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Public Administration in Malaya



S. W. JONES, C.M.G.

Colonial Secretary, Straits Settlements, 1940-2



*Published in co-operation with the
International Secretariat, Institute of
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by

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PREFACE

THIS account of the administrative system in the territories of Malaya is a contribution towards a study of the requirements of efficient public administration in the countries of Eastern Asia which has been projected in the international research programme of the Institute of Pacific Relations, and in which Chatham House is collaborating.

The study owes so much to the following books that acknowledgement by the insertion of notes in the text upon every occasion of use would become a disfigurement and a compendious recognition of the debt seems preferable. The books are standard works from which borrowings on a large scale are inevitable. The books are:

British Malaya, 1824-1867, by Professor Lennox A. Mills (in *Journal of the Malayan Branch, Royal Asiatic Society*, Vol. III, Part II, November 1925. Singapore, Methodist Publishing House).

British Malaya, by Sir Frank Swettenham (London, Allen & Unwin, 1948).

Malaya and its History, by Sir Richard Winstedt, (London, Hutchinson, 1948).

Treaties and Engagements affecting the Malay States and Borneo, by Sir W. G. Maxwell and W. S. Gibson (London, Truscott, 1924).

The Malays, A Cultural History, by Sir Richard Winstedt, (Singapore, Kelly and Walsh, 1947).

The Chinese in Malaya, by Victor Purcell (London, Oxford University Press for the Royal Institute of International Affairs, 1948).

British Rule in Eastern Asia, a Study of Contemporary Government and Economic Development in British Malaya and Hong Kong, by Professor Lennox A. Mills (London, Oxford University Press, 1942).

Professor Mills's book *British Malaya, 1824-1867* has very recently been reinforced by *Early Penang and the Rise of Singapore, 1805-1832* by C. D. Cowan (in *Journal of the Malayan Branch, Royal Asiatic Society*, Vol. XXIII, Part II), March 1950.

Preface

Other books which have been consulted are Professor R. Emerson's *Malaysia: A Study in Direct and Indirect Rule*, (New York, London, Macmillan, 1937), Professor Raymond Firth's *Malay Fishermen: Their Peasant Economy* (London, Kegan Paul, Trench Trubner, 1946), Mrs Rosemary Firth's *Housekeeping among Malay Peasants* (London, Lund Humphries, 1943), *The Malay Peninsula* by Arnold Wright and Thomas H. Reid, (London, Fisher Unwin, 1912, 2nd edition, 1913), and *Raffles of Singapore* by Sir Reginald Coupland (London, Collins, 3rd edition, 1946).

The information relating to the post-war rehabilitation of Malaya has been gathered from the annual reports for the years 1946-49 of the Governments of Singapore, the Malayan Union and its successor, the Federation of Malaya.

Acknowledgement to all these sources is most gratefully made. Thanks are due also to Mr W. A. Ward, C.M.G., M.C., the Agent for Malaya, who has greatly helped with the loan of official records and extracts therefrom, to Messrs Gerald Hawkins, O.B.E., N. R. Jarrett, C.M.G., and B. R. Pearn, who have very kindly read the study in typescript and made many suggestions for its improvement, and to Miss Margaret Cleeve, O.B.E., for most valuable advice and guidance.

December, 1951.

S. W. J.

CHAPTER I

The East India Company and the Transfer to the Colonial Office

IN recent times Malaya has been regarded as including the Crown Colony of the Straits Settlements of Singapore, Penang, and Malacca, together with the island of Labuan, Christmas Island, and the Cocos-Keeling Islands; the Federated Malay States of Perak, Selangor, Negri Sembilan, and Pahang; the Unfederated Malay States of Johore, Kedah, Kelantan, Trengganu, and Perlis; and the Protected State of Brunei in Borneo. The Straits Settlements were a Crown Colony; the others were Protected States. The Japanese, after their conquest of Malaya in 1942 transferred the States of Kedah, Kelantan, Trengganu, and Perlis to Siam which had until 1909, when they became British Protectorates, claimed an overlordship over them. On the return of the British after the defeat of Japan in 1945 those four States were again joined to Malaya. In 1946 the British Government reshaped the constitutional arrangements of Malaya, and the four Federated Malay States and the four Unfederated Malay States together with the Settlements of Penang and Malacca became, first, the Malayan Union and then, after disputation, the Federation of Malaya in 1948. Singapore remained a Crown Colony but lost Labuan to the new Crown Colony of North Borneo to which it was adjacent. In 1948 Brunei, while retaining its status of a protected State, passed under the administration of the new Crown Colony of Sarawak. On 22 June 1951 it was announced in the House of Commons that the British Government, after consultation with the Government of Singapore, had accepted a proposal from the Australian Government for the transfer of the Cocos-Keeling Islands to Australia for the development for civil aviation purposes of the airstrip on West Island constructed during the Second World War.

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Malaya lies between latitude 7° N. and $1\frac{1}{2}^{\circ}$ N. and, as a mainland, carries the continent of Asia furthest south in a narrow peninsula, some 200 miles at its widest. Singapore and Penang are islands, the former 217 square miles, the latter 108 square miles in extent. The whole area of Malaya is approximately 52,500 square miles, a little larger, therefore, than England without Wales. The Peninsula has one land neighbour, Siam, which lies on its northern frontiers, touching Perlis, Kedah, Perak, and Kelantan. To the west the Straits of Malacca narrow down to an inconsiderable gap to separate Malaya from the great island of Sumatra. Batavia (now called Jakarta), the capital of Java, lies more than 500 miles from Singapore but Singapore looks out on the last stragglers of a string of Indonesian islands.

Kedah, Perak, Selangor, Negri Sembilan, and west Johore have access to the Straits of Malacca, the waters of which provide for ocean-going steamers the three ports of Singapore, Penang, and Port Swettenham and, for coasting vessels, the ports of Teluk Anson, Port Dickson, and Malacca. On the east, Kelantan, Trengganu, Pahang, and east Johore lie on the shores of the South China Sea but sand-bars reduce their harbours to an accommodation for nothing bigger than coasting vessels.

The average daily temperature seldom rises above 98° Fahrenheit and is generally below 80° , but excessive humidity makes the climate difficult. For very many years malaria was a scourge but health measures expelled it from the towns and many villages and large estates; the other plagues of the East were more easily brought under control.

The mountain ranges running mainly north and south divide the country and occupy much of its centre. Rather more than three-quarters of Malaya remains undeveloped as jungle, mountain, or swamp. Of the cultivated area rubber claims approximately 14 per cent, rice 2.4 per cent, and coconuts and oil-palms 2.1 per cent.

The total population of Malaya in 1947 was 5.8 millions; 4.9 millions in the Federation, .9 millions in Singapore.

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Singapore was overwhelmingly Chinese but the distribution in the Federation was: Malays 49·46 per cent; Chinese 38·4 per cent; Indians 10·81 per cent; and Europeans, Eurasians, and others 1·33 per cent. At the time the East India Company established itself in Penang at the end of the eighteenth century, Malaya was the country of the Malays. They had had predecessors, the aborigines, but these, the Semang, Sakai, and Jakun, avoided the haunts of other men. So long as there had been trade there had been Chinese and Indian traders, the latter of whom established a cultural and economic dominance which lasted from the first century A.D. until the fifteenth century, when Islam displaced it with the help, later, of the Portuguese control of trade. The Portuguese ruled Malacca from 1511 to 1641 when the Dutch drove them out, themselves to withdraw in favour of the British in 1824. But Malacca had had great days under Malay rulers in the fifteenth century when it thrived exceedingly as a port and had established its power as far north as Patani in Siam and west over some of the coastal regions of Sumatra; by the end of the century, it had become the centre of Islam in the Malay Archipelago and the headquarters of its missionary activity.

The Malays had wandered down the Peninsula and into Sumatra and Java from Yunnan between 2500 and 1500 B.C., and had settled as rice planters in Kedah and Kelantan and as hunters and fishermen, living in villages among cultivation. Malays from Sumatra, the Minangkabaus, moved into Malacca and Negri Sembilan, and Bugis from the Celebes into Selangor. Through the centuries foreign strains, Chinese, Indian, Arab, Siamese, had wrought their influence, but marriage with the infidel faded away before the growing acceptance of Islam. The Babas of Malacca originated in the marriage of Chinese with Balinese or Batak slaves, the Jawi Pekan of Penang are descendants of Indians and Malays, the Eurasians are mainly of Portuguese or Dutch extraction and their origins lie in Malacca.

The Malays have remained small holders during the rapid

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development of Malaya, country folk who do not flourish in towns and leave regimented labour to Chinese and Indian immigrants. Commerce and much of industry have always been in the hands of the Chinese and, although the economic progress of Malaya largely owes its direction to the Europeans, the vast body of it has been furnished by the Chinese. The bulk of the Indians come from South India and supply labour to the rubber estates and government departments, but there are many shopkeepers among them and Indians have always been in a great majority as clerks and overseers and in recent times have begun to contribute their share to the professional classes.

Cloves and nutmegs, pepper, gambier and tapioca, coffee and sugar at one time or another have been important crops in Malayan agriculture, and the cultivation of coconuts has been immemorial. Pineapples and oil-palms were introduced between the wars with encouraging results, but the staples of Malaya's great prosperity have been rubber and tin. Tin has its mention in the earliest histories of the country but rubber was cultivated only in the first decade of this century.

Malaya's prosperity has enabled her to provide public amenities in good measure, roads, railways, post and telegraph offices, water-supplies, and electricity. Over six thousand miles of roads have been constructed, two-thirds of them rated as first class. The railway system extends over a thousand miles, from Singapore in the extreme south to the borders of the Malay States in the north west and north east, there to connect with the Siamese railways; on the way it throws off branches to the ports of the west coast. By 1939 postal and telegraphic services were available in all towns and villages of any size, and postal agencies were to be found in the smaller places; there were also nearly two hundred telephone exchanges. Malaya is more fortunate than most countries of the East in the excellence of her water-supplies, and her towns with few exceptions and many of the villages near a distribution main are supplied with electric power. The responsibility for these services rests with the Depart-

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ments of Public Works, Railways, Posts and Telegraphs, and the Electrical Department, all of which maintain strong establishments.

The revenue to support this very considerable expenditure has always been subject to uneasy fluctuations in the Colony as well as in the Malay States. The highest revenue collected in the Straits Settlements was just under \$55 million in 1929 and that of the Federated Malay States over \$105 million in 1927 (\$1=2s. 4d.)¹. The average revenue between the two world wars works out at about \$37.5 million in the case of the Colony and \$69.4 million in that of the Federated Malay States. The revenue of the Colony came largely from import duties on liquors, tobacco, and petroleum and less importantly from stamp duties, land rents and sales, and various fees and licences. Both in the Colony and the Malay States the yield from the opium monopoly has shrunk steadily as the system of rationing the sale of opium has progressed, and is far from being the prominent contributor to revenue it once was. In the Federated Malay States the export duties on tin-ore and rubber, and the import duties on liquors, tobacco, petroleum, and textiles, supply the bulk of the revenue, with land rents and sales, opium licences and fees, and returns from public undertakings such as the postal services and sales of electrical power, as substantial supplementaries. Before 1939 both administrations had amassed handsome surpluses and their burden of public debt was light.

THE EAST INDIA COMPANY

Penang, a virtually uninhabited island, became a settlement of the East India Company largely because a

¹ Until paper currency was issued by the Straits Settlements Government in 1899, the Mexican dollar was in use in Malaya as the standard coin and for bank notes issued by exchange banks. In 1903 the Mexican dollar was replaced by the Straits Settlements dollar, the weight and fineness of which was almost identical with the Mexican dollar. In January 1906 a gold value of 2s. 4d. was given to the Straits dollar. The currency of the Straits Settlements became Malayan currency on 1 October 1937 when a Malayan Currency Commission was established. The local dollar is the dollar referred to in this study.

harbour was badly needed where British ships-of-war could refit and revictual, since they could neither remain in the Bay of Bengal during the North East Monsoon nor return there before the coming of the South West Monsoon in March. In 1759, and again in 1782 and 1783, French ships had swept the undefended Bay of Bengal, retiring to Atjeh in Sumatra, or Trincomalee in Ceylon, or even Mergui in Burma, to refit. Other considerations also carried weight. Penang would satisfy the Company's plans for a headquarters from which to launch projects for an increase in trade with the East Indian islands; it could be made a port of call for British merchantmen engaged in commerce with China, and a market for the sale of commodities suited to the China trade. But its nature was to be that of a Company's factory. When in earlier years the East India Company, looking for some such harbour, had sent missions to Kedah and Atjeh, they had given instructions that they were 'not desirous of an extensive territorial possession. As the great object is trade and barter such a district round the factory as may be necessary for its safety and convenience might suffice...'¹ This attitude they showed themselves most reluctant to relinquish, consistently opposing any pressure of circumstance or personality to sally forth from their posts on the rim of the Peninsula. Malacca² fell into the Company's hands during the course of the French wars but they were planning to evacuate it as profitless until their Secretary in Penang, Stamford Raffles, intervened to prove to them its value. There would have been no occupation of Singapore in 1819 if Raffles had not moved so quickly as to forestall the change of mind of the Governor-General in India who had first authorized it, and only the quick revelation of its potentialities prevented a withdrawal in response to the protests of the Dutch against an encroach-

¹ *The Malay Peninsula*, p. 63.

² Malacca first came into the Company's possession in 1795 in the course of the war with France and Holland, was restored to the Dutch in 1818, and was regained finally by the Company in 1824 in pursuance of the Anglo-Dutch Treaty of London. The Company withdrew from Sumatra and its settlement at Bencoolen while the Dutch on their side relinquished all their territory and claims in Malaya and India.

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ment on their sphere of influence. A patient prudence was shown in the Company's efforts to establish trading relations with Siam, whose true state of weakness had been laid bare by two missions sent by the Company to that country, that of John Crawford in 1822-4, and of Captain Harry Burney in 1825-6. The Company had made up its mind that on no account would it meddle in the affairs of the Peninsula, or offer any hindrance to Siamese designs against the Malay States which were the Company's neighbours. This policy involved it in a charge of breach of faith to Kedah to which it was, at the lowest computation, under an obligation. In 1786 Penang had been ceded to the Company by the Sultan of Kedah, and he had sought to make it a condition of the settlement that help against his enemies should be guaranteed to him. The Company evaded a reply. In 1800 the territory on the mainland now known as Province Wellesley was also ceded, the Company agreeing to pay for both concessions a total annual sum of \$10,000. In 1821 Kedah was attacked by Siam, laid waste, and subjected to monstrous atrocities but was denied help by the Company; later, on two occasions, the Siamese Government was informed of plots by the Sultan of Kedah to recover the throne and the territory which he had lost. In 1831 the Company went even further; it sent naval forces in support of Siam against Kedah rebels, and seven years later it was blockading the Kedah coast in aid of Siam.

Opportunity for independent action by the Governor and Council of Penang was strictly limited. The Company's machinery of government was highly centralized and sanction from India was required even in matters of small account. Great or small, a decision could only be expected after an interval of many months. Only a Governor of bold character, and fortitude under rebuke, could act with the speed events seemed to require. Robert Fullerton was such a one, and he saw it as his duty to guard the interests of the Company in the Peninsula by preserving the independence of the Malay States as a bulwark against the aggressive pretensions of

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Siam. His vigorous action saved Perak and Selangor from subjection to Siam but did not escape a passing censure.

The Anglo-Dutch treaty of 1824 terminated the shadowy Dutch influence in the Malay Peninsula and the East India Company was at great pains to disclaim any intention of succeeding them in the Malay States although their prestige and popularity there would have assured them of a welcome. The policy of the Company was, at almost any price, to steer clear of any entanglements the affairs of the Malay States might threaten.¹ Their power and prestige, firmly but adroitly wielded by Fullerton and his like among the Governors of the Straits Settlements, had saved the Malay States from a conquest which they were too weak and divided to avert by their own efforts. Yet permission so to employ its strength had always been most grudgingly given by the Company, and it was firmly resolved not to resort to any form of pressure in settling the problems which conditions in the neighbouring Malay States were constantly presenting. Proposals at one time or another from the rulers of Perak and Trengganu that the Company should take over those countries had been ignored, and an indifferent eye was turned to the galloping deterioration of the Peninsula as the States fought with and among themselves. In the absence of deterrents piracy prospered, and trade could not support itself against warfare which blocked the rivers and the few roads which were the only trade routes.

An exception to this policy occurred whenever British rights, whether they concerned British territory, British subjects or obligations in law, were infringed. In this spirit the

¹ The Dutch sphere of influence in the Peninsula was confined to Perak, Selangor, and Negri Sembilan. In Perak the Dutch were content with a monopoly of the production of tin, but in Selangor they forced the Sultan to sign a treaty acknowledging Dutch suzerainty in 1796. Of the Negri Sembilan, Rembau was made a dependency of Malacca and the Dutch established a suzerainty over other of the smaller States. In 1832 all rights in Rembau to a monopoly in tin and to the suzerainty of that State, which could be claimed as an inheritance from the Dutch, were renounced. The following year Governor Ibbetson, in handing over to Jehol, another of the Negri Sembilan States, without solicitation, land bearing tin and gold declared that 'accessions of territory and encroachments upon their rights is the furthest from our views and intentions'.

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Company had engaged in a war in 1831-2 with Naning, a tiny State about ten miles from Malacca town. The object of the war was to enforce rights which the Company judged had been inherited from the Dutch, without realizing that the Dutch had allowed them to fall into desuetude. The course of the war exposed the Company to the ignominy of defeat and ended in victory, which was largely due to the brisk tactics of a force of Rembau Malays, only after great expenditure. After that the traders protested in vain against the extortions of petty chieftains; the Company refused to interfere either in quarrels between Malay rajas or with the exercise by any of them of claims to squeeze trade passing through their domains.

This tolerance was not extended to Siam and, in the early eighteen-sixties, the Government of India (the East India Company having ceased to exist in 1858) accepted Governor Cavenagh's representations that renewed Siamese intrigues in Kelantan and Trengganu were a serious threat to the growing trade with the east coast, and approved the strong measures Cavenagh felt thus encouraged to take to end these revived pretensions.

The principle of non-discrimination in trade had been established by the prosperity it had brought to Singapore and had been introduced into the other Settlements in the teeth of opposition.¹ Penang had been a financial disappointment, and changes in the political scene after the defeat of France had removed any urgency for a naval base there which

¹ The three Settlements were not governed by the same authority until 1826. Penang was a Residency under Bengal from 1786 to 1805, and from that year until 1830 was a fourth Presidency of India subject to the authority of the Governor-General. Malacca from 1824 to 1826 was a dependency of the Supreme Government of India. Singapore from 1819 to 1823 was controlled from Bencoolen but from 1823 to 1826 was subject to the direction of the Governor-General of India.

In 1826 the three Settlements were united as an enlargement of the Presidency but in 1830 the status of Presidency was abolished and the three Settlements became a Residency under Bengal. In 1832 the capital of the Residency was transferred to Singapore. In 1851 the Governor-General took over the control of the Settlements from Bengal. The East India Company came to an end in 1858 and the Settlements passed under the control of the India Office. The connexion with India was severed in 1867 when the Straits Settlements were transferred to the Colonial Office as a Crown Colony.

might outweigh such shortcomings as the lack of suitable timber for shipbuilding. The reasons for the commercial vicissitudes which dashed the somewhat extravagant hopes for Penang's future lay not so much in Penang itself as in the political uncertainties and disturbances of the time. Owing to the war with France the Company had been shut off from its markets on the Continent of Europe for pepper, spices, and coffee, and the China market which would have taken these things could not be fully supplied for want of ships. The British occupation of Java from 1811 to 1816 put the spices of Amboina and the tin of Banka into British hands and made direct trading with Batavia the natural course, and, at the same time as Penang was suffering from this diversion of trade, disturbed conditions in Atjeh were affecting its market there. Matters were not improved by the restoration of Java to the Dutch, aggressively bent on recovering lost ground, and by Siamese designs against the Malay States which were Penang's neighbours. After 1819 the competition of Singapore began to make itself felt in the trade with the lands to the eastward, in the import trade with Siam and the export trade to China. Penang retained its markets with the Sumatran coast, Burma, and the west coast of the Malay Peninsula, and such well-founded business as that of the distribution of Indian piece-goods and of the export of pepper, tin, and Straits produce to China. To confirm its hold on these sources of trade Penang accepted the principles of free trade to the extent of removing duties on dealings with Siam, Burma, and Sumatra, and the double duties and pilotage fees on foreign ships. But these measures had no success in reducing the heavy annual deficit and rather than make compensating retrenchments Penang was always tempted to strike a balance by increasing revenue through enhanced taxation.

After its promotion to the rank of a Presidency in 1805 Penang was very extravagantly staffed. The establishment included a Governor, three Resident Councillors, secretaries and accountants, and a very large number of civil servants,