously the traditional Asian attitude of indifference if not distaste was similar to that of nineteenth-century Britain. This tradition is now old-fashioned. After decades of acute shortages, there are now more nursing volunteers from the young women of Sabah than there are available places; and medicine of course is a goal, even if still virtually unobtainable, for every bright young boy.

The nurses, sisters and doctors of Sabah fight in their hospitals, dispensaries and elsewhere against two main diseases. These are malaria and tuberculosis; and all the intestinal diseases associated with dirt and low standards of hygiene and sanitation comprise the third major medical problem.

In the attack on malaria the State secured from 1955 the assistance, on a gradually increasing scale, of the World Health Organization. Thanks partly to this W.H.O. support, partly to the concentration of effort and the use of effective spraying poisons, malaria gradually became less endemic. It is estimated that the State will be free of indigenous malaria by 1968. Already very large areas have been freed from malaria and the incidence of the disease substantially reduced. This has meant a dramatic increase in the available work force, and the growth of a far more alert and mentally-receptive citizen. Indeed the social and economic implications of freeing the State from this disease are almost incalculable.

As malaria receded, North Borneo followed Malayan precedence and turned its attention to tuberculosis. It was estimated that possibly 4 per cent of the population suffered from this disease. It was tackled on a broad front. All school children were x-rayed, all new-born babies from 1961 onwards were vaccinated, separate wards were established in the major hospitals, Australian assistance through the Colombo Plan was given year after year and the North Borneo Anti-Tuberculosis Association (N.O.B.A.T.A.) was formed to give publicity and welfare aid to the victims of the disease.

The successful war against malaria, tuberculosis and the dirt diseases, together with advances in curing leprosy—a central leprosarium for the Borneo States was opened in Kuching, and Berhala was closed in 1958—and in mental health have assisted in the growth of the population. The statistics compiled by the 1960 census showed that the population was increasing at an annual rate of 2.9 per cent, with the growth most marked in the urban areas, where the Medical Department was able to be most effective in its health activities.

	1951	1960	*Percentage Increase*	*Percentage of Total Population in 1960*
Chinese	74,374	104,542	40.6	23.0
Indigenous	243,009	306,498	26.1	67.4
Total (including others)	334,141	456,331	36.0	

The improved health facilities played some part, together with the greatly increased economic opportunities (both of which attracted immigrants from the country) in a rapid increase in the population of the following urban areas:

	Total Population	*Percentage Increase since 1951*
Tawau	35,290	89.6
Jesselton	21,719	85.6
Keningau	14,645	79.6
Sandakan	45,296	70.2

The largest and most important of the indigenous peoples are the Dusuns or Kadazans, forming about half of the indigenous community. Linked ethnologically to them are the Muruts, and one exciting post-war development has been at last a gradual increase in

the numbers of this previously declining interior community. Their extinction is not now anticipated. The other indigenous peoples, such as the Bajaus, the Suluks, Orang Sungei (Muslim Dusuns on the east coast rivers), and Brunei Malays and Kedayans, all are increasing.

	1951	1960	*Percentage Increase*
Dusuns	117,867	145,229	23.2
Muruts	18,724	22,138	18.2
Bajaus	44,728	59,710	33.5
Orang Sungei	13,697	15,112	10.3
Suluks	7,866	11,080	40.8
Brunei and Kedayan	22,312	31,321	40.4

Intensified rural health measures, and a general spread of education, will assist in this population growth. It is a young community, for the war killed the old, and in 1960 435 people out of every 1,000 were aged under 15—a very high proportion. (In Great Britain the comparative figure is 231.)

The pattern of post-war education (as with much else in Sabah) has very much in common with what had been established prior to 1941. The scale, however, is very much greater. Government, mission, and Chinese schools are larger and much more numerous. Also, as they were all brought under government control in 1956, there appeared at last a major, unifying element sadly lacking in the Chartered Company days.

The two major criticisms that can be made of the pre-war system are that it was poor in quality and quantity, and that its products emerged with different languages and loyalties. This latter weakness was not merely an educational but also a basic civic weakness, a very dangerous and potent factor affecting the structure of the entire State.

These points of criticism came gradually to the attention of the post-war authorities, who also were aware of the educational ferment in Malaya and Singapore, and who were not unmindful of the completely changed regional Asian scene in which they were operating. The re-establishment of schools, which did not begin effectively until after 1948, and which was delayed by building shortages and lack of teachers and equipment, was influenced by this; and while steps to overcome the teacher shortage were made (notably the opening of Kent College, a teacher training college at

Tuaran, in 1952), consideration was also given at last to the weakness inherent in the old pre-war colonial-type system.

Between 1954 and 1956 a new education ordinance, an educational survey of the State, an education policy committee and an amended ordinance between them effectively initiated a procedure whereby the schools of the country were brought under one control, and which began to produce citizens with a broadly similar education, outlook and language ability; and, one hoped, a common loyalty to the State.

The Department of Education for many years after the war concentrated exclusively on an expansion of the primary educational facilities of the State. It ignored secondary education completely, despite increasing criticism. In an attempt to fill this gap the mission schools, and, to a much lesser extent, the Chinese schools, stepped in. As both of these came increasingly under government supervision and control from 1956 onwards, the responsibility of financing them began to fall on the entire community. The overall direction increasingly ensured that despite the maintenance of separate government, mission and Chinese schools, basically there was only one system.

It was not a system which satisfied all the needs, and far less the new post-war hopes and aspirations, of the Sabah community. The economic development of post-war Sabah, and the post-war hopes for social services, had made almost the entire State, and particularly the urban dwellers, well aware that educationally they were not as advanced as Malaya or other nearby countries. More and more, people were acquiring a broader horizon and were well aware of their inferior position. This came to be resented. Virtually every post in Sabah's government which required a university degree and many of those which merely needed a technical skill, was held by someone from overseas. Indicative of the tremendous change in attitudes, scores of young Borneo people began to go abroad for a university education. By 1963 there were well over 200 (a larger number than was necessary to start the new universities in England in the same period), yet no thought of any Sabah university college was entertained by the government. The land-grant university colleges of the rural states of America, which had been established in the eighteen-sixties in the poor, sparsely inhabited western area, presented a clear example to the educational authorities of Sabah. It was not noticed by a staff exclusively British, and careful,

to the point of excessive caution, in any development even of secondary education.[1] Partly because of this, and also because of difficulties in recruiting trained people in England for service in Sabah, the development of the State may well have been hindered.

Despite the fact that educationally the State was not as advanced as could be desired, Sabah by 1963 had made most material progress. Its economic advance was clear. Revenue, trade, and its production of timber, rubber and other commodities had never been higher. So too its social advance, in health, education and general social services. The money invested here was paying great, if incalculable, dividends. Yet politically and in constitutional development it lagged far behind; at the time it secured its independence it was one of the least advanced of all Great Britain's dependent territories.

This lack of advance was due partly, one feels, to finance. The country, because of the need for British grants, had not been released from the control of the British Treasury until 1956. Between 1946 and 1952, and in 1954, the Crown had had to give an annual grant-in-aid to help meet the yearly deficit, had paid £1.4 million to the Chartered Company, had provided over £500,000 to redeem Chartered Company currency, and in addition $5 million as a grant and $6.4 million as an interest-free loan to meet war damage claims. Financially it was only in the last few years (and even then British development grants were considerable) that the State could claim to be moving towards an independent existence. Without doubt this encouraged a conservative feeling of not rushing into home rule, or anything like it.

A second and perhaps more powerful reason for the reluctance to initiate political steps was the widespread feeling that people were content with existing conditions. The British colonial officers were few; as with their Chartered Company predecessors (some of whom still served in senior posts after the war) they became by and large an acceptable if not welcome segment of the community. They did

[1]As a Sarawak educational authority said, 'The harsh fact remains, that only a minority of mankind have the industry or capacity to profit by secondary education . . . where a country possesses the resources, it is possible to give the entire population a secondary education, as is the case of England today, with exceedingly sorry results. The grammar schools by selection produce the men upon whose skill and qualifications the community depends, but the secondary modern schools, which cater for the majority, are merely breeding grounds for crime and vice.' *Sarawak Gazette*, 30 September 1963.

good, and a multi-racial community lived in peace, unafraid. Each year they saw their State become a little better. There were not many countries in South-east Asia where that was happening, and to many the governing régime deserved much of the credit. It both helped to preserve the inter-racial tolerance built up during the Chartered Company days and to advance the State economically and socially. So there was political apathy, or acceptance, on the part of the people.

And even where there was a desire for political change, there was no clear united voice suggesting anything better. An increasing number were coming to think during the nineteen-fifties that colonial status was inconsistent with the dignity of mankind. They felt that the Sabah people should play a part in the development and destiny of their own land. They regarded the idea of perpetual tutelage as incompatible with the preservation of their own self-respect. Grown men resent being treated as babies; mother's control can become very irritating. But in a racially and educationally divided state such as Sabah, these people also were divided. As a result, their voice was weak. Although outstanding men shone forth, it needed an external stimulus for political parties to gather round them. This came with the idea of Malaysia.

Prior to this, however, the authorities had attempted to associate the people more closely with the government (a traditional feature in any case of British colonial evolution) and to have the autocratic power which the governor exercised in the early post-war years decently clothed and restrained by constitutional forms. Until late 1950, the governor ruled with as few checks to his power as in pre-war days, with only a small advisory council. In October of that year, however, an Executive and a Legislative Council were established. The former was a small group consisting of the Governor, with the Chief Secretary, Attorney General and Financial Secretary (the three main officers of his administration), together with two other official members and three unofficial members nominated by the Governor. (By 1962, six unofficial members were being nominated.) The latter was a larger debating and deliberative body representing a more comprehensive cross-section of the community. It consisted of the same three ex-officio members, together with nine official members and ten unofficial, and the Governor presided. Destined to grow into the elected Parliament of indepen-

dent Sabah, it met for the first time on 31 October 1950.[1]

The two bodies worked unobtrusively and quietly, reflecting the temper of the State they served. In 1955 it was decided to broaden the base of the Legislative Council by asking the Conference of Native Chiefs, the Chinese Chambers of Commerce, the North Borneo Chamber of Commerce and the Planters' Association to submit names to the Governor, and from 1956 the nominated unofficial members were selected from these lists. In 1960 following a few other minor changes, the unofficial representation was increased to twelve, giving it for the first time a majority over the officials, who by then numbered eight. In 1962 the unofficial members were increased still further to eighteen, and the officials reduced to seven. Prominent in these early councils, both executive and legislative, was Mr. Lee Tau Sang, a Jesselton business man. After his unexpected death in 1959 leadership passed to Mr. Donald Stephens, a Kadazan and founder after the war of the State's first newspaper, the *North Borneo News and Kadazan Times*.

While these developments were occurring in the councils at Jesselton, the administration was endeavouring from 1951 to secure greater participation by the Borneo people in local government. It attached so much importance to it that the secretary for local government was appointed *ex officio* to the Executive Council. For many years this post was held by a former Chartered Company officer, G. L. Gray. Under his direction the District Officers in the Interior, West Coast, Sandakan and (when it was re-established in 1954) the Tawau residencies slowly stepped down from their solitary commanding posts, to work in conjunction with district councils.

Kota Belud secured the first District Council on 1 January 1952 and with such men as O.K.K. Hasbullah bin Hadji Mohammed Arshad was a success from the start. Sipitang (1955), Papar, Tuaran, Beaufort and Jesselton Rural (1958), Kudat and Semporna (1959), Tenom and Lahad Datu (1960), and Keningau, Kuala Penyu and Tambunan (1961) were other districts where a very considerable measure of authority and power passed into the hands of the local people.

[1]At this initial meeting many speakers paid tribute to the work of the British North Borneo Chartered Company. A telegram of greetings was sent to Sir Neill Malcolm, its former President. Greatly touched, Sir Neill showed the cable to me, newly arrived in Oxford from Australia. It aroused my curiosity in North Borneo and in the Chartered Company and led to the writing of this book.

In addition to the district councils, village councils were established in the still remote and largely uninhabited areas of the far interior, up the Kinabatangan River and at Pensiangan and Sapulut. The urban areas secured considerable powers, the 1931 Chartered Company Sanitary Board Ordinance being replaced in 1954 by the Municipal and Urban Authorities Ordinance, which established town boards. The membership of these became wholly unofficial with the exception (in Jesselton, Sandakan, Tawau and Labuan) of the District Officer.

In these bodies a large number of the local people became aware, at first hand, of the responsibilities of government and of the working of the democratic process. Wider issues, the place of Sabah in the modern world, the problems and prospects of that modern world, were brought to the notice particularly of this elite, but also to the great mass of the Borneo people, by the daily educational processes of the cinema (over thirty cinemas appearing in Sabah by 1960), by the local press, and by the extremely active and useful work of the Department of Information and Broadcasting, headed throughout this time by G. L. Brookes, a former Chartered Company officer. The broadcasting section (especially after the introduction of the small, cheap transistor radio) had a tremendous effect. Daily, year after year, government by this method reached the kampongs and villages throughout the whole State—and beyond.

The problems and prospects of the modern world that most concerned the people of Sabah from 1961 onwards were bound up with the conception of Malaysia. The role played in this by the Borneo people, and in particular by the Sabah leader Donald Stephens, was of major importance to its success, and warrants a full study. It is hoped that one day this will be attempted, preferably by a Sabahan. Here it is necessary (as indeed it has been throughout this book) to condense.

Even since W. H. Treacher became Governor, as this book has indicated, the links between Sabah and the Malay Peninsula have been close. Government regulations and ordinances have had a common origin, and in the pattern of administration Sabah has followed that of the Malay states. A common law and a common currency were but two of the shared institutions appreciated by the peoples of both areas. A common economic history, particularly in rubber, and the trading and commercial links with Singapore were

other factors both shared. The two areas have had a similar social history too, with a population pattern of Chinese immigrants and indigenous people, some Muslim and others pagan or Christian, not particularly different. The educational system, too, was almost identical. The English and Malay languages were two other assets both states shared. Certainly in Sabah (and in Sarawak) many elements in the local cultures were markedly unlike anything in Malaya and a strong attachment to the local scene was a very healthy factor, even if this was at times little appreciated in Malaya; but there were many links between the two. The southern and northern colonial states of America had joined into a United States, and Scotland and England had become a United Kingdom, with fewer links than Malaya possessed with Sabah. Nevertheless, the pace of political progress after 1945 had been so markedly different, with Malaya securing full independence in 1957 and Sabah still controlled by a British governor and an officially dominated Executive and Legislative Council, that no thought of a federation seemed possible—until 1961.

In 1959 the State of Singapore, which had secured full internal self-government, elected to power a government headed by Mr. Lee Kuan Yew. It set out to secure its major political objective, independence through merger with Malaya. By 1961 the government of Malaya had become sympathetic to this idea. It remained, however, apprehensive of the communist element on the island, and was unwilling to concede political power to the left-wing Chinese. The swift withdrawal of British political control from its African and Asian territories, which had become a marked factor of the nineteen-fifties, presented an apparent opportunity to the Malayan government. By associating Sabah and Sarawak with Malaya, Singapore could be accepted as a member of a new federation without conceding too much power to the Chinese there; and, while all would benefit by being members of a bigger state, colonialism would be ended.

The idea of this new federation was suggested by Tengku Abdul Rahman, the Prime Minister of Malaya, on 27 May 1961, and it evoked an immediate response from Sabah. Donald Stephens realized immediately that this suggestion was in the best long-term interests of Sabah. He seized the initiative and formed a Malaysia Solidarity Consultative Committee, with representatives from Sabah (Datu Mustapha bin Datu Harun, Pang Tet Tshung, G. S. Sun-

dang and Lai Eu Kong), Sarawak, Singapore and Malaya, and observers from Brunei. This body met under his chairmanship in Jesselton, Singapore, Kuala Lumpur and Kuching, and considered the implications of a federation; and by the time that Britain had supported the idea, and had appointed a Commission, headed by Lord Cobbold, to ascertain the views of the Borneo people, it had drawn up a 'Memorandum on Malaysia', dated 3 February 1962, which the Commission found most useful.

The Cobbold Commission visited Sabah and Sarawak between February and April. In Sabah it met, among many other organizations, the newly formed political parties which Malaysia had galvanized into existence. Chief of these were the United National Kadazan Organization (U.N.K.O.), formed in August 1961, and led by Donald Stephens. This was based on an earlier society of Kadazans, which particularly in the Penampang area, had been active in seeking to advance the Kadazan community there. The United Sabah National Organization (U.S.N.O.) with its membership mainly Muslim, and led by Datu Mustapha bin Datu Harun, the United National Pasok Momogun Organization (U.P.M.O.), of Keningau and Tenom Dusuns, led by O. K. K. Sundang (brother of Sedoman), the Democratic Party of working-class Chinese people in Jesselton, led by Mr. Peter Chin, and the United Party, formed by Mr. Khoo Siak Chiew and other influential Chinese in Sandakan were others. The latter two subsequently merged in October to become the Borneo Utara National Party (B.U.N.A.P.).

The views expressed by these parties were incorporated in the report of the Cobbold Commission, published in June, 1962.[1] It generally supported the idea of Malaysia, although drawing attention to twenty specific points of reservation held by both Sabah and Sarawak. With all the goodwill in the world, Donald Stephens and the other leaders were not prepared to see their countries become merely part of a greater Malaya, and they were anxious to see safeguards introduced to prevent their absorption. These objections were made very clear in the Legislative Council debate on Malaysia on 12 and 13 September 1962, when, however, the basic idea was supported.

The members who debated the Malaysia proposals had participated in the State's first elections of December 1962. The voting of

[1] *Report of The Commission of Enquiry, North Borneo and Sarawak*, Kuala Lumpur, 1962.

delegates to the Council was not done by the people of Sabah directly, but through Residency Electoral Colleges. Each Residency had previously held elections to their local authorities or District Councils, and then each local authority had elected a representative to its College. Each College then proceeded in July to elect members for the Legislative Council, in the following numbers:

Residency	*No. of College Seats*	*Legislative Council Seats*
Interior	12	4
Sandakan	14	3
Tawau	14	3
West Coast	40	8

The political alignment resulting from this two-stage election gave the U.S.N.O. eight seats, U.N.K.O. five, B.U.N.A.P. four and U.P.M.O. one. As prior to these elections U.S.N.O., U.N.K.O., B.U.N.A.P., and Pasok Momogun had come together under Stephens and Datu Mustapha to form a Sabah Alliance, and had agreed not to compete against one another in the contest for the earlier District Council elections (winning there 131 out of 137 seats) the Legislative Council was dominated by the views of the Alliance, which supported Malaysia. This correctly reflected the view of the Sabah people.

This elected government, entrusted by the Governor, Sir William Goode, with administrative powers, settled down under Donald Stephens to the responsibilities of government, while London and Kuala Lumpur formed an Inter-Governmental Committee to work out the constitutional arrangements for the new Malaysia. The Cobbold Commission and the Sabah Alliance had both declared that Malaysia must guarantee the wish of Sabah to control immigration and to retain English as the official language of the State. Short of labour though it was, Sabah (and Sarawak) wanted to control any possible flood from other parts of Malaysia or elsewhere. Secondly, the use of Malay in government and education, and the elimination of English, which was a marked feature of a Malaya under the strong control of a Malay political party (U.M.N.O.) seemed irrelevant to the circumstances prevailing in Sabah. It felt that English (which was a language of instruction at all levels of education), was a most useful and desirable inter-racial language in Sabah. It stipulated that until it decided otherwise, this state of affairs should remain. It also felt that its Head of State, when independent, should be eligible to be

elected *Yang di Pertuan Agong*, or Head of Malaysia.

While this latter stipulation created a most unfortunate difficulty, and was not agreed to (unfortunately, one feels, for Malaysia), the other two reservations were accepted in the detailed arrangements embodied in the formal Agreement signed between Great Britain and Malaya on 9 July 1963, creating Malaysia.[1] Donald Stephens flew to London as leader of the Sabah delegation to participate in this, and subsequently led the debate in the Legislative Council on 8 August, which reaffirmed the decision of Sabah to secure its independence by joining Malaysia. Steadily the British withdrew.

Meanwhile, however, these internal problems and developments had been overshadowed by international complications. The original suggestion of Tengku Abdul Rahman had included Brunei, and here uncertain people and a vacillating ruler drifted into trouble. Although immensely wealthy by reason of its oil, the State was not a healthy one, politically or socially. Ruled very much by the same élite group as in days gone by—the Brunei aristocracy—British influence had, however, secured some semblance of democracy, with a number of unofficial members on a Legislative Council. Every one of these was a member of Party Rakyat, led by Inche Azahari. He was the leader in particular of the Kedayans, people rather looked down on by the Brunei Malays, who were the dominant group of the State. Azahari saw Malaysia as merely an extension of Malay domination, and when it seemed clear, despite the united stand of all unofficial members, that Brunei was joining Malaysia he rose in revolt, on 8 December 1962. The revolt spread round Labuan Bay to Sabah, but owing partly to the bungling of the organizers and partly to the speedy reaction of the British, who flew in police from Sabah and troops from Singapore, it was soon squashed. Brunei's sultan decided, however, not to join Malaysia and the Kedayan problem was quickly forgotten.

Azahari had attempted to direct this revolt from Manila, and it was from the Philippines that the first major international objection to Malaysia was made. The Philippine Government, led by President Macapagal, took official notice of a claim first made by discontented heirs to the Sultanate, that Sulu had never ceded the rivers of North Borneo in 1878, that they were merely

[1] Malaysia Agreement concluded between the United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak and Singapore. (Cmd. 22 of 1963).

leased; and it demanded the return of Sabah.

It was difficult to take this claim seriously. The rivers named by the Sultan of Sulu in his transfer of 1878 consisted of the Pandasan, a small stream in the north-west, then running southwards down the east coast, the Paitan, Sugut, Bangaya, Labuk, Sandakan Bay, Kinabatangan, Mumiang and Sibuco. No claim was ever made to Indonesia for the last named, while it was clear that this area was not Sabah. The Philippines Government blandly ignored the various cessions made by the Sultan of Brunei, felt no embarrassment at challenging an eighty-year occupation, and yet felt affronted when the British were unable to accede to their demand.

The British at this late stage felt reluctant even to discuss the claim. The original cession accepted nearly a century before by the whole world, had been scrupulously honoured on their part. Every year the cession money was provided for in the annual accounts and although the line of descent of the Sultanate had become somewhat confused after 1936, the money was there whenever a clear claim could be made. The question of whether it was a cession or a perpetual lease (whatever that is) seemed a stupid word game. In addition, the British had been partners to, or had witnessed, a number of international agreements and treaties which had recognised without question that the boundary of the Philippines stopped off the coast of Borneo and that it had no claim to any part of that island. These included the Manila Convention of 1885, the Treaty of Paris of 1898, the U.S.—U.K. Boundary Convention of 1930, while the Constitution of the Republic of the Philippine Islands ratified in 1947 confirmed this. The attitude of Sabah itself to such an imperialist claim was furious anger.

The Republic of the Philippines, unmindful of the larger issues it was jeopardizing, persisted in its stand. Internal politics played some part in this, as well as a weakness in Asian history and in international diplomacy. In its claim it stressed the dangers of Communism. These fears of Sabah's future, never expressed while Sabah was a colony, suggested a lack of sympathy for independence inconsistent with an anti-colonial country, and became ever more incongruous when Indonesian friendship was sought. It was bitterly resented in Sabah itself. Although the British Government, in talks with the Philippines in London in January 1963, rejected the claim, the attitude of the Philippines remained the same; one of indifference to the firmly-expressed intention of Sabah, and

opposition to Malaysia at least until the North Borneo claim was settled to its satisfaction.

Opposition of a more ominous kind came from Indonesia. This was aimed not specifically at Sabah but at the whole concept of Malaysia. In many ways the type of federation involved, giving considerable powers to the component parts, was in direct contrast to Indonesia, where Java ruled. If successful, it would be a dangerous example to the restive islands under its control. The firm anti-Communist stand of the Malaysians was opposed by the Indonesian Communist Party. The President, Soekarno, who lived on crisis and who desired to distract his people by external events (and who felt slighted that a major constructive event had occurred in South-east Asia without his participation) thus regarded the concept as dangerous but also as useful. The Army, the third main force, felt it necessary also to oppose it. So all parties in Indonesia found Malaysia a useful target of attack. Its size, 10 million to their 100 million, also was encouraging. In Borneo it began training discontented Chinese communists and others who had slipped across from Sarawak; and with a loud 'crush Malaysia', a furtive, hit-and-run guerilla war began.

In an effort to eliminate this opposition, the Malayan Government agreed at a meeting in Manila in August 1963 firstly to become part of a loose confederation called Maphilindo (of Malaya, the Philippines and Indonesia—the three Malay nations, as Manila called them), and secondly that the United Nations would be asked to send a representative to report on the wishes of the people of Sabah and Sarawak as regards Malaysia. To this the British raised no objection and offered every help. Indonesia and the Philippines agreed to accept this report. A team from the U.N. accompanied by Filipino and Indonesian observers then visited the two States in August–September. It undertook a most comprehensive survey, checking the previous election to see that it was held in a fair and democratic manner, and that Malaysia had been the major issue. It interviewed hundreds of people and received numerous memoranda and letters. It then finally submitted a detailed 124-page report to the U.N. It was clear-cut. It confirmed that Malaysia was the wish of the people of Sabah. External opposition, of course, had greatly increased the pro-Malaysia feeling, while Maphilindo had alarmed every Malaysian Chinese. The Report was accepted by all the members of the U.N., except, despite their earlier promise, the

Philippines and Indonesia (which banned all circulation of this U.N. document). On 16 September 1963, as agreed to by the British, Sabah secured its independence and with Datu Mustapha as Head of State and Donald Stephens as Chief Minister became part of the new Federation of Malaysia.[1]

As with the Chartered Company, so with the British Crown; the parting was made not in anger, not as the result of a struggle and a fight, but amicably. A sensible phasing-out had been initiated, with many British civil servants staying on (for a time) to serve loyally their new political masters. It was an intelligent hand-over with a minimum of friction, such as had characterized the birth of the Philippines or of Malaya itself. Yet it was decisive. Power passed to the central government of Malaysia, on which Sabah was well represented, and to the State Legislature of Sabah. These governments wasted no time in lamenting the past. As the inheritors of that past, they turned at once to face the problems of the present and to plan hopefully and unafraid for the great prospects of the future.

[1]The 1961–1963 period is covered in more detail in K. G. Tregonning, *Malaysia* (Melbourne, 1964).

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The major part of the research necessary for this work was undertaken at the Colonial Office Library in London. Here the British North Borneo Company had deposited its records in 1946 when it had gone into voluntary liquidation, and here they were when the late Sir Neill Malcolm offered them to me in 1950. At that time these records were bundled haphazardly into six large tin trunks, or were piled on the floor at one end of the Library, waiting to be catalogued and indexed by a staff fully employed in library work of a Colonial or Commonwealth nature. The Chartered Company had compiled lists of the documents it had sold to the Crown, but large portions of these were untraceable, and consequently they were valueless to the researcher. I have given here in the bibliography not that portion of the documents which I noted while working through them, but that which was relevant to my work. It by no means constitutes a bibliography of the records of the British North Borneo Company in London, which has yet to be compiled.

In Jesselton in 1953–4 I was fortunate enough to discover the counterpart of what I had been informed existed in London, but which we were never able to trace, a series of subject files, which from 1920 onwards removed most of the heart from the hitherto all important volumes of Governors' despatches. These files, containing details on all aspects of the territory's development, had survived the devastation of war and were stored in conditions acknowledged by the government to be unsatisfactory at the temporary Secretariat building overlooking Gaya Bay. Their future home was under consideration. I list only those that were of use to me.

It has proved impossible, in the writing of this book, to list the authority for every statement made. In many cases individual sentences have been compiled from five or more references, no page has passed without a dozen or more new facts being presented to the public, and the list of footnotes would have extended the book to inordinate length. Rather than exhaust the reader I ask him to accept my authority, and for the serious scholar in search of amplification I attach a bibliography of the material used where he may verify me at leisure.

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71. Petition from Mr. Darby and others. Draft letter to Mr. Birch. Correspondence regarding proposed taking over of British North Borneo by H.M. Govt. Correspondence regarding Mr. Martin's resignation. Correspondence regarding resignation of Mr. Clifford. Letter of administration. Four books containing inquiry forms and report on Mr. McKeady. Draft letter re treatment of labour, etc. and comments by Mr. Pearson.
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